



**MARCH 2023**



# INDOOR MULTIPURPOSE SPORTS COMPLEX MARKET FEASIBILITY REPORT - UPDATE

## City of North Mankato, Minnesota

**PRESENTED FOR**  
City of North Mankato

**PRESENTED BY**  
PI Sports, LLC  
12468 La Grange Rd,  
Suite 337  
Louisville, KY 40245



March 2023

To Officials of the City of North Mankato:

The purpose of this letter is to provide an update to the Indoor Sports Facility Market Feasibility Study that Pinnacle Indoor Sports completed for the City of North Mankato, MN, in February 2019.

At that time, Pinnacle recommended two options (based on available funding and community desire):

1. The development and construction of a 44,000-square-foot multipurpose indoor sports facility that would house two regulation basketball courts, two futsal courts, four regulation volleyball courts and/or four elementary-/middle-school size school basketball courts, plus a separate area for three indoor tennis courts. This facility would satisfy current market needs.

OR

2. The development and construction of an 88,000-square-foot multipurpose indoor sports facility in the city that would house four regulation basketball courts, four futsal courts, eight regulation volleyball courts and/or eight elementary-/middle-school size school basketball courts, plus a separate area for six indoor tennis courts. This facility would not only meet current market needs, but also allow North Mankato to compete for regional sports tournaments and larger recreational events as a regional sports tourism destination — particularly for weekend basketball and volleyball tournaments.

Plans now call for the design and construction of a larger facility that will house eight basketball courts/eight volleyball courts, six tennis courts and six pickleball courts. (Pickleball, incidentally, is the fastest-growing sport in the United States, according to the Sports & Fitness Industry Association.) At the request of city leaders, Pinnacle has updated its study of the North Mankato market to determine the feasibility of such a facility in the post-pandemic market.

As part of this process, Pinnacle re-interviewed several stakeholders in the market — some of whom were not included in the 2019 market feasibility report — to re-assess their indoor sports needs.

What follows are details about key factors on which Pinnacle based its evaluation and subsequent updated recommendation.

### **Local Market Update**

The population in the local North Mankato market area (a 30-mile radius around the city) is estimated to change from 109,386 and 110,285 between the 2020 U.S. Census and 2023 — an increase of 0.8 percent, with additional growth of 2.3% anticipated over the next five years. While that data indicates a slight population slowdown since Pinnacle’s initial report, the market’s population is still increasing. With increasing population comes the expectation of new facility participants being added to the market annually. Pinnacle views this as a positive factor in determining the market’s local opportunities.

North Mankato’s median age of 34.3 years, meanwhile, is nearly one year below what it was in 2019 and almost five years below the national median of 39.2 — suggesting there is a higher percentage of children and young adults in the market. Both are key age-group segments. Pinnacle views this an extremely positive factor in determining the market’s local opportunities.

The local average household income of \$92,764 is higher than it was in 2019 but still below the national average of \$104,972, but Pinnacle does not see that factor as a barrier to the development and long-term success of a new indoor multipurpose sports facility.

Pinnacle’s interviews with representatives from local sports organizations in both 2019 and 2023 suggest they support the development of an indoor multipurpose sports facility in the market. Also noteworthy is the receipt by city officials of no fewer than six letters of intent from Minnesota State University, Mankato; the Mankato Basketball Association; the Greater Mankato Community Tennis Association; Bethany Lutheran College; Minnesota Attack Volleyball; and the Minnesota Rise to utilize the proposed facility.

A new indoor facility would allow for expansion of existing sports program offerings for local residents while also enhancing their quality of life. Based on Pinnacle’s interviews and observations, there is local demand for various indoor sports and recreational activities.

Note: While sports tourism creates a huge impact on the local economy, local indoor sports programming on Mondays through Thursdays generates the most operational income.

## **Regional Market Update**

Regional events and tournaments attract visitors from a larger market area. The population within a 90-minute drive time of North Mankato is estimated to increase by about 1% between 2020 and 2023, with a similar population increase within a 180-minute drive time radius. As with local population, an increasing regional population suggests new facility participants will be added to the market annually. Pinnacle views this as a positive factor in determining the North Mankato market's sports tourism opportunities.

The median age in within regional drive times is lower than the national average, and the average regional household income (within the key 90-minute drive time) of \$121,318 is significantly higher than the national average of \$104,972. Additionally, the North Mankato market is easy to access — primarily via U.S. Highways 14 and 169.

That said, if a proposed facility in North Mankato seeks to host sports tournaments and events, operators will need to make attracting local and regional youth sports organizations a top priority and charge reasonable rates in accordance with those established by other facilities in the area.



Pinnacle-developed facility



## **Pandemic Recovery and National Sports Tourism Outlook**

The coronavirus pandemic impacted all sports at all levels, throughout the country. Most (if not all) facilities featured in our 2019 report were forced to close — at least temporarily — in 2020.

The sports tourism industry rebounded in 2021, though, and it will continue to trend toward pre-pandemic levels. Historically, the sports and recreation industry has proven to be inflation-proof; participants have continued to spend money on travel related to sports and recreation even during challenging economic times.

