



Mississippi National Golf Links

Public Meeting: April 19, 2011

City of Red Wing



Agenda: 5:00 – 6:45 PM

- **Welcome by Mayor Egan**
- **Overview of Proposed Golf Course Sale by City Staff – 30 minutes**
- **Presentation of Information by Save Mississippi National Golf Course – 30 minutes**
- **Public Comments**
- **Adjourn**

[Purpose of the Meeting]

- 1) Information
- 2) Provide Opportunity for Public Comments and Questions
- 3) Address Immediate Questions
- 4) Describe the Next Steps

[Key Points]

- **The proposed sale is being considered as a result of significant economic and budget realities.**
 - Revenue challenges.
 - State policy decision challenges.
 - Expenditure challenges.

[Key Points]

- **The proposed sale preserves the public's interest in the property.**
- **The proposed sale preserves the public golf course and enhances public recreational opportunities.**
- **The proposed sale assists in preserving and enhancing higher priority public services.**

Economic and Budget Realities

- Revenue Challenges

- Reliance on property tax
- Great Recession
- Decreased Property Valuations
- Growing Anti-Tax Sentiment
- Revenue Volatility
 - State revenue sharing programs.
 - Reliance on a major tax payer.

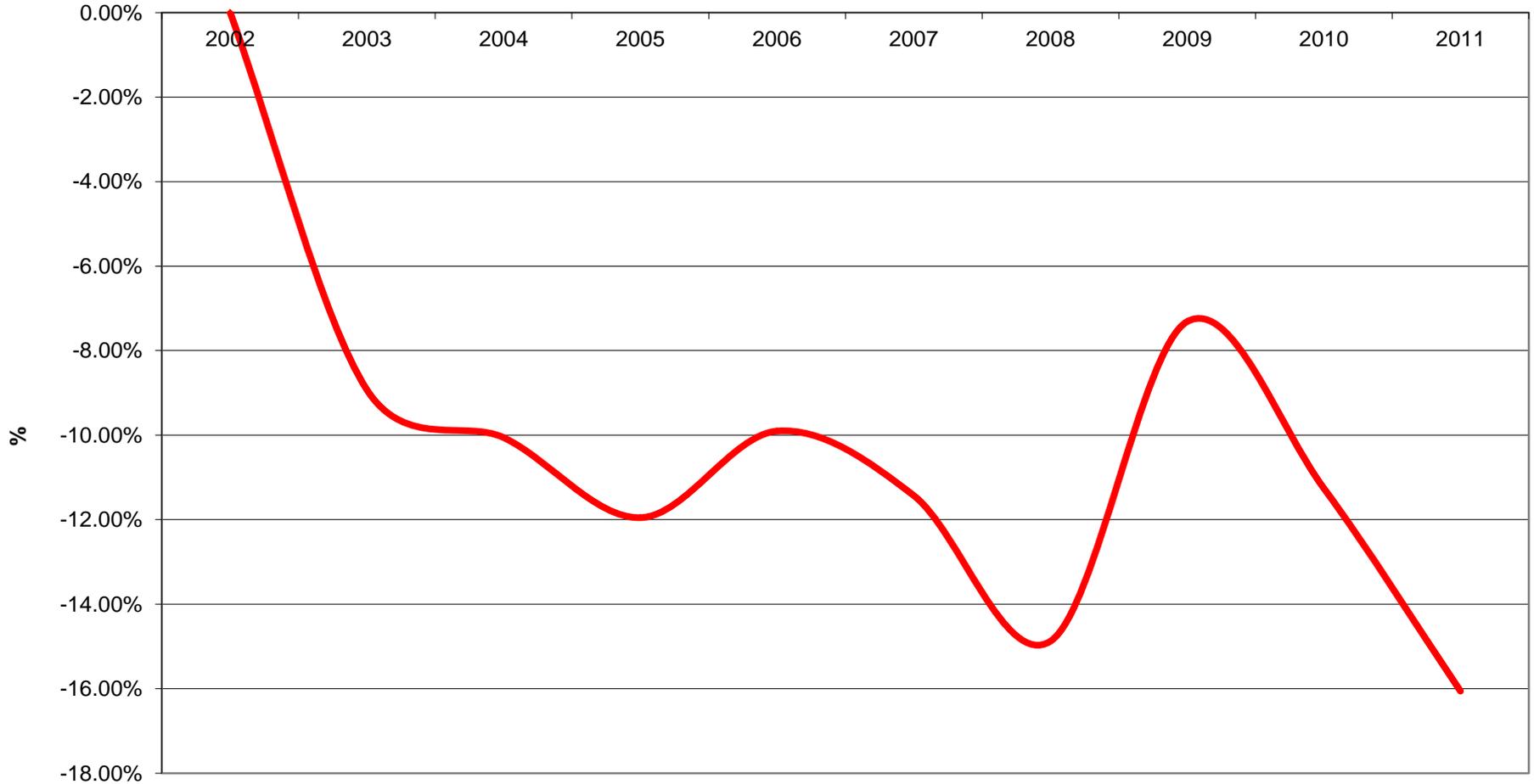
[Economic and Budget Realities]

