

## Welcome to:

Fargo City Commission  
FDA Finance & Building Committee  
Fargo-Moorhead CVB  
Greater Fargo Moorhead EDC  
Associates from RLE Architects  
Media & Other Guests  
Citizens for a Reimagined FARGODOME Steering Committee

Fargo Dome Authority  
FARGODOME & City of Fargo Staff  
FMWF Chamber of Commerce  
NDSU and NDSU Athletics  
Attorneys from Serkland Law Office

## Today's Agenda:

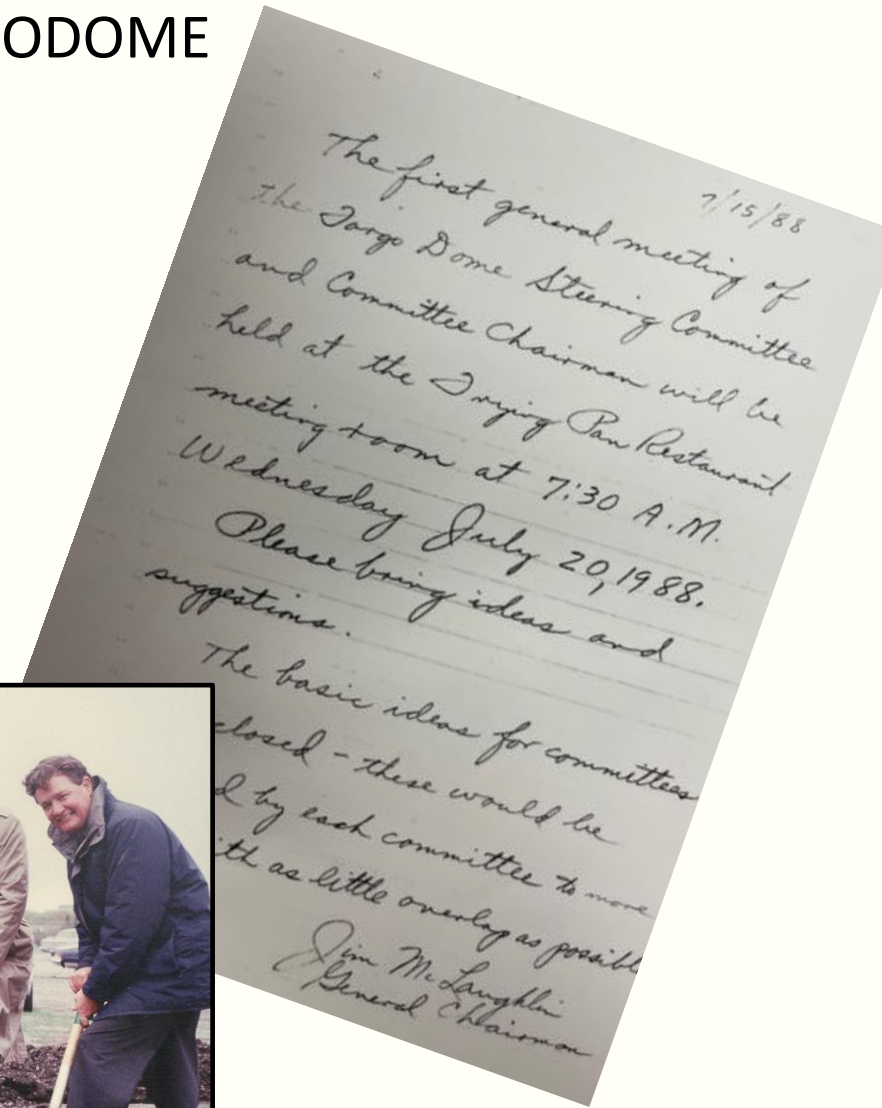
**December 2022:** 30<sup>th</sup> Anniversary of FARGODOME

the Past: Historical Highlights & Accomplishments  
the Present: FARGODOME's Current Challenges  
the Future: Our Vision

# December 2022: 30<sup>th</sup> Anniversary of FARGODOME

## Historical Highlights:

- Community Initiative: First meeting July 1988
- Collected 7,600 signatures to petition for a vote on taxation
- 60% approval – December 1988
  - 20-year ½ Cent City of Fargo Sales Tax (1989-2009)
  - 7-member board representing various local entities
- Initial and Continued Main Tenant: NDSU
- Construction 1989-1992: Conservatively built
- Stewardship a priority



**Mission Statement:** to successfully operate a facility that provides a **diversity of events**, enhancing the **quality of life** and **prosperity** of the region.

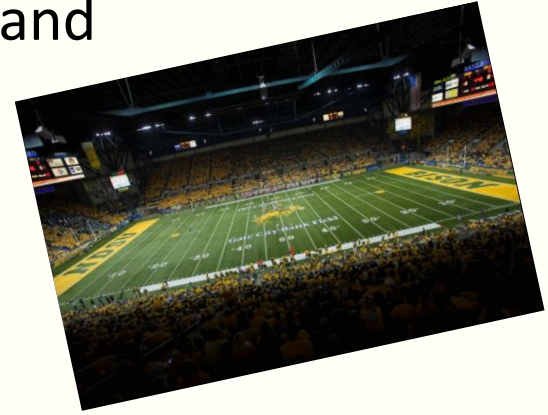
## How are we doing?

Statistics since 1992: **3,000 Events**      **14 million attendees**

**Economic Impact:** Annual Average Inflation-Adjusted Direct Economic Impact  
**Ranges from \$24 million to \$42 million**

**Net Operating Results:** Operating Revenues exceed Expenditures every year from 1993 through 2019 & 2022

Permanent Fund balance at 5/31/2023 = **\$41 million**





What will the next 30 years look like...

# What's the vision for the region & what role does FARGODOME play?

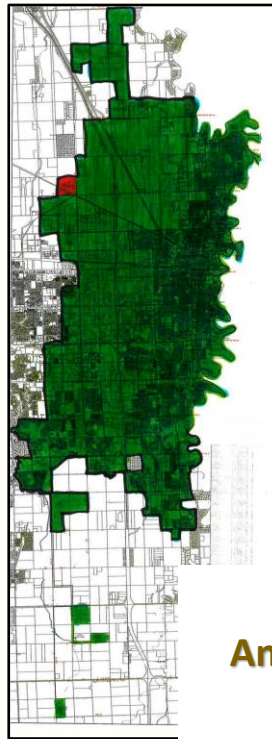
## FARGO FOOTPRINT

	1992	2021	% increase
Acres	19,257	31,502	63.6%
Square Miles	30	49	63.6%

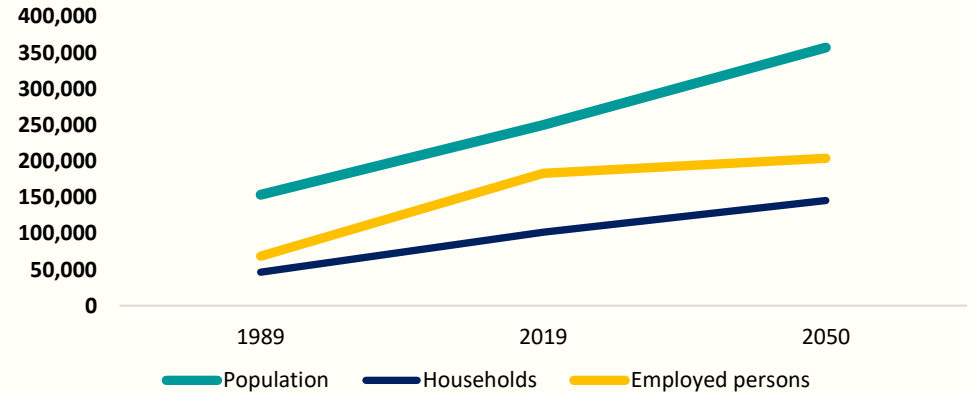
Source: City of Fargo Annexation Map



1992  
Annexation  
Map



2021  
Annexation  
Map



	1989		2020	growth '20 v '89	2050	growth '50 v '20
Population	153,296	2	249,843	63%	357,322	43%
Households	46,274	1	101,722	120%	145,476	43%
Employment (i.e., employed persons)	68,610	1	183,356	167%	203,790	11%

Source:

1. Surveillance and Monitoring Report: June 1990 FM MetroCOG (incl F,M, WF, Dilworth)
2. Census Data (Cass & Clay county)
3. 2023 FM Demographic Forecasts: November 2022 FM MetroCOG "most likely" scenario (incl Cass & Clay Counties)

*Where is FARGODOME now...* **What needs to be addressed:**

## **Improved Accessibility**

- More Accessible Seating with Vertical & Horizontal Distribution
- Press Box Accessibility

## **Patron Expectations & Experiences**

- Additional Restrooms
- Adequate Circulation Space
- More & Varied Concessions
- Additional Seating Options

## **Operational Enhancements**

- Storage & South Freight Elevator
- Security Lines
- Meeting Rooms
- Administrative Offices

Where is FARGODOME now...