In fact, U.S. sports travelers, event organizers and venues spent \$39.7 billion in direct spending in 2021, according to the “State of the Industry” report released in May 2022 by the Sports Events and Tourism Association (Sports ETA). That spending generated a total economic impact of \$91.8 billion, which supported 635,000 total jobs and resulted in \$12.9 billion in total tax revenues, and that total includes transportation, lodging and food/beverage purchases.

The total of 175 million sports travelers in 2021 was only 2.6 percent lower than the high-water mark established in 2019. The lodging sector accounted for 21 percent of all sports-related travel spending in 2021, generating 66.5 million room nights — an important factor given that hotel taxes are a primary funding source for many entities.

## **North Mankato Sports Tourism Outlook**

The City of North Mankato is located in south-central Minnesota and is about a 90-minute drive from the Twin Cities of Minneapolis/St. Paul. An ample supply of hotel rooms, restaurants and attractions is required to attract sports tourism business to an indoor multipurpose sports facility, and there are 15 hotels in the market, according to Visit Mankato/Mankato Sports Commission.

A representative of that organization indicated in a new 2023 interview with Pinnacle that there is a need for more indoor basketball, tennis and pickleball courts, adding that users likely would travel to a new facility from up to two hours away.

When attempting to leverage sports tournament opportunities, keep in mind the following facility/location- and operational-related elements that contribute to overall success:

### **Facility/Location Elements**

- High-quality facilities and assets
  - Strength of competition
  - Affordability
  - Facility reputation

### **Operational Elements**

- Strong programming emphasis
- Dedicated marketing and sales personnel
- Commitment from management
  - Effective partnerships
  - Balanced activities

## **Local and Regional Stakeholder Interviews**

In January, February and March of 2023, Pinnacle contacted additional prospective stakeholders beyond those included in the initial 2019 market feasibility report, as well as updated interviews with individuals previously interviewed in 2019. Based on those interviews, the impression of a proposed indoor sports facility in the North Mankato market remains overwhelmingly positive. Notes from those interviews are attached to the end of this document.

### **New interviews (2023):**

- St. Peter Volleyball Association
- Mankato Community Education & Recreation
- Premier 1 Events (basketball)

### **Updated interviews from 2019:**

- Greater Mankato Community Tennis Association
- Mankato Area Pickleball Association
- Mankato Area Public Schools – Mankato West
- Mankato Basketball Association
- Minnesota Attack Volleyball
- Minnesota Rise
- Mankato United Soccer Club
- USA Volleyball - North Country Region
- Visit Mankato /Mankato Sports Commission

Pinnacle did attempt to contact representatives from Bethany Lutheran College, the Mankato Family YMCA, the St. Peter Soccer Club and the St. Peter Youth Basketball Association but did not receive responses to multiple interview requests.

## **Indoor Sports Facility: Three Business Models**

The business model of the proposed facility in the North Mankato market should feature a flexible and diverse year-round programming mix focused on the ability to generate income and revolving around three primary revenue sources: sports tourism vs. rental vs. programming. In order to achieve financial goals, the proposed facility will need to capitalize on opportunities to generate revenue via rental arrangements and in-house programming. Organizations that rent the facility will use the same spaces as other groups but in different ways that will require separate programming, time and inventory requirements, and revenue generation.

A **rental model** helps ensure maximum revenue generation and keep the facility consistently occupied during weekdays, weeknights and other times when it is not hosting other events. Such a model, however, restricts the management team's ability to maximize program scheduling, because outside programmers and organizations usually seek primetime hours. Note that with rental arrangements, a facility operator has minimal control over program quality and patron experience.

The **local programming model**, on the other hand, is designed to position the proposed facility as a year-round sports hub for local residents — a community asset that provides sports, recreation and youth development services. This can be achieved by combining in-house programming options with existing ones in the community and partnering with such outside organizations as athletic organizations and coaches. Forging partnerships with individuals and groups that can bring existing teams and other users to the facility will help ensure that the facility hosts multiple activities and caters to a wide range of community residents.

The proposed facility’s business model also should include a flexible, year-round program designed to attract visitors from throughout the region in an effort to generate economic impact through **sports tourism**. This could include in-house tournaments hosted by the facility, as well as outsourced tournaments during which facility assets are rented to a tournament provider that oversees all aspects of running the event.

A sports tourism model is based on generating revenue and — more importantly — creating economic impact through direct spending in the community by attracting teams, spectators and out-of-town visitors. Typically, there are two options for operating a sports facility of this kind:

1. City-operated model: A city entity would operate local programming during the week and rent the facility to regional event operators on weekends.
2. Engaging a third-party operator: This operator would operate local programming, as well as host in-house tournaments and events, relying on its own national experience.

