

TO: Michael C. Van Milligen, City Manager
FROM: Marie L. Ware, Leisure Services Manager
SUBJECT: Five Flags Civic Center Phase 2A Study Work Session Presentation
DATE: November 6, 2019

INTRODUCTION

The purpose of this memorandum is to provide background information related to the Five Flags Civic Center Phase 2A Study prior to the November 12, 2019 City Council work session presentation by Conventions, Sports and Leisure International (CSL).

BACKGROUND

A bond referendum was held on August 17, 1976, for the construction of the Five Flags Civic Center, to be attached to the existing theater. The bond referendum passed with 70% approval. Besides the arena, the new plan called for theater support rooms, as well as locker rooms, storage space, and administrative offices. The complex was connected to and designed to complement the restored theater. The new Civic Center opened its doors in 1979. The bond was a \$3.7 million project. In 2005, over \$2 million in renovations were performed, which included relocation of the ticket windows to the Locust Street vestibule, reconstruction of the Locust Street entrance, replacement of the windows on both the Locust and Main Street entrances, replacement of the carpet and flooring on both levels of the promenade, relocation of the Gate E concession stand, second entrance to Majestic Room, improvements to Bijou Room, painting, replacement of arena north doors, and renovation of concession stands.

In August 2016, the City Council identified a Five Flags Civic Center Study as one of its six (6) high priorities for 2016-2018. Funds were then budgeted in FY2018 to perform a study and assessment. Conventions, Sports and Leisure International (CSL) was engaged in 2017 to perform this assessment and study of the Five Flags Civic Center.

FIVE FLAGS CIVIC CENTER ASSESSMENT AND STUDY (PHASE 1)

The Assessment and Study included a current status assessment of the Five Flags Civic Center and Theater, a review of local market conditions and a visitor industry

assessment, an analysis of existing Five Flags Civic Center operations, industry trends review, a competitive/comparable facility analysis, an accounting of the survey plus an expansion study and assessment including market supportable program analysis, event/use levels analysis, conceptual renderings of four scenarios, preliminary construction cost analysis, financial operations analysis and an economic impact analysis. Naming rights and/or sponsorship opportunities were also analyzed. The scenarios also had an order of magnitude preliminary capital cost in 2018 dollars.

Community Engagement and Input Opportunities

Community engagement was very important in this assessment and study phase and numerous opportunities were offered for residents and stakeholders to participate and share their thoughts, ideas, concerns, desires and more. This was done in a variety of methods, including:

- The process with CSL began with a public kickoff meeting. CSL led a meeting allowing citizens to engage at the beginning of the Phase 1 process and ask questions about the process and share thoughts from the beginning of the study.
- CSL was also provided any feedback the City had been provided by citizens about their ideas for the Five Flags Civic Center prior to the study kicking off.
- CSL requested information from City staff and community partners including but not limited to, Five Flags event reports, financial operating statements, rental and service rates, contact agreement with SMG, service provider agreements, agreements for the Grand River Center, community event facilities, perceived competitive event facilities and destinations, Five Flags users past and present, potential event users, Travel Dubuque information related to hotels and attractions, new and planned new projects in Dubuque, key competitive destinations and associated event facilities in the state, regional and national marketplace, lost/turned away conventions, sports and hotel nights, bookings, recurring events, annual reports and marketing reports, plus local/regional/ state socioeconomic/demographic data and more.
- A Study Steering Committee was established with members of the Civic Center Commission serving on that committee. The Steering Committee met at various times throughout the process. Meetings were set up and held with City of Dubuque personnel to gather information and details about the community and the Civic Center. The consultant also met with a variety of organizations including, but not limited to, Travel Dubuque, Dubuque Main Street, Dubuque Area Chamber of Commerce, Greater Dubuque Development Corporation, arts and culture representatives and more.
- The next step was to gather lots of public input into the study and assessment process. This was a very important part of the study, as outlined in the RFP. CSL worked with staff and others to develop a survey to collect as much input as possible from the community and users of the facilities. Many organizations assisted the City in promoting the survey as a means for all persons to give input. There were 1,086 responses to the survey. This was representation of nearly 3,100 people if one considers the households of the responses. CSL shared that,

in other studies they have performed throughout the US in similar markets, the typical response rate to a survey is 500-700.

- The Commission heard a presentation from CSL at the regular commission meeting on May 2, 2018. After the City Council work session presentation by CSL on May 14, 2018, the Commission then hosted a public input meeting on May 16, 2018 which was well attended. Input was also sought via the City's website for those who could not attend the meeting. All that input is documented in the link below.

The engagement of the community was very important and provided direction for the Assessment and Study. The community engagement and engagement of the business community and organizations supported the Civic Center's current location in downtown. The feedback received also cited concerns like the waiting time for restrooms during events. A full accounting of all the input received is in the Assessment and Study Regarding the Future of Five Flags Civic Center in the link below.