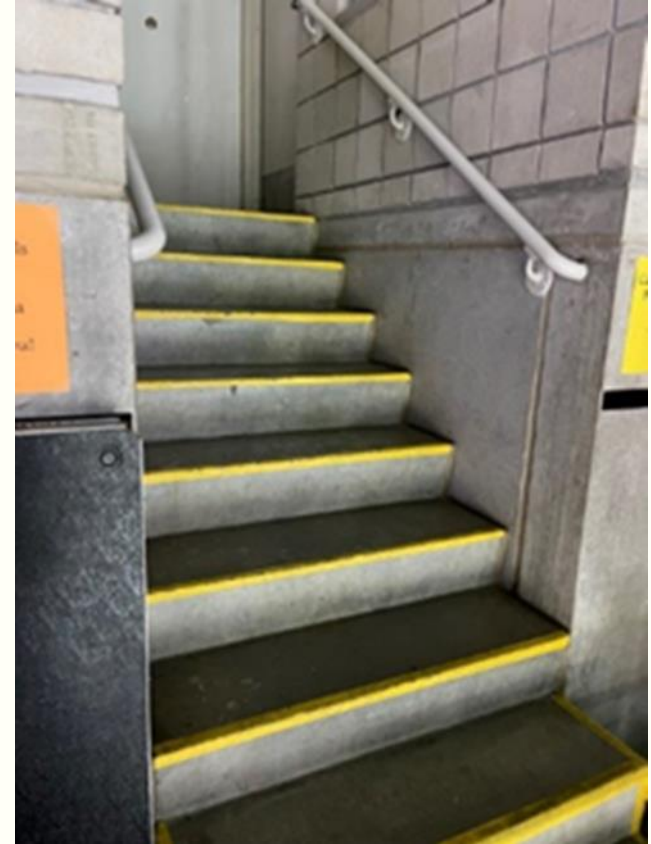
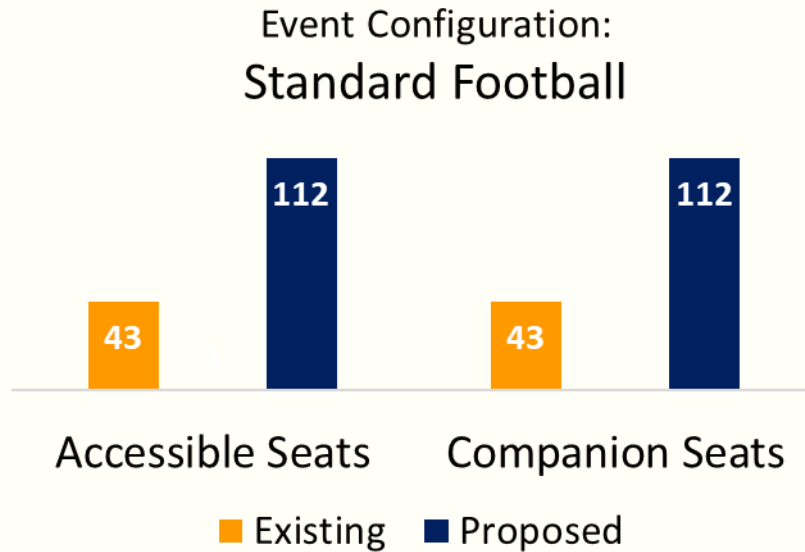
What needs to be addressed:

# Improved Accessibility

## Accessible Seating –

Required Accessible & Companion Seating  
Vertical & Horizontal Distribution

## Press Box Accessibility

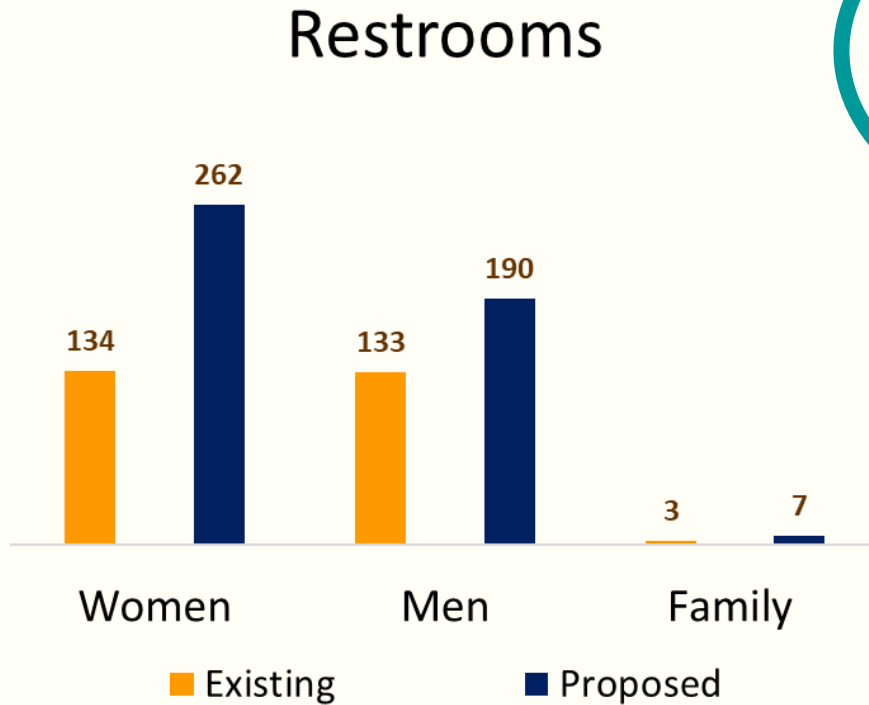


Where is FARGODOME now...

What needs to be addressed:

# Patron Expectations & Experiences

## Additional Restrooms



"You MUST have better accommodations for restrooms! Totally unacceptable!"

"The bathroom situation SUCKS at the Fargodome. There is NEVER enough bathrooms for women and yet the men come and go within minutes. Women stand in line for over 30 minutes just to use the bathroom. My husband went from the floor of the dome, to the bathroom and was back in his seat in 3 minutes. It took me 45 min to do the same thing. THAT NEEDS TO GET FIXED. It is ridiculous to expect that we spend that much money to stand in line half the night."

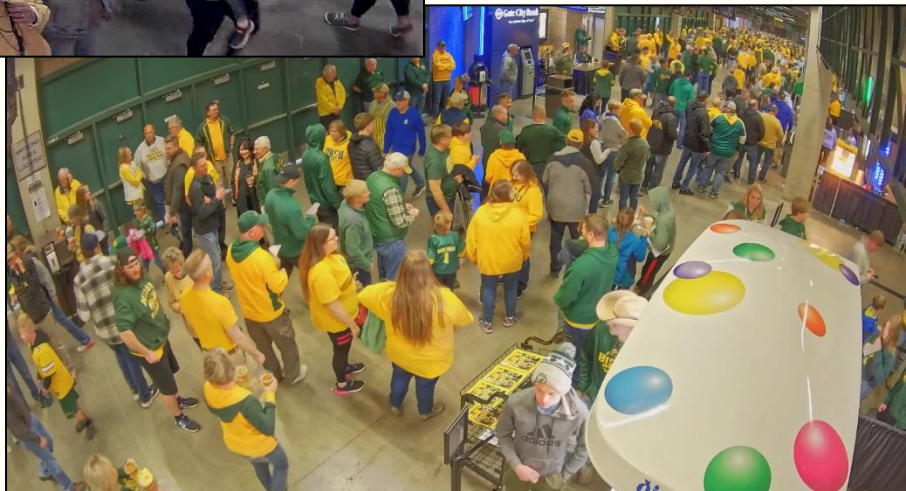


*Where is FARGODOME now...*

What needs to be addressed:

# Patron Expectations & Experiences

## Adequate Circulation Space



**"The lines for alcohol and women's bathrooms at the concert were insane. I would have spent way more money if I didn't have to stand in line so long."**

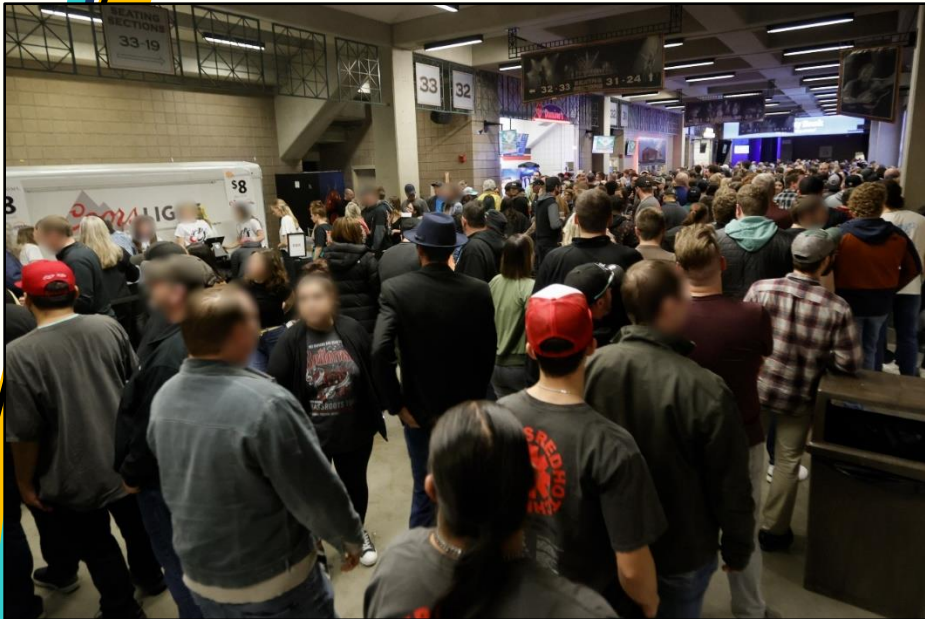


Where is FARGODOME now...

What needs to be addressed:

# Patron Expectations & Experiences

## More & Varied Concessions



"The venue for beverage sales needs improvement. Line were way too long and selection was limited"

"The alcohol selection at the Fargodome could be improved. A craft beer option would definitely be appreciated as well as another non-beer options instead of just Mike's and Truly."

