

**TO:** Michael C. Van Milligen, City Manager  
**FROM:** Marie L Ware, Leisure Services Manager  
**SUBJECT:** Potential Five Flags Civic Center and Theater City Election/Referendum Information Packet  
**DATE:** February 11, 2020

## INTRODUCTION

The purpose of this memorandum is to share information related to a potential city election/referendum on bond issuance for the Five Flags Civic Center and Theater.

## BACKGROUND

The City Council at their 2017 goal setting session identified Five Flags Center: Study as a 2017-19 Policy Agenda High Priority. At their 2018 goal setting session they identified Five Flags Center: Direction and Funding as a 2018-20 Top Priority.

A recommendation from the Five Flags Civic Center Commission was made to the Council regarding the Phase 2A Planning for an Expanded/Improved Five Flags Civic Center at the January 6, 2020 City Council meeting. Five Flags Civic Center Advisory Commission endorsed scenario 4/hybrid and recommended that the City Council move expeditiously to draft a ballot for the next available voting date on March 3, 2020 for the Five Flags Civic Center Expansion Project. The City Council received and filed the Summary of Phase 2A Planning for an Expanded/Improved Five Flags Civic Center. The Council after discussion voted to have the City Attorney prepare ballot language to include the bond amount for Scenario 4 Hybrid for Council approval and in anticipation of a September 8, 2020 referendum date.

## DISCUSSION

To provide information requested by the City Council as well as additional information that may be helpful to the City Council, numerous documents make up this agenda item. I will share a summary of the new information here and step through the agenda packet.

## **CITY ATTORNEY'S MEMO REGARDING CALLING A SPECIAL ELECTION/REFERENDUM ON BOND ISSUANCE FOR FIVE FLAGS CIVIC CENTER AND THEATER AND NECESSARY RESOLUTION**

City Attorney Crenna Brumwell has prepared a memo and resolution for calling a special city election/referendum as requested by the City Council. Within the resolution is the ballot language.

"SHALL THE CITY OF DUBUQUE, IOWA, ISSUE ITS BONDS IN AN AMOUNT NOT EXCEEDING THE AMOUNT OF \$74,340,000 FOR THE PURPOSES OF DECONSTRUCTION, CONSTRUCTION, ACQUISITION, IMPROVING, AND EQUIPPING AN EXPANDED FIVE FLAGS CIVIC CENTER AND THE RENOVATION AND PRESERVATION OF THE HISTORIC FIVE FLAGS THEATER, INCLUDING ACCESSIBILITY ENHANCEMENTS TO BOTH?"

In the memo the City Attorney explains the amount in the resolution is \$74,340,000 which is less than the consultants estimate of \$75,084,058 because the issuance costs included in that figure were higher than those calculated by our financial advisor. The consultant included almost \$2,100,000 million for administrative/issuance costs and our financial advisor estimates administrative/issuance costs at approximately \$1,360,000. Our financial advisor's estimate is based on her specific expertise in the field and with Dubuque's prior bond issuances which is a more reliable number. This was done in consultation with Director of Finance and Budget Jennifer Larson

## **FINANCIAL IMPACT ON THE AVERAGE HOMEOWNER AND DEBT INFORMATION**

Director of Finance and Budget Jennifer Larson prepared a memo with information regarding impact on the average homeowner of special election/referendum as drafted by City Attorney Crenna Brumwell for Scenario 4 Hybrid in the amount of \$74,340,000. In the memo Jennifer also shares the impact of this scenario on the City's statutory debt capacity as compared to the statutory debt capacity in the FY 2020 Five Year CIP.

## **TIMELINE OF A PROJECT**

The consultant team provided a construction timeline. It can be helpful to understand a project like this in terms of the timeline. After a vote, if approved by the voters, there are numerous steps that it takes and years to get to the opening of the new project. The attached timeline updated by City staff shows in months from a September 8, 2020 vote the timing of bond issuance, RFP and selection of the professional services team that will design and carry out project management, design and bid documents for the new project, bidding and negotiations, contracts and insurance reviews and approvals, demolition, new construction and renovation, punch lists, training and rollout of the facility to the city, and the pre- and grand openings.

