



## DECC AUTHORITY BOARD OF DIRECTORS REGULAR MEETING

July 27, 2023 Meeting Minutes

### CALL TO ORDER

A Regular Board Meeting was held Thursday, July 27, 2023, in the Harbor Side Convention Center. Chair Peter Singler called the meeting to order at 11:36 AM. A quorum of directors was present.

### BOARD MEMBERS PRESENT

Chair Peter Singler  
Vice Chair Martha Bremer  
Secretary & Treasurer Laura Mullen  
Bill Nelson  
Carrie Heffernan  
Pat Mullen  
Mary Finnegan  
Tony Sertich  
Jason Vincent

### BOARD MEMBERS ABSENT

Lynne Williams  
Matt Baumgartner

### DECC STAFF PRESENT

Dan Hartman  
Amanda Denton  
Lucie Amundsen  
Ronni Murphy

### OTHERS PRESENT

Media  
Public

### PUBLIC OPEN COMMENT PERIOD

Chair Singler asked for a review of the public open comment period sign-up sheet. Josh Axelson signed up for comment and addressed the Board to ask for additional information related to the DECC's capital planning for maintenance projects.

## APPROVAL OF CONSENT AGENDA

Chair Singler reviewed the consent agenda. The consent agenda included the meeting agenda, meeting minutes from the regular meeting on June 29, 2023, and finance statements for April 2023 and May 2023. MOTION to approve the consent agenda requested by Chair Singler; motion made by Sertich and seconded by Vincent. Motion unanimously carried.

## OLD BUSINESS

Executive Director Hartman shared some of his slides from the June 29, 2023, Regular Board Meeting to provide a summary of the DECC arena ice discussion.

The DECC had B32 Engineering and Gausman & Moore complete a status report for the DECC Arena ice plant. The resulting report suggested that the DECC shut down the ice plant effective March 14, 2023. Two of the three ice plants have broken between 2021 - 2023. The DECC Board opted to replace the ice plant utilized by the Curling Club due to contractual obligation. Hartman acknowledged that the Northland Figure Skating Club and youth hockey programs have a long history of utilizing DECC Arena ice. Hartman reminded the Board that the DECC Arena ice decision is not a discussion of community vs. economics, but rather, one community activity vs. another community activity (i.e., theatre, youth volleyball, fundraisers, etc.). The DECC estimates \$90,000 in revenue from DECC Arena ice rental, with an estimated \$60,000 in staff payroll expenses (*reference DECC Arena Ice handout as included in meeting minutes*). Hartman also noted a "sell-out" concert in DECC Arena is estimated to generate \$100,000 in net income.

Hartman reminded Board Members that an in-house estimate projects \$1.3 million minimum to fix the DECC Arena ice plant with a contractor estimate of \$2.2 million to fix the ice plant. Hartman noted the DECC could pursue a business loan with a 5.99% interest rate, resulting in an estimated \$200,000 annual payment over ten (10) years. Hartman clarified that the City of Duluth could not bond for the ice plant without a passed referendum or state statute.

Hartman further clarified that DECC Arena wouldn't necessarily garner significant amounts of new revenue. Hartman estimates the space would provide \$500,000 additional net revenue annually without ice. Additionally, Hartman noted the DECC's activity focus has changed with less emphasis on sports and more emphasis on conventions and entertainment. Hartman closed the recap by noting the DECC was built to drive the 1% sales tax push that was passed in 1966, and the DECC's mission is to: host events, create experiences, and drive our regional economy. Hartman noted that DAHA provided a reference to their economic impact study from 2015. The DAHA study estimated a \$4-5 million impact annually in 2015 dollars. DECC's economic impact calculator tool estimates a \$4.3 million impact from the Children's Mental Health conference this year. Hartman reminded Board Members about communications received from the figure skaters, youth hockey, and other community stakeholders.

Hartman redirected to respond to follow up items from the June 29, 2023, Regular Board Meeting. Hartman researched Mighty Ducks funding. The website notes there is no active funding at this time, all funds have been awarded. Hartman and team researched options for a temporary ice plant (*reference DECC Arena Ice handout as included in meeting minutes*),

this option appears to be viable. Hartman provided a cost breakdown, as referenced in the handout.

*Heffernan arrived at 11:50 AM.*

*Finnegan arrived at 11:51 AM.*

*Secretary & Treasurer L. Mullen arrived at 11:54 AM.*

Hartman provided a recommendation to the Board regarding DECC Arena ice: explore options to negotiate and enter into an agreement to install a temporary ice plant in DECC Arena for a period of up to three (3) years and proceed with a feasibility study of DECC Arena in the interim.