### Live Data - Per Capita Spending Analysis:

Feb 2020 Jason Aldeen => **9,000** attendees = **\$18**/head

Jan 2019 P!NK => **20,000** attendees = **\$10**/head

Where is FARGODOME now...

What needs to be addressed:

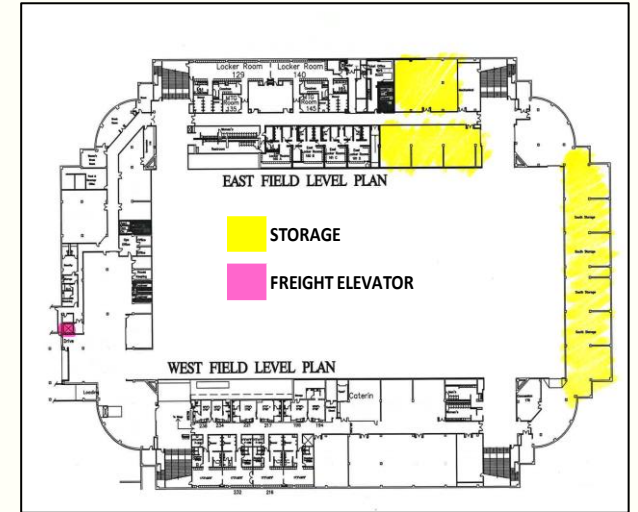
# Efficiencies – Operational Enhancements

Storage & South Freight Elevator

Security Lines

Meeting Rooms

Administrative Offices



*What would a remodel look like -*

Designed as a **Comprehensive** Solution:

**Objectives:**

**Improved Accessibility**

**Patron Expectations & Experiences**

**Operational Enhancements**

*Drawings are color-coded  
to specifically to address:*

	Accessibility
	Restrooms
	Concessions
	Experience
	Efficiency

**Areas Identified:**

**Field Level**

**Concourse Level**

**Mezzanine Level**

**Press/Club Level**





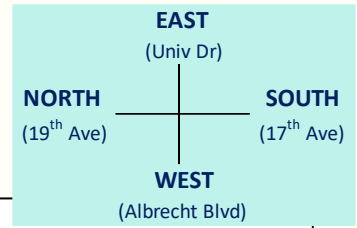
## What would a remodel look like - Comprehensive Solution

# Field Level Amenities & Objectives Accomplished

### Row A Accessible Seating SE Expansion & Remodel:

- New Restrooms
- New Concessions
- Circulation Space
- Meeting Rooms
- Freight Elevator & Storage

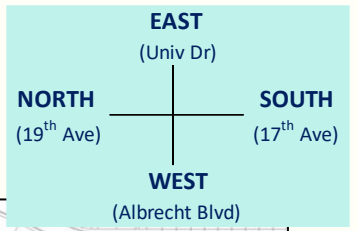
East: Relocate Work Area



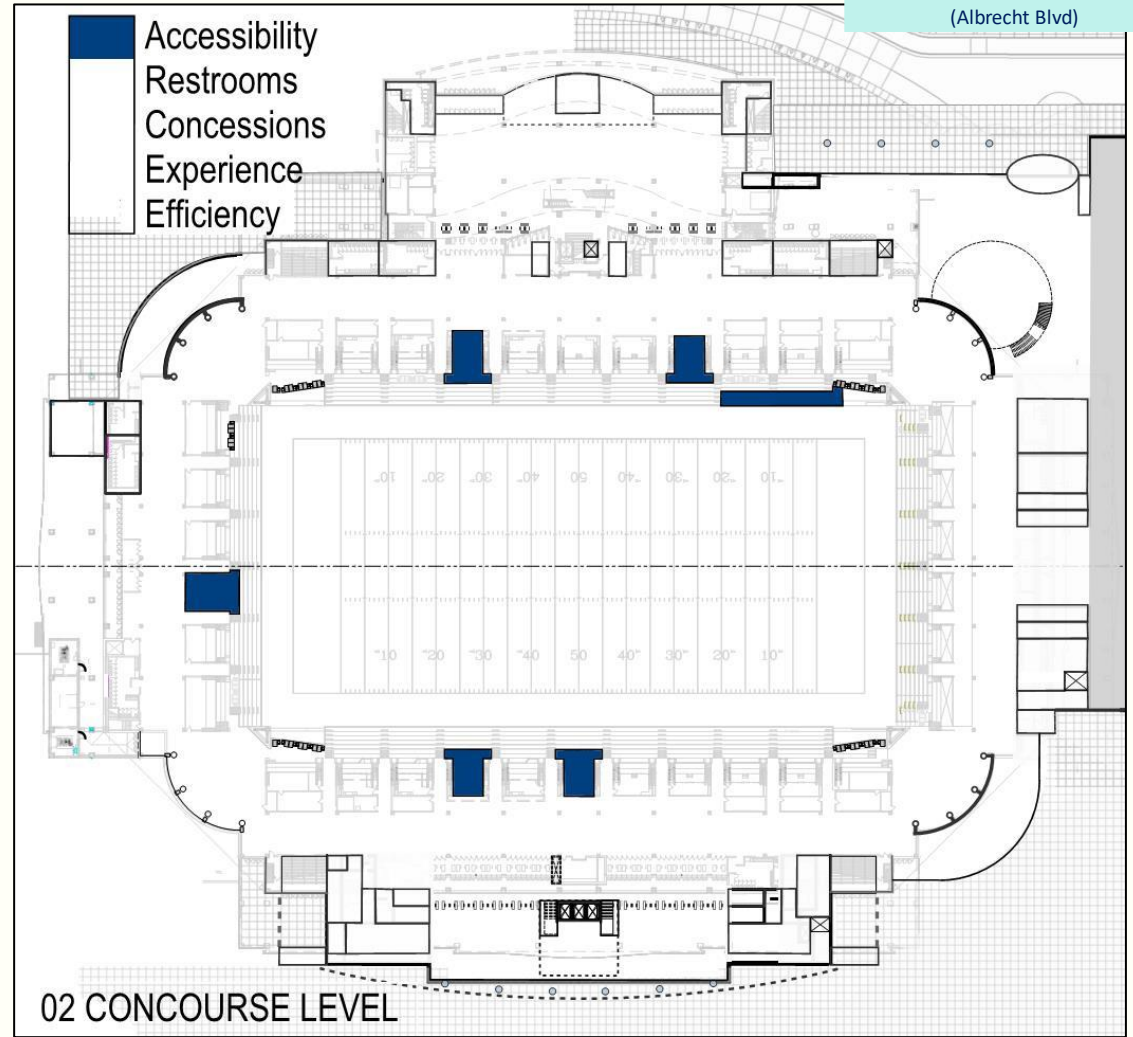


*What would a remodel look like - Comprehensive Solution*

# Concourse Level Amenities & Objectives Accomplished



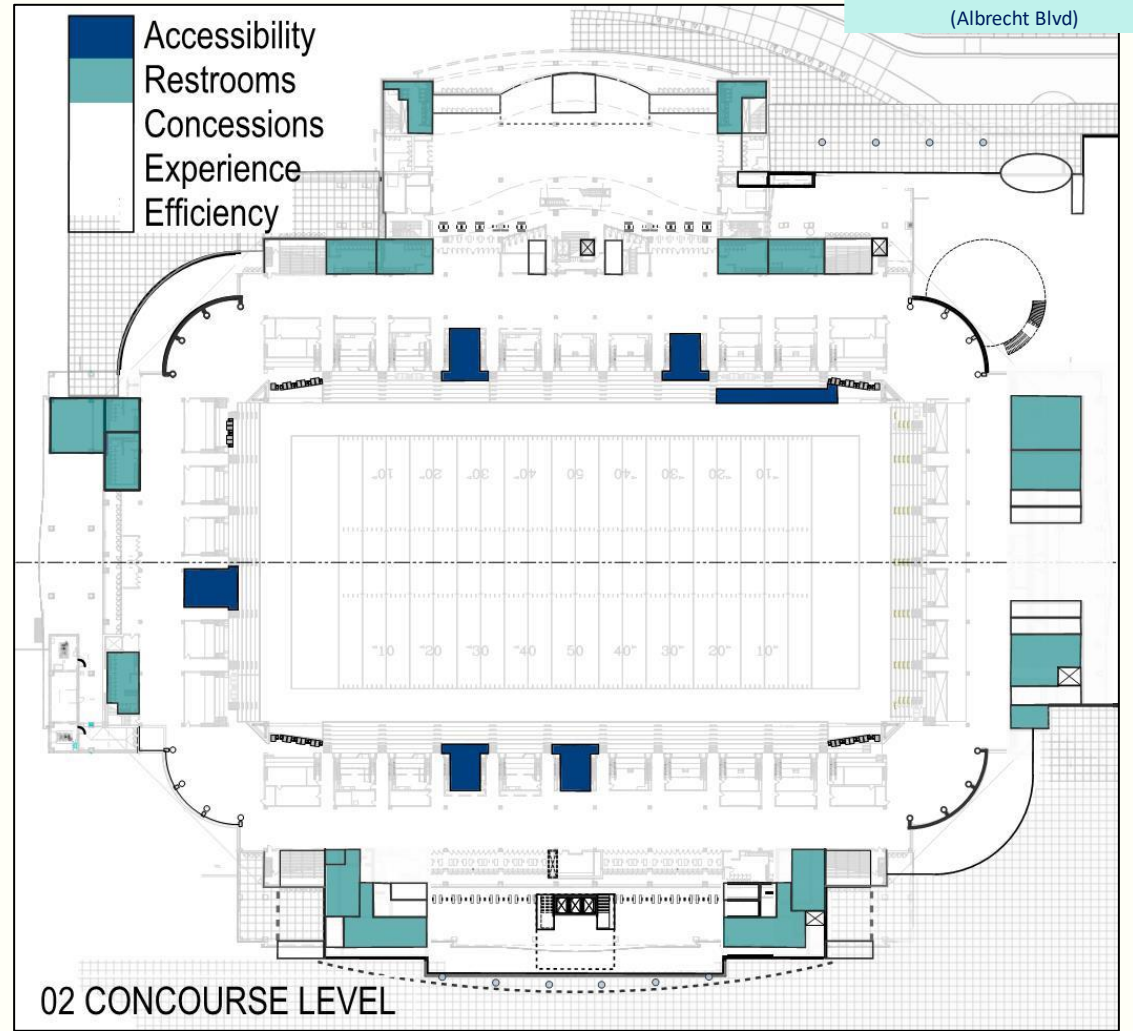
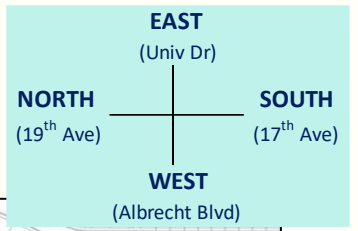
**New permanent Accessible Seating**



