

INTERNAL MEMORANDUM

Date: July 27, 2022
To: SBURA Board
From: Jim Tevlin
Consultant, South Billings Boulevard Urban Renewal District
Subject: Recreation Center Update

At the May 23, 2022, City Council Regular Meeting, Dusty Eaton with A&E Design presented an update on the Recreation Center Core and Executive committee's efforts related to the construction of a multi-generational recreation center in the South Billings Boulevard Urban Renewal District.

Council discussed:

- Enlarging the competition pool to 50-meters.
- Adding another sheet of ice for a total of two sheets.
- Eliminating competition with private fitness centers.
- Positioning of the facility on the site.
- Verifying valid statistical data and collection methods
- Fees structures for resident / non-resident users and tournament attendees.
- City/County partnerships.
- Financial support that does not use taxpayer dollars.
- Concession space.
- Connection to the Marathon Loop.

The Core and Executive committees met on June 15 to finalize their efforts and recommendations to the city council. The Core committee recommended the construction of a "full build" facility including courts, two sheets of ice, and a full aquatic center with a 50M pool. The Executive Team agreed that increasing the facility to accommodate more program opportunities would expand the offerings both for local residents and sports tourism dollars.

The primary discussion points for both the Core and Executive Teams centered around the idea of whether this facility should include a second sheet of ice. The design consultants studied the site and floor plan layout with a second sheet of ice and the 50M pool. Adding a second sheet of ice is possible, but it forces the facility to extend beyond the site boundaries and impact the soccer fields to the north. While this can be addresses, it's considerably more difficult because the Amend Park land has restrictions on it that does not allow a building to be built (must be outdoor play/activity/sports space). Dick Zier proposed that we explore the option of purchasing the Sportsplex building and reconfiguring it as an ice facility. The building is currently vacant and has been on the market for several years. This option would result in approximately \$10 million less in total construction costs. It also has the added benefit of utilizing an existing building and forestalling blight in the SBURD.

After consideration of project costs, goals, and community needs, the Executive Team, given the issues with a second sheet discussed above plus a measure of concern with the total estimated cost of the facility (over \$100 million), unanimously decided to move forward with the

facility that includes a single sheet of ice, 50M pool, courts, and other amenities previously presented. Additionally, the Team encouraged the SBURA group to further explore the Sportsplex as a second sheet of ice. The funding mechanisms and operations for that facility as a separate building will require further discussions with City and SBURA officials.

Dick Zier, Jeff Muri and I met with the owner of the Sportsplex, Mike Parnell. He agreed to sell the facility for \$3.7 million. Included in the purchase price are the dasher boards and other on-site furniture and fixtures. Dick also met with the owners of vacant property adjacent to the Sportsplex that could be used for additional parking. They agreed to sell the property for \$200,000. Dusty Eaton has provided SBURA with a proposal (\$16,850) to estimate the cost of reconfiguring the facility to accommodate ice activities. Representatives from the Billings Amateur Hockey League, owners of Centennial Ice Arena, have expressed interest in drafting a contract with the City to operate the Sportsplex. They also offered to fund a business plan that will include pro forma operating statements for the facility.

At present, City officials are not contemplating a public referendum on funding the facility until mid-2023. Such a delay in a public vote for funding would likely defer the opening of the facility until 2025 and may impact the amount of TIF bonds available. In contrast, the afore-mentioned Sportsplex effort has the potential for a late 2023 opening.