The timeline shows that this process will take us from Fiscal Year 2021 into Fiscal Year 2025. Another way to look at it is that from the potential vote on September 8, 2020 it will take four years to get to the opening of a new building, taking us to September of 2024.

The current building and facilities would be open and operational until approximately June 1, 2022. This is helpful as it would allow the graduations of our high schools to happen just prior to demolition. It also shows that as a City we would be budgeting for almost an entire Fiscal Year 2022 year for full operations of Five Flags Civic Center.

### **SPECIAL ELECTION/REFERENDUM PUBLIC INFORMATION**

If the City Council approves a city election/referendum vote the City of Dubuque and its employees can only be involved in providing the public factual information related to the ballot, project and vote.

The Public Information Office will be responsible for sharing objective, factual information related to the referendum. This includes details on the ballot language; voting options, locations, and times; details on the proposed facility design; and estimated costs and other financial information related to the project.

The Public Information Office will utilize a variety of channels to inform voters including but not limited to the following:

- A series of factoids/graphics in each issue of the City News newsletter (mailed with utility bills) before September informing voters of the referendum vote.
- A utility bill inserts dedicated to this issue mailed in the July or August utility bill mailing (estimated printing cost for 22,000 copies = \$1,400)
- A flyer/handout summarizing the details of the ballot issue and project
- A webpage on the City website dedicated to this issue, including ballot language and voting information, proposed design details, estimated costs and other financial information, frequently asked questions, Five Flags open house events, and details on the project history/background
- Five Flags management staff have offered to host open houses/public tours of the facility and those events will be promoted
- Social media posts on the issue shared on the City's Facebook, Twitter, Nextdoor, and LinkedIn channels
- A program on the issue and info graphics broadcast on CityChannel Dubuque
- Presentation materials (handouts and/or a PowerPoint) to be used by staff invited to give presentations to local clubs and organizations. City staff members such as myself would be made available to make a factual presentation.

Most items listed above have no additional cost. The insert, printing costs and any potential advertisements would be paid from the Public Information Office operating budget.

### **CITY ELECTION COST**

City Clerk Kevin Firnstahl is gathering information related to a city election. The City Council will determine at a future meeting the number of polling sites, locations after the City Council has made action to set a city election/referendum, if they chose. It is currently estimated the cost of a city election would be between \$15,500 to \$18,325. There are decisions that affect this estimate thus this is provided to give a general idea

of a city election cost. The City Clerk will bring forward an action item related to this at a future meeting.

### **THE PROJECT BEING DISCUSSED PER COUNCIL DIRECTIVE**

The project the City Council directed staff to draft city election/referendum language on is what was termed in the Phase 2A Planning for an Expanded/Improved Five Flags Civic Center from CSL International and BetschAssociates as Scenario 4 Hybrid. This is a summary of that project.