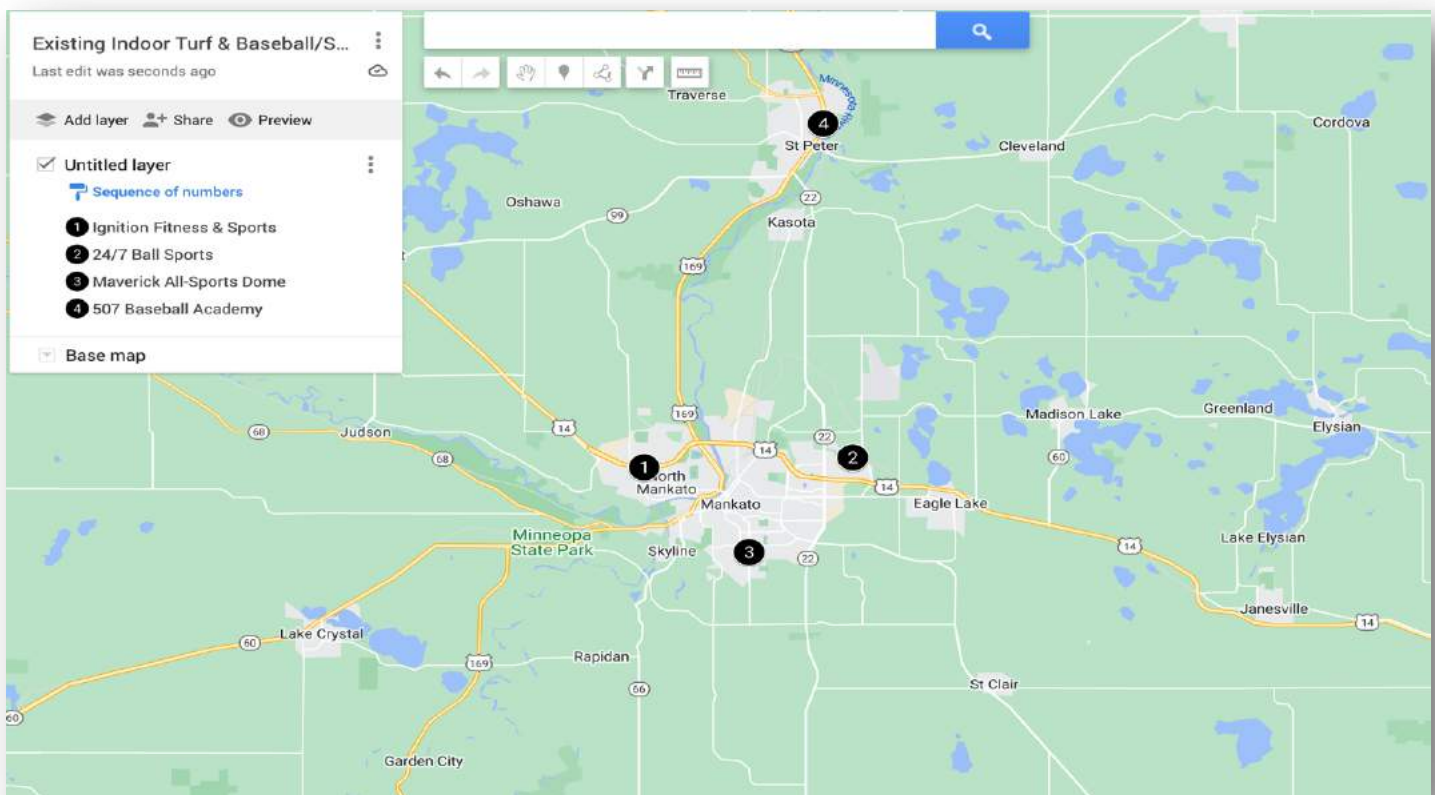


## **Existing Local and Regional Facility Competition**

Pinnacle reviewed existing facilities in the local and regional markets to better understand the types of facilities that exist and their capacity to serve the local community and host tournaments and other sports events.

The table below lists a sampling of indoor turf facilities and indoor baseball/softball training facilities located within a 35-minute drive time of North Mankato.