*What would a remodel look like - Comprehensive Solution*

# Concourse Level Amenities & Objectives Accomplished

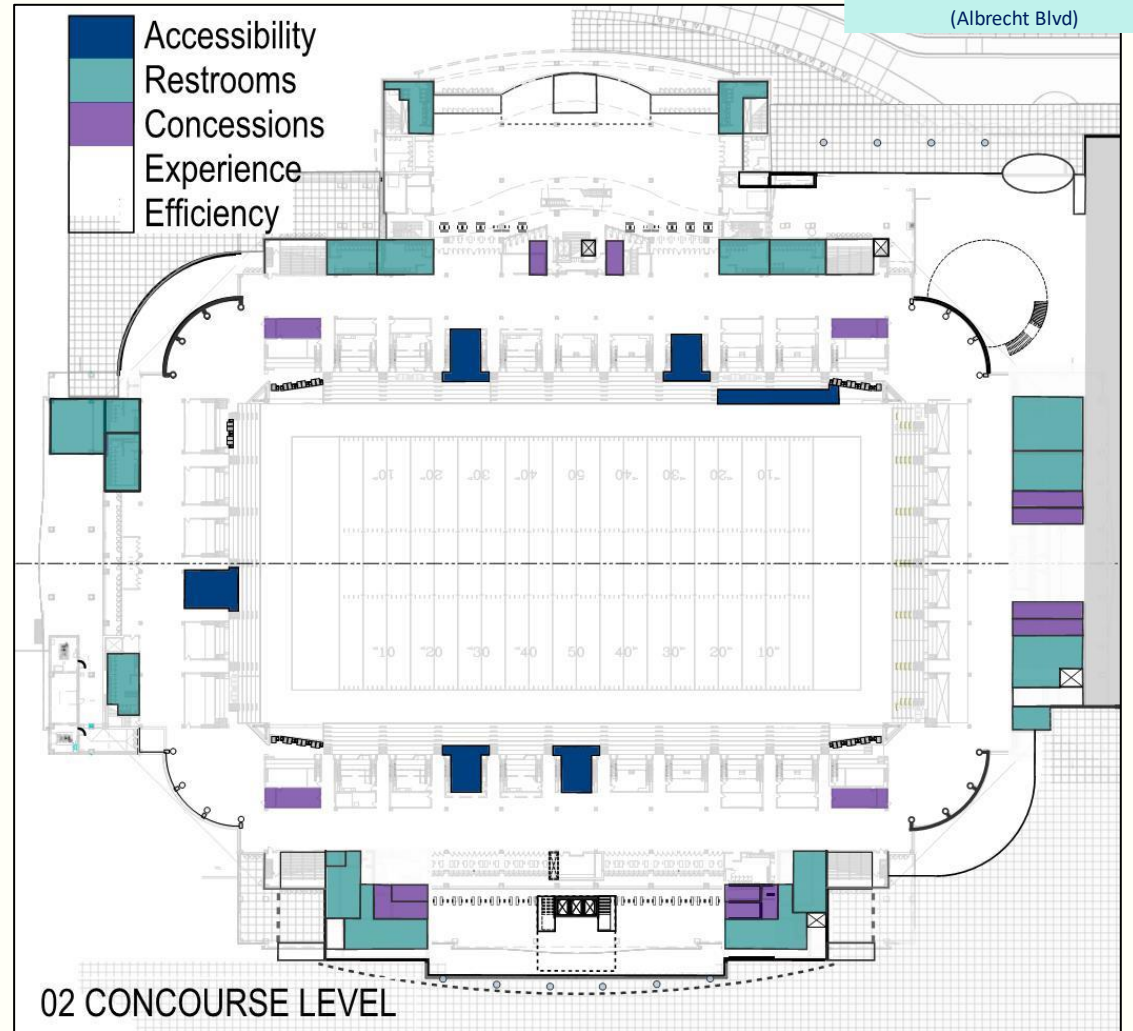
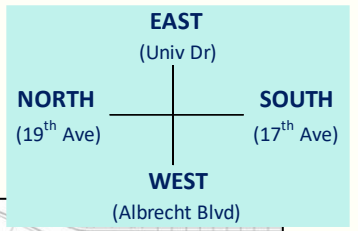
**New permanent Accessible Seating**  
**More &/or Expanded Restrooms**



# What would a remodel look like - Comprehensive Solution

## Concourse Level Amenities & Objectives Accomplished

- New permanent Accessible Seating
- More &/or Expanded Restrooms
- More &/or Expanded Concessions

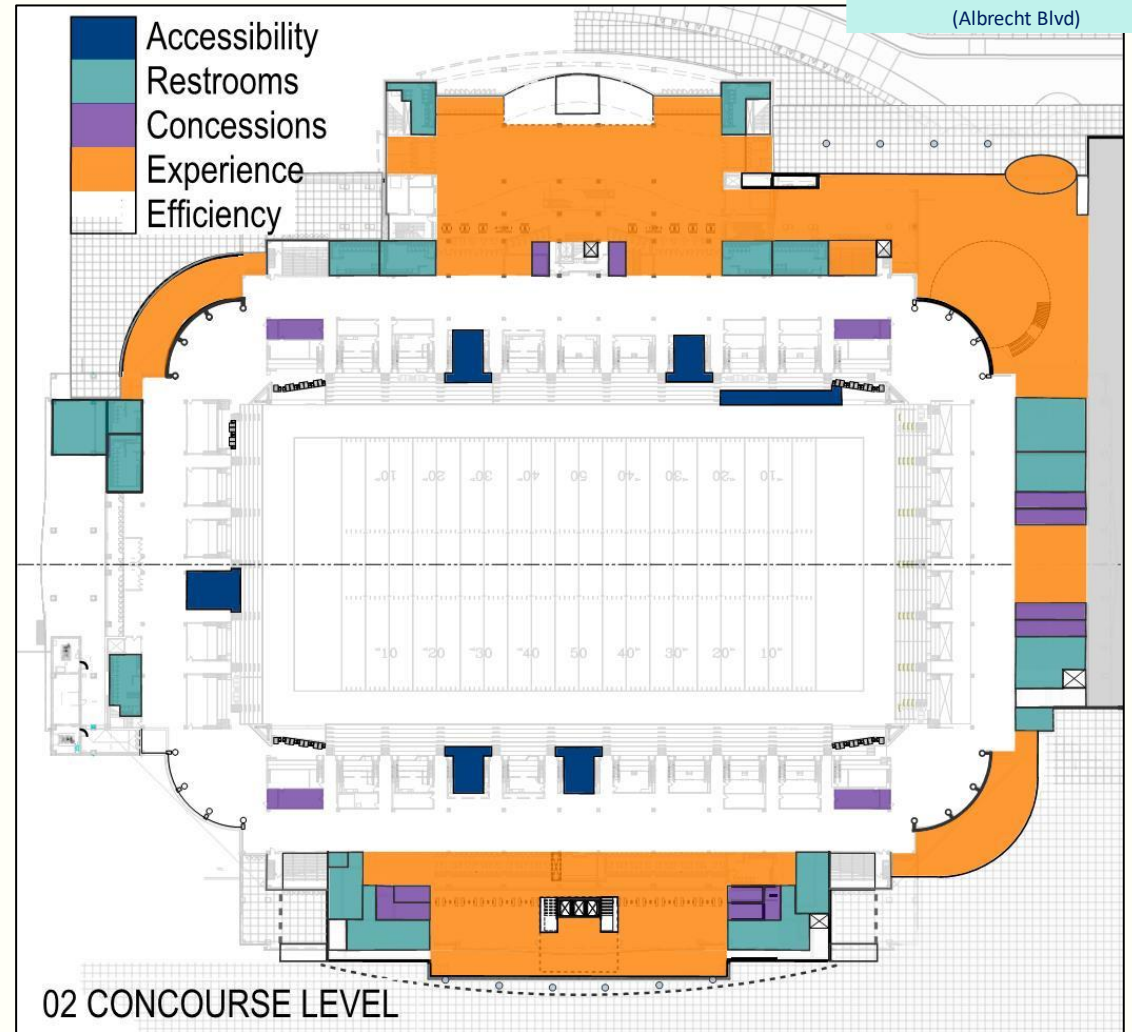
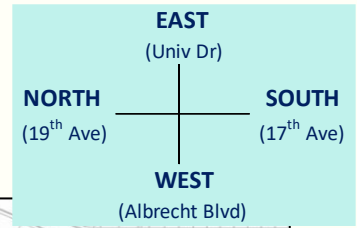


