

**MINUTES  
OF THE JOINT WORK SESSION OF THE  
EDINA CITY COUNCIL AND  
THE EDINA PARK BOARD  
HELD AT CITY HALL  
JANUARY 3, 2012  
5:00 P.M.**

Mayor Hovland called the meeting to order at 5:00 p.m. in the Council Chambers of City Hall. Answering rollcall were Members Bennett, Brindle, Sprague, Swenson and Mayor Hovland. Members of the Park Board in attendance included Park Board Members: Deeds, Jacobson, Jones, Lough, Meyer, Neville, Peterson, Steele, Weicht, and Chair Hulbert.

***EDINBOROUGH STUDY PRESENTATION***

Jeff King, Ballard & King, introduced his firm and explained its role to complete a market analysis, program assessment, and operational feasibility of Edinborough Park. The role of ATS&R was to complete a facility assessment, concept plan, and cost estimates. Mr. King provided a PowerPoint presentation that included the following: identifying the 20-mile radius service area driven by location of current customers of Edinborough Park; demographic characteristics within the service area; Spending Potential Index (SPI) and market conditions; and alternative service providers.

Mr. King indicated they found less 4% of admissions received at Edinborough Park were derived from the fitness component due to limited space, low diversity of equipment, no group exercise option, and lack of locker space and child watch. The desire for fitness facilities remains strong but for the City to pursue and compete in that market, it would require a significant outlay of 5-7,000 sq. ft. Mr. King added there was no assurance the City would be successful if they pursued an update to Edinborough's fitness facilities, in part because of the public perception of Edinborough Park as a place for youngsters to play, and not as a premiere fitness center. In addition, a mixed audience of kids and adults does not always work well and there was a strong and significant local competition in the fitness market.

Mr. King indicated Edinborough's lap pool was one dimensional, lacked water depth for competition swimming and had inadequate support spaces such as locker rooms and seating. About 19% of the City's population participated in swimming; however, Ballard and King's analysis indicated about 4% was actually interested in swimming for exercise and competition. He advised that market appeal would require a change in format to a leisure pool incorporating lap lanes, water slide, lazy river and zero depth entry. Mr. King said it was questionable whether such an operation could fit into the existing site or generate enough revenue to offset operating costs. Mr. King indicated the pool facility was under performing and underutilized. He pointed out that operating without life guards could be a liability issue.

Mr. King stated they looked at Adventure Peak as the identifying moniker for Edinborough Park and Edina, and the reason the service area was a 20-mile radius. They found Adventure Peak had been the driver to generate revenue, was heavily utilized and hosted over 1,300 birthday parties last year. Mr. King suggested the City may need to keep reinvesting in Adventure Peak to keep it performing, since other entities in the area would attempting to emulate the City's success through duplication.

Mr. King noted there was a conflict of use with the theater area due to noise from Adventure Peak. He stated the theater was under utilized over the course of the week, primarily due to lack of support space for seating, storage and acoustics.

Tammy Magney, ATS&R, indicated the building was in good condition, and ATS & R would recommend the City complete the CIP projects to maintain this first class facility. She presented their recommendation to provide program improvements through a phased plan. Phase 1 included a project to infill the pool and create a soft play area and party rooms in that space; modify the lower level locker rooms for family restroom and coats; and modify the upper level restrooms for unisex restrooms and storage. Phase 2 included modification of the track for offices, meeting rooms and a picnic deck. Phase 3 included creating a challenge course to increase options for older kids. Phase 4 included a project that would infill the lower area grotto to provide three or more interactive play areas and interactive tech zones on the amphitheater floor. Ms. Magney presented the proposed energy efficiency projects, an option to reduce the planting areas by two-thirds which would reduce labor and lighting costs, and described each of the four phases in detail.

Bill Martin, ATS&R, described the proposed CIP and energy improvements and referenced the written report's appendixes that contained cost estimates. Mr. King clarified that all options would have a positive impact on the operating budget over the long term.

