



January 5, 2021

Representative Paul Marquart  
Chair of the House Tax Committee  
597 State Office Building  
St. Paul, MN 55155

Re: Local Sales and Use Tax Authority Request

Dear Representative Marquart;

In accordance with M.S. 297A.99, Local Sales Taxes, the City of Grand Rapids respectfully requests authorization from the State of Minnesota to impose a local sales and use tax, for improvements at the IRA Civic Center.

Enclosed is the City Council Resolution requesting authorization, along with supporting documentation identifying the use of the IRA Civic Center by persons residing outside of the jurisdiction of Grand Rapids.

The City of Grand Rapids appreciates your support and looks forward to meeting with you during the upcoming legislative session.

Regards,

A handwritten signature in blue ink, appearing to read 'Tom Pagel', written over the printed name.

Tom Pagel  
City Administrator

CC: Representative Spencer Igo  
Senator Justin Eichorn



January 6, 2021

Representative Greg Davids  
House Tax Committee  
283 State Office Building  
St. Paul, MN 55155

Re: Local Sales and Use Tax Authority Request

Dear Representative Davids;

In accordance with M.S. 297A.99, Local Sales Taxes, the City of Grand Rapids respectfully requests authorization from the State of Minnesota to impose a local sales and use tax, for improvements at the IRA Civic Center.

Enclosed is the City Council Resolution requesting authorization, along with supporting documentation identifying the use of the IRA Civic Center by persons residing outside of the jurisdiction of Grand Rapids.

The City of Grand Rapids appreciates your support and looks forward to meeting with you during the upcoming legislative session.

Regards,

A handwritten signature in blue ink, appearing to read 'Tom Pagel'.

Tom Pagel  
City Administrator

CC: Representative Spencer Igo  
Senator Justin Eichorn



January 5, 2021

Senator Carla Nelson  
Chair of the Senate Tax Committee  
95 University Avenue W.  
Minnesota Senate Bldg, Room 3225  
St. Paul, MN 55155

Re: Local Sales and Use Tax Authority Request


Dear Senator Nelson;

In accordance with M.S. 297A.99, Local Sales Taxes, the City of Grand Rapids respectfully requests authorization from the State of Minnesota to impose a local sales and use tax, for improvements at the IRA Civic Center.

Enclosed is the City Council Resolution requesting authorization, along with supporting documentation identifying the use of the IRA Civic Center by persons residing outside of the jurisdiction of Grand Rapids.

The City of Grand Rapids appreciates your support and looks forward to meeting with you during the upcoming legislative session.

Regards,

  
Tom Pagel  
City Administrator

CC: Representative Spencer Igo  
Senator Justin Eichorn



January 5, 2021

Senator Ann Rest  
Ranking Minority Member of the Senate Tax Committee  
95 University Avenue W.  
Minnesota Senate Bldg, Room 2217  
St. Paul, MN 55155

Re: Local Sales and Use Tax Authority Request

Dear Senator Rest;

In accordance with M.S. 297A.99, Local Sales Taxes, the City of Grand Rapids respectfully requests authorization from the State of Minnesota to impose a local sales and use tax, for improvements at the IRA Civic Center.

Enclosed is the City Council Resolution requesting authorization, along with supporting documentation identifying the use of the IRA Civic Center by persons residing outside of the jurisdiction of Grand Rapids.

The City of Grand Rapids appreciates your support and looks forward to meeting with you during the upcoming legislative session.

Regards,

A handwritten signature in blue ink, appearing to read 'Tom Pagel', written over a faint circular stamp.

Tom Pagel  
City Administrator

CC: Representative Spencer Igo  
Senator Justin Eichorn

Councilor Christy introduced the following resolution and moved for its adoption:

RESOLUTION NO. 20-127

**A RESOLUTION REQUESTING AUTHORIZATION FROM THE STATE TO IMPOSE A LOCAL SALES AND USE TAX IN THE CITY OF GRAND RAPIDS**

WHEREAS, the City of Grand Rapids has an emergency need to replace the structurally deficient roof, refrigeration, ADA improvements, HVAC systems, and associated appurtenances, at the IRA Civic Center, and

WHEREAS, the City is requesting authorization from the State of Minnesota to impose a Local Sales and Use Tax of up to 1% for up to fifteen years or \$5,980,000 dollars, whichever comes first, to fund the local share of the project cost; and

WHEREAS, there is only one project, located at the IRA Civic Center in Grand Rapids, MN, which includes the replacement of the structurally deficient roof, refrigeration, HVAC systems, ADA improvements, and associated appurtenances; and

WHEREAS, the University of Minnesota, in preparing the 2011 Retail Trade Analysis Grand Rapids & Itasca County, has estimated that 55% of the Local Sales Generated would be from Non-Residents of Grand Rapids; and

WHEREAS, the ISD 318, a major tenant of the IRA Civic Center, conducting over 36 events per year, has an enrollment of 60.2% students who are not residents of the City of Grand Rapids; and

WHEREAS, the Grand Rapids Amateur Hockey Association, another major tenant of the facility, has 64.7% of members who are not residents of the City of Grand Rapids; and

WHEREAS, the IRA Civic Center serves as a county-wide Emergency Shelter, a temporary Fire Hall, a polling facility for multiple precincts, and could be utilized as a staging area/headquarters for 100 to 150 State Agency employees during emergency safety events; and

WHEREAS, the IRA Civic Center host non-profit regional events like Minnesota Assistance Council for Veterans, Itasca County Community Connect, Itasca County Sheriff's Department – Lifted Trucks, Car Seat Safety Training, MS Walk, and Children's Mental Health 5k, without a rental fee; and

WHEREAS, the University of Minnesota, in 2018 prepared an Economic Impact study for the IRA Civic Center. It identified those traveling more than 50 miles to utilize the facility for trade shows, performances, and other regional events, generate over \$3.3 million in Gross Output, supports 48 full and part-time jobs, and \$1.7 million in Value Added; and

NOW, THEREFORE, BE IT RESOLVED, IN ACCORDANCE WITH M.S. 297A.99 LOCAL SALES TAXES, BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA:

1. The City Council hereby requests that the State authorize a Local Sales and Use Tax of up to one percent (1%); and
2. The revenue from the local sales and use tax will be used for the IRA Civic Center in Grand Rapids, MN, which includes the replacement of the structurally deficient roof, refrigeration, HVAC systems, ADA improvements, and associated appurtenances; and
3. The IRA Civic Center is regionally significant, with utilization by over 60% of non-City of Grand Rapids residents; and

4. The amount of local sales and use tax revenue utilized for the IRA Civic Center would not exceed \$5,980,000 or up to six years, whichever comes first; and
5. The IRA Civic Center is the only project requested for a local sales and use tax.