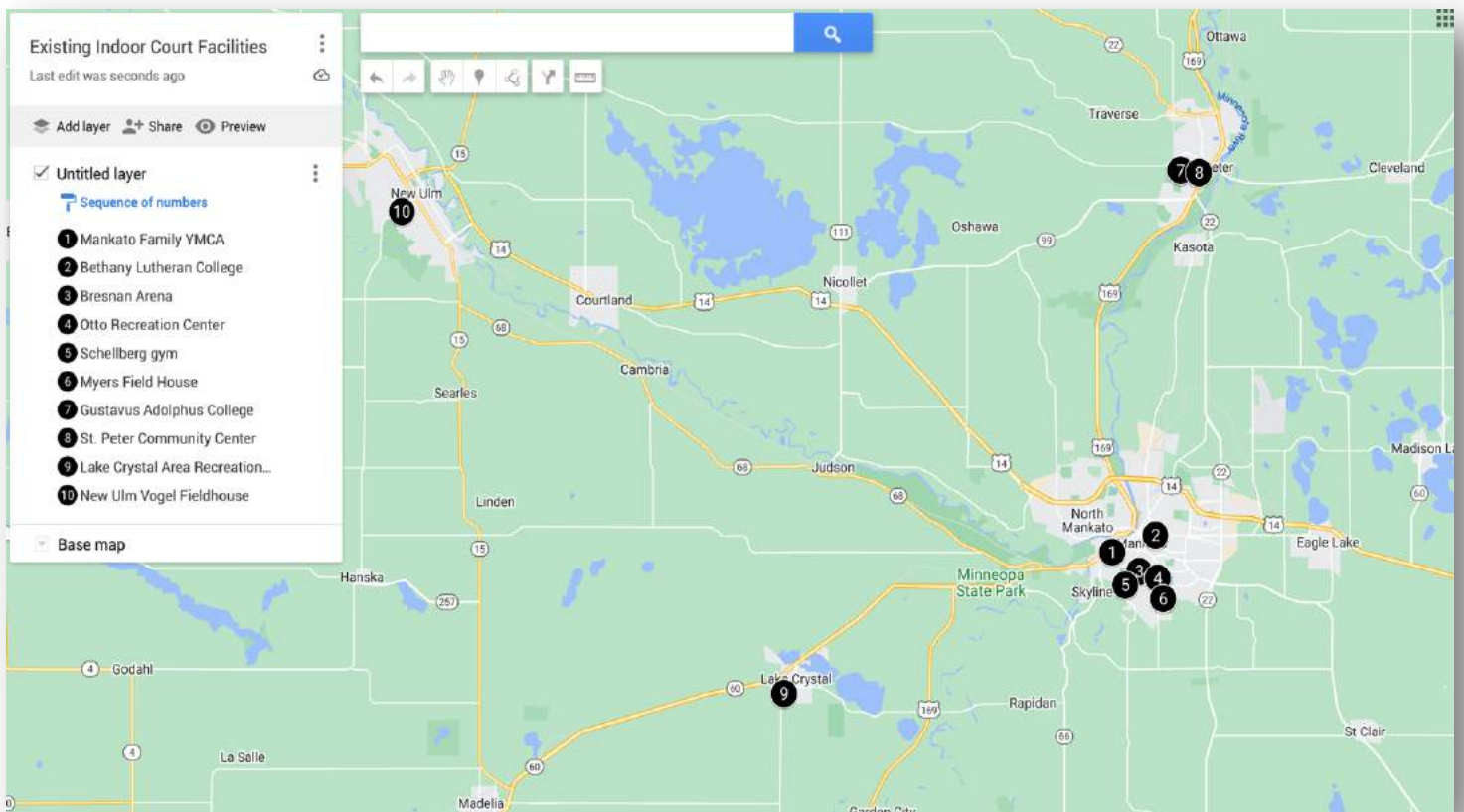
Indoor Turf Facilities and Baseball/Softball Training Facilities	Drive time (minutes)
Ignition Fitness	2
24/7 Ball Sports	11
Minnesota State University, Mankato – Maverick All-Sports Dome (Seasonal)	12
507 Baseball Academy	16





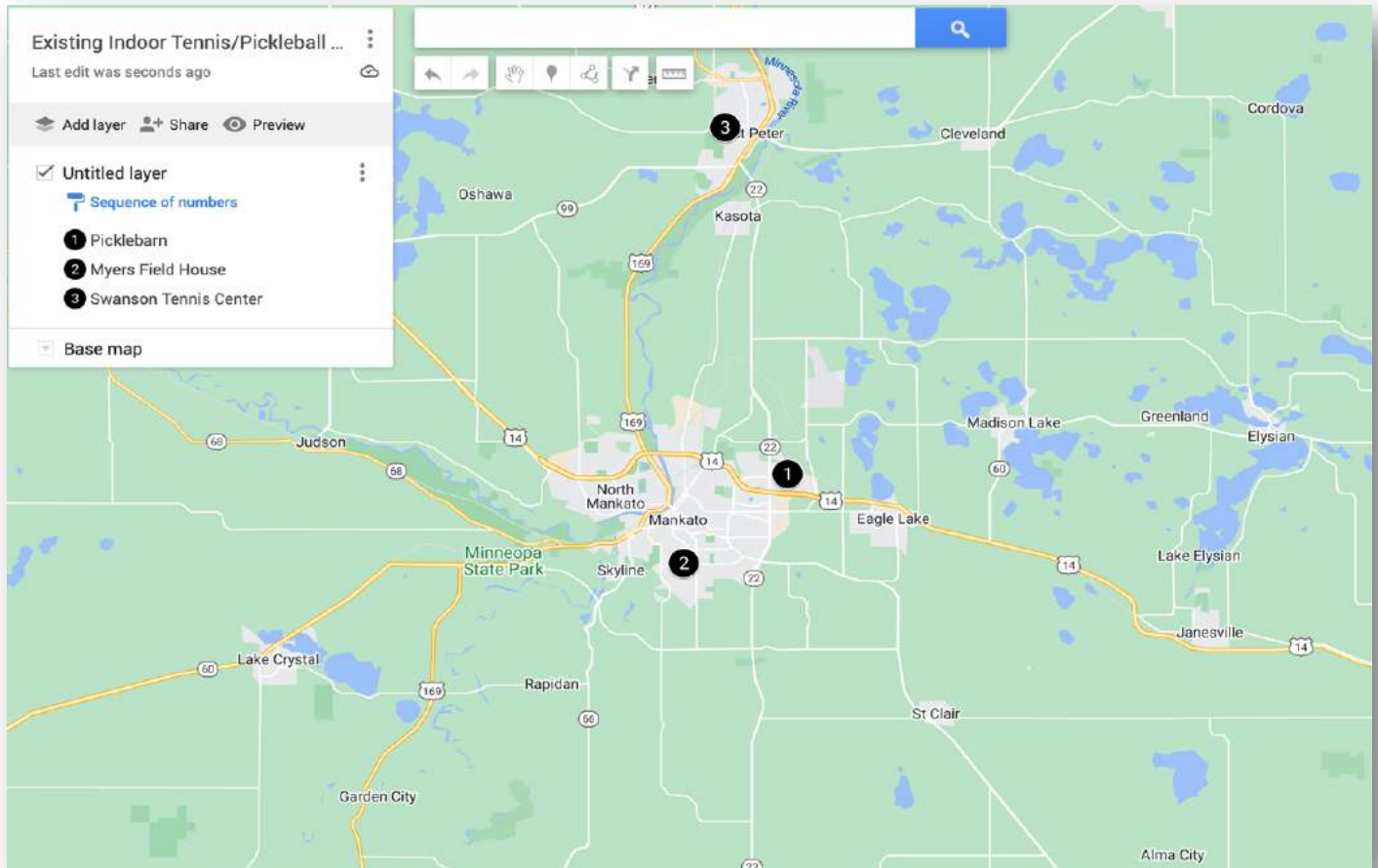
The table below lists a sampling of indoor court facilities located within a 35-minute drive time of North Mankato.

