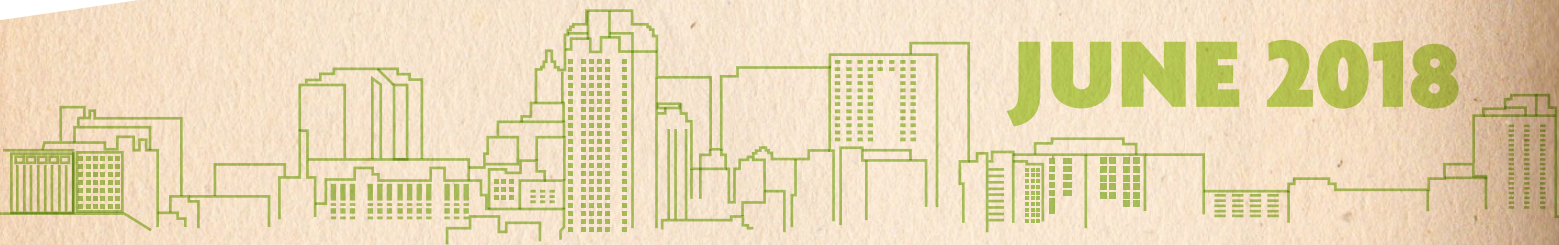


GRAHAM

PARK

MASTER PLAN

JUNE 2018





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FOOTBALL PRACTICE AT GRAHAM PARK, 1988 (PHOTO BY DAVID GRAHAM)



CHAPTER 1 | INTRODUCTION

Introduction and Purpose

After several years of discussions about how to create a shared vision for the future of Graham Park, Olmsted County decided in the fall of 2017 to begin a master planning process. Graham Park has long served the residents of Rochester, Olmsted County, and the surrounding region as a productive community asset, hosting thousands of events and activities that have attracted hundreds of thousands of attendees to the site. Yet Graham Park remains an underutilized asset that has the potential to become a vibrant multi-use campus used year-round. The County aims to transform Graham Park into a self-sustaining regional destination, showcasing the Graham Arenas, a new multi-use arena and expo facility, and a festival park, while continuing to evaluate the potential for adaptive reuse and preservation of the existing structures.

In order to inform the Plan, a feasibility study of opportunities to enhance facilities at the Park was prepared by Conventions, Sports and Leisure International (CSL) prior to the start of the Master Plan. CSL's recommendations, numerous stakeholder meetings, sessions with Park staff, and discussions with the County Board form the foundation of the Graham Park Master Plan, which will help to guide the Park's development over the next 10+ years.

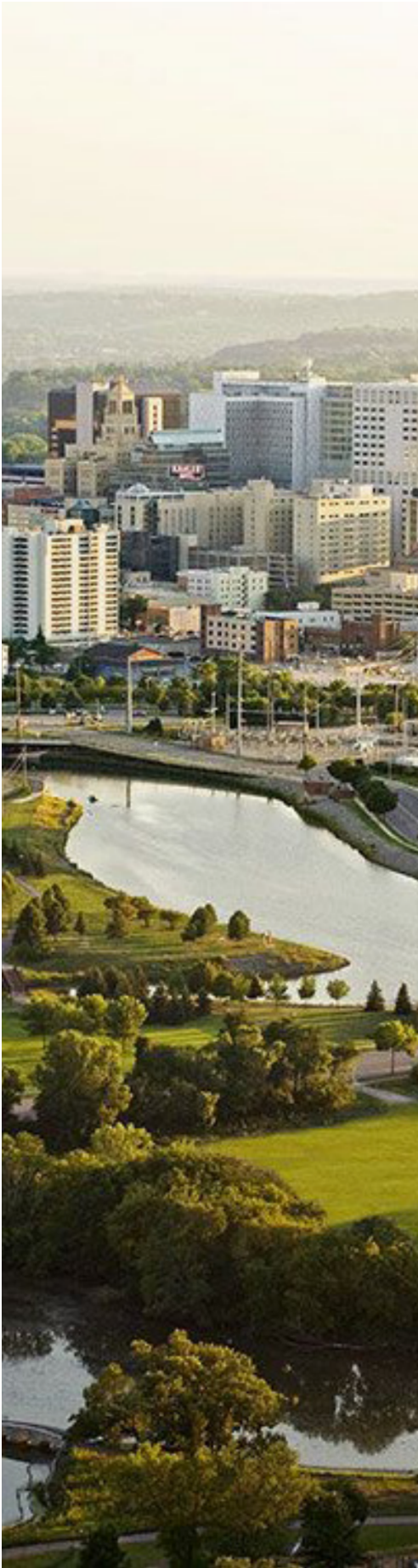
Park Description

The nearly 60-acre parcel is owned by Olmsted County, which is also responsible for operating the complex, with the exception of the four City of Rochester-operated Graham Ice Arenas. The ice complex has over 100,000 square feet of year-round usable space for both dry floor events and skating. The Rochester Youth Hockey Association and Rochester high school hockey programs rent ice time.

In addition to the four Graham Ice Arenas, the Park offers eight flat floor event halls, six dirt/multi-purpose equestrian and livestock event facilities, a 2,500-seat covered grandstand, and an RV campground. These diverse venues can house many functions including, but not limited to, weddings, graduations,



Existing Uses at Graham Park



auctions, trade shows, concerts, and farmers' markets. While some of the event facilities throughout the Park have been well maintained throughout the years, others are in various stages of disrepair and/or experience limited usage throughout the year.

Graham Park is home to the largest annual event in Olmsted County, the Olmsted County Fair, which typically attracts 155,000 to 165,000 attendees per year.

Regional Context

Graham Park is conveniently situated along Broadway Avenue about a mile east of Hwy 52/Hwy 63, along Hwy 14 as it passes through Rochester, and just a mile south of downtown. In 1919, the grounds were donated by Dr. Christopher Graham, whose interests in health, farming, and education motivated his creation of the park. A century later, Graham Park is perfectly positioned to fulfill its founder's intent as a place that fosters an appreciation for agriculture, celebrates innovation, and gathers people together to learn from one other. Graham Park now sits at a nexus of urban and rural, with the Destination Medical Center (DMC) and Downtown Rochester to the north nestled into the farmland of southeastern Minnesota. Dr. Graham's mission and the park's position as an urban-rural link that gathers people together combine to give Graham Park the potential to provide valuable learning opportunities and experiences that unite the important tenets of health, food, and agriculture

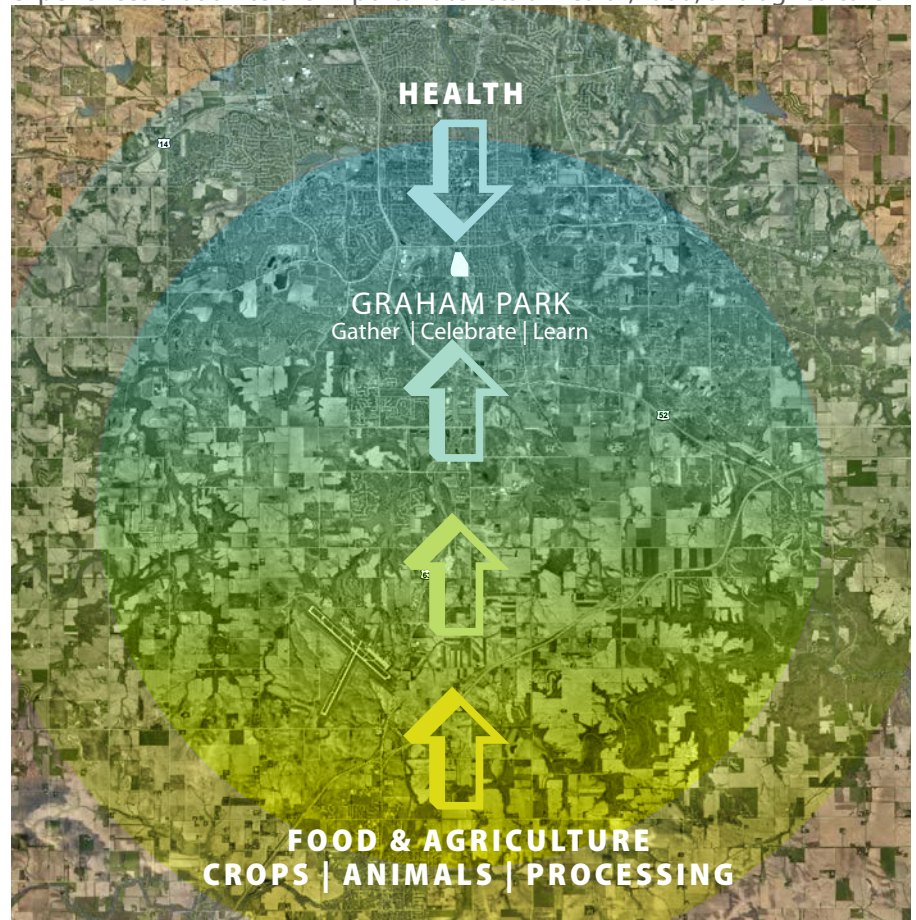


Figure 1.1 Graham Park: A Nexus



Figure 1.2 Graham Park Regional Location



Figure 1.3 Graham Park Site Location

Existing Conditions

Graham Park's 60-acre site is home to 19 structures. The Graham Arenas are due for over \$5 million in investment as a result of years of deferred maintenance. The Park's Capital Improvement Program (CIP) has begun to address maintenance and improvements to certain other buildings throughout the Park, namely the Park's frequent rentals: the 4-H building, Building 35 (Industrial Building), and Building 31 (Floral Hall).