*What would a remodel look like - Comprehensive Solution*

# Concourse Level Amenities & Objectives Accomplished

- New permanent Accessible Seating
- More &/or Expanded Restrooms
- More &/or Expanded Concessions
- NE & SW corner “bump-outs”
- SE circulation space
- Movable Security line in East West Addition

- Circulation
- Security Lines





## What would a remodel look like - Comprehensive Solution

# Concourse Level Amenities & Objectives Accomplished

**New permanent Accessible Seating**

**More &/or Expanded Restrooms**

**More &/or Expanded Concessions**

**NE & SW corner “bump-outs”**

**SE circulation space**

**Movable Security line in East**

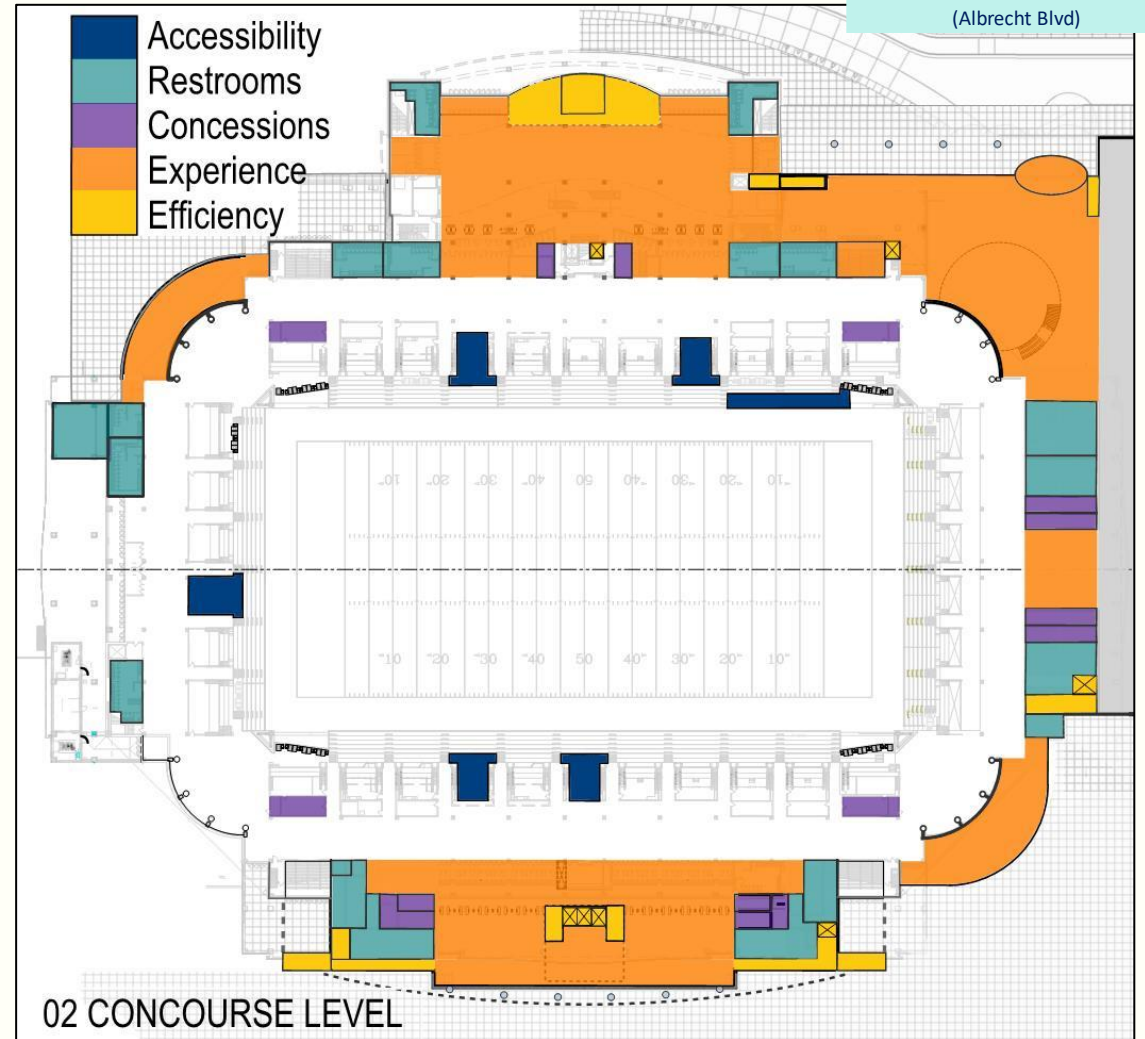
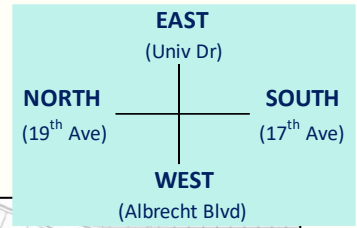
**West Addition**

➤ **Circulation**

➤ **Security Lines**

**Relocate Ticket Office**

**Additional Elevators & Storage**



## What would a remodel look like - Comprehensive Solution

# Mezzanine Level Amenities & Objectives Accomplished

More &/or Expanded Restrooms

More &/or Expanded Concessions

SE Circulation

SE Additional Meeting Rooms

SE Relocate/Expand Admin Offices

Multi-purpose West Addition:

➤ “Alternate Concourse” for

Arena Events:

Restrooms

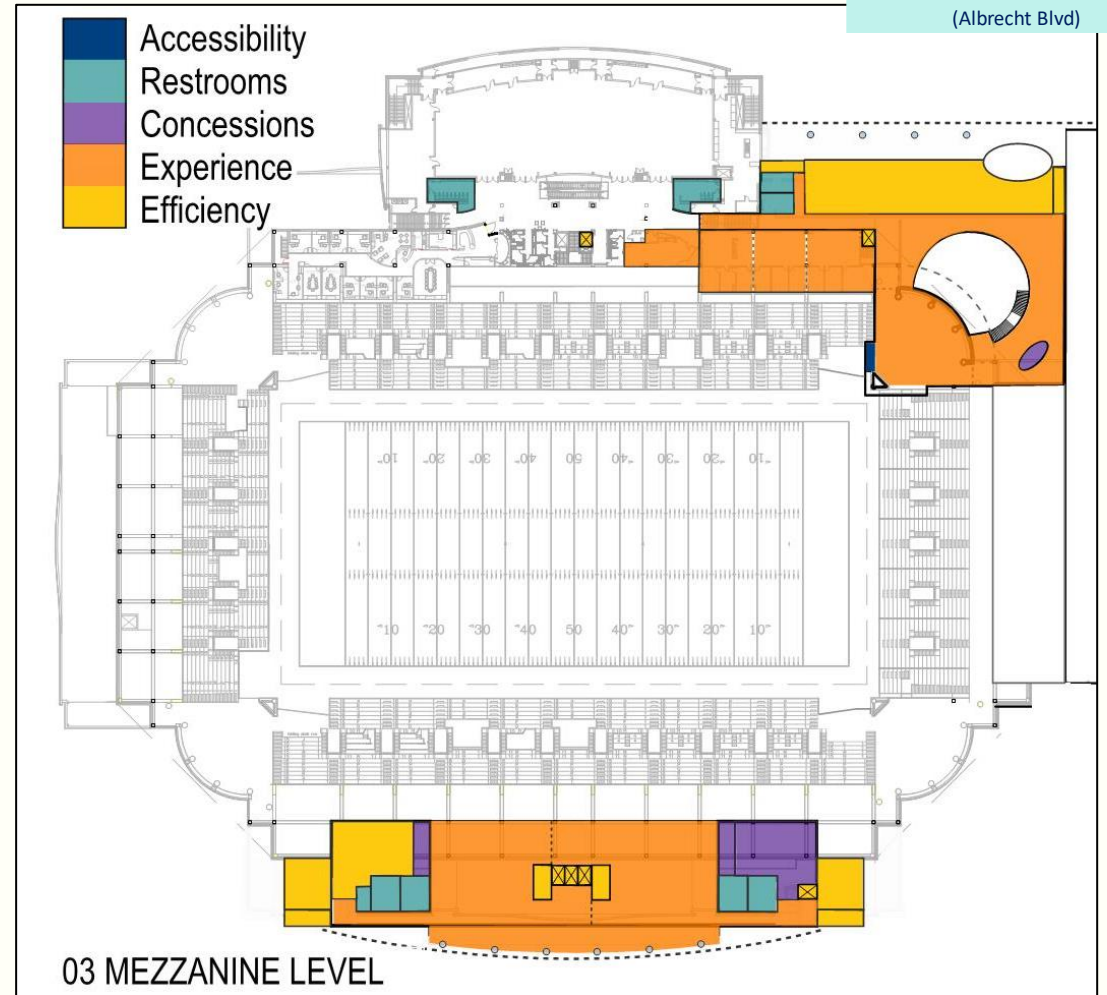
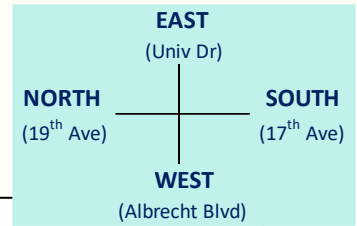
Concessions