Adopted by the Council this 21<sup>st</sup> day of December, 2020.

*Dale Adams*

Dale Adams (Dec 22, 2020 17:24 CST)

Dale Adams, Mayor

ATTEST:

*Kimberly Gibeau*

Kimberly Gibeau, City Clerk

Councilor Connelly seconded the foregoing resolution and the following voted in favor thereof: Toven, Blake, Connelly, Christy, Adams; and the following voted against same: None; whereby the resolution was declared duly passed and adopted.

# 2021 Resolution Requesting LSUT from Legislature

Final Audit Report

2020-12-23

Created:	2020-12-22
By:	Kim Gibeau (kgibeau@ci.grand-rapids.mn.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAAH70L78C_qauDNooV4A-YWa-TM-UfcKO

## "2021 Resolution Requesting LSUT from Legislature" History

-  Document created by Kim Gibeau (kgibeau@ci.grand-rapids.mn.us)  
2020-12-22 - 7:17:49 PM GMT- IP address: 156.99.169.80
-  Document emailed to Dale Adams (dadams@ci.grand-rapids.mn.us) for signature  
2020-12-22 - 7:18:14 PM GMT
-  Email viewed by Dale Adams (dadams@ci.grand-rapids.mn.us)  
2020-12-22 - 11:23:49 PM GMT- IP address: 166.137.83.66
-  Document e-signed by Dale Adams (dadams@ci.grand-rapids.mn.us)  
Signature Date: 2020-12-22 - 11:24:15 PM GMT - Time Source: server- IP address: 166.137.83.66
-  Document emailed to Kim Gibeau (kgibeau@ci.grand-rapids.mn.us) for signature  
2020-12-22 - 11:24:17 PM GMT
-  Email viewed by Kim Gibeau (kgibeau@ci.grand-rapids.mn.us)  
2020-12-23 - 2:18:34 PM GMT- IP address: 156.99.169.80
-  Document e-signed by Kim Gibeau (kgibeau@ci.grand-rapids.mn.us)  
Signature Date: 2020-12-23 - 2:40:41 PM GMT - Time Source: server- IP address: 156.99.169.80
-  Agreement completed.  
2020-12-23 - 2:40:41 PM GMT



Independent School District 318  
820 NW 1st Avenue  
Grand Rapids, MN 55744

To whom it may concern,

As a major tenant of the IRA Civic Center, ISD 318 hosts over 36 events per year. With 60.2% of our students living outside the City limits of Grand Rapids, this facility truly serves the regional community of Itasca County and beyond.

Sincerely,  
Sean Martinson  
Superintendent ISD 318  
[www.isd318.org](http://www.isd318.org)



# UNIVERSITY OF MINNESOTA

*University of Minnesota Extension*

*Regional Office, Cloquet*

*179 University Road  
Cloquet, MN 55720*

*Office: 218-726-6464  
Toll Free: 888-241-0724  
Fax: 218-726-6499  
rccloquet@umn.edu  
www.extension.umn.edu*

March 28, 2014

**To:** Tom Pagel  
City Administrator, Grand Rapids, Minnesota  
420 North Pokegama Avenue  
Grand Rapids, MN 55744-2662

**From:** John Bennett  
Extension Educator, Community Economics  
University of Minnesota Extension Center for Community Vitality  
11 East Superior Street, Suite 210  
Duluth, MN 55802

In 2013, the University of Minnesota Extension Center for Community Vitality produced a Retail Trade Analysis for the city of Grand Rapids, Minnesota. Per your request, this letter is an explanation and clarification regarding the estimate of sales tax collected from residents living outside Grand Rapids city limits as indicated in the 2011 Retail Trade Analysis Grand Rapids and Itasca County Report.

In 2011, the average Minnesotan spent \$9,322 in state sales taxable purchases, excluding taxes earned on two purchase exclusions, gasoline and new cars, which goes into special funds. Personal income in Itasca County is 81% of the state average. Therefore, we expect that the total average purchases by Itasca County residents would be lower than \$9,322, and possibly as low as \$7,550. Note: the average non-metro figure of total average purchases is \$6,439. For our calculation, we will use \$8,436 as the per capita taxable expenditure for Grand Rapids residents. The estimated 2012 population of Grand Rapids was 10,906. Therefore, 10,906 residents x \$8,436 = \$92,003,016 of expected taxable purchases in Grand Rapids.

The actual taxable sales in Grand Rapids were approximately \$216,950,000 in retail and services. The estimate of residents' portion of those sales taxes would be 42.4%. Therefore, we will estimate that 57.6% of the tax came from people living outside of Grand Rapids city limits.

I anticipate that if Grand Rapids implemented a new local option sales tax, the percentage paid from non-residents will be less than 57.6%. The exact figure cannot be calculated at this time, however, because there will be additional sales taxes collected from businesses within Grand Rapids that made purchases in Minnesota, but not in Grand Rapids, and we currently have no way of estimating how many taxable purchases Grand Rapids companies are making outside of Grand Rapids.

