



Legislation Text

File #: 23-0726R, **Version:** 1

RESOLUTION AUTHORIZING A FUNDING AGREEMENT WITH DULUTH ENTERTAINMENT AND CONVENTION CENTER AUTHORITY GRANTING \$200,000 FOR THE PURPOSE OF FUNDING A TEMPORARY ICE CHILLER TO MAINTAIN AN ICE SHEET AT THE DECC ARENA.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to enter an agreement, substantially in the form of attached Exhibit A, with the Duluth Entertainment and Convention Center Authority ("DECC:") granting up to \$200,000 to the DECC for a temporary ice chiller to maintain the ice sheet at the DECC Arena, payable from fund no. 110-700-1450-5447.

STATEMENT OF PURPOSE: This resolution authorizes city officials to utilize ARPA revenue loss funds to support the DECC's ice sheet.

In resolution 21-0515, the City Council identified an ARPA investment goal of \$200,000 for aid to previous tourism tax recipients. This resolution satisfies that ARPA investment goal.

The modified revenue loss calculation included in the updated ARPA guidance expanded the City's capacity and flexibility to fund ARPA projects out of the general fund. The ARPA guidance allows for the City to fund provisions for government services included in the annual budget, thereby freeing up budgeted resources to fund the DECC's ice chiller.

Maintaining the ice sheet at the DECC is critical to the local economy; The DECC Arena is part of the network of rinks in Duluth that drive the economic impact through hotels, restaurants, retail, and other spending related to tournaments and competitions. A study conducted by The University of Minnesota Duluth's Labovitz School estimated that DAHA's youth hockey operations provide approximately \$10.3 million in local economic impact annually when adjusting for inflation. The two dozen tournaments and swing games with out-of-area teams account for about \$5 million of that spending through the local economy. In addition to all of the practices held at the DECC last season, approximately 95 youth hockey games were held at the DECC alone. These contests involved about 70 out-of-town teams or about 37% of the total participating teams. Similarly, the Duluth Figure Skating Club annually hosts the second-largest figure skating competition in the country. It is important to note that all thirteen indoor hockey tournaments and all indoor figure skating competitions are three-day events that require multiple nights of hotel stays and tourism. The infusion of these dollars comes in the dead of winter when tourism would typically be a much lower proportion of the economy.