

TO: Mayor Roy D. Buol and Members of the Dubuque City Council
FROM: Members of the Five Flags Civic Center Commission
SUBJECT: Recommendations Regarding the Future of the Five Flags Civic Center
DATE: December 17, 2019

This letter is to outline the actions taken at the last Five Flags Civic Center Commission (FFCCC) meeting on November 25, 2019 regarding the Five Flags Civic Center expansion project. The FFCCC reviewed details of scenarios 3, 4, and 4/hybrid of the feasibility studies, and we discussed options for moving the project through the next steps. A rollcall vote was held at the meeting to allow commission members to express their opinions on what scenario to endorse and recommend a timeline to progress the project to a public vote. The FFCCC unanimously (except commission member Bryce Parks who was absent) voted to endorse scenario 4/hybrid, and we recommend that the city council move expeditiously to draft a ballot for the next available voting date on March 3. The reasons for endorsing scenario 4/hybrid and voting date of March 3 are numerous and outlined below.

Scenario 4/hybrid is a superior option when compared to the original scenario 4. This option presents a savings on the order of about \$7.75 million, or 10%, compared to scenario 4. The current estimate of ongoing yearly operating costs for 4/hybrid is \$346,000 compared to the current fiscal year benchmark of \$932,962. The consultants with CSL, and architects with Betsch & Associates, estimate that 4/hybrid would increase arena seating to approximately 6,400 seats. A 6,000-seat arena will enable our arena to attract a higher tier of entertainment, and it will make our community more competitive in the region when booking events.

Upon completion, this project will make our community proud, attract an increase in tourists and visitors, and add to the economy of Dubuque and the tri-state area. The FFCCC originally endorsed the original scenario 4, but 4/hybrid provides a substantially lower cost with a negligible tradeoff in features. Citizens of Dubuque and the FFCCC are grateful for the city council's recommendation to further analyze scenarios 3 & 4 which produced scenario 4/hybrid. We strongly support this option and believe that the expansion of the Five Flags Civic Center is critical to the cultural, economic and entertainment future of our city and tri-state area. Dubuque's cultural beacon will shine with tremendous new power with the approval of scenario 4/hybrid.

The second critical part of the recent FFCCC vote was to recommend a timeline for the city council to adopt a ballot and present a vote to the public as expeditiously as possible. According to the governing laws, the next available dates to present an item for referendum are March 3 and September 8. We recommend that members of the city council take steps to have a ballot prepared for the next voting opportunity on March 3. The financial analysis for scenarios 3, 4, and 4/hybrid include a 3.4% annual escalation cost that includes factors such as inflation, material costs, and increased expenses to maintain the current state of the Five Flags Civic Center. According to this figure, waiting 1 year will cost approximately an additional \$2.57M, waiting 2 years \$5.23M, waiting 3 years \$7.99M,...

The feasibility studies have been going on for over two years, and the people of Dubuque are ready for a resolution on this project. As the feasibility survey results show, the community supports an upgraded facility. Consultants with CSL share the same opinion. They have done a thorough analysis on the impact that a new facility will have on our community and believe we are at the point of action. We, as representatives of our community, owe it to the great people of Dubuque to deliver a swift and thoughtful resolution.

The FFCCC remains at your disposal for any questions and feedback regarding the Five Flags Civic Center expansion project. Our recommendations to proceed with scenario 4/hybrid and pursue the next available referendum voting date is made in the best interest of the community.

With Best Regards,

The Five Flags Civic Center Commission

Nicholas Huff – Chairperson

Tyler Daugherty – Vice Chairperson

Rod Bakke

McKenzie Blau

Bryce Parks