The Board discussed Hartman's presentation, research, and handout.

## NEW BUSINESS

Hartman introduced Resolution 03-23: Duluth Entertainment and Convention Center Authority Resolution in Support of DECC Arena Temporary Ice Plant Negotiations. The Board discussed the resolution. MOTION to approve Resolution 03-23 as included in the Board supplemental materials requested by Chair Singler. Motion made by Finnegan and seconded by Heffernan. Motion unanimously carried.

Hartman introduced the new Executive Director Emergency Succession Plan as included in the board packet. Vincent summarized the plan, and the Board discussed the plan. MOTION to approve the Executive Director Emergency Succession Plan requested by Chair Singler. Motion made by Secretary & Treasurer L. Mullen and seconded by Vice Chair Bremer. Motion unanimously carried.

## EXECUTIVE DIRECTOR REPORT

Executive Director Hartman provided an update on DECC operations outlined by the strategic framework as defined at the Board Retreat in August 2022.

- 1. Policy & Procedure:** Hartman provided Board Members with an update regarding the audit. The DECC created a corrective action plan to address the following: journal entry approval procedures; credit card reconciliation procedures; network access termination procedures; and expenditure of DECC funds in alignment with public purpose. Hartman is working with legal counsel to make required updates to the DECC's volunteer fundraising program. Hartman and team are working on creating a formal wellness program that will be submitted to the Board for review and approval.
- 2. Community Connection:** Hartman shared a media highlight update: the DECC had 5,616,990 in earned media and 76,141,110 in incidental media. The DECC's social media performance in the last 28 days is as follows: Facebook reach 900,607, Instagram reach 80,762. The DECC's social media performance over the last year is as follows: Facebook reach 3,671,741 and Instagram reach 774,956.

Hartman provided a summary of some of the events that occurred or were launched in the last month at the DECC. Highlights include: Flo Rida, The Guess Who, Hairball, Fourth Fest, Duluth Kennel Club Dog Show, and Trampled by Turtles. Of note, Hairball reported record attendance at Bayfront Festival Park.

Hartman provided an Irvin update, 2023 attendance: 162,811 year-to-date.

- 3. Economic Impact:** Hartman confirmed that Monica Haynes from UMD will present on the DECC's economic impact calculation tool at the August meeting.

Hartman noted that he and Director of Sales Sue Ellen Moore will be attending the ASAE conference in August to aid in booking national level conventions.

Hartman provided an attendance update: 309,722 visitors to date in 2023.

- 4. Capital Investment:** Hartman shared that the DECC is currently working on getting added to the legislative bonding tour for 2023-2024. Regarding the recently awarded bonding funds, the City of Duluth has offered to assist the DECC with financing related to the bonding projects and assist with the creation of construction documents.

Hartman provided a summary document outlining feasibility study and master plan options (*reference Feasibility Study and Master Plan handout as included in meeting minutes*). Hartman suggested that the DECC include the preferred option in the 2024 budget. The Board discussed feasibility study and master plan options.

Hartman noted that the DECC submitted an application for the Minnesota Historical Society Cultural and Heritage Grant for a conditions assessment of the William A. Irvin.

## COMMITTEE REPORTS

### Strategy

1. Chair Singler provided an update on behalf of the Strategy Committee. The Committee primarily focused on: temporary ice plant exploration; feasibility studies and master planning; and planning for the upcoming board retreat.

### Finance

1. Secretary & Treasurer L. Mullen introduced Finance Director Amanda Denton, and reminded Board Members that finance statement review now occurs with a prior-prior month lookback period. Hartman provided a summary of the April and May finance statements and an in-depth review of the new departmental breakdown sheet for May 2023. The Board discussed the financials.

### Governance

1. Vincent provided an update on behalf of the Governance Committee. A recommendation was submitted to the Mayor's Office regarding appointment/reappointment for the three (3) open Mayor-appointed seats. The City of Duluth confirmed the appointments/reappointments are on the August City Counsel agenda. The Committee completed review of the new Executive Director

Emergency Succession Plan. The Committee will continue to review governance policies.

### **Ad Hoc Parking Committee**

1. Nelson provided an update on behalf of the Ad Hoc Parking Committee. The Committee will resume meeting in September and plans to complete a demonstration of Park Mobile parking solution. Nelson reminded Board Members to assess and review other parking operations whenever they attend events, conferences, etc. during their daily lives. Nelson encouraged Board Members to consider parking while attending the board retreat in October.

### **OTHER**

No Other Business was discussed.