# UNIVERSITY OF MINNESOTA

*University of Minnesota Extension*

*Regional Office, Cloquet*

*179 University Road  
Cloquet, MN 55720*

*Office: 218-726-6464  
Toll Free: 888-241-0724  
Fax: 218-726-6499  
rccloquet@umn.edu  
www.extension.umn.edu*

To illustrate this issue, imagine that in 2010, Grand Rapids-based Company X bought \$500,000 of office supplies from Company Y in St. Cloud. Company X paid Minnesota sales tax and this figure appears in St. Cloud's sales tax report. Now, if a new local sales tax goes into effect, and Company X makes the same purchase, it will now also need to pay the local sales tax for the office supplies it brought into Grand Rapids and this figure will appear on the Grand Rapids sales tax report. Based on the above calculations, a fair estimate of the percentage of the local option sales tax that will be collected from customers from outside Grand Rapids city limits will be between 50 and 55%.

Additional information about retail sales information can be found within the 2011 Retail Trade Analysis Grand Rapids and Itasca County.



**John Bennett**

**Extension Educator, Community Economics**

**University of Minnesota Extension Center for Community Vitality**



UNIVERSITY OF MINNESOTA | EXTENSION

TOURISM CENTER

# Assessing the Annual Economic Impact of the Grand Rapids IRA Civic Center

Authored by Daniel L. Erkkila and Xinyi Qian



# Assessing the Annual Economic Impact of the Grand Rapids IRA Civic Center

**February 10, 2015**

**Authored by Daniel L. Erkkila and Xinyi Qian**

**Editor:**

Elyse Paxton, Senior Editor, University of Minnesota Extension Center for Community Vitality

**Report Reviewers:**

Matt Kane  
William Gartner

**Partners/Sponsors:**

City of Grand Rapids, MN

**University of Minnesota Tourism Center is a collaboration of University of Minnesota Extension and the College of Food, Agricultural and Natural Resource Sciences.**

© 2015 Regents of the University of Minnesota. All rights reserved. University of Minnesota Extension is an equal opportunity educator and employer. In accordance with the Americans with Disabilities Act, this material is available in alternative formats upon request. Direct requests to 612-624-4947.  
♻️ Printed on recycled and recyclable paper with at least 10 percent post-consumer waste material.

# Table of Contents

<b>1. STUDY SUMMARY</b>	<b>3</b>
<b>2. INTRODUCTION</b>	<b>3</b>
<b>3. ECONOMIC IMPACTS DEFINED</b>	<b>3</b>
<b>4. MODEL AND METHODS</b>	<b>4</b>
<b>5. EVENT FINDINGS: HOCKEY</b>	<b>4</b>
Visitor Profile Summary	5
Economic Impact of Hockey Visitors	7
<b>6. EVENT FINDINGS: WEDDINGS</b>	<b>8</b>
Visitor Profile Summary	8
Economic Impact of Wedding Visitors	10
<b>7. OPERATIONS</b>	<b>11</b>
<b>8. APPENDIX</b>	<b>12</b>

## SUMMARY

Grand Rapids city officials desired an understanding of the economic impact to the local economy from the annual operations of its IRA Civic Center. Volunteer surveyors were trained to administer a short survey throughout a 12-month period to people who traveled more than 50 miles to attend ice and dry-floor events at the Civic Center. Visitor characteristics were recorded, including estimates of daily spending. These spending profiles, along with attendance estimates from city staff of non-local visitors, provided the estimation of economic impact to Itasca County.

Researchers used the IMPLAN model to estimate for gross output, employment, and value added economic impacts from hockey and weddings, as well as annual civic center operation throughout the year.

Total estimated economic impacts to the Itasca County economy that occur on an annual basis from IRA Civic Center operations and visitors (both on day trips and overnight) include:

- \$3.4 million in gross output
- Approximately 38 jobs (full and part-time)
- \$1.6 million in value-added

The gross output impact of \$3.4 million annually is the sum of \$2.2 million associated with visitor spending in the area while on day and overnight trips and \$1.2 million associated with the annual operation of the civic center facility and its effects in the local economy. Job impacts are a similar combination of 31 jobs from event impacts and seven from operations; total value added is the sum of \$1.2 million from events and nearly \$400,000 from annual operation of the IRA Civic Center.

## INTRODUCTION

The City of Grand Rapids has more than 200 acres of parks and open-space lands, as well as nearly 50 miles of city trails for recreation. The city also offers many indoor recreational activities for residents and visitors, one of which is the IRA Civic Center. The venue holds up to 4,000 people with 50,000 square feet of space available for ice hockey and figure skating, as well as concerts, trade shows, wedding receptions, and banquets.

As the city considers future upgrades to the facility, local leaders sought a better understanding of the economic contribution of the civic center to the surrounding community. To achieve this goal, Grand Rapids partnered with the University of Minnesota's Tourism Center to assess the annual economic impact the IRA Civic Center has had on Itasca County. This report summarizes the project's findings.

## ECONOMIC IMPACTS DEFINED

Total regional economic impacts are typically described as the sum of direct, indirect, and induced impacts. Direct impacts are immediate, first-round expenditures generated as firms expand production to meet the increased demand for products or services. Indirect impacts involve spending by the business or industry for inputs it uses for production of goods and services. An example for the civic center might include the purchase of food supplies or the hiring of external repair services. Finally, induced impacts occur primarily as a result of spending in the local economy by the households of civic center employees.

The impact measures of most interest typically quantify the following:

- Gross industry output—total industry production (shipments and net additions to inventory)
- Employment—annual average of full and part-time jobs
- Total value added—the summation of all enhancements to intermediate goods and services; total combining employee compensation, self-employment income, property income, and other indirect business taxes

## MODEL AND METHODS

Determination of the three impact components—gross output, employment, and total value added—was carried out using the IMPLAN<sup>1</sup> forecasting model. IMPLAN is based on an input-output method of economic impact estimation that traces commodity flows from producers to intermediate and final consumers. Its level of detail reaches the county level (or aggregations of counties as appropriate) and is based on conventions for input-output analysis from the U.S. Department of Commerce's Bureau of Economic Analysis.