Site and Architectural Work

Betsch Associates and FEH Design were subcontracted by CSL to work with the site and the input received as well as consider the possible project scenarios related architecturally to the footprint and potential layouts. They received in-depth tours of all parts of the Civic Center facility, including the theater and all back-of-house areas, and spent significant time understanding the current structures.

The assessment and study report showed what is possible at the property. It also explained that if future steps were taken toward any specific scenario, that the scenario presented was a preliminary representation and would need much more refinement pursued. The report also identified capital needs of the current facilities and costs related to those capital improvements as well as construction costs and capital costs necessary for new or renovated facilities.

The Assessment and Study report provided four scenarios.

- Scenario 1 was a minimum "status quo" scenario recognizing that certain levels of expenditures will be required in the near term and in the foreseeable future on deferred maintenance and full capital repair/replacement items to keep the Five Flags Center safe and operational by current standards. (4,000 seating capacity)
- Scenario 2 involved a limited renovation with no expansion to the facility footprint. (4,000 seating capacity)
- Scenario 3 represented a renovated complex with an expanded arena. (5,600 seating capacity)
- Scenario 4 involved a renovated complex and a fully redeveloped arena. (6,000 seating capacity)

Scenario 3 and 4 represented northwest expansion of the facility footprint that would involve a block-long closure of West 5th Street and development of a significant portion

of the block opposite the current Civic Center closing 5th Street in the block between Main and Locust Streets. Neither scenario impacted Ecumenical Tower.

At the July 2, 2018, City Council meeting, the Five Flags Civic Center Commission forwarded their unanimous recommendation from the June 25, 2018, Commission meeting to receive and file the Five Flags Civic Center Assessment and Study completed by Conventions, Sports and Leisure International (CSL). Additionally, the Commission unanimously recommended, based upon the response of the Dubuque community and all the public input, that the Council choose scenario four for the Five Flags renovations.

All documents related to this council meeting are located at <http://weblink.cityofdubuque.org/weblink/DocView.aspx?id=1942216&searchid=bfab0c4e-2a17-4e7e-9b15-7bd2d80a718c&dbid=1>. The document totals 467 pages including all public input received. The City Council voted to receive and file the documents. While the study was being developed and since the study was filed, presentations were made to the Dubuque Chamber of Commerce Board, Travel Dubuque Board, Dubuque Rotary, and Dubuque Main Street Board.

The City Council during their goal setting session in August 2018, adopted their 2018-2020 Policy Agenda with the Five Flags Center: Direction and Funding as a Top Priority. Discussion at the goal setting session was focused around Scenario 4 with other scenarios discussed as well.

FIVE FLAGS CIVIC CENTER PHASE 2 STUDY

Conventions, Sports, and Leisure International (CSL) was contracted to perform Phase 2 planning for an expanded and improved Five Flags Civic Center based upon diving deep into Scenario 4 by approval of the City Council on November 5, 2018. The proposal was heavily weighted to work items to be completed by subconsultants Betsch Associates and FEH Design along with structural, mechanical and environmental subconsultants.

Renderings

Renderings of the exterior and specific interior renderings were developed. Care was taken during this part of the planning to architecturally create a facility that could fit into the historic downtown of Dubuque and yet create an iconic look. The main entrance to the arena would be along Main Street on the north east corner of the building and features a large drop off lane and plaza area. The exterior aerial view shows how this moves the main entrance closer to City parking ramps and parking lots as well as closer to the Town Clock Plaza.

The arena lobby is spacious which will allow people to quickly pass through and enter the facility. There are numerous stairs throughout the arena which can easily move people into and out of the arena and the design includes three elevators in the lobby to

assist persons with mobility limitations. The concourse rendering shows how many people could move throughout this area at the same time, especially right before and after shows.

In Scenario 4, the arena had a fixed seat count of 5,912, which includes the premium seating areas. Premium seating includes loge boxes, club seats, suites and party suites. The study also noted that there would be a seating count of 6,398 if an end stage concert was held, as shown in the arena rendering. A rendering shows a suite and the view the suites would offer. Premium seating areas are now an industry best practice that allows for premium pricing and revenue generation for the facility while offering additional amenities to the guests at events and activities.

The new theater entrance can be seen in one of the renderings. The current long hallway that is the main entrance on Main Street would be transformed. The entrance area would include an elevator which could take persons with limited mobility to the second floor of the theater, which is not accessible at this time.

Parking Analysis

A deeper dive was taken into the topic of parking which was expressed as a community concern. Based on industry standards it is often recommended that one parking space be available for approximately every three seats. The chart shows that within practical walking distance the percentage coverage for parking is 275-488%. Meaning there is an overabundance in the walkable area.

