



WHAT IS THE FUTURE OF THE DON BARNETT ARENA?

- In December of 2011, Mayor Sam Kooiker appointed a "Brainstorming Committee" to study the future of the 36 year old Don Barnett Arena
- The "Brainstorming Committee" met for several months to analyze the operations, deficiencies, and potential future of the Don Barnett Arena
- The "Brainstorming Committee" asked the Rushmore Plaza Civic Center Board of Directors (BOD) to commission an Economic Impact Study, completed by AECOM, an international economics consulting group, as well as conceptual visionary drawings of a potential replacement arena, completed by ARC International, a local architecture firm
- At Mayor Sam Kooiker's request, on July 9, 2012, the BOD presented their "Vision" of the replacement of the Don Barnett Arena to the City Council, seated as the Vision Fund Committee
- The City Council unanimously "....authorized staff to look at and bring forward funding options for the design of the RPCC Expansion Project....."
- On August 17, 2012, the US Department of Justice notified Mayor Kooiker of receipt of a formal complaint regarding Americans with Disabilities Act (ADA) issues in the Don Barnett Arena.
- Acknowledging concerns for additional analysis, the BOD seated the Civic Center Future Committee (CCFC) to further study the Barnett Arena to ensure proper community vetting of the project
- The CCFC was comprised of 18 community leaders including businessmen, youth, a former Mayor, former City Councilmen, tourism leaders, economic development leaders, and political leaders
- The CCFC met every two weeks for 9 months and studied the following areas:
 - Economic Impact of the Don Barnett Arena on the local economy and tax base
 - Demographics – Population Changes
 - Competitive Markets
 - Americans with Disabilities Act Deficiencies

- Youth – Our Facility's Future Patrons and future taxpayers
 - Building Code Compliance - Infrastructure Deficiencies – Life Safety Issues
- The CCFC asked the BOD to commission additional studies to understand the costs of the Barnett Arena ADA Deficiencies as well as the Building Code, Life Safety, and Infrastructure Deficiencies
- Local Architect, FourFront Design, was commissioned to study the legally required ADA improvements necessary for the facility.
 - FourFront worked with ADA Compliance experts from Colorado and Minnesota.
 - 402 ADA violations were identified
 - Federal Law requires compliance with the 1992 Act
 - Violations were found in seating, ramping, elevators, access, parking, sidewalks, restrooms, concessions, etc
 - Cost to correct ADA violations = \$36,196,271 to \$37,889,752
 - Mortenson Construction, a worldwide arena contractor, reaffirmed FourFront's estimates
 - Remodeling for ADA purposes will cause a LOSS of seats in the Don Barnett Arena
 - May take up to 5 years to remodel for ADA compliance
 - Many events during that time may have to relocate – possibly elsewhere in the state
 - It is highly unlikely a number of those events would return to Rapid City post-construction
- Local Architects, TSP, were commissioned to study Building Code Compliance, Infrastructure Deficiencies, and Life Safety issues within the Barnett Arena.
 - Areas studied included: required building and fire code upgrades required; major electrical deficiencies; lighting, IT, communications issues; roof systems, hanging grids; seating, concessions, amenity deficiencies, snow load capacities
 - Cost to correct building code and infrastructure deficiencies = \$30,000,000 to \$35,000,000
 - May require the closing of the facility for an extended period of time
- After 9 months of study, the CCFC considered three options for the future of the Don Barnett Arena:
 - Do nothing. Leave the Barnett Arena as is
 - **Remodel the existing facility at a cost of up to \$37,889,752 ADA Compliance + \$35,000,000 (Building Code & Life Safety Compliance) = \$72,889,752. This does NOT include any PARKING concerns.**
 - Explore the potential of constructing a new arena

The CCFC voted to recommend the BOD
 “...undertake a comprehensive feasibility study for the construction of a new arena....”

Rushmore PLAZA CIVIC CENTER



WHY DOES THE DON BARNETT ARENA NEED TO BE REPLACED? WHAT'S THE JUSTIFICATION?