The model of Itasca County was constructed with IMPLAN using the most recent data set for Minnesota (2013) and served as the basis for estimating the annual impact to the local economy from non-local visitors/attendees to IRA Civic Center events.

In addition to an estimate of non-local visitors, one was needed for the daily spending by these visitors to allow for an impact assessment. Because this information was not available, the project team collected primary data using intercept surveys of non-local event attendees. The survey work spanned a 12-month period from December 2013 to December 2014 focusing on the civic center's busiest times.

Due to limited resources, Grand Rapids chose to avoid the higher cost associated with paid surveyors and to depend instead on volunteers from the city staff and the local hockey community. Prior to the start of the survey, University staff trained the participants in survey best practices and reviewed the survey document (See appendix). Volunteer surveyors were then trained to administer a qualifying interview with respondents at civic center events. Respondents were asked several questions during the interview to determine whether or not they met the definition of a "tourist"—someone who has traveled more than 50 miles from their home community—was over 18 years of age, and was willing to participate. If the person met these qualifications, then he or she was given a questionnaire to fill out onsite.

The goal of survey was to reach 100 completed responses for each three-month quarter of the year, for a total of 400 during the 12-month period. Based on the actual usage of the facility and who attended the events (local residents vs. tourists), these quarterly targets were not met and are discussed in further detail below.

## EVENT FINDINGS: HOCKEY

Hockey events are scheduled throughout the year but most frequently occur between November and March. Games at which sampling occurred included both boys and girls events, high school games and tournaments, and many youth hockey classifications (e.g., bantam, pee wee). A total of 175

<sup>1</sup> IMPLAN (IMPact Analysis for PLANning) was originally developed for the USDA Forest Service for land and resource management planning. It has become a widely used, sophisticated yet flexible tool that uses federal and state data sources to determine economic impact assessment and analyses. It is now managed and supported internationally by the IMPLAN Group LLC (Huntersville, NC).

surveys were collected during this period. As respondents did not answer some questions, the total count for each question varied.

#### Visitor profile summary

Of the people traveling to the IRA Civic Center for hockey:

- Most visitors cited Grand Rapids was the primary destination (98 percent).
- Youth hockey was the main purpose of the trip (83 percent), while high school hockey was the second main purpose (17 percent).
- Most visitors (92%) spent at least one night in the area; 6 percent stayed for only the day. The mean stay was 1.98 nights per visitor.
- Eighty-five percent of respondents were from two-parent families with children under 18, followed by single-parent families with children under 18 at nearly 7% (Figure 1).

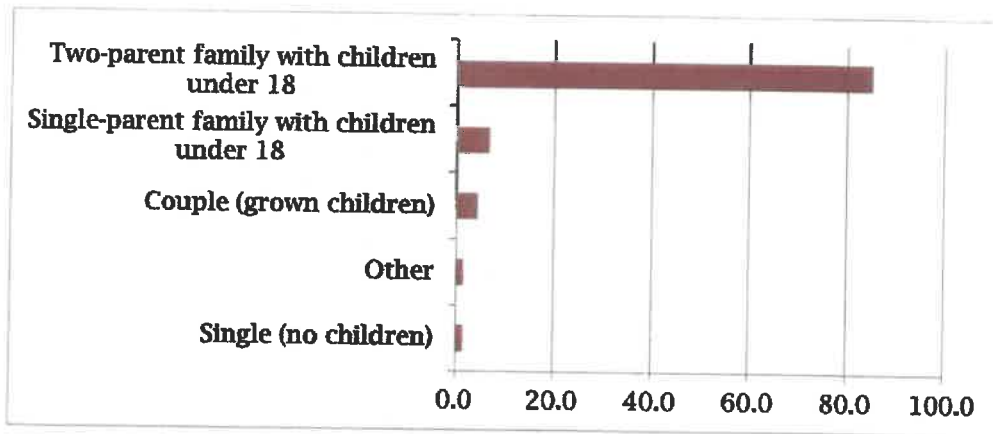
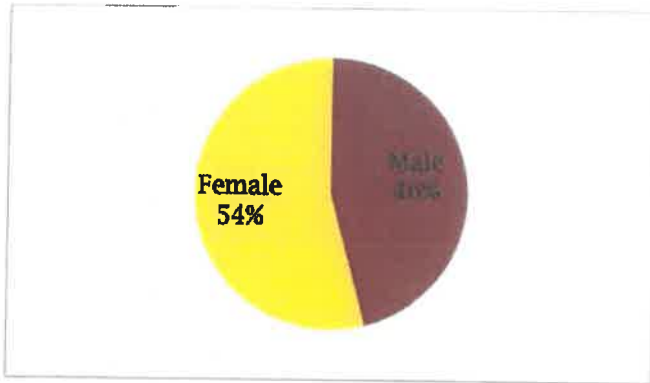


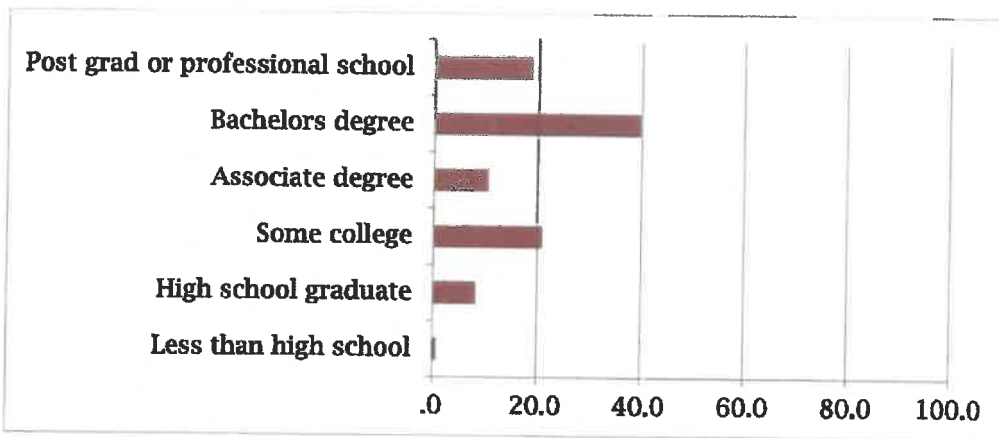
Fig. 1: Household type of non-local visitors to hockey events at the Grand Rapids IRA Civic Center.