Indoor Court Facilities	Drive time (minutes)
Mankato Family YMCA	7
Bethany Lutheran College	10
Minnesota State University, Mankato – Bresnan Arena	11
Minnesota State University, Mankato – Otto Recreation Center	11
Minnesota State University, Mankato – Schellberg Gym	12
Minnesota State University, Mankato – Myers Field House	12
Gustavus Adolphus College	15
St. Peter Community Center	16
Lake Crystal Recreation Center	20
New Ulm Vogel Fieldhouse	35



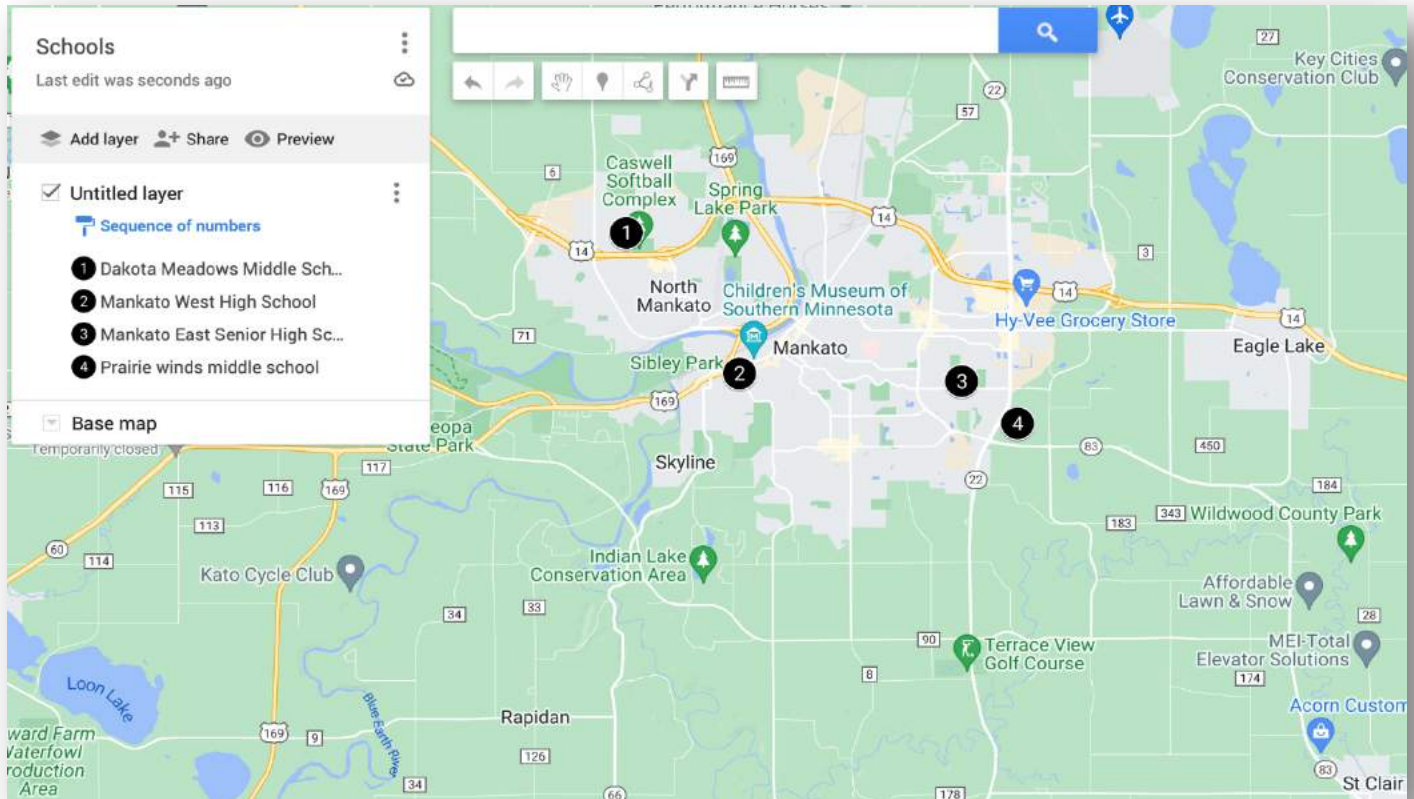
The table below lists a sampling of indoor tennis/pickleball facilities located within a 35-minute drive time of North Mankato.