– Budget Strategy

- Sound, rational, systematic approach.
- Minimize impact on citizens.

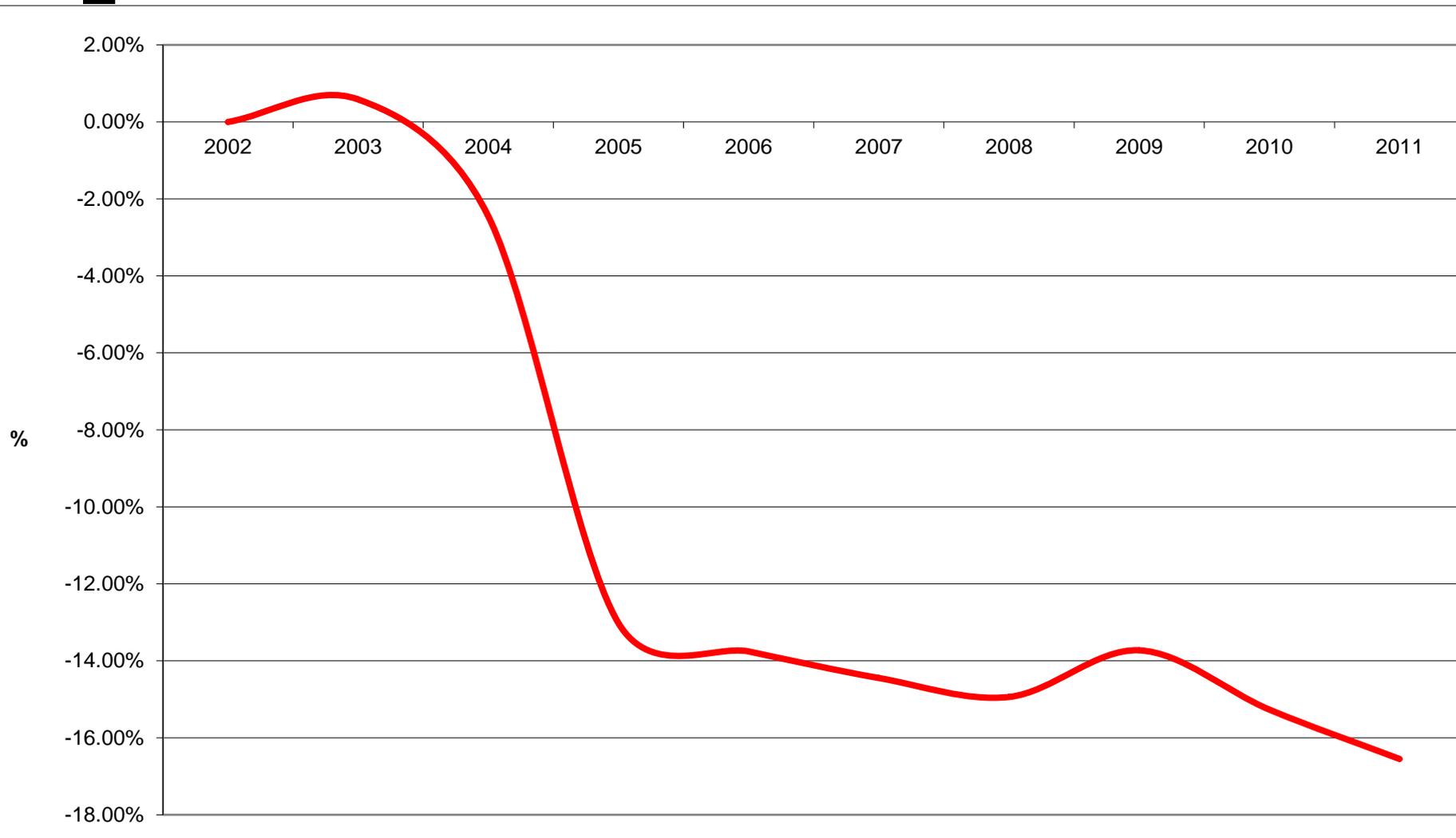
Economic and Budget Realities

– In Real Dollars the Revenue Base Has Decreased Substantially



Economic and Budget Realities

– In Real Dollars the Property Tax Levy Has Decreased Substantially

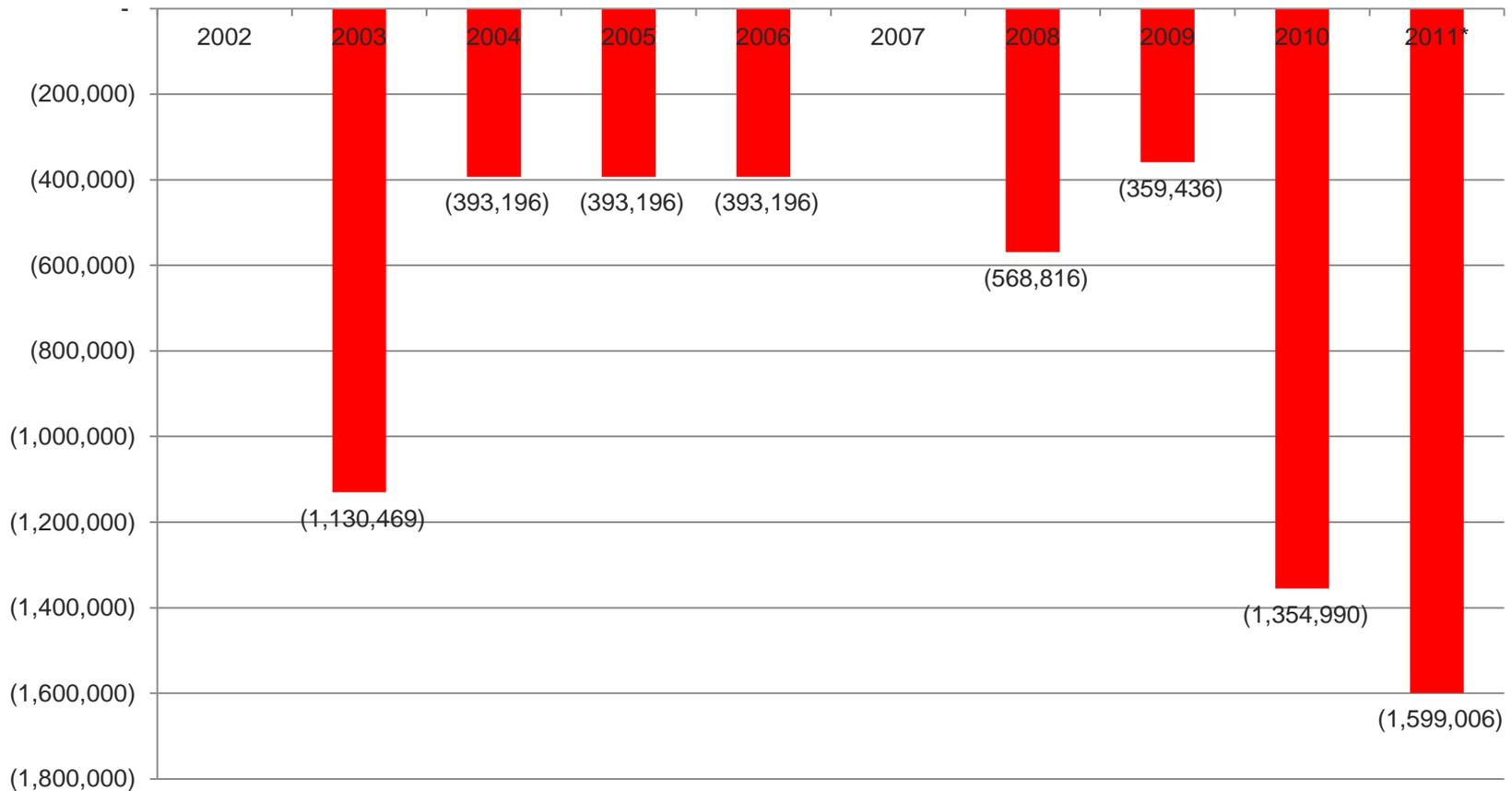


Economic and Budget Realities

-Local Government Aid and MVHC

(2011 based on HF42)