The integrity of the grandstand was assessed in 2014, prompting structural repairs to meet the minimum standard of safety. Debate exists over the grandstand's merit as a historic structure. If preserved, it will likely require structural stabilization, some seat replacement, remediation for lead paint, and other cosmetic repairs in the near future. The grandstand is used roughly 5 days per year, meaning it sits underutilized approximately 360 days every year.

The lawn east of the grandstand is used during large events, including the County Fair's tractor pull and demolition derby, but is otherwise unprogrammed. A geothermal field connected to the Graham Arenas lies beneath a portion of the lawn, parallel to the grandstand. No structures can be built over the field.

Other than the lawn, green space in the park is minimal, although there is a grove of mature trees south of 15th Street behind the 4-H building, and some small, sparsely planted lawn areas adjacent to the buildings along Fairgrounds Ave. Most of the Park is bordered by a thin buffer of trees.

The RV campground north of 14th Street has 58 water and electric hookups that allow it to host participants in events and shows, but it is not open for camping the remainder of the year. Its size more than meets the needs of current uses such as the County Fair, but it is too small for anything with a larger camping demand, like large equine shows. The park is not staffed to allow for the campground to be open to the general public year-round, and it would not likely turn a profit if it were.

County Sheriff & Graham Park operations facilities adjoin the park to the east and include an office building, maintenance buildings, and storage. The Park and Fair Board offices are also housed in this area. The Sheriff's operations are being evaluated, and proposals have been made to relocate in the next five years. The previous Highway Shop, currently used as a maintenance/storage building, is a historic WPA building that merits preservation through renovation or retrofit if the Sheriff's operations no longer have use for it.

The Park contains several surface parking lots. The northwest lot and a portion of the central lot are rented for use as a "park and ride". During major hockey tournaments or other large events, parking can be an issue around the Graham Arenas but is otherwise adequate. Graham Park is one of several sites identified in the Rochester Comprehensive Plan as a possible location for a future transit/mobility hub that would serve the Destination Medical Center (DMC), and other downtown commuters. The rail line just to the east of the Park is currently active, but would provide an ideal route for a transportation connector and/or regional trail in the future.

The agricultural buildings west of the Graham Arenas, including the Bovine Building, Miracle of Birth, Dairy Barn, Horse Barn, and storage buildings, are proposed to be consolidated into a single new multi-use arena/expo building.



The Grandstand and Lawn



The Historic WPA Highway Shop Building



The 4-H Building and Oak Grove



The Campground

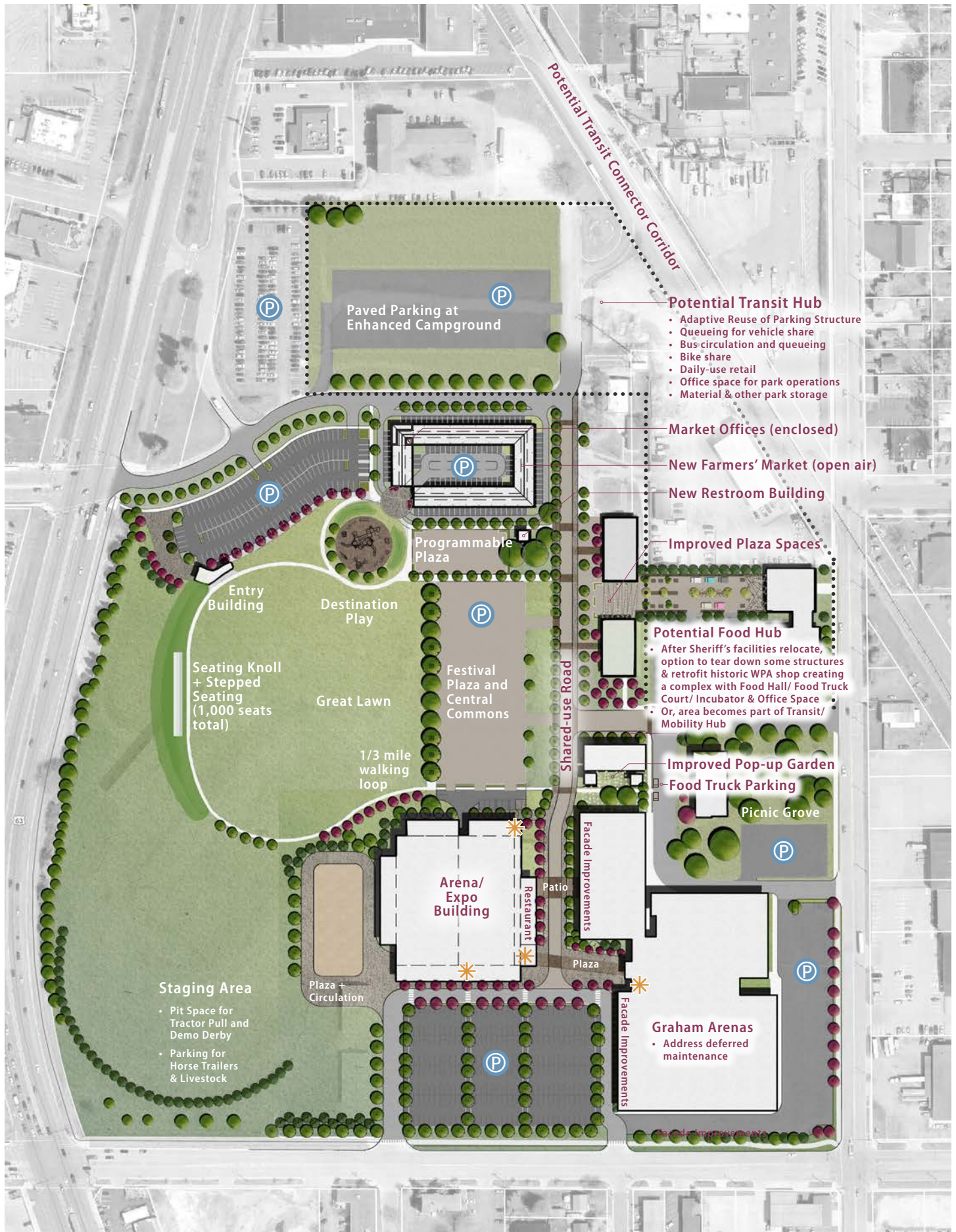


Figure 1.4 Graham Park Master Plan



CHAPTER 2 | MASTER PLAN

Master Plan Elements

Facilities

The Graham Arenas will continue to anchor the park's southeast corner, but several new facilities in the master plan create activity nodes throughout the park that expand the types of events and programming that the park can offer. The master planning process identified key desired features, including the multi-use arena and expo center to replace the fair's agricultural buildings, a permanent venue for the Rochester Farmers' Market, and a play area to allow the park to serve a more meaningful daily role in the community. If the Sheriff's operations to the east relocate, a Food Hub to complement the local agriculture-based program of the Farmers' Market could be located in the retrofitted historical Highway Shop. New facilities are also proposed to support the festival park, including restrooms and an entry building to facilitate ticketed events. In the future, the Park or adjoining County property may also house a transit/mobility hub that will offer direct access to the DMC.

Programming

The Master Plan looks at how Graham Park could transform over the next 10+ years, expanding the Park's draw, while maintaining the current uses for which it is known: hockey at the Graham Arenas, the Olmsted County Fair, and other community events. New and improved facilities are proposed to make the Park flexible to accommodate a wider range of activities and types of gathering. The Master Plan envisions a park that serves as a hub of activity, where the community comes together at all different scales, every day of the year for play dates, tournaments, weddings, pop-up gardens, seasonal festivals, food trucks, auctions, trade shows, concerts, Farmers' Markets, antique shows, the County Fair, and youth hockey.

Parking

Parking, of course, is a key amenity that serves the diverse programs offered. The Master Plan strategically locates parking lots near each facility, but keeps them along the outer edges of Graham Park. This approach supports safety by removing cars from core activity zones so that they do not conflict with pedestrians.

Circulation

While vehicular access is important, circulation proposed in the Master Plan focuses on people, not cars. For this reason, the Plan includes improvements to Fairgrounds Avenue and a portion of 15th Street that make them flexible, shared-use streets. This type of street feels more like a plaza and allows the through routes to be closed to traffic during events, which improves safety and also makes the Park a friendlier and more pleasant environment for pedestrians.

The Plan also proposes narrowing 14th Street, which will aid in reducing traffic speeds and allow for the creation of a tree trench or boulevard to the south that will collect and treat stormwater from a new parking lot and buffer the Park from the road.