#### **Overall**

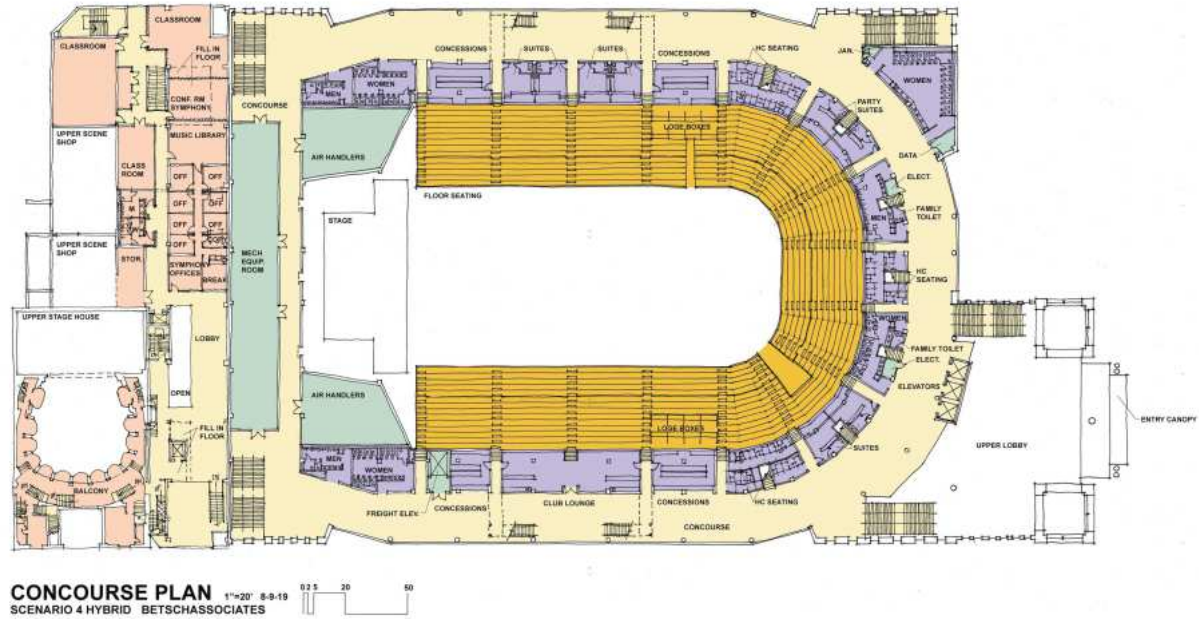
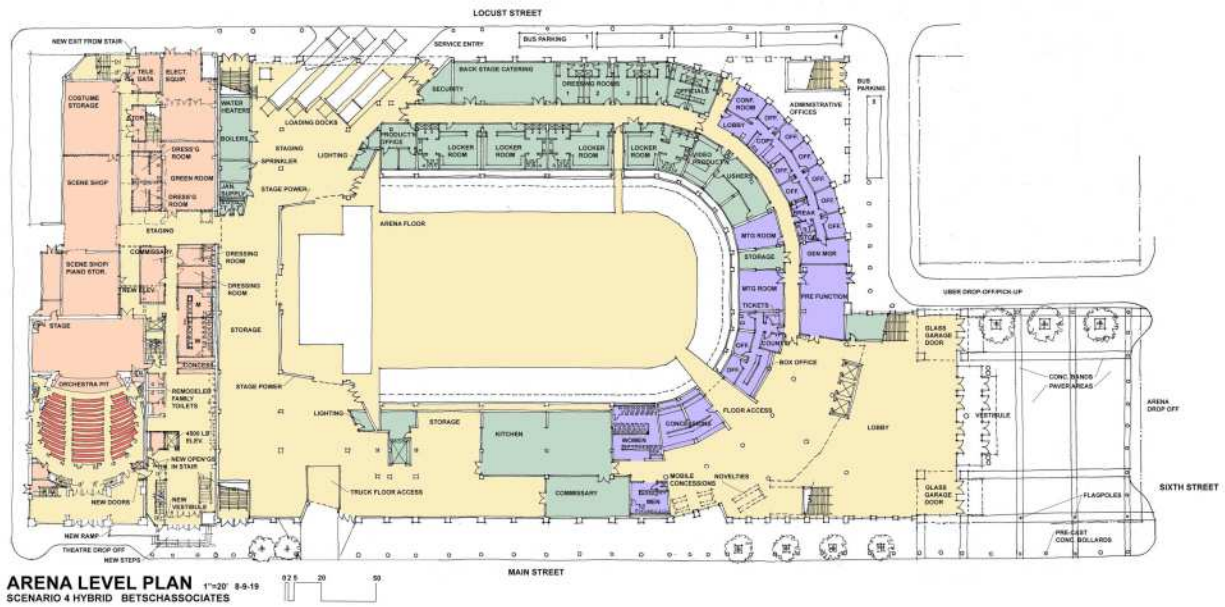
This project included demolition of the existing Five Flags Civic Center Arena, improvements to the Five Flags Civic Center Theater and the development of a new, state-of-the industry Arena via a northward expansion of the current Five Flags footprint. It would include closing the section of Fifth Street to the north of the current arena. The arena would have a U-shaped bowl that is in a north-south direction. The entry to the arena area would be on the north east corner of the building. This project's footprint moves to the north however does not impact Ecumenical Towers. The project would include a new outdoor plaza on the north side of the new building.