Member Bennett noted the Council had previously discussed its intention to look at everything, even the sale of the building; however, the report only examined current uses and analyzed future uses confined to expanded kid options. She noted the study indicated that during a three-month period, only 6.5% of the birthday parties were scheduled by Edina residents. Mr. King indicated that was correct, as reflective of having a 20-mile service radius. Member Bennett stated it appeared to be a tax subsidized birthday party facility. If serving primarily users outside Edina, she felt Edinborough should be self-sustaining. Member Bennett stated she was disappointed the study did not include a broader analysis with more ideas. Mr. King indicated the study provided tools to help the Council with its decision making process.

Member Bennett stated she had not found any information in this analysis whether competitors in the area would or would not undertake renovations and asked if that would impact projections. Mr. King answered it would not impact projections because they had been very conservative with the birthday party element. Mr. King urged the Council not to overlook that this facility was a contributor to the overall economic health of the community because the people coming to Edinborough Park, in many cases, make additional purchases.

Member Swenson noted the City currently gave a considerable amount of money to this facility and asked whether the proposed improvements would create additional revenue to cover the City's contribution. Mr. King answered that the soft play option would have a positive cash flow of almost \$144,000 towards operations. Across the board, all three options would generate more revenue for the operations and less reliance on General Fund support. Mr. King indicated that debt service was not part of the calculations at this point.

Member Swenson asked about the City's contractual obligation to the condo association and hotel with the pool and track. Edinborough Park Manager Kattreh advised it could potentially be \$200,000, and it was staff's intention to ask the City Attorney to look into that question.

Member Brindle reviewed the student enrollment estimates of the School District. Mr. King indicated the age group distribution would contribute to and not decrease revenues. With regard to fitness, Mr. King indicated it was not a passing fad but had become a way of life. He explained types of sports fluctuate over time, but there had been a movement from team sports to individual activities.

Member Brindle advocated retaining the amphitheater because it was the only activity that brought in adults. She suggested the challenge course not be extended above the stage to assure there was no impact to lighting or acoustics. Member Brindle noted this facility, which opened in 1987, had evolved over time, and the storage rooms were originally green rooms for performers. With regard to the grand piano, she supported either selling it or donating it to the Senior Center. Member Brindle noted the value of Edinborough Park to the residents at Edina Park Plaza could change if this became more of a teen and younger park. She pointed out that use of the amphitheater was held to certain times based on resident request, so adding a tech feature in the grotto may create noise concerns. Member Brindle stated the Park needed to be of value to Edina Park Plaza residents since part of their rent goes to the Park.

Mr. King added that economic conditions had also changed over time, noting that a fee for use was not charged when the Park first opened.

Park Board Chairman Hulbert asked about the impact to parking should more areas be changed to facilities that increase density by attracting more children and young teens. Ms. Kattreh explained that the lower level of the parking ramp was not used on the weekend by the Corporate Center, so she recommended asking the Corporate Center to use that space over the weekends.

Mr. Hulbert asked if there was an estimate on the number of vehicles/parking spaces needed to accommodate higher densities. Mr. King stated the City's parking ratio would give guidance for parking stall requirements. From a programming perspective, they tried to expand the core business and looked at components of interest to the "tween" population to spread out the concentration at Adventure Peak.

Mayor Hovland asked whether constructing all three phases would offset existing losses. Mr. King answered that all three options would increase expenditures by \$212,000, and create additional revenues of \$350,000, a difference of \$135,000.

Park Board Member Deeds presented his estimate that Phase 1 would result in a 6.7% return on investment and if borrowing, Phase 1 improvements would cover debt load but result in only a 2.5% return on investment annually. Mr. Deeds agreed the primary usage was for children 8-year-olds and under and indicated he was amazed that Ms. Kattreh was able to schedule so many birthday parties. He indicated the proposed improvements would not get Edinborough Park to a break even point but would close the gap somewhat and make for better utilization and overall utility benefit to having this type of facility in the community. Mr. Deeds stated he was skeptical the proposed uses would attract 10- to 14-year-olds to the facility

but thought the potential to grow revenues through birthday parties and optimizing activities for under 10-year-olds was where the City could maximize financial returns on the building. He noted that the \$200,000 from the condo association was important and if that income went away, none of the proposed improvements made sense.