Phasing

In order to finance improvements to the entire Park and ensure that projects make sense and do not interfere with one another, the Master Plan suggests four project phases. These phases are not intended to prohibit development if conditions become favorable to proceed; rather, they are recommendations based on current knowledge and projected momentum.

Phase 1 | Graham Arenas

Addressing the deferred maintenance in the Graham Arenas will assure their continued use for hockey and arena space for other users, like replacing chillers, addressing building envelope deficiencies and pavement preservation. These investments are intended only to keep the arenas operational, and are not considered upgrades. The facility is working to avoid fee increases and would like to keep hockey affordable and accessible for Rochester families.



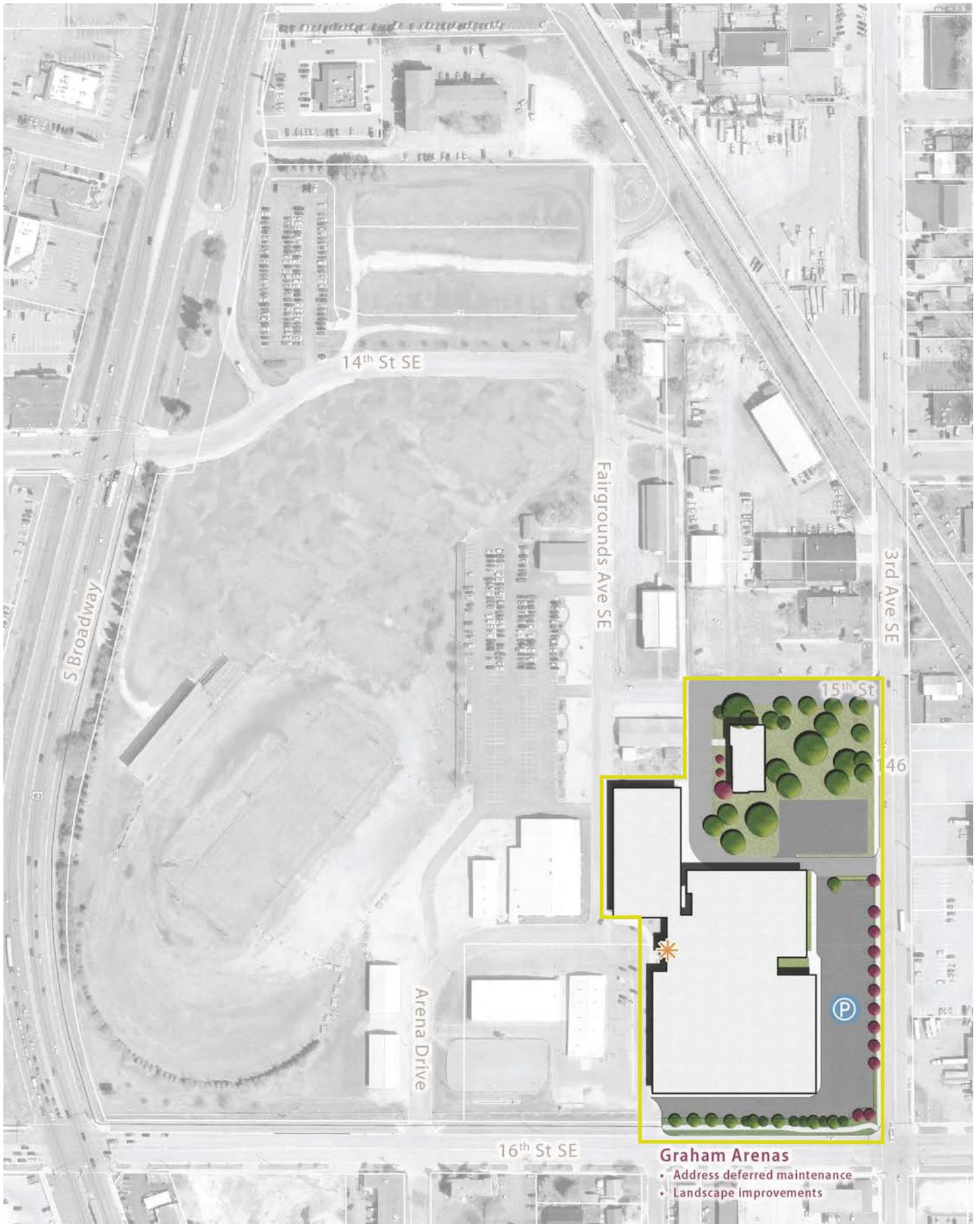


Figure 1.5 Phase 1 | Graham Arenas

Phase 2 | Arena/Expo Building

This second phase focuses on rounding out the south side of Graham Park as an activity node that functions as a destination throughout the year. The driving feature of the second phase is a new arena/expo building. This 83,800 sf +/- facility is paired with a corral to support livestock, horse, and other animal shows and sales. A new parking lot along 16th Street serves visitors to both the arena/expo and Graham Arenas. Paving a portion of the RV campground next to the Park & Ride as a secondary project in Phase 2 adds an additional revenue source to the park (leasable parking) and reduces the likelihood that park & ride patrons will need to park in the central lot, which allows more dedicated parking for the new expo facility and Graham Arenas.

The arena/expo building is intended to have two separate flat floor spaces that can be joined to form a single large arena if desired. Animal-focused events are best suited to the western arena, adjacent to the corral. Trucks with trailers can circulate around the corral to unload animals right into the arena through a dedicated entrance. A staging area with truck and trailer parking is located west of the corral.

A new restaurant is proposed on the eastern edge of the arena/expo building, conveniently situated to serve both park visitors and the general public. A well-designed plaza with decorative paving, plantings, lighting, seating, and a potential water or fire feature connects the space between the arena/expo restaurant and Graham Arena entrances. The restaurant has outdoor dining space, which will liven up the streetscape along a newly renovated Fairgrounds Avenue. This shared-use street will be plaza-like, with restricted vehicular circulation during events. Facade improvements along Graham 3 are suggested to make the environment more attractive and comfortable to pedestrians. Landscape screening, public art, mural work, and/or decorative lighting would all improve the space, making it a desirable destination for those beyond event attendees.

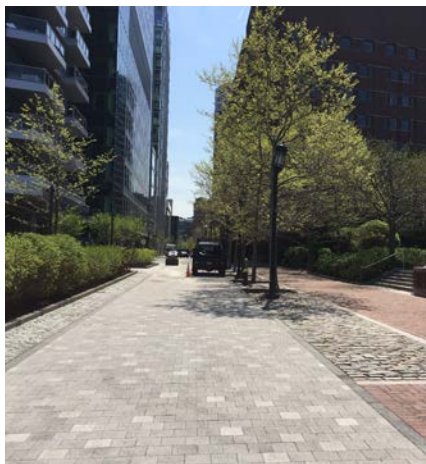
The lot north of Graham 3 could be transformed into a pop-up garden during the summer months with the addition of overhead lighting, movable seating, and landscaping. With only minor improvements, the pop-up garden could be a lively and vibrant place for expo attendees or other visitors to gather and enjoy food and drinks from food trucks parked on Arena Drive, or takeout from the restaurant.



Pop-up Garden



Outdoor Dining



Shared-use Road Examples (3)



Paved RV Campground Example



Open Air Farmers' Market



Off-season Market Use



Shared-use Road and Plaza Improvements

Phase 3 | Farmers' Market

Phase 3 focuses on activating the northern portion of Graham Park and connecting the north and south destinations using a shared-use road that provides safe and comfortable passage between the two. The key feature of Phase 3 is a new, permanent location for the Rochester Farmers' Market. The open air covered pavilion allows visitors to stroll along a central corridor with vendors on either side, ensuring that there are "no bad stalls." The market provides space for 100 vendors, and each vendor has a parking spot adjacent to their stall, allowing for convenient loading and unloading. Others can use the vendor parking when the market is not in session. One corner of the market has enclosed offices alongside the central corridor where visitors can redeem Farmers' Market Nutrition Program (FMNP) vouchers/ coupons and get information. A plaza space on the southwest corner of the market can be set up with moveable seating, where market-goers can enjoy food, beverages, and music while the market is in session. The market pavilion can be rented out when it is not reserved for the Rochester Farmers' Market, so it can host outdoor receptions, craft fairs, antique markets, food and beer festivals, or other events in need of covered space. The Rochester Farmers' Market can use Floral Hall and the Industrial Building for a more comfortable environment in the winter.

A new parking lot on the south side of 14th Street will provide parking adjacent to the market. A tree trench between the street and the lot will treat stormwater, create an attractive buffer, and make for a striking entry to the park. A new restroom for the park will be located south of the market, adjacent to a new programmable plaza space. The plaza is sized to accommodate a hockey rink in the winter, which could serve as a focal point for a winter festival. In nicer weather, the plaza could be set up as an urban fair, with a carousel, artist designed mini golf, or a ferris wheel as temporary attractions throughout the summer. Food trucks could be parked along the north or south edges of the plaza, and the space could be set up as a pop-up garden for outdoor dining and lawn games. The programmable plaza is a space with dozens of possible configurations, and is intended to activate the north side of the park throughout the year and complement the market.