LGA/MVHC Cuts



Economic and Budget Realities - Staffing Reductions

■ 21.5 FTE Reductions

- 2 Patrol Officers
- 1 School Liaison Officer
- 1 Community Service Officer
- 3 Communications Staff
- 2 Building Inspectors
- 1 Code Enforcement Officer
- 2 Street Maintenance Staff
- 3.5 Parks Staff
- 2 Solid Waste Staff
- 1 Utility Locator
- 3 FTE Clerical/Library Positions

Economic and Budget Realities

- Service Curtailments

- School Police Liaison
- Communications – Current, Channel 6
- Proactive Code Enforcement – Junk, Weed and Animal Ordinance Enforcement
- Street Sweeping
- Snow Plowing
- Park Maintenance
- Library Book Budget
- Aquatic Center Facility Season and Hours
- Summer Recreation Programs
- Skating Rinks
- City Beautification Projects
- Roadside Mowing
- Capital Assets – Maintenance, Renewal, Improvements

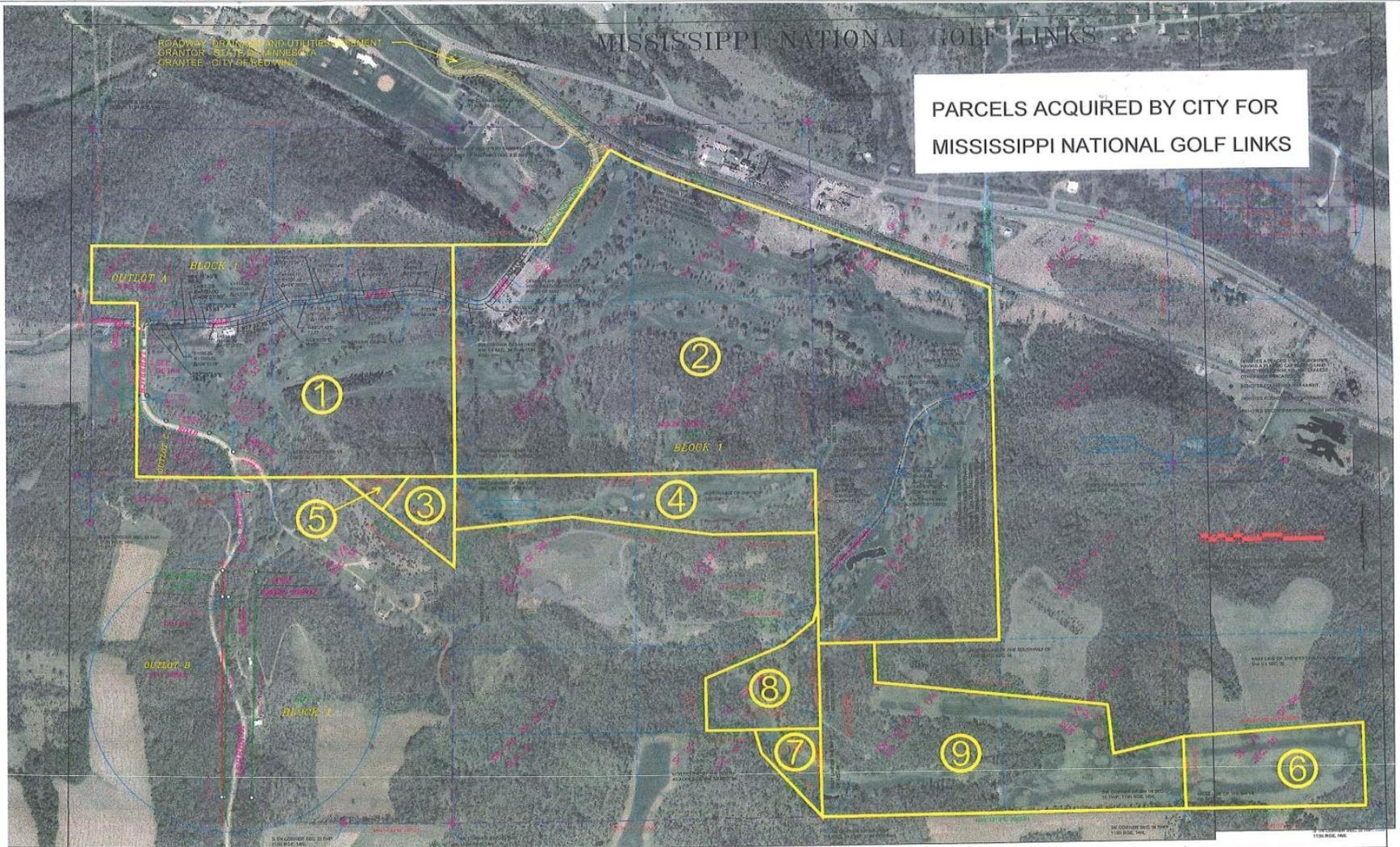
Golf Course Activity – All Funds Revenues and Expenditures