The other major features of Scenario 4 Hybrid include excellent service access to the stage and the other support areas, truck access to the arena floor, a consolidated suite of locker rooms and dressing rooms for the performers, adequate storage areas, event pre-function areas, private and party suites, club seating, a club lounge, well distributed toilets and concessions as well as a large lobby for special events. The entire project includes handicap accessibility improvement throughout.

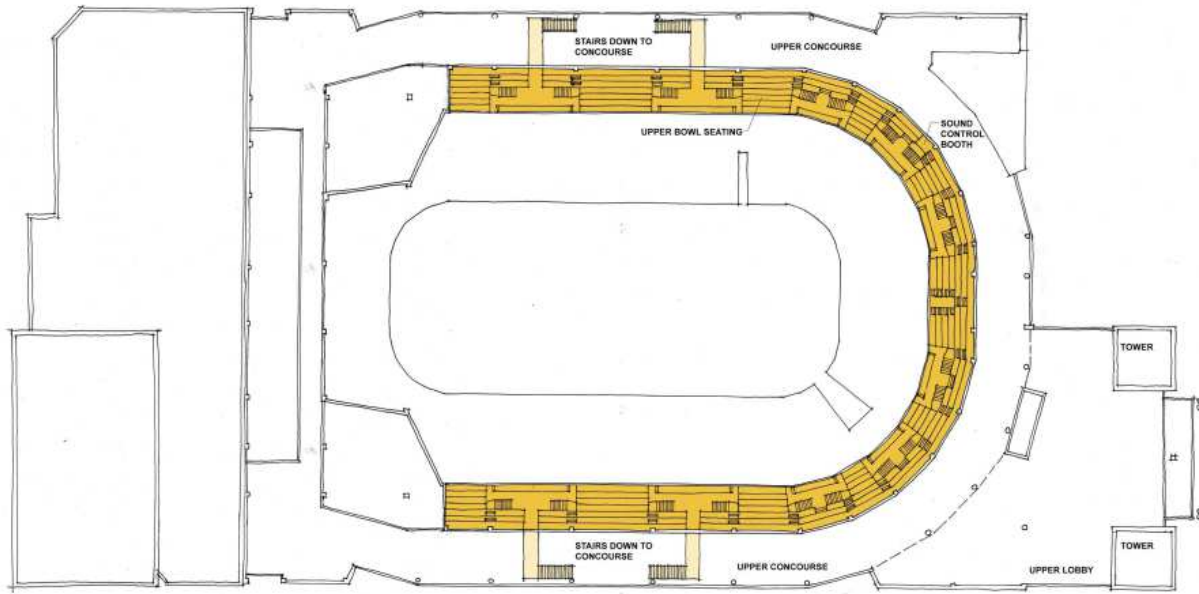
### **RENDERINGS OF NEW FACILITY**



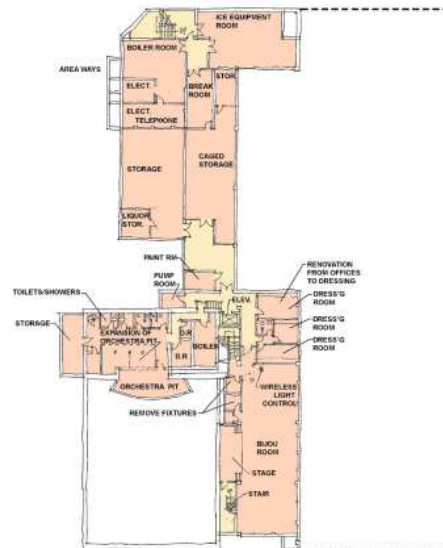
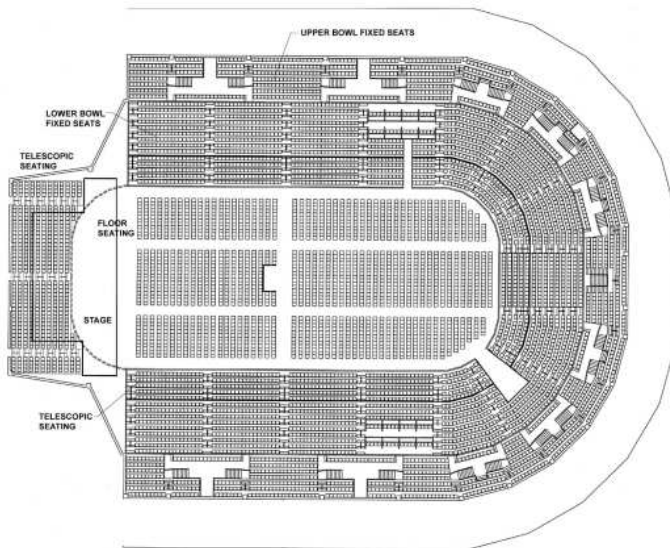
FLOOR PLANS