Indoor Tennis/Pickleball Facilities	Drive time (minutes)
Picklebarn	9
Mankato State University, Mankato – Myers Field House	12
Swanson Tennis Center	18



The table below lists a sampling of schools located within a 15-minute drive time of North Mankato.

Local Schools	Drive time (minutes)
Dakota Meadows Middle School	4
Mankato West High School	7
Mankato East High School	12
Prairie Winds Middle School	13



Below is a snapshot of the regional hard-court competition venues within a four-hour drive of North Mankato:

Regional Hardwood Court Competition Sample		
Facility	Location	Assets
National Volleyball Center	Rochester, MN	6 basketball/11 volleyball courts
Just A Game Fieldhouse	Wisconsin Dells, WI	6 basketball/10 volleyball courts
Iowa West Fieldhouse	Council Bluffs, IA	8 basketball/12 volleyball courts
Knapp Center - Drake University	Des Moines, IA	5 basketball/volleyball courts
Sanford Pentagon	Sioux Falls, SD	9 hardwood courts
Arena Sports Academy	Sioux City, SD	5 basketball/volleyball courts

Below is a snapshot of the regional indoor tennis/pickleball competition venues within a four-hour drive of North Mankato:

Regional Indoor Tennis/Pickleball Court Competition Sample		
Facility	Location	Assets
Picklebarn (Opening in March)	Mankato, MN	8 indoor pickleball courts
Swanson Tennis Center	St. Peter, MN	6 indoor tennis courts
Rochester Tennis Center	Rochester, MN	6 indoor tennis courts
Rochester Athletic Club	Rochester, MN	11 indoor tennis courts
Inner City Tennis	Minneapolis, MN	11 indoor tennis courts
Baseline Tennis Center (Univ. of Minn.)	Minneapolis, MN	10 indoor tennis courts
Lucky Shots Pickleball Club	Minneapolis, MN	12 indoor pickleball courts
John & Fay Menard YMCA Tennis Center	Eau Claire, WI	8 indoor tennis courts
Green Island Park	La Crosse, WI	6 indoor tennis courts
Roger Knapp Tennis Center (Drake Univ.)	Des Moines, IA	6 indoor tennis courts
Aspen Athletic Club	Des Moines, IA	9 indoor tennis courts
Huether Family Match Pointe	Sioux Falls, SD	6 indoor tennis courts
Smithfield Tennis & Pickleball Center	Cedar Rapids, IA	6 indoor pickleball courts



### **Overall Summary**

Pinnacle's updated study of the local and regional North Mankato markets — as well as its increasing population, low median age and abundance of sports tourism amenities (including lodging, restaurants and attractions) — indicates the opportunity remains to design and build a new indoor sports facility housing basketball/volleyball, tennis and pickleball courts. Such a facility would enhance the quality of life for local residents while also driving sports tourism.

Consideration also should be given to including an attractive entryway, restrooms/changing areas, a concessions stand, administrative offices and flex space.

The facility would be the most flexible of its kind in the market. By utilizing a multipurpose base-floor surface and appropriately designing the clear span, entrances, spectator seating and other amenities, the facility would be designed to host any combination of court sports, mat sports, conventions and conferences. Seating, equipment and retractable wall dividers would allow the space to be used as one large venue or several smaller venues.

All that said, in order for the proposed project to move forward successfully and be financially sustainable, the following five assumptions are imperative:

1. To avoid a financial burden on the city, the proposed facility will have no debt service.
2. The land will be readily available at no cost to the City of North Mankato.
3. The City of North Mankato will be exempt from paying property taxes on the proposed facility.
4. The City of North Mankato will offset some of the proposed facility's operating Expense (including facility and grounds maintenance, liability insurance, accounting and property taxes).
5. A team of experienced professionals will be established to oversee daily operations and promote the proposed sports facility as an attractive sporting events destination for both local residents and travel teams. The establishment of a professional marketing effort to promote the proposed facility will be critical to its financial success.

We appreciate the opportunity to provide you with this update. If you have any questions, please contact me for further explanation.

Thank you for choosing Pinnacle.

Norm Gill  
Pinnacle Indoor Sports  
(502) 551-1974

## Selected Interview Notes (2023)

### Basketball

- Mankato Basketball Association
- Minnesota Rise
- Premier 1 Events

### Soccer

- Mankato United Soccer Club

### Tennis & Pickleball

- Mankato Area Pickleball Association

### Volleyball

- Minnesota Attack Volleyball
- St. Peter Volleyball Association
- USA Volleyball - North Country Region

### Other

- Mankato Community Education & Recreation
- Mankato Area Public Schools - Mankato West
- Visit Mankato/Mankato Sports Commission