Phase 3 also works to connect this new northern destination with the southern activity node established in Phase 2 by extending the shared-use road concept north along the full length of Fairgrounds Ave. This move ties the two ends of the park together aesthetically, and provides a comfortable, safe route for pedestrians and cyclists. Improvements to Fairgrounds Avenue enable the park to function better during busy events like the Fair. The portion of 15th Street south of the Industrial Building is also proposed to become a shared-use road. This move helps to control access to the park interior and creates an additional space that can be programmed during the fair.

The plaza spaces between Fairgrounds Avenue and its adjacent buildings also receive attention in this phase, in order to make them more attractive for rentals and accommodating to large crowds. Of particular note is the space between Floral Hall and the Industrial Building, which is well-suited to become a striking outdoor plaza.

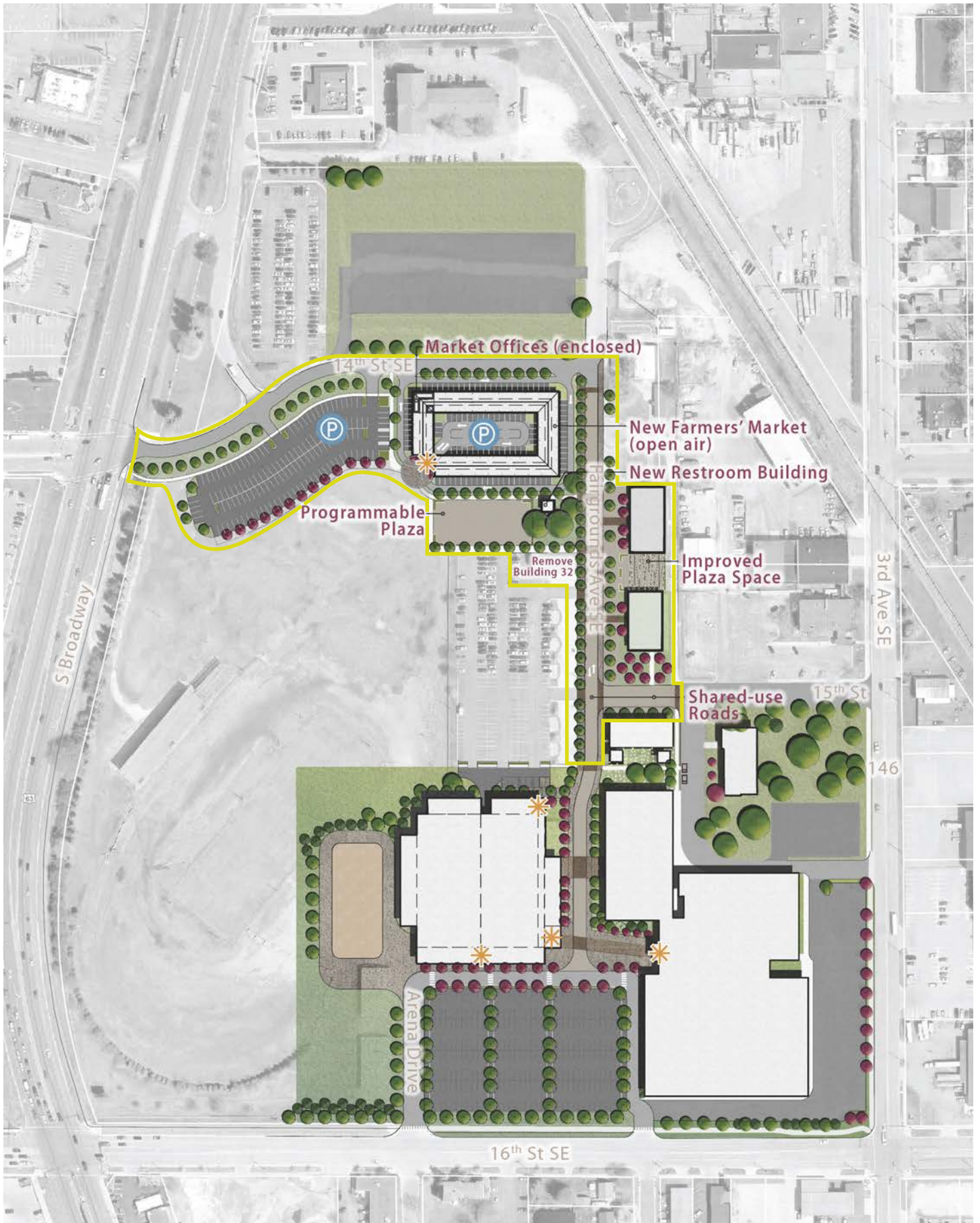


Figure 1.7 Phase 3 | Farmers' Market



Artist-designed Mini Golf in the Programmable Plaza



Destination Play Area



Roller Skating in the Programmable Plaza



Temporary Attractions in the Programmable Plaza

Phase 4 | Destination Play, Seating Knoll, and the Great Lawn

Phase 4 addresses the west half of Graham Park, which has more of a passive program than the eastern half. Its large open field is used during the fair for staging, demo derby, tractor pull, and midway rides, but is less intensively used than other park areas during the rest of the year, which is why it is slated for this later phase.

One of two primary features in Phase 4 is a destination play area next to the market, which will help Graham Park to play a bigger part in the daily lives of Rochester residents by attracting families and visitors throughout the week. The destination play area complements the farmers' market and programmable plaza to cement the north side of Graham Park as a vibrant community gathering place that serves Rochester and surrounding neighborhood residents.



Figure 1.8 Phase 4 | Destination Play, Seating Knoll, and Great Lawn



Seating Knoll with Stepped Seating

The second main feature of Phase 4 is a seating knoll that replaces the grandstand structure. The grandstand that exists now will likely require significant investment in order to remain safe in the coming decades. Its skewed angle on the site also relates poorly to surrounding uses. The proposed seating knoll retains the area’s function as a place to watch large events— it has stepped seating for 300 and grass seating for 700 more— but it adds value to the park as a low maintenance feature that can be used throughout the year. Landform like the knoll creates an inviting surface for play and lounging, while the stepped seating can be programmed seasonally as an attraction when it’s not being used for events. The knoll is positioned to complement the 4.7 acre Great Lawn. Together, they can accommodate crowds of over 15,000 for large outdoor concerts and festivals with a stage set up facing the knoll. Temporary fencing in key locations would help to delineate the boundary during ticketed events. A new entry building between the parking lot and the knoll would facilitate secure entry and exit. A 1/3 mile path skirts the Great Lawn, forming a convenient walking loop.



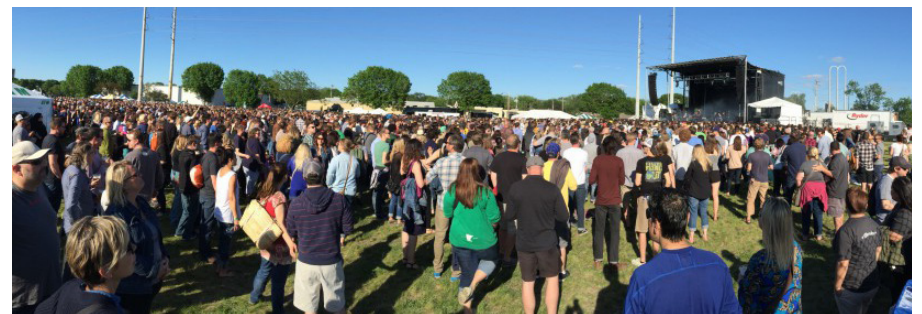
Additional improvements in Phase 4 are dependent on circumstances related to parking and programming. If, after Phases 1-3 are implemented, Graham Park still requires camping hookups for the Fair or other events, the campground should address stormwater and add additional buffers and landscaping. Otherwise, it may make sense to expand/ formalize the area as a surface parking lot. Improvements to the campground parcel are contingent on the site’s potential to be chosen as the location for a new transit/mobility hub to serve the DMC and other downtown commuters. In order to avoid investing in the site only to have those dollars be lost to redevelopment, improvements to the campground should only be made once the future of the transit/mobility hub is clear. The following pages describe the transit/ mobility hub in greater detail.



Knoll as Seasonal Attraction



Gateway Festival Entry Building

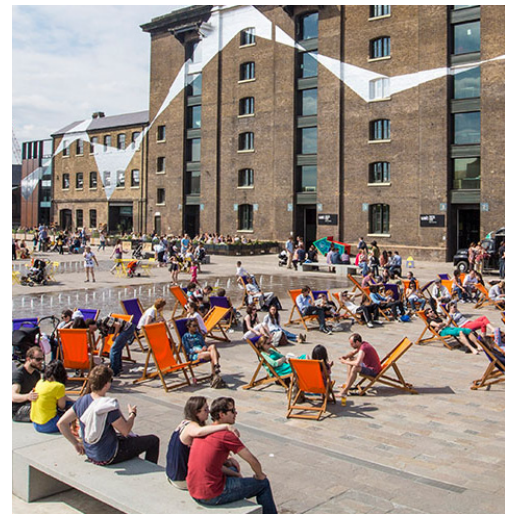


Concerts on the Great Lawn

Over time, as additional parking facilities get constructed and multi-modal transportation options expand, the central parking lot is intended to transition away from use as parking. The lot is well positioned as a festival plaza and central commons for the park. Improvements to the asphalt lot should aim to create a dynamic gathering space for visitors, while preserving its ability to be used for festivals like the Olmsted County Fair. Pavement could be painted, creative lighting installed, and surfaces like astroturf could be brought in to help transform the plaza. This new commons could feature temporary art installations or a large-scale permanent art piece as attractions, along with a playful water feature like a field of bubbler fountains to activate the space.