**UPPER SEATING PLAN** 1"=20' 8-9-19  
SCENARIO 4 HYBRID BETSCHASSOCIATES



### Capacity

- 6,468 seat capacity for concerts or 5,001 capacity for full floor events
- 6 – 12-person suites and 2 – 12-person party suites

### Estimated Annual Financial Operating Cost

(\$346,001) – presented in 2019 dollars

### Cost

The cost of this project is \$74,340,000. This includes the following:

- Construction Costs – Site work, new construction, renovation, design and bidding

- Construction Related Costs – Furniture, fixtures and equipment, site survey, construction testing, theater structural study, IT consulting, commissioning/test balance, special inspections
- Administrative Costs – Acquisition/administration, design fees, project management, financing
- Escalation of construction cost over the construction timeframe
- Theater and Theater Support Costs
- Contingencies

## **HISTORICAL INFORMATION PROVIDED FROM ALL STUDIES, CIVIC CENTER COMMISSION AND CITY COUNCIL ACTIONS RELATED TO THE CITY COUNCIL TOP PRIORITY**

This action item contains the following items related to all phases of the studies performed and additional information shared at previous Civic Center Commission and City Council meetings and/or work session presentations.

- Civic Center Commission Letter dated 12/17/19 re: Recommendations Regarding the Future of the Five Flags Civic Center
- Staff Memo dated 01/02/20 from Mike Van Milligen re: Recommendations Regarding the Future of the Five Flags Civic Center
- Staff Memo dated 12/31/19 from Marie Ware re: Recommendation from Five Flags Civic Center Commission
- Staff Memo dated 11/06/19 from Marie Ware re: Phase 2A Study Work Session Presentation outlining History of Five Flags Civic Center, Five Flags Civic Center Assessment and Study (Phase 1) summary, Five Flags Civic Center Phase 2 Study summary, Five Flags Civic Center Phase 2A Study Summary
- Consultant's Work Session Presentation on Phase 2A Planning for an Expanded/Improved Five Flags Civic Center from CSL International and BetschAssociates
- Summary of Phase 2A Planning for an Expanded/Improved Five Flags Civic Center
- Staff Memo dated 11/07/19 from Marie Ware re: General Financing and Referendum Information
- Staff Memo dated 11/08/19 from Crenna Brumwell re: Five Flags Referendum Timeline Update
- Staff Memo dated 11/01/18 from Crenna Brumwell re: Referendum Questions
- FY 20-24 Capital Improvement Budget Details for Five Flags Civic Center
- Consultant's Presentation on Phase 2 for an Expanded/Improved Five Flags Civic Center from CSL International and BetschAssociates
- Summary of Phase 2 Planning for an Expanded/Improved Five Flags Civic Center
- Five Flags Debt and Property Tax Impact dated 12/18/18 from Jennifer Larson
- Estimated Dubuque Five Flags Debt Impact dated 12/17/18 from Jennifer Larson
- Consultant's Presentation of Assessment and Study Regarding the Future of the Five Flags Civic Center from CSL International and Betsch Associates

- Assessment and Study Regarding the Future of the Five Flags Civic Center including Appendix A-E

**ACTION REQUESTED**

This memorandum is provided for informational purposes only.

cc: Crenna Brumwell, City Attorney  
Jennifer Larson, Director of Finance and Budget  
Kevin Firnstahl, City Clerk  
HR Cook, General Manager