## BASKETBALL

### Clubs and Event Promoters

- Among the leading basketball associations in the market are the Mankato Basketball Association and the Minnesota Rise
- The **Mankato Basketball Association** boasts between 270 and 305 players, ages 9-14; about 66% are boys and 33% are girls
  - Cost per player is \$250 per year
  - This is a competitive program
  - Other clubs in the market are St. Peters, Waseca, La Sueur and Lake Crystal. AAU clubs are Minnesota Rise and Minnesota Ice
  - The club has no affiliation with programs such as AAU or USA Basketball
  - Teams train at local schools in Mankato and occasionally utilize the recreation center in Lake Crystal. They utilize 8-12 courts from end of October to early March for 75 hours per week for all courts and pay \$7.50 per hour per court on weekdays and \$25 per hour per court on weekends
  - Teams do not participate in leagues, only tournaments

- Teams participate in 5-9 tournaments per year. Entry fees are \$175-\$350 per team for 3 games guaranteed. Events are non-sanctioned, and teams travel within a 2-hour driving distance
- What would it take to move training regimens to a proposed facility? Availability and cost
- A representative of the club believes there is a need for an additional indoor sports facility in the market for the sport, because several groups are competing for gym space for such sports as soccer, volleyball and pickleball
- The club does host a tournament utilizing 7 courts at Mankato State University, paying \$25 per hour per court
- The club would have a need for meeting space , a small office space and equipment storage at a proposed facility
- The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
- Indoor activities the organization would likely participate in at a new facility:
  - Leagues: Yes; 15-20 teams
  - Rentals: Yes; 6-20 hours per week from late October to early March, and the club would have funds to rent the facility
  - Camps/Clinics: Yes; 150 players, and the club would promote the activities
  - Tournaments: Yes; 15-20 teams, and the club would like to host them
- The club does host one boys' and one girls' tournament per year, utilizing 7 courts at MSC and paying \$25 per hour per court; the university recently raised its rates, and the club likely won't utilize that facility in the future
  - Instead, the club is Bethany currently utilizing school district courts and Bethany Lutheran College
  - Events are 1 day; entry fees are \$300-\$350 per team, with 3 games guaranteed
  - Pre-COVID, the boys' tournament had about 80 teams; post-COVID, the boy's tournament attracts about 40 teams. The girls tournament attracts 36-38 teams
- The **Minnesota Rise** is affiliated with AAU and Grassroots
  - There are 20 teams in the club, which also hosts a multiple 3-on-3 leagues. The summer 3-on-3 league has about 50 teams; the fall league has 100+ teams
  - The club rents high school gyms for training/practices, but schools have first priority
  - The club pays \$10-\$15 per hour per court
  - The club does not need office space
  - The club is interested in starting up a spring tournament, as well as hosting individual workout sessions (pending space to rent)
  - Teams would travel to the Mankato market for events
  - The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities

- A representative of the club believes regional basketball teams would travel to the area for tournaments
- Indoor activities that the organization would likely participate in at a new facility:
  - Leagues: No; teams only participate in tournaments
  - Rentals: Yes; 30-50 hours per week from April-July and 10-15 hours per week from June-July
  - Camps/Clinics: Yes; 30 players, and the club would promote the activities
  - Tournaments: Club would be interested in hosting one tournament per year
- Basketball season in the market is October-March; AAU season is April-July
- Availability of indoor space in the market is limited
- There is a need for an additional indoor sports facility in the market for the sport, because of the lack of indoor gym space
- Courts currently are available in the market at schools, colleges and the YMCA
- The YMCA offers a recreational basketball program for kids in grades K-6
- Participation in adult basketball has decreased over the past 10 years. Adult leagues are held at the YMCA and Mankato Community Recreation Center
- There is a need for sports performance training in the market
- Impression of a proposed facility in the market is positive
- Representatives of basketball clubs in the area are not aware of any other indoor development in the market
- Other sports that would impact usage of a new facility = soccer, softball/baseball, lacrosse and volleyball
- **Premier 1 Events** is an organization that runs basketball tournaments across 12 states — most of them in the Northeast
  - Average about 150 teams per event
  - Events are 2 days, with a national 3-day event held at Spooky Nook in Lancaster, PA, with about 300 teams and utilizing all 30 basketball courts
  - Entry fees are \$295-\$375 per team for 3 games guaranteed
  - The event does charge gate fees (\$8 per person per day)
  - The organization utilizes/rents private schools, which charge \$50-\$60 per hour per court
  - Between 50% and 95% of teams stay overnight for events, depending on location and size of event
  - Amenities desired at a proposed facility:
    - 8-12 high school full-size basketball courts
    - Wood surface
    - Spectator seating
    - Concessions
  - A representative of the organization is unsure if North Mankato would be a regional draw for events; therefore, Premier 1 would not host any events at the proposed facility