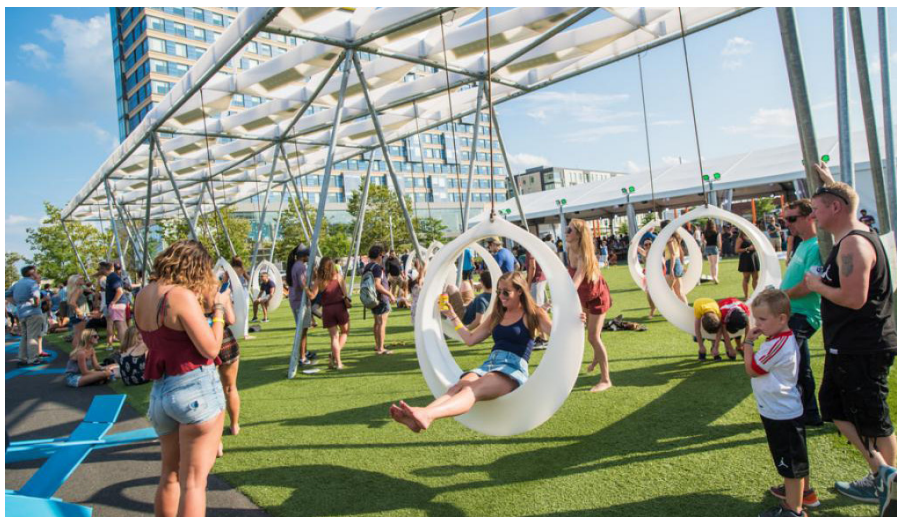
Bubbler Fountains



Fountain-side Seating



Creative Lighting and Painted Pavement



Interactive Art Pieces as Attraction

Future Development

The northeast corner of Graham Park includes potential uses that are reliant on the interests of other entities, which makes planning for this area uncertain. This master plan explores two possibilities for future developments that may occur, based on current knowledge and planning.

A Potential Transit/Mobility Hub

The most transformative potential development is the creation of a transit/mobility hub on site. Planning 2 Succeed (P2S), Rochester's 2040 Comprehensive Plan, has identified an area that includes Graham Park as a mixed-use node with bus rapid transit service to and from downtown along both Broadway and 3rd Avenue. Based on current estimates that indicate a desire for 1,000-2,000 spaces, this facility would include a multi-story parking structure with associated vehicular circulation and queuing. The building would likely include ground-level daily retail like a coffee shop, dry cleaners, pharmacy, or day care, in addition to park operations offices and storage. The mobility hub concept includes amenities for bike commuters as well as ride-share and transit users, to offer a wide range of options for travelers. The rail corridor that borders Graham

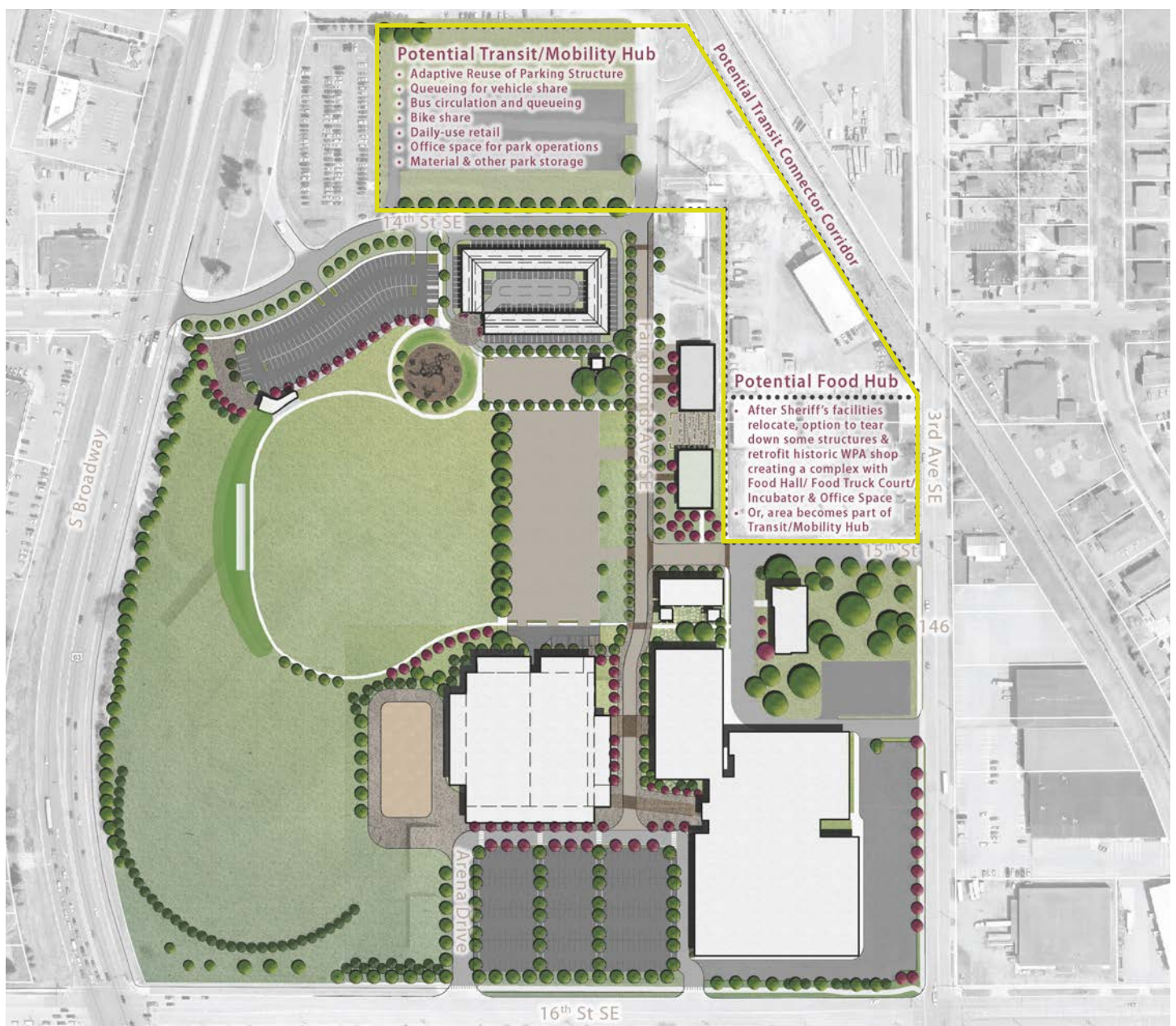


Figure 1.9 Future Development | A Potential Hub for Food & Transit

Park to the northeast may eventually transition into a transit connector corridor and/or multi-use trail, with access directly to downtown, which makes this a prime location. Given projections about future advances in automated vehicles, recent construction of parking structures has focused on the potential for the buildings to undergo adaptive reuse when fewer parking spaces are required. With the size of the proposed parking structure and the area's designation as a mixed-use hub, adaptive reuse could be seen as a sensible investment. An example of a parking building planned for adaptive reuse is shown in Figure 1.7. The building is designed with a facade that can seamlessly transition from garage ventilation to windows for offices or apartments. Story heights are taller than those in a traditional parking ramp, which makes them suitable for office or housing in the future. Floors are flat, rather than sloped, and the ramps between levels comprise a smaller footprint than those in a traditional parking structure, leaving more habitable space. Construction costs for this type of parking building could be 20-25% above traditional construction.

The activity and bustle of a mobility hub would be a complementary addition to Graham Park, which could provide recreation and relaxation opportunities for commuters, programs and events for community gathering, and fresh foods and locally produced goods for purchase from the market. If residential or office uses were to transition into the mobility hub in the future, the increased presence of people on site would bring even more energy to the park.