If parking is limited to a two-block walk of the arena and if the arena and theater were both at maximum capacity the coverage for parking would be 94%. There are currently an estimated 2200 parking spaces in public surface lots and parking ramps in that two-block walk. This does not include parking meter locations which are throughout the downtown area.

The main entrance for the Civic Center's arena moved northward which made even more public parking spaces within a two-block walk. An expanded drop off area was planned at the main entrance of the expanded Civic Center. This drop off would accommodate more vehicles moving in and out to drop off those that need extra assistance.

A trend in the industry of event centers is to accommodate Uber and Lyft type services for drop-off and pick up. The industry is seeing more use of these services as this is convenient to consumers for numerous reasons. There is an area that is planned that would create an area specifically for these services to drop-off and pick-up before and after events.

What acts can we bring to Dubuque with the expanded/improved facility?

This question was asked of HR Cook, General Manager of Five Flags, who books the shows and events. A letter at the end of this memo from Mr. Cook shares examples of shows that are routing now or events that can be potentially hosted in our community.

Each year there are different opportunities in family entertainment, sporting events that can be bid to host as well as concerts and other live events. The size of the arena floor, the height of the roof, the rigging weight capacity that performances require, the seating capacity and more goes into a decision by a promoter to host an event or show at the Civic Center.

Traffic Impact Assessment

An initial traffic impact assessment was also completed as Scenario 4 includes the closing of one block of Fifth Street. This was done outside the CSL contract and was completed by MSA Professional Services, Inc. It is found at the link below.

The Five Flags Civic Center Commission voted at their December 14, 2018 meeting to recommend the City Council receive and file Phase 2 Expanded/Improved Five Flags Civic Center report. The report was to be presented to the City Council on December 17, 2018.

The Phase 2 and all documents from the December 17, 2018 meeting can be viewed at this link

<https://cityofdubuque.novusagenda.com/AgendaPublic/CoverSheet.aspx?ItemID=9315&MeetingID=508>. The City Council voted unanimously that evening to receive and file the Summary of Phase 2 Planning for an Expanded/Improved Five Flags Civic Center.

DISCUSSION

The FY2020 budget for Five Flags Civic Center contained an improvement package that was approved to study of up to two more scenarios as well as complete a soils analysis. This soils analysis was done to confirm more accurate pricing for construction related to items such as footings for the expansion area of an addition to Five Flags beyond its current footprint.

The City Council approved commencement of the Phase 2A Study from Conventions Sports and Leisure International (CSL) and Betsch Associates May 20, 2019. This study includes a deep dive into 2 additional scenarios. The proposal was heavily weighted to work items to be completed by subconsultants Betsch Associates and FEH Design along with structural, mechanical and environmental subconsultants.

Scenario 3 represented a renovated complex with an expanded arena. This Scenario keeps the wall between the promenade and the current arena, removes the roof and raises the roof as well as expanding the arena across 5th Street. The arena would remain in its current east/west configuration and be a U-shape arena. An initial investigation determined if any likely or probable fatal flaws existed concerning concept feasibility and the successful execution and outcomes related to Scenario 3. It was shared at the time of approval of the consulting agreement that should any critical flaws related to Scenario 3 be uncovered initially during subsequent planning work outlined, the City would have the opportunity to cease work on this scenario.

A hybrid of Scenario 4 was developed from the current Scenario 4 that was presented in December 2018. This hybrid scenario made programmatic adjustments resulted in a lower cost project opportunity. Scenario 4 created a north south bowl-shaped arena. It expanded across 5th Street and moved the entry of the facility to the north east corner of the building along Main Street. The resulting work created a Hybrid design of scenario 4 that is U-shaped.

Soils Analysis

The FY2020 budget approved a soils analysis as part of this study process. This was completed to understand the soils in the areas of the building expansion. Allender Butzke Engineers Inc. was hired for this specialty work. The soil borings and laboratory testing were completed. This work included a preliminary engineering analysis and an initial geotechnical analysis to develop design options for the floor foundation and floor slab support.

Allender Butzke Engineers, Inc. coordinated with Betsch Associates regarding their findings. Ken Betsch shared that in the cost estimates of Scenario 4, they had used costs for augur cast piles. The soil analysis is allowing them to research pressure routed cast piles and aggregate piers with spread footings. He reported that “these systems lend themselves better to the soils conditions and the proposed building loads and reduce project cost” and this has led to construction cost savings in the estimate.

Scenario 3 Review

CSL and Betsch Associates prioritized the study of Scenario 3 because of our desire to discover any potential critical or fatal flaws that might mean it would not be a viable option. The Phase 2A Study outlines and visually shows through rendering the flaws that do exist in Scenario 3.