Member Sprague agreed that risk had not been factored into the analysis and asked how many functionally obsolete facilities had been analyzed. Mr. King indicated Ballard & King had completed over 500 feasibility studies across the country and about 125 facilities were in operation. He noted they were not architects, so not every project the firm analyzed was built. Mr. King indicated Edinborough Park was a very unique facility in the marketplace of the entire country and the study incorporated realistic expenses and conservative revenue projections.

Member Sprague questioned whether Edinborough Park was unique because no other "adventure" uses had survived because it was not financially feasible. He indicated he recognized the uniqueness of Edinborough Park but questioned whether the operations were sustainable.

Mr. Deeds stated he thought the numbers were conservative but would like the consultant to provide the assumptions used for traffic, usage growth and best/worst than expected range. He noted the facility was currently marketed by word of mouth and a marketing budget was not included.

Park Board Member Jones suggested what makes this Park unique was the large organic presence in the middle of the winter. She noted there were other soft play areas, but the organic presence was what caused people to drive 20 miles to Edinborough Park. Ms. Jones stated she had also hoped the study would include all options and asked whether Edinborough tenants were surveyed on what they may want for expansion of services or different services they would be willing to pay for. Ms. Kattreh indicated 600 respondents were surveyed a year ago for a four-month period and a lot of the items the consultants have provided were what the customers were looking for in terms of concessions and soft play specifically for toddlers. It was noted that Edina Park Plaza tenants, hotel and business owners were not surveyed.

Member Bennett stated it seemed that what was unique about Edinborough Park was not the kid play space because there were similar offerings by other providers but, rather, the distinguished setting in which this function was set. However, once the phases were built out, there would not be much left of what makes Edinborough Park unique. She expressed concern that the report text does not recommend the theater remain due to conflict of uses. She said that expanding children's play usage into the entire facility would make most other uses incompatible. Member Bennett stated she would like to know what it would cost to operate the facility as a park without the fitness facility and pool.

Member Swenson explained the decision had been made to approve Adventure Peak because Edinborough Park was losing money. Mayor Hovland confirmed that was the case so it was decided to invest \$250,000 into Adventure Peak, which worked since the original investment was recouped in eight months.

Mr. Deeds noted the pool and fitness areas were poorly designed and underutilized, so it was not a matter of losing space that people were making use of today. The options would be to either redevelop those areas or shut down the pool and fitness areas and run Edinborough Park as an open park facility.

Member Brindle indicated she had additional questions related to whether Edinborough Park should be an enterprise facility, become a City park or were other options available. In addition the Council must address how important each aspect of Edinborough Park was to Edina being Edina.

Member Sprague requested information on new construction options. He noted the Grandview Report included a community center so analysis was needed on whether to move this function and avoid expensive capital improvements. He asked whether the money should be put into a new facility where improvements could be made at a lower cost than to retrofit an older space.

Park Board Member Lough stated many good questions were posed tonight and suggested those answers be received prior to the next joint work session.

The Council agreed this decision necessitated additional discussion and study. Council consensus was reached to schedule a joint meeting with the Park Board to discuss this information and give opportunity to ask more questions.

Mr. Neal indicated the Council was booked for commitments through the end of February, so a joint work session would not occur until March. This timing would give staff sufficient time to work with the consultants and possibly bring in other resources to answer the questions posed tonight.

Mayor Hovland declared the meeting adjourned at 6:23 p.m.

Respectfully submitted,

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Debra A. Mangen, City

Clerk

Minutes approved by Edina City Council, January 17, 2012.

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James B. Hovland, Mayor

Video Copy of the January 3, 2012, meeting available.