

## Questions/Comments from November 20<sup>th</sup> Mississippi National Golf Links Public Meeting

Dan Mjolsness – written comments submitted

Richard F. Dodge and Marie Dodge – written comments submitted

### Speakers

1. Dan Mjolsness – comments on value of course, course maintenance, operations, etc.
2. Stan Neugaugen – served on original public golf course task force – questions:
  - a. Council needs to define what ‘winterize’ means?
  - b. Council needs to develop Plan A,B,C and get it out to citizens soon.
  - c. Council needs to state if winter activities like cross country skiing will be allowed.  question was answered by Rick – yes, Cross country skiing will be allowed this winter
3. Mary Clark requested the 2012 and 2013 budget amount – Rick responded that on average we budget \$100,000 for maintenance and between \$50,000 and \$100,000 for Capital.
4. Doug Sparby – commented that the Council could bid on the equipment and sell it on the auction at a later date if we don’t need.
5. Dan Mjolsness – commented that the income must be between \$1 and \$1.2 million annually
6. Tom Ziebel – commented that 36 holes was the killer. Asked what does it cost to operate the course? What kind of budget would be necessary to operate without a subsidy?
7. Larry Sonnek – commented that we should study Wendell’s financials – Lisa/Dennis commented that Wendell did not provide the city with financial as it was a private business operation.
8. Sara Oskey asked how much we received when the City’s lease provided 8% of the gross profits – Marshall suggested it was 5-6 years ago that we received a percentage of the gross profits and he estimated it was about \$XXX annually.
9. Mary Clark – commented that we should have Wendell’s financials.
10. Paul Grinnell – commented that the bank has already waived their lease hold rights – Lisa explained that they may have, but that we need to wait the proper timeframe and that this is an issue in the litigation. Associated Bank as named in the litigation.
11. Jed Olson – asked about the timeframe in which the land would revert back to previous property owners. Rick mentioned that the land that would revert back to original property owners if the golf operation ceases to operate is a question we’ve asked our attorneys to consider.
12. Lee Nelson – commented that the golf business is over built, but that the highlands are a real draw. RW’s future is in tourism/recreation and the city should maintain the golf course as an asset.
13. Duane Howe – commented that the city spends two million on parks and of that only 10% goes to Mississippi National. Over 100 kids participate in the golf program and are regularly at the driving range. He also feels that Mississippi National helps drive business and corporate business.

14. Mike Halvorson – asked why the Council refused the offer from Wendell? Why should the taxpayers subsidize this business? Lisa Bayley said that at the time there were plenty of people who opposed the sale for all the reasons being stated tonight.
15. John Nelson – Asked if the Council would be holding more public meetings and thanked the Council for holding this meeting and getting correct information out to citizens.
16. John Kjolhaug – Commented that he represented the Red Wing Municipal Golf Corporation and that they have a proposal that is 1) self-funded and requires no tax payer's money, and 2) preserves Mississippi National as an asset.
17. Buck Foot – commented that the golf industry is overbuilt and the city should not subsidize the golf course.
18. Jim Clark – commented that the city already subsidizes the Red Wing Golf Club by \$12,500 per year.
19. Chap Acken – commented that he represented the Friends of the Bluff and that their group believes the Mississippi National land is a huge asset to the City and that they feel there is a huge opportunity to expand this asset. He further stated that there is a massive potential for combining the interests/assets together to make a powerful recreational attraction.
20. Lavergne Dickerson – asked if Wendell had made good on the bond – Lisa responded that we have received no notification that the bond has been paid off.
21. Harvey Nelson – Commented that the golf course is a destination and brings in more money than the city subsidy.
22. Lee Nelson – Commented that it's possible to make Mississippi National profitable through better marketing.
23. Mary Clark – asked how much the City invested in the golf course in the last five years as compared to how much has been received in taxes – Marshall responded that on average the City has put in \$150,000- \$200,000 in the golf course in maintenance and capital funds. It has been less the last four years due to the tough economic times. And, he added that the infrastructure costs in the future will be increasing due to the age of the infrastructure. Property taxes generated on Mississippi National were estimated by Marshall to be in the range of \$20,000 - \$30,000 per year for all taxing jurisdictions.
24. Eric Fridell – Asked what percentage of the maintenance costs is attributed to Public Works Labor. He also commented that the City receives 4% of the capital costs back over 20 years. He asked where the maintenance dollars were spent. Rick responded that much of the costs goes to water, well and power maintenance.
25. Nate Harnley – Commented that he thinks there could be some synergies between the Red Wing Golf Club and Mississippi National Golf Courses if they worked together.
26. Dave Baringer – Commented that 200 kids are in junior golf and that closing Mississippi National would destroy the local golf program. He also stated that Wendell just gave up on the course over the last five years and that is why it didn't make money.
27. Jason XXX – asked why the City didn't sell it for a \$1.00 when it had the chance.
28. Lisa Bayley – Commented that she thought there were exciting opportunities and synergies with the Welch Ski Hill. Lisa further asked what process citizens felt should be used to move this issue

forward. She encouraged everyone to start working on concepts and that at some point; the Council would want presentation on the ideas.

29. John Marquardt – Commented that he didn't know what the golf course is doing for the city or for him.
30. Laan Dommer – commented that in Sweden (?) golf courses are held in a trust by the federal government. He thought the city should keep the asset, but not subsidize with taxpayers money.
31. Jim Eng – commented that the city should collect membership dues and put them into an escrow account and if the golf course doesn't open, the funds should be rebated.
32. Bob Josem – Commented that there were over 30,000 rounds of golf as of August of 2012 and that this could be a larger number if more funds were invested in marketing. The course is a magnificent regional facility.
33. Jan Rutledge – commented on behalf of her husband that the city should look at the Detroit Lakes model because it's a city run course and it's operated for over 80 years. She also added that the Golf Course is a huge draw for Red Wing.
34. Steve Lawrence –Commented that he appreciated Council taking time to speak to citizen and to hear from citizens. He said that the City has never short changed citizens of service and that his taxes reflect that. He felt that this community could really come together to find a great solution. Holding this meeting was a smart first move.
35. Joyce Chitty – commented that the city should keep tax dollars out of the solution.
36. XXXX Trulen – Commented that events such as wedding should be considered in the mix of revenues potential and that the driving range is also a key revenue generating asset.
37. XXX – suggested that the City also consider looking into the golf course models at new Prague and Anoka as they are also city run courses.