Circulation

➤ Stand Alone or in conjunction w/ Events:

Meeting Rooms

Storage and Elevators



## What would a remodel look like - Comprehensive Solution

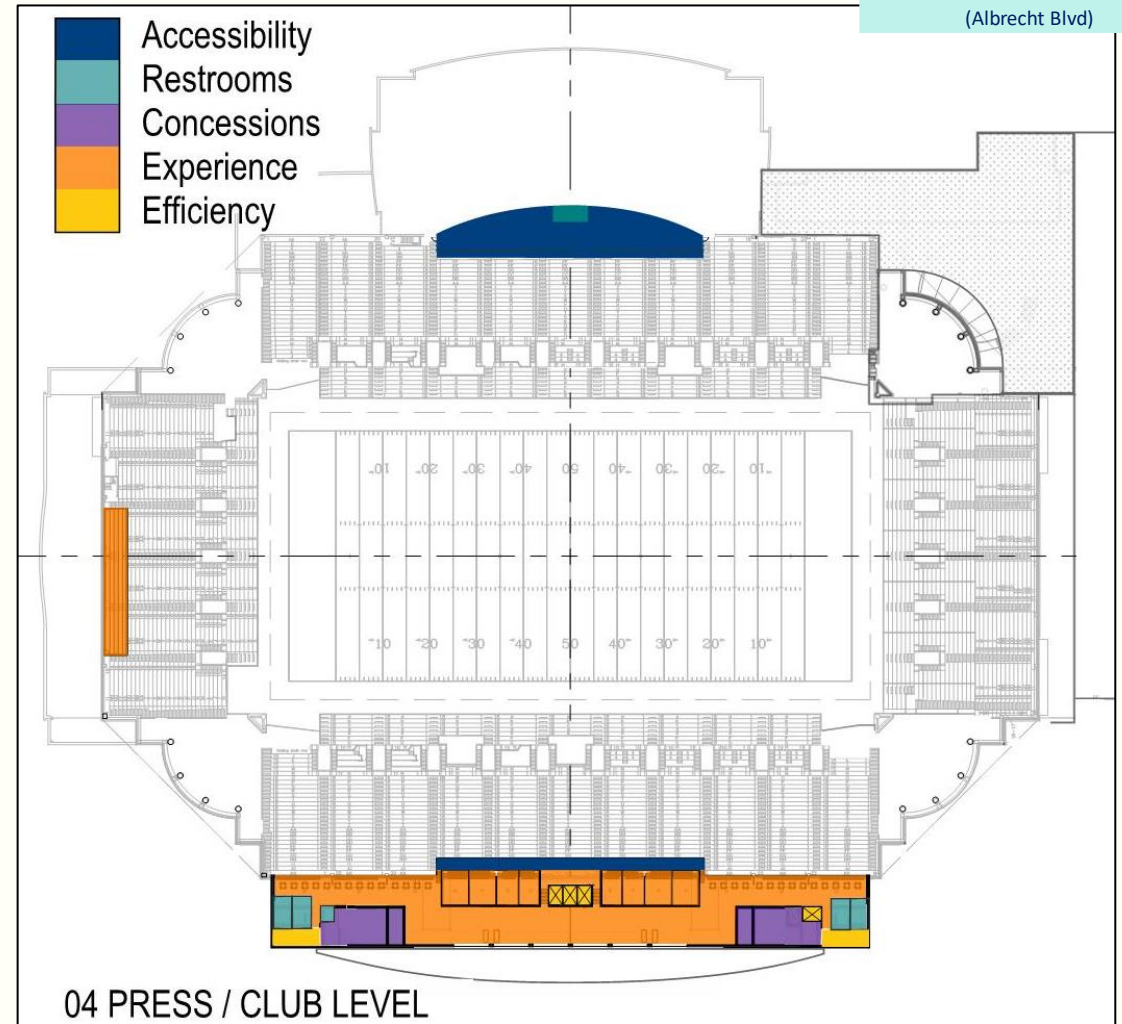
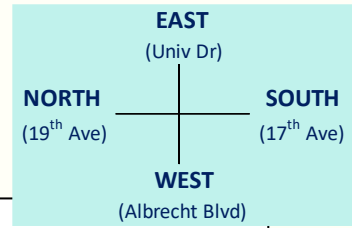
# Press/Club Level Amenities & Objectives Accomplished

**East: Accessible Press Box, along with work area and restrooms**

**West Addition:**

- **Accessible Seating (vertical distribution)**
- **More Restrooms**
- **Relocate displaced suites**
- **Additional suites**
- **Concessions**
- **Storage and Freight Elevators**

**North: Convert unused press box to seats**



## Cost for Renovations:

**Accessibility** w/ arena seating & press box, while retaining capacity of seats/suites

**Additional Restrooms**

**Amenities** including Concourse Circulation & Concessions

**Additional and more efficient space** of Meeting Rooms, Administrative Offices, Storage

*Estimate prepared by a larger regional contractor =>*

**\$85 million**

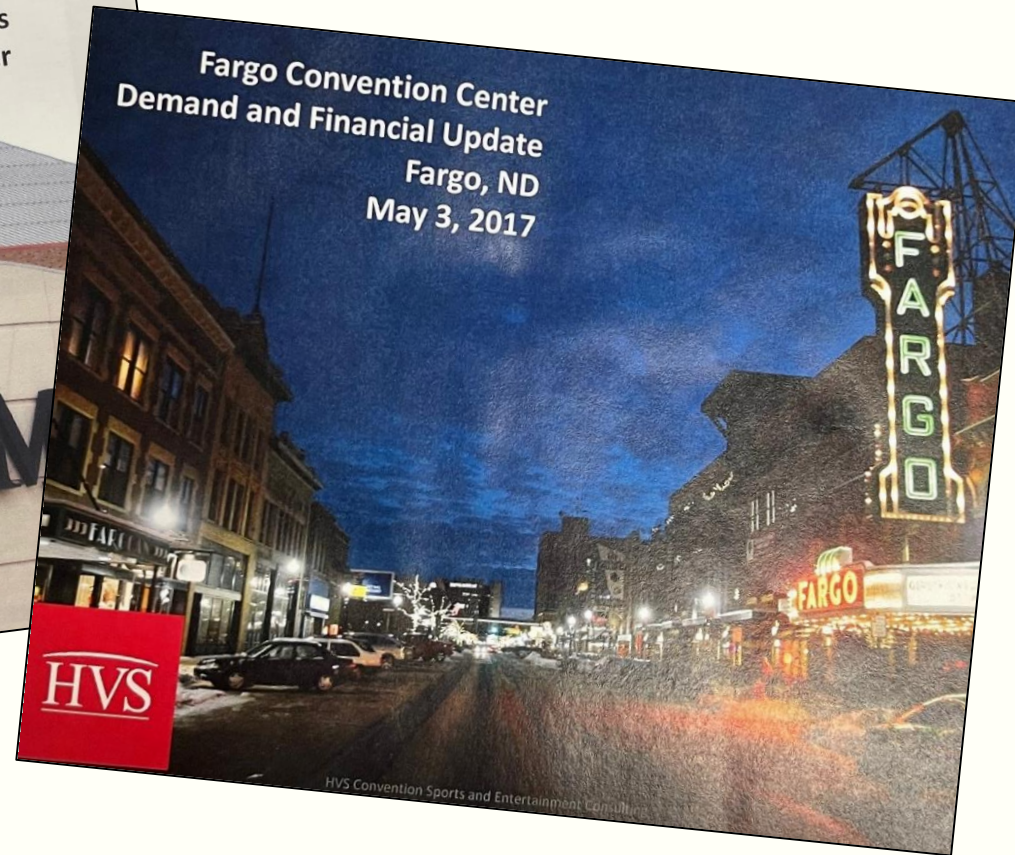
	Low	High
West Addition - 3 levels	20,222,339	25,847,468
SE Addition/Remodel - 3 levels	20,839,142	24,081,456
Restroom Additions and Remodels	6,752,868	7,787,244
Site Improvements W & SW	4,405,738	5,095,379
East Lobby/Support - Remodel	4,030,810	4,678,484
Furniture & Signage	2,350,570	3,664,159
Concourse - Concession/Other Upgrades	1,983,684	2,480,523
East Press Box Addition	1,515,574	1,767,749
NE Concourse Corner Bump-Out & Plaza	1,468,212	1,750,958
SW Concourse Corner Bump-Out & Plaza	1,470,415	1,755,590
East Mezz and Field Level Meeting Rooms	1,388,909	1,628,784
Accessible Seating Equip/Relocating Demo/Seating	1,183,492	1,398,913
Cost Escalation - 1 year	5,361,429	7,949,770
East Locker Rooms	1,110,246	1,306,270
West Visitor Locker Rooms	959,350	1,086,242
Arena LED relighting	1,367,541	1,752,347
	<b>76,410,319</b>	<b>94,031,336</b>
Average	<b>\$85,220,828</b>	



# Other Opportunities for Fargo:

As has been previously studied:

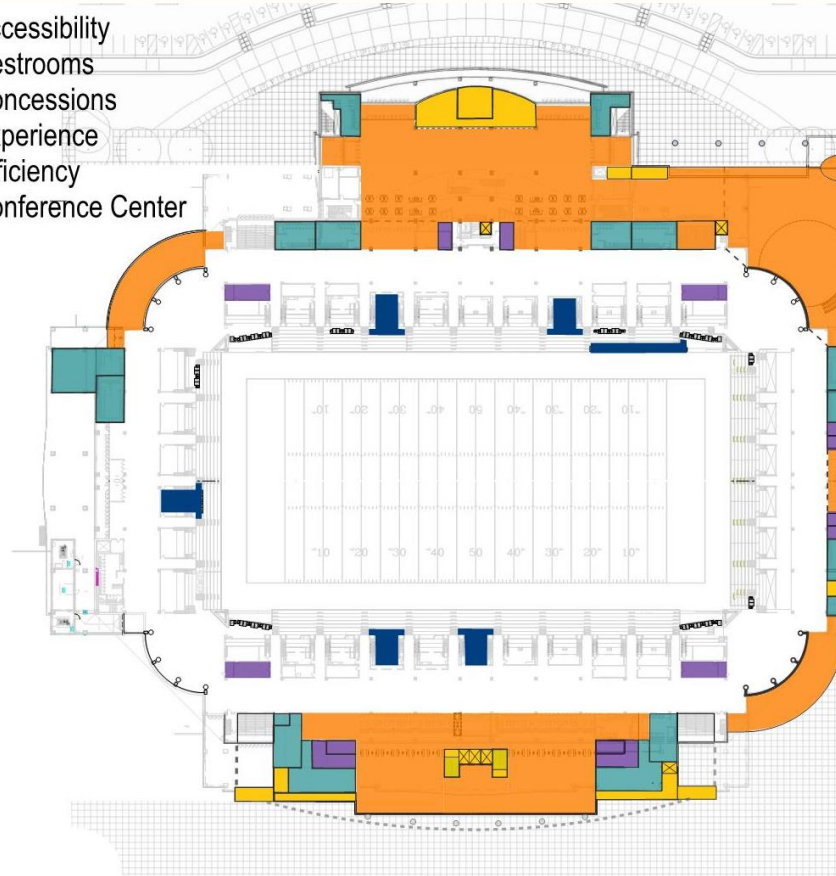
*90,000 sq ft South addition with 45,000 sq ft Exhibition Space*



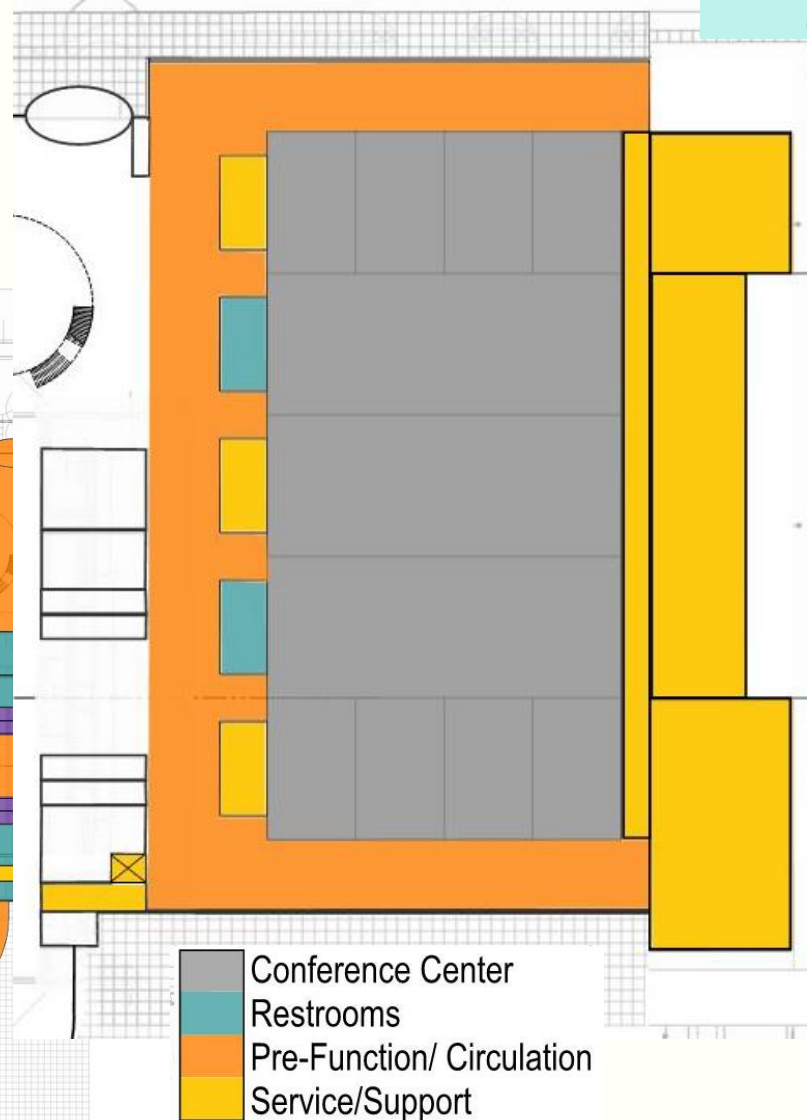
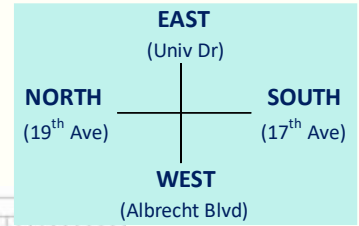
## What would an Expansion look like in conjunction with a Remodel

- SE 90,000 sq foot addition
- Exhibition Space of 45,000 sq feet
- Additional Restrooms and Circulation Space
- Catering Kitchen
- Loading Dock Area and Storage
- Additional East and West Entrances

Accessibility  
Restrooms  
Concessions  
Experience  
Efficiency  
Conference Center



02 CONCOURSE LEVEL



Conference Center  
Restrooms  
Pre-Function/ Circulation  
Service/Support



## *What would an Expansion look like in conjunction with a Remodel*



## Cost for Conference Center Expansion:

90,000 sq foot conference center w/ equipment and amenities

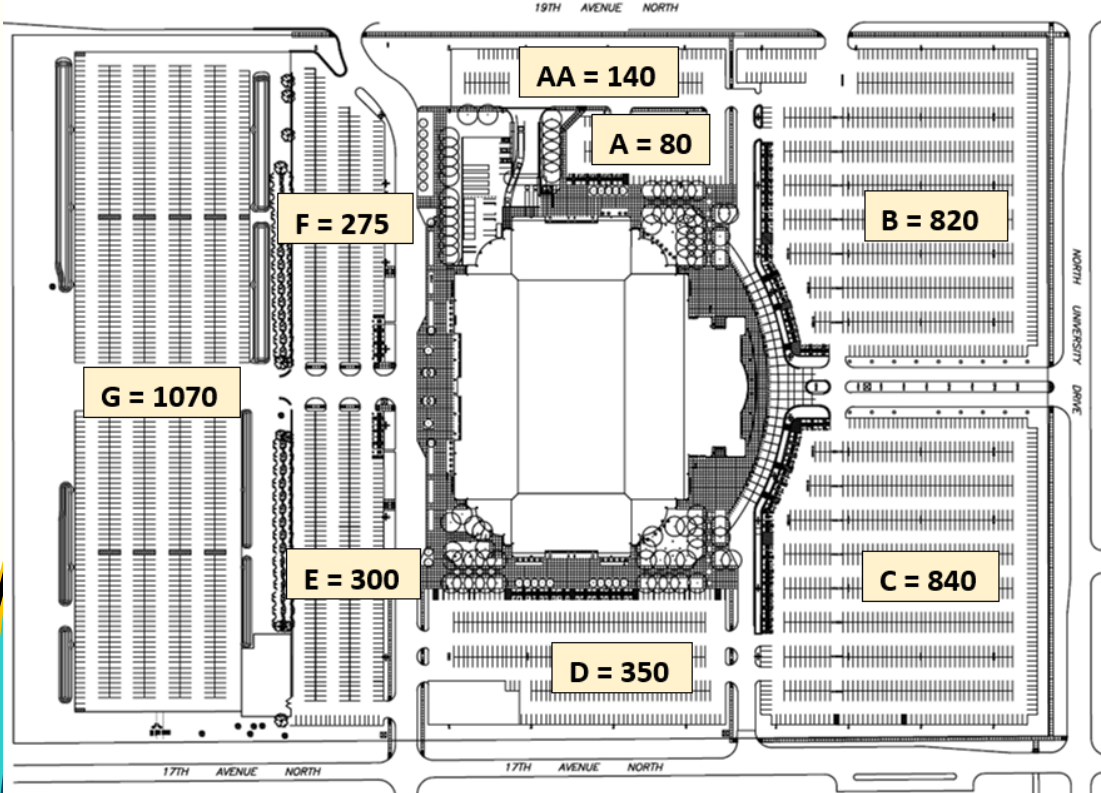
*Estimate prepared by a large regional contractor => \$46 million*

	Low	High
90,000 sq ft Build Out:	33,290,860	40,386,668
45,000 sq ft flat space + service areas		
Furniture	2,550,922	4,471,195
Cater Kitchen/Supplies	1,101,435	1,737,061
AV/Stage Equip	220,323	347,412
Cost Escalation - 1 year	3,126,920	4,742,480
	<hr/>	<hr/>
	40,290,460	51,684,816
Average	<b>\$45,987,638</b>	