Non-local hockey travelers were primarily female (Figure 2) and an educated group, with nearly 59% having completed four years or more of college (Figure 3).





**Fig. 2: Gender of non-local visitors to hockey events at the Grand Rapids IRA Civic Center.**



**Fig. 3: Education levels of non-local visitors to hockey events at the Grand Rapids IRA Civic Center.**

Corresponding to this level of education, more than 68% of travelers earned incomes of more than \$90,000 per year (Figure 4). While visiting Grand Rapids, the average hockey visitor spent the most on lodging, followed by eating and drinking, transportation, and shopping (Table 1).

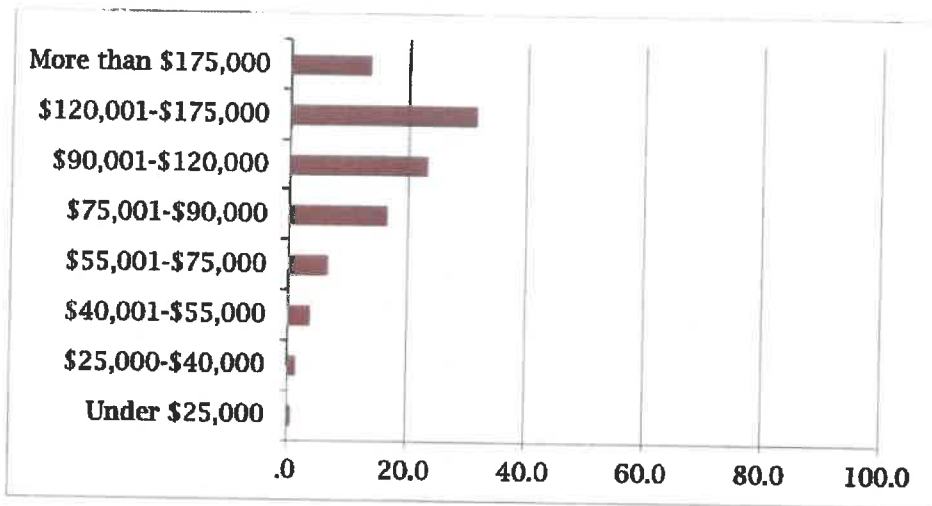


Fig. 4: Income levels of non-local visitors to hockey events at the Grand Rapids IRA Civic Center.

Table 1: Average daily spending per-person by non-local hockey visitors (rounded to nearest \$).

Spending Category	Value (2014 \$)
Transportation	\$16.00
Grocery	\$4.00
Eating & Drinking	\$33.00
Shopping	\$10.00
Recreation	\$1.00
Misc. Spending	\$5.00
Lodging	\$56.00
<b>TOTAL</b>	<b>\$126.00</b>

#### Economic impact of hockey visitors

City staff provided estimates of the total number of non-local attendees across all hockey events scheduled for the study period, based on first-hand knowledge and experience. Their estimate of the total number of non-local attendees, based on each tournament scheduled and its length, yielded 14,515 people-days of visitation (# non-local attendees × # tournament/overnights = people-days). This value provided the basis for the impact assessment using the per-person spending pattern presented in Table 1. The impact results are shown in Table 2.

Table 2: Economic impacts of 14,515 annual non-local hockey visitors staying overnight (rounded).

Impact Type	Gross Output	Jobs	Value-added
<i>Direct</i>	\$1,417,000	23	\$755,000
<i>Indirect</i>	\$ 311,000	3	\$164,000
<i>Induced</i>	\$ 297,000	3	\$164,000
<b>TOTAL</b>	<b>\$2,015,000</b>	<b>29</b>	<b>\$1,083,000</b>

## EVENT FINDINGS: WEDDINGS

Primarily held spring through fall, the dry-floor event survey work yielded perhaps the largest surprise of the project. As builders' shows are among the most attended events, there was a high expectation regarding what the numbers would reveal for out-of-town visitors, but surveyors did not intercept any non-local visitors during the largest builder's show in mid-March. While it is likely there were visitors who traveled further than the prerequisite 50-mile distance, none were intercepted by surveyors, suggesting their numbers are small—at least for the 2014 survey year. For all other dry-floor events (with the exception of weddings), surveyors did not conduct intercept work because they were known to serve only a local market.

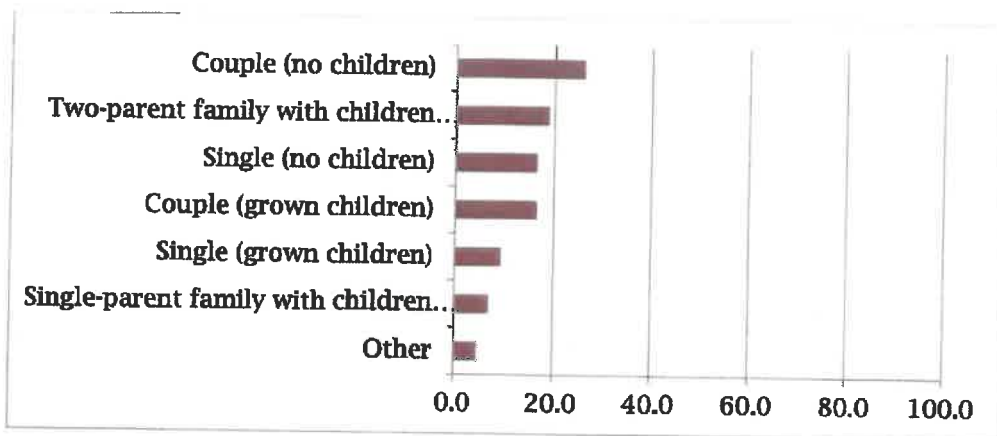


Weddings, on the other hand, were known to draw a significant number of out-of-town guests who spend money in the community. City staff estimated that, on average, they book six wedding events each year, involving an estimated 152 non-local guests at each wedding who stay an average of 1.7 nights in the community, based on survey results. The sample size is small for this segment of users (42 valid questionnaires). That said, it does provide some insight to visitor characteristics and a spending profile to use in estimating economic impact.