- For nearly 40 years, the Barnett Arena has provided a regional venue to attract sports, art, concerts, shows, rodeos, and many other cultural events. Without renovation, the Arena will not be able to continue to support these major events.
- The RPCC is already experiencing challenges in attracting events that affect its short term competitiveness. Examples of facility deficiencies include:
 - The Arena's trussing system is insufficient to support many events.
 - The event floor is shifting and is not big enough for most of today's concert and sporting event footprint requirements.
 - Sound, lighting and electrical power capabilities are limited and must be supplemented to adequately support events.
 - ADA deficiencies, building code non-compliance and significant Life Safety issues exist and need to be addressed
 - Not addressing these deficiencies will lead to ongoing legal risks
- Total estimated cost of these upgrades based on 2013 dollars is \$67M - \$73M
 - Life Safety and ADA requirements: \$36 - \$38M
 - Infrastructure & Building Code compliance: \$30 - \$35M
 - **GRAND TOTAL UP TO \$73,000,000 -WHICH DOES NOT INCLUDE PARKING!**
- The investment required to comply with ADA, life safety and updated building code requirements will not increase the seating capacity of the Barnett Arena, and will likely result in a reduction in the overall seating capacity of the facility.
- The Barnett Arena would most likely not be able to host many of the current events during the construction period and would experience a loss of short term revenue. This would also translate into lost tax revenues for Rapid City.
 - The economic benefits derived from the Barnett Arena are considerable to the community and to the current and future tax base of Rapid City.
 - RPCC events generate direct spending – includes lodging, food and beverage, retail and transportation
 - RPCC events generate city tax revenues through sales and BBB taxes. This supports a broad array of city services that would otherwise have to be financed by city taxpayers.
 - Preliminary analyses indicate that RPCC facility usage would increase under a new arena scenario vs. leaving the arena as-is. A new arena would allow Rapid City to retain the events

it currently hosts and compete to attract new events that the Barnett Arena cannot accommodate.

- Up to 65% of the attendees (and revenue) come from outside RC's municipal boundaries
 - A portion of the broader economic growth of the community is conditioned on having best-in-class recreational and entertainment facilities as part of our amenity base.
- Trade area for the RPCC includes 40 counties in 5 states, and grew nearly 40% from 1970 to 2010. In the next 15-20 years, the Rapid City region is projected to approach 250,000 residents.
- Over 51% of uninformed youth and over 80% of informed youth support building a new arena. 70% of youth surveyed use the RPCC weekly to quarterly
- In states such as Minnesota, South Dakota, Colorado, Nebraska and others, many new arenas in the 15,000-seat range have recently been built or will soon be built and thus provide a strong network for touring shows. The projected cost of construction for the Sioux Falls Arena is \$107M in 2013 dollars. Construction costs are expected to increase 3-5% every year.
- As of now, the Barnett Arena will not be able to accommodate many of the touring events held at these competing arenas. A new facility with current arena standards will be able to capture these tours as they travel through the region. The marketability of the Don Barnett Arena is steadily decreasing.
- A "New Arena" vs "Existing Barnett Arena" analysis as projected in the year 2020 by the international economic consultant AECOM, states the following:
- New Arena Sales (rents, concessions, commissions, etc) are projected at \$17,245,000 vs \$5,558,000 for the existing Barnett Arena – an \$11,687,000 increase.
 - Total consumer off-campus spending for a New Arena is projected at \$96,100,000 vs \$55,100,000 for the existing Barnett Arena – a \$41,000,000 increase
 - Total tax revenues for a New Arena Scenario are projected at \$8,136,000 vs \$4,366,000 for the existing Barnett Arena – a \$3,770,000 increase
- The projected ANNUAL economic impact of the Barnett Arena, AS IS, in the year 2020 is estimated at \$60,500,000. The projected ANNUAL economic impact of a New Arena in the year 2020 is estimated at \$113,400,000.

To view the reports used by the BOD and the CCFC please go to www.gotmine.com for the detailed listing.

Per the CCFC Recommendation Report

"...We do not live in a vacuum. We live in a competitive world, where we need to constantly improve, change, and adapt to new standards, new expectations, and new experiences, just as many of our competing communities are doing. IF WE SIT STILL, WE WILL LOSE. We must be thoughtful, deliberative, and realistic, but we must also be competitive."