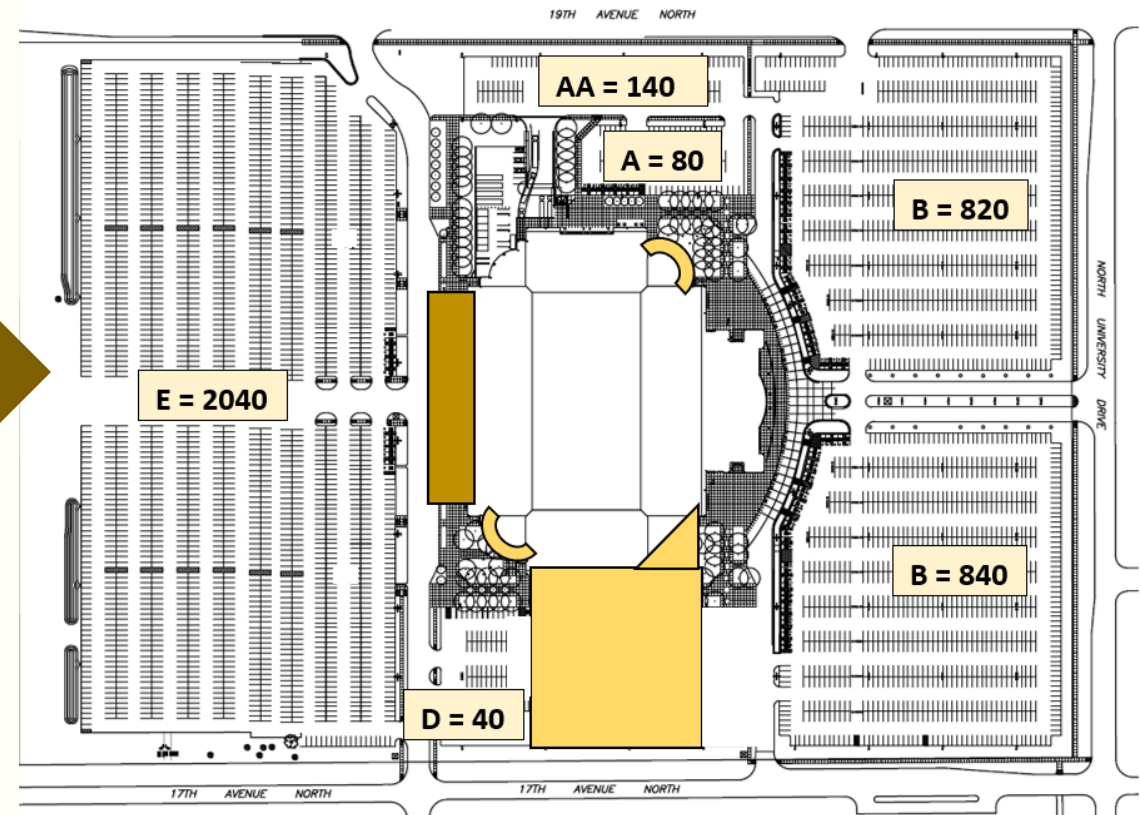
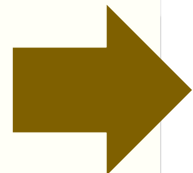
**Remodel & Conference Center Expansion = \$131 million**



# Logistics of Parking:



Current = 3,875



Proposed = 3,960

## Logistics of Construction:

**FARGODOME will remain open and fully operational.**

**Phased build to work around FARGODOME event calendar.**

### Proposed Construction/Timing:

Phase 1: **East Lobby and NE Corner & SW Corner “Bump-Outs”**

Ongoing interior work – restrooms, concessions, seating

Phase 2: **West Addition & SE Field Level Corner**

Ongoing interior work – restrooms, concessions, seating,  
Phase 1 finalization

Phase 3: **Conference Center**

Phase 1 & 2 finalization

## How do we pay for a Remodel and Conference Center expansion?



# FARGODOME funding:

## The proposal:

### Sources:

\$30 Million from FARGODOME Permanent Fund

¼ % City of Fargo Sales Tax for 20 years (2023-42)

3% Lodging Tax

### Uses:

Remodel w/ improved ADA seating, expanded circulation space, additional restrooms and concessions, and operational efficiencies

90,000 square foot Conference Center expansion

Future Capital Expenditures

Accumulation of Permanent Fund

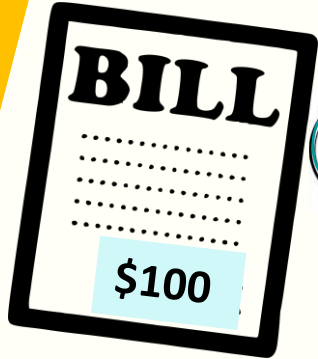
Annual Operating Revenues support Annual Operating Expenses



## ¼% Sales Tax & 3% Lodging Tax – PRACTICAL CONSIDERATIONS:

Fargo Sales Tax => **currently** at **7.5%** tax (5% state + **2% city** +.5% county)

=> **propose** at **7.75%** tax (5% state + **2.25% city** +.5% county)



**\$100 invoice = 1 quarter**     **\$10,000/yr = \$25/yr**

2022 tax Gross Taxable Sales = **\$3.3 Billion**

¼ % tax generates = **\$8.25 Million**

Fargo Lodging => **currently 10.50%** tax, including 7.5% sales tax and 3% City lodging tax

=> **propose 13.75%** tax: existing 10.5% + **¼%** new sales + **3%** new lodging tax

2022 tax Gross Taxable Sales = **\$95 million**

3% tax generates **\$2.85 million**

## Why Sales Tax & Lodging Tax?

**Allows for out-of-town patrons** to contribute to the project:

Per our 2019 Economic Impact Study: **55%** of FARGODOME patrons are non-local

Direct Patron spending:

Retail Community Economic Benefits	= <b>\$12.7 million/yr</b>
Food & Beverage Economic Benefits	= <b>\$11.7 million/yr</b>
Lodging Economic Benefits	= <b>\$ 7.3 million/yr</b>

Event Type	% Non-Local	Per Person Lodging
Concerts	<b>73%</b>	<b>\$45</b>
NDSU Football	<b>45%</b>	<b>\$27</b>
Amateur Sports	<b>87%</b>	<b>\$45</b>

Conferences (not held at FARGODOME – per a limited sample):  
Average per attendee, per day new total spending = **\$200**

**40-45%** was spend toward lodging

	Sales Tax State/Local	Combined Lodging		Notes
		Lodging, Only	Lodging+Sales	
<b>FARGO - current</b>	<b>7.500%</b>	<b>3.000%</b>	<b>10.500%</b>	
<b>FARGO - proposed</b>	<b>7.750%</b>	<b>6.000%</b>	<b>13.750%</b>	
<b>"Local"</b>				
West Fargo	<b>8.000%</b>	3.000%	<b>11.000%</b>	
Moorhead	<b>7.875%</b>	3.000%	<b>10.875%</b>	
Bismarck	<b>7.000%</b>	3.000%	<b>10.000%</b>	
<b>"Regional"</b>				
Duluth, MN > 30 rooms	<b>8.875%</b>	5.500%	<b>14.375%</b>	
Rochester, MN	<b>8.125%</b>	7.000%	<b>15.125%</b>	
Sioux Falls, SD	<b>6.500%</b>	3.500%	<b>10.000%*</b>	Hosp Tx: 2% City; 1.5% State; *+\$/4 per room
Omaha, NE	<b>7.000%</b>	5.500%	<b>12.500%</b>	
Madison, WI	<b>5.500%</b>	10.000%	<b>15.500%</b>	

## Sales Tax + Lodging Tax + Permanent Fund Earnings => Cash Flow

Fund construction costs via a 20-year bond issue and a permanent fund contribution.

Underlying source of repayment for the bonds is a combination of **sales tax, lodging tax**, and **returns on the permanent fund**.

Debt Service Coverage from Financial Model  
*from Investment Advisor Baker Tilly's analysis:*

	<b>at current bond rates + 75 BP</b>
2024 - Year 1	
¼ % Sales Tax (at <b>Year 1</b> )	\$8,500,000
3% Hotel Tax (at <b>Year 1</b> )	2,600,000
Interest Income	<u>1,000,000</u>
	\$12,100,000
Debt Service	\$10,500,000

OVER 20 YEAR LIFE:

Debt Service Coverage (DSC) **1.15x**



# Conservative Financial Model Assumptions => Debt Service Safety Nets

## Tax:

Sales Tax at ¼ % for 20 years & new Lodging Tax at 3%

Sales & Lodging Tax Growth Rates: Years 1-10 @ **2%** Years 11-20@ **1.5%**

Sales: 10 yr Avg (2013-2022) = **4.94%** 5 Yr Avg (2018-2022) = **7.43%**

Lodging: 10 yr Avg (2013-2022) = **3.26%** 5 Yr Avg (2018-2022) = **5.00%**

## Bonds:

Model: 20 year at average **6.4%** cost (75 BP above current borrowing rate)

Bonds - callable options will be evaluated

## Cash Implications:

\$30 million out of FARGODOME escrow

1 full year Debt Service Reserve retained

## Other Notes:

**3.5%** return on permanent fund 5-year Avg = **4.64%**

Operating Rev at break-even (likely **higher**, esp with Concessions and Conv Center)

Capital Expenditures - graduated (\$750,000 to \$1.5 million/yr), but **can be modified**

as cash flow dictates.

## Next Steps:

### **August 29, 2023: Fargo Dome Authority**

- Review proposal and make recommendation to Fargo City Commission regarding building needs and funding.

### **September 5, 2023: Fargo City Commission**

- Receive, discuss, and take action on Fargo Dome Authority recommendation regarding building needs and funding.

### **Proposed Timeline:**

December 5, 2023:

Special Election

April 1, 2024:

Tax Implementation

Fall 2024:

Bid Award

Winter 2024:

Construction Start