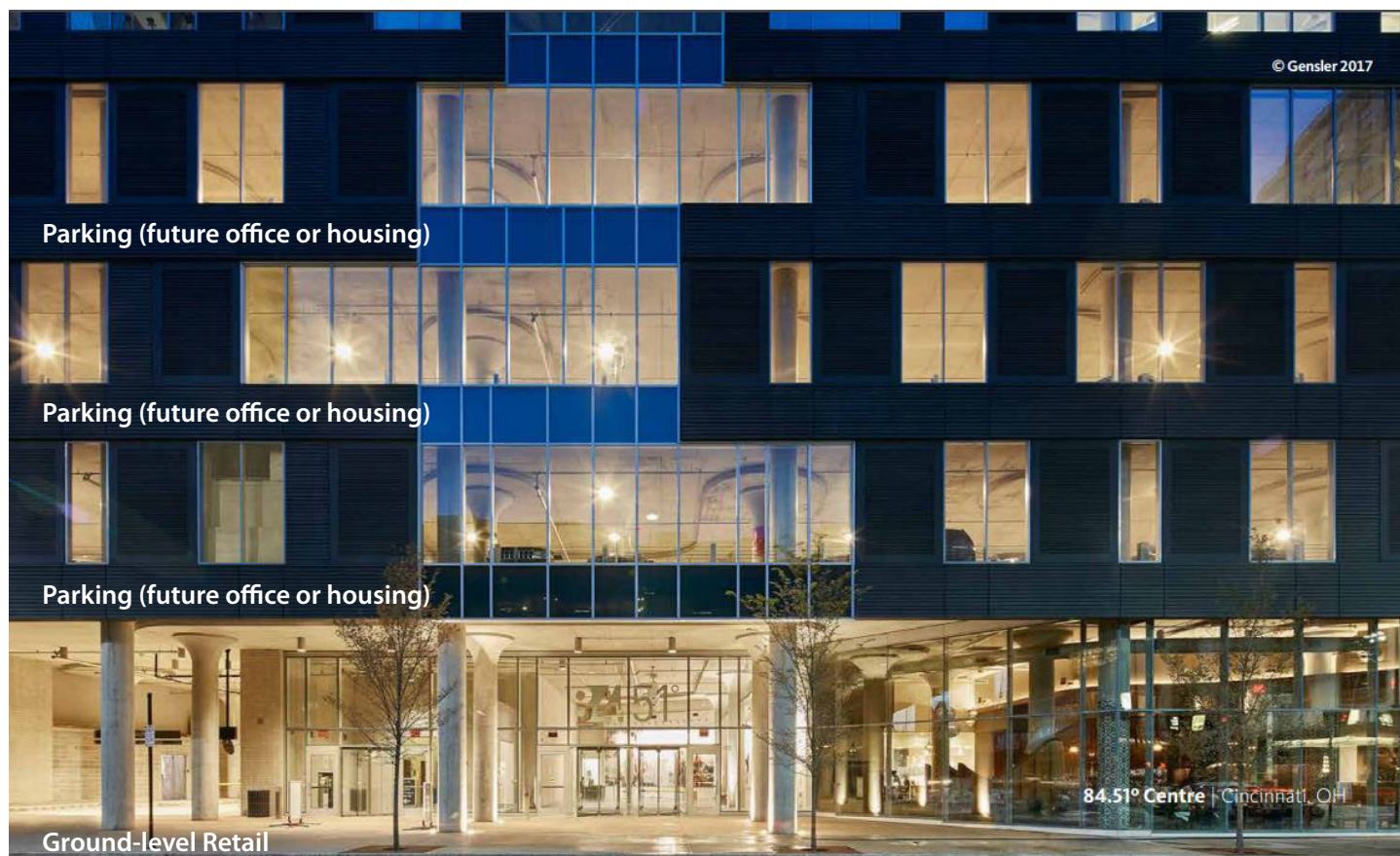


Figure 1.10 Example of a Parking Building Built for Adaptive Reuse- the 84.51° Centre in Cincinnati, OH (courtesy Gensler)

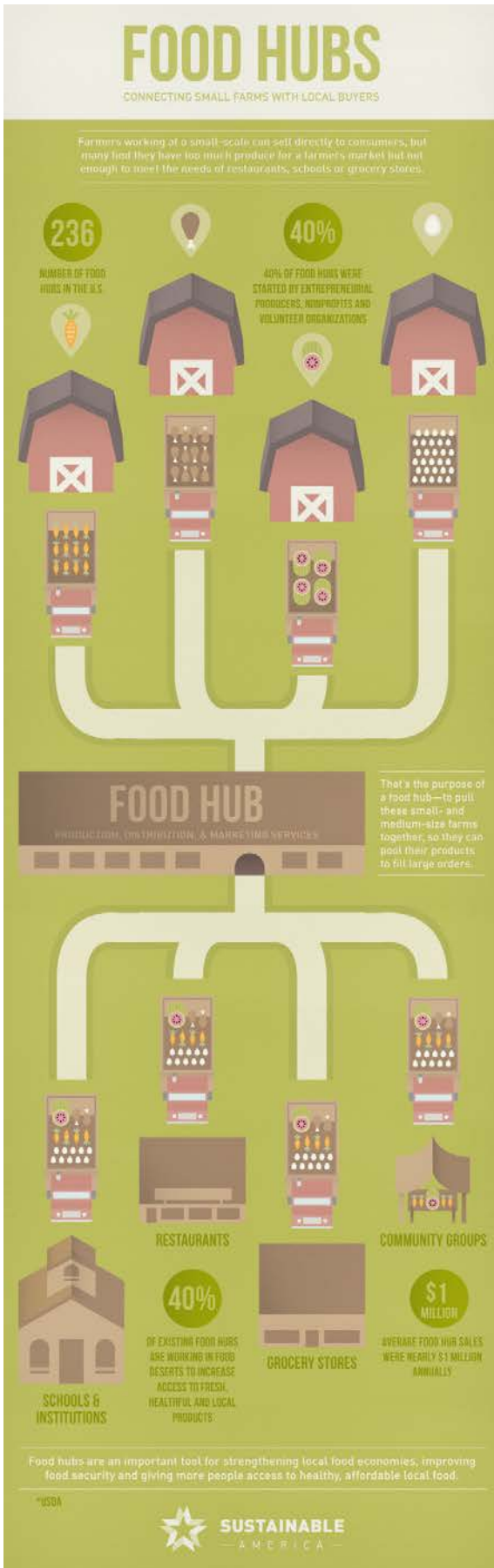


Figure 1.11 What is a Food Hub

A Potential Food Hub

Graham Park is positioned in a key location between downtown Rochester and southeastern Minnesota. The region is known for agriculture and food processing, things that could be showcased and celebrated at Graham Park through the inclusion of a food hub.

By allowing small and medium-sized farms to pool and distribute their produce from a central location, this new destination would help to connect local farming operations with Rochester buyers like restaurants, grocery stores, small businesses, schools, and institutions. If the County Sheriff's operations relocate, the old WPA highway shop could be retrofitted into a collection and distribution center with a dining/market component. This "Food Hall" would be the face of the Food Hub, showcasing what's in season, selling merchandise, and providing a place for people to come sample and buy locally grown, harvested, and produced goods and products.

Building 1421 could be re-purposed to serve the Park, Farmers' Market and Food Hub, providing offices for their operations, co-working space, and potential incubator space for local food-based start-ups. Resources for branding, advertising, prep, processing, and distribution could all be located on-site.

West of the food hall, an open air dining space and food truck court connects to Fairgrounds Avenue, the Farmers' Market, and the rest of Graham Park. Once built, the Food Hub and Farmers' Market would truly be a destination for residents and an attraction for visitors. A conceptual plan of the food hub is shown below. The facility will need to be coordinated with the design and layout of the potential transit/mobility hub.



Figure 1.12 Historic Retrofit of WPA Building into Food Hall & Potential Food Hub



Historic Retrofit Examples for the Food Hall

Food Truck Court and Outdoor Dining Examples

Stormwater Treatment

HR Green, Inc. prepared a drainage analysis report in 2014 that gave recommendations on best management practices (BMPs) for stormwater treatment in the park. Many of these suggestions remain compatible with the proposed development of Graham Park. Investments in stormwater detention and treatment should be integral to the features in each phase of the project. Figure 1.10 provides suggested locations of potential BMPs and can be used as a guide, but should not be considered absolute. Stormwater treatment requirements should be studied and BMPs designed specific to each phase of construction.

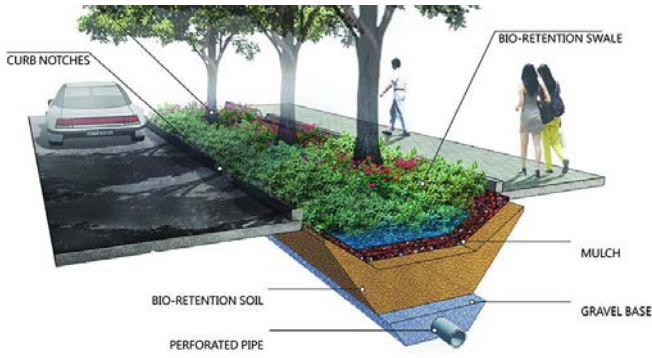


Figure 1.13 Potential Stormwater Treatment Locations



A NEW TYPE OF FAIRGROUNDS



CHAPTER 3 | IMPLEMENTATION

Implementation

Securing funds for the multi-use expo is a critical step in helping jump-start the overall vision (the preferred concept) for Graham Park. To finance the multi-use expo, Olmsted County is currently seeking general obligation bonds from the State of Minnesota for \$10 million, with Olmsted County matching the \$10 million with County funds for an estimated \$20,932,000 in overall improvements. Separate from the State of Minnesota request, the Olmsted County Board has approved some reinvestment projects as part of its Capital Improvement Plan (CIP), such as updating windows, bathrooms, and water/sewer infrastructure for portions of the facilities at Graham Park.

