

OUR VIEW

CIVIC CENTER EXPANSION OFFERS VALUE FOR TAXPAYERS

As owners of the Verizon Wireless Center, Mankato taxpayers should expect a reasonable rate of return on their investment and prudent decisions to maintain and grow that return.

The planned expansion of the civic center to include more meeting space and a flexible smaller-venue performance area as well as upgrades to the hockey arena are consistent with the goal of maintaining and supporting the center as a regional asset.

The plan will keep Mankato competitive in terms of attracting meetings, conventions and performers, and will bolster economic activity with an attractive return on investment.

The Mankato City Council reviewed a plan last week that would change slightly the design plan for the \$ 30 million project that has been in the planning stages for several years.

The performing arts area was downsized a bit and made more flexible. A multi-million dollar theater rigging system and a third floor balcony were removed from the plan while a more flexible seating arrangement that allows for 1,500 seats was added.

The performance area would accommodate about 2,000 people and would therefore be more suitable than the arena for various entertainers in a more intimate atmosphere.

The plan also expands large meeting room space to accommodate conventions and trade shows that now are passing up Mankato because facilities don't have enough space or the civic center is not able to book two events at the same time.

The Mankato region has grown significantly in the last 10 to 15 years, yet the civic center hasn't really been expanded to meet that growth. We're more of a regional hub for commerce and industry and entertainment and have a lot to offer conventioners. Convention officials say we've had to turn down numerous events because of our space and scheduling constraints.

While the civic center has been subsidized by the city, the taxpayers haven't seen their property taxes go up because of the civic centers subsidies. Civic Center bonds and expansions and operating expenses are funded through the city sales tax and the city food and beverage taxes. Those are appropriate funding sources because they draw from the regional Mankato consumer, not just Mankato property owners.

In fact, 40 percent of the food and beverage tax comes from consumers who live outside of Mankato.

The expansion project calls for \$ 14.5 million in state bonding, \$ 14.5 million from the Mankato local option sales tax and about \$ 1.2 million from the food and beverage tax. The city plans to hire only one more person to help handle the new business that will come with the expansion.

The expected additional economic development would be about \$ 13 million a year, making the project pay for itself in about two or three years.

The Verizon Center was built in 1994 for about \$ 20 million. Its estimated value is now \$ 50 million.

Minnesota Office of Tourism estimates say it generates \$ 40 million annually in economic activity.

While some taxpayers may see the civic center as an unnecessary government intrusion into the free market, that argument died in 1994 when the voters approved a referendum for building the center and approved city ownership of it.

Now, it's up to the city to be the steward of a valuable asset that helps provide jobs and economic activity for the entire Mankato region.