### Wedding visitor profile summary

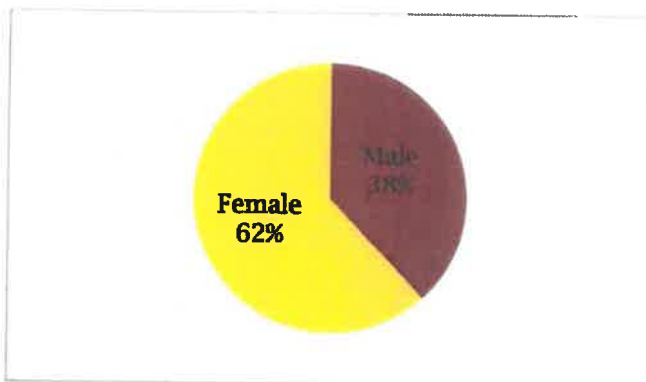
For people traveling to the IRA Civic Center for weddings:

- Grand Rapids was the primary destination (98%)
- More than three-quarters of visitors (76%) stayed overnight for at least one night, and 24% made day-trips
- The household type was more diverse than that of the hockey visitors; the largest group was couples with no children at 26% (Figure 6)

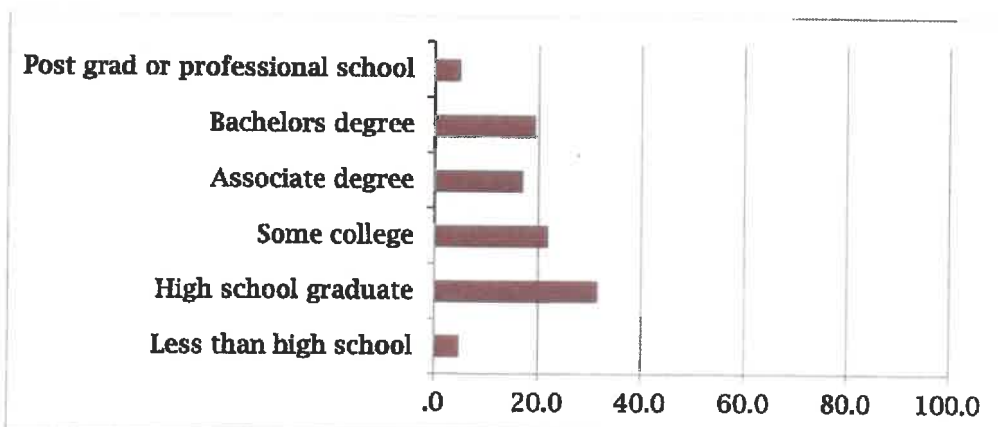


**Fig. 6:** Household type of non-local visitors to weddings at the Grand Rapids IRA Civic Center.

Non-local wedding travelers were primarily female (Figure 7) and varied in their education levels (Figure 8).

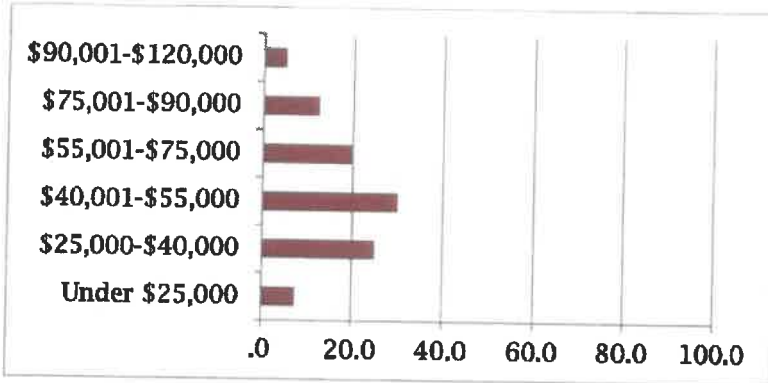


**Fig. 7:** Gender of non-local visitors to weddings at the Grand Rapids IRA Civic Center.



**Fig. 8:** Education levels of non-local visitors to weddings at the Grand Rapids IRA Civic Center.

The average annual income of wedding visitors fell within the \$40,001-\$55,000 range and is represented in Figure 9. Table 3 shows visitor spending while in the community, the highest being in transportation and lodging, followed by eating and drinking.



**Fig. 9:** Income levels of non-local visitors to weddings at the Grand Rapids IRA Civic Center.

**Table 3:** Average per-person spending of non-local wedding visitors at the Grand Rapids IRA Civic Center (rounded to nearest \$).

Spending Category	Value (2014 \$)
Transportation	\$59.00
Grocery	<\$1.00
Eating & Drinking	\$28.00
Shopping	\$2.00
Recreation	\$2.00
Misc. Spending	\$1.00
Lodging	\$59.00
<b>TOTAL</b>	<b>\$152.00</b>

#### Economic impact of wedding visitors

City staff provided estimates for both the average number of wedding events hosted at the IRA Civic Center per year, as well as the number of non-local attendees. Their estimate of six events averaging 152 non-local guests multiplied by the survey estimate of an average of 1.7 overnight stays per event yielded 1,550 people-days annually for weddings. This value provided the basis for the impact assessment using the per-person spending pattern portrayed in Table 3. The impact results are shown in Table 4.