From the onset of the master planning process, a major objective was to demonstrate how Graham Park could become a self-sustaining entity. To that end, the vision for Graham Park must be rooted in the economic drivers of revenue generators (e.g., new leasable space, event programs, restaurant space, and advertisement), while balancing ongoing expenditures (e.g., operations and maintenance and capital improvements). To achieve this objective a financial model was developed to provide an outlook of any long-term financial shortfalls.

SUMMARY OF FINANCIAL MODEL ASSUMPTIONS

- » Assumes \$56 to \$62 million in capital costs over the next 10+ years (Phases 1 – 4).
- » The low end estimate is based on 2018 construction cost estimates.
- » The high end estimate is based on 2018 construction cost estimates and a 2.35% annual inflation rate.
- » Capital costs associated with the preferred concept are based on planning-level estimates.
- » Includes investments (approximately \$5 million in repairs and deferred maintenance) to the Graham Arenas (Phase 1).
- » Does not include long-term lifecycle costs/needs for the multi-use expo and elements associated with the preferred concept.
- » Does not include the future transit hub (\$32.75 million) that is being considered by the City of Rochester.

Financial Model Framework

It is important to recognize the financial model is not an exact budget analysis. The purpose of the model is to identify any trends or red flags. For example, the tool is helpful in identifying the “order of magnitude” of financial impacts if future revenue is not aligned with anticipated expenditures. The model can also be predictive; for example, if revenues are increased the model can document the reduction in the gap. The final outputs predict the time horizon for when Graham Park begins to generate positive revenue streams to offset expenditures; demonstrating Graham Park’s ability to be a self-sustaining entity.

Financial Model Assumptions

The model’s projections are categorized into three financial planning elements: expenditures, revenues, and operation and maintenance needs (O&M). These projections are built on a series of assumptions and what we know today. These assumptions are discussed throughout this section and summarized into three time horizons, which are consistent with the preferred concept’s staging plan:

- » Phase 1 (2019 – 2020)
- » Phase 2 (2021 – 2025)
- » Phase 3 & 4 (2026 – 2030+)

The model can be refined over time and adjusted to include additional information as it becomes available.

Expenditures

In general, expenditures are considered capital improvements. This includes large investments, such as the multi-use expo, Graham Arena upgrades, and capital costs associated with the preferred concept (e.g., parking lots, public space improvements and structures). Respectfully, the largest capital improvement is the multi-use expo. A \$20.9 million cost estimate has been used for this model. This cost combined with the capital improvements associated with the Graham Park vision could range between \$56 and 62 million over the next ten years (see Table 3.1).

Table 3.1 | Expenditures by Phases

PHASE	LOW END	HIGH END
Phase 1 (2019-2020)	\$12,965,633	\$13,582,841
Phase 2 (2021-2025)	\$30,039,333	\$33,742,911
Phase 3 & 4 (2026-2030+)	\$12,911,058	\$14,502,875
TOTAL	\$55,916,023	\$61,828,627

Capital Cost Assumptions

Capital costs were based on 2018 planning-level estimates (see Table 3.2). The range in cost represent two ends of the spectrum (see Table 3.1). The low end estimate is based on 2018 construction cost estimates and applied to all capital improvements over the course of the ten year time horizon. The high end estimate includes a 2.35 percent annual inflation rate. The inflation rate was applied to the capital improvements and compounded for their anticipated year of construction. This approach demonstrates an “order of magnitude” for future financial planning efforts. Advancing the Graham Park vision will require additional engineering and design that will lead to more refined cost estimates.

Lifecycle Assumptions

It is important to recognize the model does not take into account future life-cycle needs. For example, at some point in time (50+ years) the multi-use expo will need a new roof or heating, ventilation, and air conditioning (HVAC) upgrades. These types of life-cycle costs should be considered as part of the County’s long-term financial plans. However, the model has taken into account approximately \$5 million in repairs and deferred maintenance costs for the Graham Arena.

Table 3.2 | 2018 Planning Level Cost Estimates

PLAN ELEMENT	CAPITAL COST
Arena/Expo Building	\$20.9 million
Core Facilities	\$11.1 million
Community Park	\$4.5 million
Additional Site/ Streetscape Features	\$4.0 million
Miscellaneous (e.g. stormwater, utility upgrades)	\$2.5 million
Soft Costs (20% of construction cost)	\$8.6 million
Contingency (10% of construction cost)	\$4.3 million
TOTAL	\$55.9 million

SUMMARY OF O & M ASSUMPTIONS

- » Assumes additional staff (e.g. an event planner) will be needed to help coordinate and plan for events when the multi-use arena/expo building is operational (Phase 2 and beyond).
- » Current O & M streams stay consistent for existing facilities (Phases 1 – 4).
- » Includes estimated O & M costs associated with the preferred concept and multi-use expo (Phases 2 – 4).
- » Includes debt service for a 20-year bond starting in 2021.

Operation and Maintenance (O&M)

O&M is defined as the day-to-day activities (e.g., mowing, contract services, general maintenance, cleaning, and staffing) that keep the campus running, while maintaining the grounds and facilities in a “state of good repair.”

General O&M Assumptions

Over time each phase will require a different level of O&M needs on an annual basis (see Table 3.3). The variation in O&M needs are tied to the various capital improvements being planned over the next ten years. It is assumed O&M needs will significantly increase once the multi-use expo is implemented in Phase 2. However, the level of O&M needs for this facility are unknown until the programs and events are better defined. To help address these unknowns, the model includes planning-level estimates based on similar facilities and industry standards (see Table 3.4). The ten year O&M needs may range between \$20.5 and \$25.0 million (see Table 3.4). Key assumptions behind this range are summarized below.

Staffing Assumptions

The O&M assumptions include additional staffing to program and coordinate events. For example, the preferred concept introduces a number of new programs, such as programmable open space (e.g., food trucks and pop-up events) and a farmers market. The multi-use expo will also require larger coordination in scheduling and attracting new events. Adding new staff (one to two employees) to coordinate these efforts will help support Graham Park’s long-term prosperity and has been included in the O&M assumptions.

State Bonding Assumptions

The O&M assumptions include an annual debt service for a \$10 million State Bond request. This assumes an annual payment of \$650,000 to \$825,000 over the course of 20 years (starting in 2021). Once the bond is paid in full, these dollars can be reallocated to offset other expenditures and O&M needs. A number of factors can influence the annual payment, including interest rates and current markets.

Table 3.3 | Annual Average O & M Estimates by Phase

ANNUAL AVERAGE BY YEAR	MINIMUM	MAXIMUM
Phase 1 (2019-2020)	\$751,267	\$828,891
Phase 2 (2021-2025)	\$1,881,267	\$2,291,391
Phase 3 & 4 (2026-2030+)	\$1,931,267	\$2,391,391
Annual Average	\$1,713,767	\$2,089,307

Table 3.4 | Annual O & M Estimates

ANNUAL AVERAGE BY YEAR	MINIMUM	MAXIMUM
Existing Annual O&M for Graham Park	\$750,000	\$830,000
Preferred Concept & Arena/Expo		
General Repairs and Maintenance	\$50,000	\$62,500
General, Administrative & Other	\$50,000	\$62,500
Landscaping	\$100,000	\$125,000
Utilities	\$100,000	\$125,000
Marketing and Promotion	\$30,000	\$37,500
Contract Services	\$100,000	\$125,000
Staffing (1 employee)*	\$50,000	\$70,000
TOTAL	\$1,780,000	\$2,231,500

* Assumes one new staff member in Phases 1 and 2, and two new staff members in Phases 3 & 4

Table 3.5 | Total O & M Estimates by Phase

PHASE	MINIMUM	MAXIMUM
Phase 1 (2019-2020)	\$1,502,535	\$1,657,783
Phase 2 (2021-2025)	\$9,406,338	\$11,456,957
Phase 3 & 4 (2026-2030+)	\$9,656,338	\$11,956,957
TOTAL	\$20,565,211	\$25,071,696

SUMMARY OF REVENUE ASSUMPTIONS

- » Assumes the current revenue streams will stay consistent and there will be no increases in fees or rental rates to current programs and events.
- » Assumes new revenue will be generated by the multi-use expo and through the programmable plaza spaces. These programs include a farmers' market, outdoor ice rental, food trucks, and pop-up events (e.g., art market).
- » Assumes a nominal fee will be charged during the fair to park. Phases 3 & 4 also assume an increase in park-and-ride users.
- » Assumes the multi-use expo will provide new opportunities for advertisements, sponsorships or naming rights. This also assumes small grants are obtained to help offset some of the capital costs.
- » Assumes the restaurant space will be leased on an annual basis, in addition to a revenue share agreement.
- » Assumes the grandstand/festival space will attract two new large events on an annual basis starting in Phase 3/4.
- » Assumes the multi-use expo facility will generate enough revenue to offset a \$10 million bond over the next 20 years.

