

# **CITY COUNCIL PROCEEDINGS**

## **BEMIDJI, MINNESOTA**

### **Special Meeting/Work Session – February 16, 2010**

Pursuant to due call and notice, a special meeting/work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Tuesday, February 16, 2010, at 6:00 p.m. in the Conference Room of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Lehmann, Waldhausen, Johnson, Hellquist, Downs, Meuers. Absent: Negard

Staff Present: City Manager John Chattin, Public Works Director Craig Gray, City Clerk Kay Murphy

Others Present: Bob LeBarron, Venworks, Executive Director BREC; Andy Long, Venuworks; Steve Parker, Leo A Daly; Gerry Domino, Kraus Anderson

Mayor Lehmann stated that the purpose of the special work session was to discuss the Event Center Video Display System.

Bob LeBarron, Executive Director of BREC, gave a presentation on the proposed video display system for the event center. He stated that the display system is more than a scoreboard. He stated that the proposed system include a four-sided video board with the capability of displaying instant replays and commercials. It will be used for more than just hockey. He stated that below the video display would be a scoreboard ring, which would display the scores of hockey games or other sports events hosted in the event center. In addition, to the main video display system, he proposed that the bid package include two end zone scoreboards, shot clocks and goal lights, and a marquee sign that would be at the intersection of Paul Bunyan Drive and 1<sup>st</sup> Street. It also would include the mechanical work needed to hoist the video display system up for events such as concerts and lower the board for maintenance. LeBarron estimated that the projected annual advertising revenue at \$270,000 and estimated revenue from video display advertising to be \$67,000 (approximately 25% of the total).

According to LeBarron, the following are the benefits in purchasing a system:

- Retain all advertising rights; reduce initial cost with vendor selling ads
- Enhanced flexible scoring;
- Places the venue at a financial advantage when pursuing events; and
- Intangible venue perception – the “fan experience” factor.

The disadvantages if the BREC did not own the unit were:

- 25% decrease in annual advertising revenue;
- Limits venue’s ability to package ad inventory;
- Introduction of a third-party competitor for limited regional advertising dollars;
- Leasing could result in higher overall expense over time;
- Limited number of qualified vendors willing to provide this service.

LeBarron stated that the BREC Advisory Board recommended the Council allocate funding from the construction contingency fund for the video display system. In addition, separate the bid package into three parts: the main scoreboard/video display system, the outdoor marquee sign and the production equipment.

Johnson suggested using PEG fees for some of the production costs and perhaps the Public Affairs Committee should discuss this further.

Considerable discussion by the Council followed regarding:

- Warranty for the video display system – typically is a one year for parts and labor.
- Life expectancy of the system – 15-20 years.
- Replacement parts – typically extra video panels are purchased for repairs.
- Advertising opportunities – Venuworks will be responsible for selling advertising on the video display system for upcoming events.
- Selling naming rights for the event center.
- Balance of construction contingency fund is approximately \$2.49 million.
- Revenue projected from the sign would not cover the cost of the video display.

**ADJOURN**

There being no further business, motion by Waldhausen, seconded by Meuers, to adjourn the meeting. Motion carried. Meeting adjourned at 6:58 p.m.

Respectfully submitted,



Kay M. Murphy  
City Clerk