A comparison chart was prepared showing Scenario 3 compared with Scenario 4 on a variety of issues. The issues outlined relate back to the findings of the first study and market analysis (Assessment and Study Regarding the Future of Five Flags Civic Center – June 19, 2018). Scenario 3 when compared with Scenario 4 (Phase 2 Planning for Expanded and Improved Five Flags Civic Center – December 12, 2018) has poor performance on 8 of 10 issues. Scenario 3 has an estimated savings range of \$15.27 million however has an ongoing operating deficit order of magnitude estimate at this point of \$756,755. This is due to the operating inefficiencies inherit in the facility design with reduction in facility square footage and lower event loads.

In their conclusion they shared “Although we are saving one wall and a portion of the fixed seating in the existing building to reduce the capital cost of the project, Scenario 3 has a number of functional issues which will compromise the operation and the revenue generation of this Scenario. Many of these issues are the same as those faced in the operation of the current building due to its size and configuration. While no single issue seems to constitute a “fatal flaw”, the cumulative effect of all of these conditions will result in a large expenditure for construction of a new building that will be only

marginally larger in seating capacity and still have many of the same operational issues and limitations of the existing Five Flags Center. These operational inefficiencies will also result in higher operating cost for the life of the project than necessary for a new building.”

Scenario 4 Hybrid Work

Betsch Associates then began work on development of a hybrid of Scenario 4. The hybrid developed is a u-shape arena. It was developed to address the same issues that were addressed with Scenario 4. The chart that compares Scenario 4 with Scenario 4 Hybrid shows excellent performance on 9 of 10 identified.

The Scenario 4 hybrid has a savings in the capital costs in a broad magnitude of \$7.75 million. The current estimate of ongoing yearly operating for Scenario 4 hybrid is \$346,001 versus the current fiscal year cost of \$932,962.

Renderings

The exterior and specific interior renderings for Scenario 4 were not updated from the Phase 2 Study. The exteriors are still very relevant in the Scenario 4 Hybrid design and similar interior improvements exist in Scenario 4 Hybrid. This means the Scenario 4 renderings are applicable to the Scenario 4 Hybrid design.

The consultants will go into further detail on this Phase 2A Study in their presentation.

Five Flags Civic Center Commission

The Five Flags Civic Center Commission is meeting on November 12, 2019 just prior to the work session thus no action from that meeting could be reported in this memo. Members from the Commission will be present at the City Council work session and staff will report on any recommendation from the Commission.

ACTION REQUESTED

This memo is provided for information purposes to assist in a summary of all phases of Five Flags studies completed to date.

attachments

cc: Assistant City Managers Teri Goodman and Cori Burbach
City Engineer Gus Psihoyos
Project Manager Steve Brown
Public Information Officer Randy Gehl
City Attorney Crenna Brumwell
Five Flags Civic Center General Manager HR Cook



Memorandum

Date: January 12, 2018

To: Marie Ware, Director
Leisure Services

From: H.R. Cook, General Manager
Five Flags Center

Subject: Proposed Arena Design and Potential Shows

Per our discussion, I have reviewed of the proposed design plan which included, seating size and configuration, low roof steel rigging capacities and our market. Based upon the design, a review of our market and previous inquiries from agents regarding Dubuque, I created a list of events that realistically could be held at Five Flags Center. These events are in addition to the current menu of events that we currently host.

As we have discussed in the past, trying to predict what events will be popular in the future and be supported in our community is like looking into a crystal ball. The concerts listed are based upon the latest Pollstar Concert Hotwire Top 100 tours as of November 2018 and current shows touring in SMG facilities in North America. The family and sporting events are events that we can pursue and have a good chance of hosting based upon our infrastructure of amenities in the community and support system of Travel Dubuque and the Hotel/Motel Association.

Family Entertainment:

- Feld Entertainment Marvel Universe Live!
- Cirque du Soleil
- Trans-Siberian Orchestra
- Game of Thrones Live in Concert
- Stars on Ice
- Harry Potter in Concert

Sporting Events:

- NCAA Division II and III Basketball and Wrestling Tournaments
- NAIA Wrestling Championships
- Junior Wrestling Tournaments
- National Cheerleading Championships
- National Dance Championships

Concerts and other Live Entertainment:

- Elton John
- Keith Urban
- Alan Jackson
- Jason Derulo
- Barry Manilow
- Alabama
- Fall Out Boy
- Scorpion
- Toby Mac
- Gabriel Iglesias
- Steve Miller Band
- Rob Zombie
- The Avett Brother
- 311
- Alice Cooper
- Bare Naked Ladies
- Brian Adams
- Jim Gaffigan
- Jack White
- Bob Segar

Again, this is a sample of events that will fit into the arena being conceptualized, a ticket buying market the size of Dubuque and/or meeting the bid qualifications.

Should you have any further questions or inquiries, please feel free to contact me directly.