**Table 4: Estimated economic impacts from 1,550 annual non-local wedding visitors staying overnight.**

<b>Impact Type</b>	<b>Gross Output</b>	<b>Jobs</b>	<b>Value-added</b>
<i>Direct</i>	\$150,000	2	\$80,000
<i>Indirect</i>	\$33,000	<1	\$18,000
<i>Induced</i>	\$30,000	<1	\$17,000
<b>TOTAL</b>	<b>\$213,000</b>	<b>3</b>	<b>\$115,000</b>

## **OPERATIONS**

The average annual operation budget of the IRA Civic Center is \$700,000, generating local economic activity from staffing, purchasing of goods and services for operating and maintaining the facility. The economic impact from operations is displayed in Table 5.

**Table 5: Economic impacts from annual IRA Civic Center operations.**

<b>Impact Type</b>	<b>Gross Output</b>	<b>Jobs</b>	<b>Value-added</b>
<i>Direct</i>	\$700,000	3	\$150,000
<i>Indirect</i>	\$367,000	3	\$152,000
<i>Induced</i>	\$123,000	1	\$70,000
<b>TOTAL</b>	<b>\$1,190,000</b>	<b>7</b>	<b>\$373,000</b>

**APPENDIX**

Date \_\_\_\_\_

**University of Minnesota Tourism Center  
GRAND RAPIDS IRA CIVIC CENTER VISITOR QUESTIONNAIRE**

1. What is the ZIPCODE of your primary residence? \_\_\_\_\_

ZIP/postal code

2. Is the IRA Civic Center your primary destination for this trip?  Yes

No, final destination is \_\_\_\_\_

3. What is the primary reason that you made this trip to the IRA Civic Center?

- Trade show                       Community event                       Reception/party  
 Business/convention/meeting       Entertainment                       Youth hockey  
 High school hockey

4. How many people (including you) are in your travel party on this trip? \_\_\_\_\_

4a. How many of your travel party are:

\_\_\_\_\_ under 12      \_\_\_\_\_ 12 - 17      \_\_\_\_\_ 18 - 25      \_\_\_\_\_ 26 - 39  
\_\_\_\_\_ 40 - 55      \_\_\_\_\_ 56 - 70      \_\_\_\_\_ over 70

5. How many total nights do you plan to spend away from home on this trip? \_\_\_\_\_ nights       day trip only

6. How many of these nights will be in the Grand Rapids Area? \_\_\_\_\_ nights       day trip to area only

6a. If you are staying in the Grand Rapids Area, how many nights are you staying in each the following types of accommodations?

Not staying overnight in area

\_\_\_\_\_ Hotel/motel      \_\_\_\_\_ Resort/commercial cabin      \_\_\_\_\_ RV      \_\_\_\_\_ Your own vacation home  
\_\_\_\_\_ Tent      \_\_\_\_\_ Vacation home of friend/relative      \_\_\_\_\_ Bed & Breakfast      \_\_\_\_\_ Home of friend/relative

7. Please estimate your travel group's spending in the Grand Rapids Area for the last 24 hours of your stay.

Lodging \$ \_\_\_\_\_ Restaurants/Bars \$ \_\_\_\_\_ Transportation (includes gas) \$ \_\_\_\_\_ Misc. \$ \_\_\_\_\_  
Groceries \$ \_\_\_\_\_ Shopping \$ \_\_\_\_\_ Recreation/attractions (include guides/outfitting) \$ \_\_\_\_\_ Total \$ \_\_\_\_\_

7a. How many people are included in spending estimate? \_\_\_\_\_

8. Which of the following best describes your household?

- Two-parent family with children under 18       Couple (no children)                       Single (no children)                       Other  
 Single-parent family with children under 18       Couple (grown children)                       Single (grown children)

9. What is the highest grade or year of school that you have completed?

- Less than High School                       Some college                       BA or BS degree  
 High school graduate (or GED)                       Associate college degree                       Post graduate or professional school

10. You are:  Male       Female

11. In what year were you born? 19 \_\_\_\_\_

12. Please give us an estimate of your annual household income:

- under \$25,000       \$40,001 - \$55,000       \$75,001 - \$90,000       \$120,000 - \$175,000  
 \$25,000 - \$40,000       \$55,001 - \$75,000       \$90,001 - \$120,000       Over \$175,000

**Thank You!**



### **IRA Civic Center Improvement Project**

The IRA Civic Center was originally constructed in 1962 by the Itasca Recreation Association, hence the "IRA" in IRA Civic Center. This facility has been a regional asset for over fifty-seven years hosting trade shows, classic car events, high school graduations, weddings, amateur ice sports, and many other types of events. In addition, it serves as an election polling facility and an emergency shelter.

Recognizing the age of the facility, over fifty-seven years, it has need for critical infrastructure upgrades. In particular, the west venue roof and refrigeration are in need of replacement. Because of two truss failures, most recently in November of 2017, the City had two structural engineering firms review and structurally analyze the West Venue truss system. Detail follows:

- Volunteers constructed the original wood truss system in 1962.
- It was donated to the City in 1968.
- It was designed to carry 20 pounds per square foot (psf), current building code is 46 psf.
- Two truss members have failed with the most recent in November of 2017.
- The truss/roof system has been modeled/analyzed by Jon Aamodt, a registered structural engineer in the State of Minnesota. Highlights of his opinions and recommendations follow:
  - *"In our professional opinion, the severe under-capacity of the 1962 roof trusses is a **dangerous condition and should be corrected.**"*
  - *"**Signage** should be considered to **warn the public and employees** of the significant under-capacity of the roof structure for snow loading."*
  - *"In our professional opinion the **West facility should not be used** in the winter months unless/until the building official, building ownership and other parties agree on temporary measures to protect the public and adjacent structures."*
  - *"The **venue should be closed during a significant snow event**, with the understanding that a partial failure has occurred with less than 6 inches of snow on the roof."*
- To address these recommendations/opinions the City has instituted the following:
  - Signs have been placed at entry doors warning the public of the dangerous situation.
  - All snowfall events are immediately removed from the roof.
  - Events are cancelled when heavy snowfall is occurring.