### **ADJOURNMENT**

Chair Singler requested a motion to adjourn. The meeting adjourned at 12:53 PM.

### **UPCOMING MEETINGS**

The next regular meeting will be held August 31, 2023, location to be determined.

DECC Arena Ice Handout:



## Duluth Entertainment Convention Center

### DECC ARENA ICE

#### Current Financial Breakdown

#### REVENUE

- \$90,000 rental revenue

#### EXPENSES

- \$60,000 staff payroll to maintain ice
- \$20,000 electrical cost to run compressors to make ice

#### TEMPORARY ICE CHILLER BREAKDOWN

\$36,000 (one time cost) - coolant, glycol for temporary chiller runs and floor

\$28,500 (one time cost) - time, materials, piping, insulation and tie into existing system

\$78,250 (annual cost) - chiller rental 4 months

**\$142,750 - Project costs in 2023-2024**

Once installation is complete, we will own the temporary piping and tie in and would need to only budget for chiller rental in future years.

#### REOCCURING ICE CHILLER RENTAL

Assumption: 15% increase per year

- 2024-2025: \$90,000
- 2025-2026: \$104,000

Resolution 03-23:



## Duluth Entertainment Convention Center

### DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY RESOLUTION IN SUPPORT OF DECC ARENA TEMPORARY ICE PLANT NEGOTIATIONS

At a meeting of the Duluth Entertainment Convention Center Authority Board of Directors, held in the Harbor Side Convention Center on Thursday, July 27, 2023.

WHEREAS, the Duluth Entertainment Convention Center Authority (DECC) seeks to explore options to negotiate an agreement to install a temporary ice plant in DECC Arena.

WHEREAS the DECC Board of Directors agrees to allow an agreement for use of a temporary ice plant in DECC Arena for a period of up to three (3) years.

WHEREAS the DECC Board of Directors agrees that in order for the agreement to be approved, the following conditions would be met:

1. No DECC operational dollars may be allocated toward the installation, rental, or removal of the temporary ice plant
2. The agreement will not put overall autonomy of the DECC at risk. Further, use of the space will be defined through rental agreement directly and exclusively with the DECC.

THEREFORE, IT BE RESOLVED that Daniel Hartman, Executive Director is authorized to negotiate and enter into an agreement on behalf of the DECC with interested parties on matters relating to the installation, rental, and removal of a temporary ice plant in DECC Arena for a period of up to three (3) years.

Submitted by:

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Peter Singler, Chair

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Laura Mullen, Secretary & Treasurer



## Duluth Entertainment Convention Center

### FEASIBILITY STUDY

Focus: DECC Arena

#### DETAILS

- Under \$25,000
- 3-4 months

#### EXISTING CONDITIONS ANALYSIS: \$7,000

- Site visit with multidisciplinary team: architecture, landscape, civil, structural, mechanical, plumbing, electrical
- Conditions assessment based on observations, not extensive testing
- Report with professional opinions of conditions from multidisciplinary team

#### SPACE NEEDS PROGRAM: \$8,000

- Stakeholder interviews
- Spreadsheet with existing, requested, and recommended space allocations for a variety of uses: hotel, venues, support spaces, outdoor areas, common space
- THRIVE framework to set targets for sustainability, social, and economic values
- Set goals along a spectrum of degenerative: consumptive, sustainable, restorative, regenerative
- Categories: ecosystems, climate, resources, well-being, community, prosperity

#### CONCEPT DESIGN: \$15,000

- Options for build-out of multiple uses - block exercise
- Charrette/Design Workshop with key stakeholders
- Develop cost assumptions for up to three concepts

## CAMPUS MASTERPLAN

Focus: 10 buildings over entire DECC campus

### DETAILS

- 8-10 Months

### EXISTING CONDITIONS ANALYSIS: \$75,000 (1 month)

- Same components as feasibility study for each building plus overall site infrastructure

### SPACE NEEDS PROGRAM: \$50,000 (2 months)

- Same components as feasibility study for all venues and outdoor spaces along with qualitative urban design considerations - what's the vibe, and what needs to be included to make that happen?
- Precedent studies/tours

### MASTERPLANNING: \$75,000 (3-4 months)

- Large scale land use planning with surrounding context influences
- Building site - specific area plans with building massing/block diagrams
- Phasing plans

### CONCEPT DESIGN: \$50,000 (3 months)

- Similar components to the feasibility study for each building and site development included in first phase
- Cost assumptions with projections for future inflation and future energy code impacts on subsequent phases

Submitted by:

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Peter Singler, Chair

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Laura Mullen, Secretary & Treasurer

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Date

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Date