Revenue

Reliable revenue streams will play a large part in helping offset capital improvements, debt service, and annual O&M needs. The multi-use expo and new programs associated with the preferred concept bring new opportunities to generate revenue outside the current revenues associated with today's facilities. Some of the larger ideas include a restaurant and sponsorship/advertisements rights. These opportunities could serve as some of Graham Park's largest revenue generators. If these opportunities are realized, Graham Park has the ability to generate \$2.8 to \$3.5 million in annual revenue starting in Phase 2 (see Table 3.6). Overall, the multi-use expo and the preferred concept has the ability to generate \$26.6 to \$32.9 million between Phase 1 and 4 (see Table 3.7). Some of the key assumptions for these projections are summarized below.

Sponsorships/Advertisement Assumptions

Precedent examples of similar size facilities have generated \$300,000 to \$1,000,000 in annual sponsorships and advertisements. Some examples have included beverage rights, also known as "pouring rights" which grants a sole provider to sell their beverages (e.g. Coca-Cola© or Pepsi©). Based on these precedent examples, the revenue projections assume an annual increase in sponsorships or advertisement dollars between \$350,000 and \$500,000.

Restaurant Assumptions

The preferred concept has introduced space for a 2,000 +/- square foot restaurant. Leasing the space could serve as a reliable revenue stream, in addition to opportunities to enter into a lease agreement that includes profit sharing. This is a common model used by local agencies across the nation. A local example includes the Minneapolis Parks and Recreation Board (MPRB) that has a profit sharing agreement with four restaurants (i.e., Sea Salt, Tin Fish, Bread & Pickle, and Sandcastle). As part of the lease agreement, each restaurant shares 12 percent +/- of their profits. The profits are used by the MPRB to offset capital improvements and O&M needs for the park where the restaurant is located.

The revenue assumptions assume a similar model that would generate approximately \$84,000 to \$120,000 in annual profit sharing, and \$35,000 to \$45,000 in an annual lease agreement.

Parking Assumptions

The preferred concept has taken into consideration the appropriate amount of parking to serve future events and programs. In many cases, large events present opportunities for parking fees. The revenue projections have assumed a nominal fee (\$5 to \$10) will be charged for fair parking. This is a common practice for many event centers and sporting areas; however, it is not necessarily a large revenue generator. The projections assumes anywhere from \$60,000 to \$120,000 in parking revenue on an annual basis.

New Programs Assumptions

The preferred concept provides a wealth of opportunities for new programs. This includes programmable space for a farmers market, pop-up events and food trucks. These elements are important to Graham Park’s vision; however, they will not serve as large revenue generators from a financial perspective. The projected fees for these new programs are consistent with the City of Rochester’s Vendor Handbook.

Programs that have the potential to generate larger revenue streams will be tied to the multi-use expo, grandstands, sponsorships/advertisement and the restaurant.

Table 3.6 | Annual Revenue Estimates

ANNUAL AVERAGE BY YEAR	MINIMUM	MAXIMUM
Phase 1 (2019-2020)	\$911,194	\$935,672
Phase 2 (2021-2025)	\$2,153,394	\$2,692,588
Phase 3 & 4 (2026-2030+)	\$2,815,839	\$3,525,288
Annual Average	\$2,222,379	\$2,746,727

Table 3.7 | Total Revenue Estimates

REVENUE	PHASE 1 (2019-2020)	PHASE 2 (2021-2025)	PHASES 3 & 4 (2026 -2030+)
Current Revenue Streams (baseline)	\$1,700,000	\$4,250,000	\$4,250,000
Future Programs	\$0	\$111,000- \$148,000	\$3,253,750- \$4,083,000
Parking	\$122,388- \$171,343	\$305,970- \$611,940	\$385,455- \$705,440
Advertisements, Sponsorships, & Grants	\$0	\$2,250,000- \$3,500,000	\$2,250,000- \$3,500,000
Restaurant	\$0	\$600,000- \$828,000	\$600,000- \$828,000
Large Events	\$0	\$0	\$90,000- \$135,000
Multi-use Arena/Expo Building	\$0	\$3,250,000- \$4,125,000	\$3,250,000- \$4,125,000
TOTAL	\$1,822,388- \$1,871,000	\$10,766,970- \$13,462,940	\$14,079,195- \$17,626,440

Findings

Based on the financial model's results, the Graham Park vision has a projected shortfall or gap of \$49 to \$54 million after its full implementation in the year 2030 (see Table 3.8). However, anticipated revenue levels are expected to offset this funding shortfall within ten years (see Table 3.9). This assumes new and reliable revenue streams are created to offset expenditures, while still meeting long-term O&M needs. The financial gap could be softened through innovative funding mechanisms (e.g., grants and public-private partnerships) or other revenue streams generated through the County (e.g., taxes). The financial model has assumed stronger public-private partnerships. For example, the larger revenue generators being proposed are associated with sponsors, advertisement sales, and restaurant agreements. The financial model has not tested other public resources beyond a \$10 million bond and a \$10.9 million County contribution. Other public financing mechanisms should be explored as potential options to soften the gap.

If the revenue assumptions used for this study are realized, Graham Park has the potential to become a positive revenue generator shortly after its implementation – emphasizing its ability to be a self-sustaining entity. This will require an aggressive approach in building stronger public-private partnerships and attracting larger events/programs tied to the multi-use expo.

Overall, the Graham Park vision is a significant investment that will require a more detailed financial plan. Findings throughout this effort should be used to help demonstrate the “order of magnitude” when assessing long-term financial needs. In some respect, the findings presented throughout this study are not uncommon when assessing a large capital investment that requires significant resources up front. The financial model can become smarter when comparing potential revenue streams with capital investments and long-term O&M needs. Ongoing financial planning should consider the following:

- » Long-term lifecycle needs and schedules.
- » The terms and conditions in securing a capital bond.
- » Future events associated with the multi-use expo.
- » Building stronger public-private partnerships.
- » Identifying staff to program events.

Table 3.8 | Graham Park Financial Projections by Phase

PHASE	REVENUE		EXPENDITURE		O & M		TOTAL	
	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
Phase 1 (2019-2020)	\$1,822,388	\$1,871,343	\$12,965,633	\$13,582,841	\$1,502,535	\$1,657,783	-\$12,645,780	-\$13,369,280
Phase 2 (2021-2025)	\$10,766,970	\$13,462,940	\$30,039,333	\$33,742,911	\$9,406,338	\$11,456,957	-\$28,678,701	-\$31,736,928
Phase 3 & 4 (2026-2030+)	\$14,079,195	\$17,626,440	\$12,911,058	\$14,502,875	\$9,656,338	\$11,956,957	-8,488,201	-\$8,833,391
TOTAL	\$26,668,553	\$32,960,723	\$55,916,023	\$61,828,627	\$20,565,211	\$25,071,696	-\$49,812,681	-\$53,939,599

Table 3.9 | Graham Park Financial Projections Post 2030

FINANCIAL PLAN MINIMUM SCENARIO			
YEAR	REVENUE ASSUMPTION	CAPITAL COST AND O & M	DIFFERENCE
2031	\$2,815,839	\$53,939,599	\$51,123,760
2032	\$2,815,839	\$49,192,493	\$46,376,654
2033	\$2,815,839	\$44,445,386	\$41,629,547
2034	\$2,815,839	\$39,698,280	\$36,882,441
2035	\$2,815,839	\$34,951,173	\$32,135,334
2036	\$2,815,839	\$30,204,066	\$27,388,227
2037	\$2,815,839	\$25,456,960	\$22,641,121
2038	\$2,815,839	\$20,709,853	\$17,894,014
2039	\$2,815,839	\$15,962,747	\$13,146,908
2040	\$2,815,839	\$11,215,640	\$8,399,801
2041*	\$3,465,839	\$6,468,533	\$3,002,694
2042	\$3,465,839	\$1,071,427	\$2,394,412
2043	\$3,465,839	\$4,325,680	\$7,791,519

* Assumes Bond is Paid

FINANCIAL PLAN MAXIMUM SCENARIO			
YEAR	REVENUE ASSUMPTION	CAPITAL COST AND O & M	DIFFERENCE
2031	\$3,525,288	\$53,939,599	\$50,414,311
2032	\$3,525,288	\$48,022,920	\$44,497,632
2033	\$3,525,288	\$42,106,241	\$38,580,953
2034	\$3,525,288	\$36,189,562	\$32,664,274
2035	\$3,525,288	\$30,272,882	\$26,747,594
2036	\$3,525,288	\$24,356,203	\$20,830,915
2037	\$3,525,288	\$18,439,524	\$14,914,236
2038	\$3,525,288	\$12,522,844	\$8,997,556
2039	\$3,525,288	\$6,606,165	\$3,080,877
2040	\$3,525,288	\$689,486	\$2,835,802
2041*	\$4,350,288	\$5,227,194	\$9,577,482
2042	\$4,350,288	\$11,968,873	\$16,319,161
2043	\$4,350,288	\$18,710,552	\$23,060,840

* Assumes Bond is Paid

GRAHAM PARK



MASTER PLAN

JUNE 2018