Other needs at the Civic Center include:

- The refrigeration system is starting to fail and utilizes R-22 coolant which can no longer be produced or imported to the United States.
- The HVAC systems are over 40 years in age, have exceeded their life, and require replacement.
- The locker rooms have shared bathrooms creating conflict when scheduling girls and boys events.
- Accessibility does not meet current ADA laws requiring the installation of an elevator.

**IRA Civic Center Steering Committee**

To develop the needed improvements at the Civic Center, the Grand Rapids City Council established a 19-person steering committee. The purpose of the committee was to:

- Recommend what type of roof structure should be utilized to replace the existing West Venue.
- Determine if the roof between the West and East Venue should, be raised creating a heated viewing area.
- Analyze and recommend modifications to address locker configurations for the East Venue.
- Develop a recommendation on how to pay for the needed improvements.

The committee consisted of the following people:

<b>Member</b>	<b>Representing</b>	<b>Member</b>	<b>Representing</b>
Chuck Beck	Member at Large	Jim Hoolihan	Member at Large
Spencer Igo	Member at Large	Shantel Dow	Member at Large
Mark Gothard	Member at Large	Liz Miskovich	Member at Large
Peter Miskovich	Member at Large	Mindy Nuhring	GR Area Chamber
Melissa Swenson	GR Area Chamber	Megan Christianson	Visit Grand Rapids
Wayne Roskos	Visit Grand Rapids	Sam Johnson	GRA Hockey
Jeremy Carlson	GRA Hockey	Shannon Wourms	Star of North Skating
Brad Hyduke	ISD 318	Anne Campbell	ISD 318
Tasha Connelly	City Representative	Dale Anderson	City Representative
Kelly Hain	Member at Large		

Starting in July of 2019, the committee met seven times for a minimum of 90 minutes each time. Subject professionals with backgrounds in architectural, structural engineering, construction methods, building codes and public finance, supported the committee.

The Committee unanimously recommended the following direction to the City Council:

- The West Venue roof/truss system should be replaced with a similar wood system that replicates the original look.
- Although not one of the City Council questions, the committee recommends replacing the West Venue refrigeration system and interconnecting it to the East Venue refrigeration system.
- East Venue locker rooms must have separate toilet and shower areas without multiple entry points to separate girls and boys teams. Information on bonding from the State is necessary before the committee can make a final recommendation on locker rooms.
- A 1% Local Sales and Use Tax should be implemented as long as it expires within six years.

Final recommendations, based on State funding, will be presented to the City Council, once the State Legislative session is complete in May of 2020.

## **Common Questions**

### **Why has the City not taken care of the Civic Center?**

The City has invested over \$1 million (\$1,000,000) over the past ten years.

### **Why does the City not have a reserve fund to pay for the replacement of the roof on the Civic Center?**

The City does not collect and hold tax payer money for future projects.

### **Why don't user fees pay for the improvements?**

User fees do cover the annual operating and maintenance expenses. It would be unaffordable to cover major capital improvements through user fees.

### **Shouldn't City property taxes pay for the project?**

The IRA Civic Center is a regional facility that serves diverse public needs with over 60% of the users being non-residents.

**Isn't this just a hockey arena serving a small portion of our community?**

In addition to serving as a voter polling place for two precincts and an emergency shelter, the Civic Center, on an annual basis hosts the following events:

<b>Event</b>	<b>Non-City Participants</b>	<b>Event</b>	<b>Non-City Participants</b>
Sandstrom's Food Buyer's Show	52 Vendors 96% Non-Residents	NMBA Builder's Show	71 Vendors were 42% Non-Residents
Jaycee's Home, Sport, and Travel Show	56 Vendors 59% Non-Residents	Tour of Minnesota Bike Event	187 Participants 100% Non-Residents
Northern Cruisers Car Club Banquet	400 Participants More than 90% were Non-Residents	Northern MN Craft & Vendor Show	54 Vendors 87% Non-Residents
MN Street Rod Association Fall Camp-Out	425 Participants More than 90% were Non-Residents	Student Angler Bass Tournament Rules Meeting and Headquarters	186 Participants More than 90% were Non-Residents
Classic Bass Tournament Rules Meeting	48 Participants + Media 100% Non-Residents	GRAHA Walleye Shootout Tournament Headquarters	More than 90% were Non-Residents
HWY 38 Sales	N/A	Lakewoods Chrysler Car Sale	N/A
Private Wedding Receptions	85% Non-Residents	ISD #318 Kindergarten Round-Up	60% Non-Residents
Itasca Father / Daughter Ball	70% Non-Residents	Children's Mental Health 5K	N/A
Children First Expo	60% Non-Residents	GRHS Graduation	60% Non-Residents
GRHS Prom & Post-Prom Party	60% Non-Residents	GRHS College Fair	80% Non-Residents
MS Walk	N/A	Election Precinct	100% City Residents
Community Connect	N/A	H.S. Field Sports	60% Non-Residents
GRPD Car Seat Safety	100% Non-Residents		

**Can the existing trusses be repaired?**

Yes, but it would be considerably more expensive than complete replacement.

**Is there a benefit to keeping the IRA Civic Center open?**

Yes. The University of Minnesota prepared an Economic Impact Study for the Civic Center. The study showed an annual economic impact of \$3.3 million, supporting 48 full and part-time jobs, and creates \$1.7 million in value added to the region.

**Who uses the Civic Center?**

Over 60% are non-City residents.

**Who would pay the 1% local sales and use tax?**

The University of Minnesota has estimated that between 50% and 55% of the tax would be paid by non-City of Grand Rapids residents. This number correlates well with the number of non-residents who use the Civic Center.

**Can the City choose to do nothing?**

Yes. But an unplanned roof failure will close the facility for over two years resulting in the loss of significant economic benefits to the region.