February 4, 2016

Rapid City Common Council
300 Sixth Street
Rapid City, SD 57701

Re: Civic Center Resolution Task Force Member Selections

Dear Council Members:

Over the last several weeks I have been struggling to select members of the new Civic Center Task Force. Sixty-four people applied, the majority of which are highly qualified and capable of participation on the committee. I have selected 10 members to become the new Civic Center Resolution Task Force:

• KEVIN ANDRESON: Has 15 years executive management experience, most recently as Chief Operating Officer of a $450 million food ingredient company. He has a Bachelor of Science degree from North Dakota State University and a Master’s degree in Agricultural Economics from Purdue University.

• EVERETT HOYT: Is past chairman and board member of the Rapid City Economic Development Partnership Board. Currently he serves as a board member and was past chairman of the South Dakota DENR Water Management Board. He served as Chief Operating Officer and board member for Black Hills Corporation and Black Hills Power from 1989 to 2004. Mr. Hoyt has a Bachelor’s degree in Mechanical Engineering and a Juris Doctorate from the University of South Dakota.

• MATTHEW HUETHER: Serves as lead financial consultant of Thrivent Financial. He has a Bachelor’s degree in Business Administration with an emphasis on Marketing and also holds a Master’s degree in Business Administration. He is a General Securities representative and is South Dakota State Life and Health licensed.
• MARK JONESON: Owner of Financial Consultants in Rapid City since 2000. He has worked 35 years in the financial services industry including 22 years of banking experience. Mark holds a Bachelor's degree in Agricultural Economics from SDSU and a Master's degree in Business Administration from USD.

• JOHN SPANGLER, MD: Has resided in Rapid City for over 20 years. He served as a Pediatric Cardiologist at Black Hills Pediatrics. He is a former professor of Pediatrics at USD’s School of Medicine. John currently studies Geology at South Dakota Mines.

• RICK KAHLER: A real estate broker and general certified appraiser for 40 years, Kahler is also a Certified Financial Planner in the mortgage business for over 10 years. He is a real estate and rental property owner in Rapid City. He has a Master's degree in Financial Planning.

• RODNEY PETTIGREW: Has over 35 years of experience as a business owner and operator, and as a property owner and involvement in the construction business.

• DAVID PLOOF: Business teacher at Rapid City Central and retired Post 22 baseball coach. He is a graduate of the University of Minnesota.

• TIM RABEN: Is an Executive with the Hartford Insurance Group. He runs a local consulting business. He has a Bachelor’s degree in History and a Master's degree in Liberal Arts. He has certified financial planning, business and strategic planning experience.

• ROBERT (BOB) WEYRICH: Has worked for the State of South Dakota as an Agriculture Development Specialist. He has had the opportunity to review numerous organizational, business, marketing and development plans. He has a Bachelor’s degree in Business with a minor in Economics.

The Task Force meetings will begin in February and are open to the public. Public comment will not be taken at these meetings, but will be solicited and received at a later time. This is the general task force assignment:

Phase 1: Americans With Disabilities Act (ADA) issues within the Barnett Arena. There has been much discussion about the issue and even a formal agreement with the Department of Justice signed by the former mayor. The fact is, we are no closer to completing ADA repairs within the Barnett Arena than we were one year ago. Phase 1 will solve this problem. This group will tackle the issues and will pursue an ADA repair plan that is based on doing the right thing. There are reasons to believe that the ADA inspection, assessment and agreement with the Department of Justice is insufficient to use as a tool in finding a remedy for these issues.

When phase 1 is complete, a formal public education plan will be constructed. This will include everything from social media, speaking at service clubs as well as news releases and interviews.
This public education campaign will continue from this point forward. Additionally, the funding mechanism will be constructed. Phase 1 costs, financing, payoff and the impact on existing unrelated programs and services will be articulated.

Phase 2: Last year's expansion proposal cited "code violations" that needed to be addressed. This was a mischaracterization of the issues at hand. Phase 2 will assume that the Barnett Arena will remain in operation for the foreseeable future. Some of the items that may be listed in phase 2 could be additional railings (not covered by the ADA plan) as well as an adjustment to the ceiling height etc. Phase 2 will be a listing of desired building modifications that are separate from the ADA repairs that address safety and marketability of the Barnett Arena.

At the end of phase 2, public education programming similar to that in phase 1 will take place. Additionally, the funding mechanism will be constructed showing the combined costs of phase 1 and phase 2, pay off schedule and the impact to current unrelated programs and services.

Phase 3: In this phase we will address the question of the future viability of the Barnett Arena. In other words, we will again answer the question of a possible expansion. The first two phases will show us the cost and benefit of keeping the Barnett Arena, whereas phase 3 will allow us to compare that to an expansion. It is my belief that phase 3 will largely be addressed through the numbers. The new task force is sufficiently staffed with financial experts from around the community. Safe and realistic assumptions will be used to articulate the costs and benefits of an expansion. I have carefully selected task force members who are not opinionated on the subject. They are open minded and prepared to recommend the best action for the Civic Center and Rapid City based on facts.

Committee Budget

Will be a cost to facilitating this task force. First of all, a professional meeting facilitator will be used to guide this effort throughout the next year. The cost for facilitation will be $11,000.

Architectural and other professional reports may have to be updated based on the amount of time since they were written. I anticipate the cost of doing this will be relatively minor, however I am certainly not an expert in this area.

New assessments or professional reports may be needed in order to meet the goals of the task force. Honestly, it's hard for me to estimate the type of professional services that may be needed at this time. I cannot imagine needing additional studies over and above the scope of which was already completed in the previous year or two, but I am keeping an open mind.

There is currently $31,000 left in the vision fund designated for Civic Center studies. I will hire the facilitator and pay for any report updating or other resources up to that amount before I come to the Council for additional purchasing authority. No single purchase at this early stage will be over $25,000.
I'm sending this letter to you Thursday night. A press release will be issued tomorrow morning and news interviews will be tomorrow afternoon. If you have questions, comments or if you would like further information please contact me as soon as possible.

Sincerely,

Steve Allender
Mayor of Rapid City