Golf Course Direct Revenues and Expenditures *

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Totals</u>
Golf Course				
Revenues	158,490	127,925	121,813	408,228
Expenditures	(266,305)	(259,533)	(284,392)	(810,230)
Excess of Revenues (over) under Expenditures	(107,815)	(131,608)	(162,579)	(402,002)
Total Revenues (over) under Expenditures	(107,815)	(131,608)	(162,579)	(402,002)

* - Excludes indirect expenses.

Background: The Properties



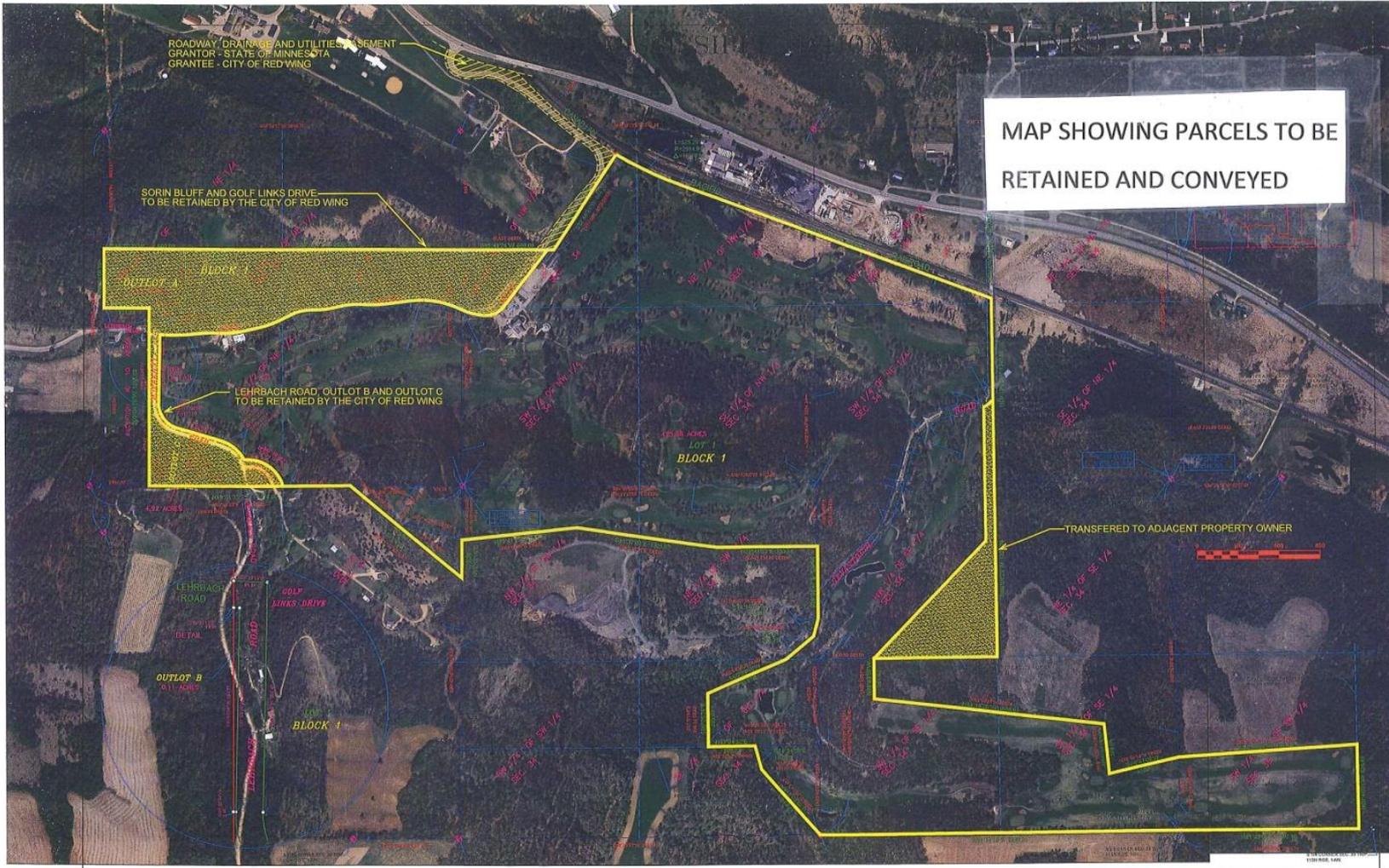
Background: City Investments

City Investment in Mississippi National Golf Links		
Land Acquisition	Acres	Expenditure
Parcel #1 and Parcel #2 Surplus Property Acquired From State	301.55	\$132,700
Parcel #3 With Exception Mississippi National Golf Links, Inc.	5.03	\$1
Parcel #3 Exception Boyd and Betty Hanson & MNGL, Inc.	*	\$1
Parcel #4 SG Interiors, Inc.	23.98	\$15,630
Parcel #5 Byron and Audrey Banitt	1.4	\$1
Parcel #6 Michael and Sandra Zimmermann	17.49	\$314,720**
Parcel #7 Donald and Lois Veith	4.17	
Parcel #8 USG	10.87	
Parcel #9 Bradley and Suzanne Jagusch	52.70	
Total Land Acquisition	417.19	\$463,053
Investment in Depreciable Golf Course Improvements (1985 – 2010)		\$2,934,594
Total Investment in Land and Depreciable Improvements		\$3,397,647

*Parcel #3 Exception acreage included in Parcel #3 With Exception

**This acquisition was paid from the \$1.7 million revenue bond

Background: Parcels to be Sold and Retained



[Conditions of a Sale]

- Continued Use as a Public Golf Course
- Reversion Clause
- Retain Sorins Bluff/Memorial Park
- Retain Public Streets, Parking and Drainage
- Cross Country Ski Trail Easement on Golf Course

[Additional Requirements]

- Right of First Refusal
- Use Restrictions on Various Parcels
- Additional Use Restriction
- Zoning – Agricultural/Conservation
- Comprehensive Plan – Open Space

[Dual Sales Process]

- The City is using a dual process of Negotiated Sale and Public Sale
- Appraisal completed by Expert in Golf Course Appraisals
- Appraised value negatively impacted by Covenants and Conditions of Sale
- City's Interest Valued at \$1.215 million
- After Negotiation – Open Public Sale through RFP

[Other Matters]

- Bond Issue: City Obligations
- Maintenance and Improvement of Course: City Obligations

[Thank You]

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- Thank You.