## SOCCER

### Club

- The **Mankato United Soccer Club** is a leading youth soccer organization in the market.
  - There are 34 competitive teams in the club from U9-U19, plus 500 recreational players
  - Fee for recreational players is \$75 per season; fee for competitive players is \$450 per year
  - Member of Minnesota Youth Soccer Association
  - Geographic reach of players is Mankato
  - Teams used to train at the Armory but don't anymore, because it no longer has turf
  - Teams train at local schools (3 gyms) for 100 total hours in January and February and pay \$5 per hour per court (nonprofit rate)
  - Teams also train at the MSU dome for 20 hours per week from January to April, utilizing 2/3 of a full-size field and paying \$300 per hour, as well as at Ignition Fitness for 13-20 hours per week from November to April, utilizing a small field and paying \$30 per hour
  - About 2-3 teams participate in indoor soccer leagues at Soccer Blast in the Twin Cities
  - What would it take to move training regimens to a proposed facility? Decent cost and desired time slots
  - A representative of the club believes there is a need for an additional indoor sports facility in the market for the sport, because facility space and size is limited in the area
  - Ideal configuration of a new facility to maximize participation from the sport:
    - Field Size: Two regulation-size futsal size courts
    - Preferred Surface: Futsal surface
    - Other Amenities Desired: Concessions
  - Indoor activities the organization likely would participate in at the proposed facility:
    - Rentals: No; indoor needs are being met
    - Camps/Clinics: The club might hold soccer camps at MSU and would consider a futsal camp at the proposed facility
    - Futsal Leagues: Yes; 10-12 teams
    - Futsal Tournaments: Yes; 10-12 teams
  - A representative of the club believes North Mankato would be a regional draw for futsal tournaments and that teams would travel to the area
  - The club did start an adult league, with summer and fall sessions; there are about 6-8 teams per season for 8-9 games, and team fees are \$600 per team
  - The club does not have a need for office space
  - The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities

- A club representative did indicate a need for an outdoor turf field, and club would help pay for capital costs and operational expenses, that person said.
- The club now has a Women's Premier Soccer League team under its umbrella
- Adult soccer is an untapped market according to the president. There is a local summer adult soccer league that has 8 teams, and the adult group, La Liga Rosa, also plays indoors at the Lake Crystal recreation center
- Availability of indoor space in the market is limited
- Fall youth soccer season in the market is August-October; spring season is May-July
- Other clubs in the market are Le Sueur, Lake Crystal, St. Peter, Fairmont and New Ulm
- There is a need for sports performance training in the market; one similar service currently operates in the market
- Impression of a proposed facility in the market = positive
- Other sports that would impact the usage of a new facility = lacrosse, baseball, football and rugby

## TENNIS & PICKLEBALL

### Associations

- According to the **Greater Mankato Community Tennis Association**, there are 150 high school tennis players and 300-400 youth players in the market
  - Indoor season is October to April
  - Outdoor adult tennis and juniors' programs are popular in the market
  - Member of USTA
  - Impression of a proposed facility in the market is positive, and interest has increased over the past two years given the limited access to the Swanson Tennis Center in St. Peter
  - The association used to host youth and adult USTA tournaments but no longer does, due to difficulties with indoor access for weather delays
  - An indoor tennis facility in Mankato closed in 2010
  - There is an indoor tennis facility at Gustavus Adolphus College. Outside groups cannot rent the courts for training or programming, but they can rent the venue for tournaments. The facility is always busy, and an association representative said only one 2.5-hour court time was available when requesting space for the entire winter season (November to March)
  - Quite a few members travel to the indoor facility at Gustavus Adolphus College during the winter season
  - There is a need for an additional indoor tennis facility in the market with 7-8 courts, plus a viewing area, restrooms and changing rooms
  - Pickleball is also popular in the market and growing, with more than 400 new pickleball players in the Mankato area — thanks to the Picklebarn
  - In 2019, the association had plans to build an indoor tennis facility; that is no longer the case, thanks to the association's partnership with the City of North Mankato

- If an indoor tennis facility were built in the market, it would be used by the association year round
- The association currently charges \$20 to be a member, which includes a spot on mailing and emailing lists. With no indoor tennis facility, it's hard to justify the validity of a membership and donating to the association. Currently, the association keeps a steady list of 150 members
- With no indoor facility, instructors charge \$25-\$30 per hour. Typically, indoor facilities charge \$50-\$75, and the instructor keeps usually 40%-50%
- The association currently hosts 3 USTA youth tournaments in June and July and 6 adult events; it also hosts approximately 14 high school tournaments per year. Some of those events could be indoor tournaments if there were an indoor facility. The association could also host sectional, college, regional, league and other tournaments in an indoor facility. Tournaments participants usually pay \$60 per person
- No indoor tennis leagues are offered at Gustavus Adolphus or in Owatonna; not enough court space is available to allocate up to 6 courts for league play
- Tennis lessons are limited in the area
- No adult tennis tournaments are offered in the area. The two USTA tournaments offered are restricted to players with a certain number of USTA points; as a result, very few Mankato-area players participate
- Indoor activities at a proposed new indoor tennis facility that the association likely would participate in:
  - Indoor Leagues: The proposed facility could have USTA 3.0, 3.5, 4.0, 4.5 gendered leagues. It can do 7.0, 7.5, 8.0, 8.5, 9.0 USTA mixed doubles leagues. The facility also could offer flex singles and doubles leagues there are not associated with USTA. Additionally, the association could run leagues for older adults, such as 60+, 70+ and 80+. Special youth days could be programmed, with Junior Team Tennis programs offered year-round. Other opportunities would a cardio tennis program, age-group lessons and designated nights for men and women
  - Court Rental: Weekdays from 3-10 p.m. could focus on youth and private adult instruction. Retired adults and others with flexible schedules could use the facility from 7 a.m. to 3 p.m. Most clubs have three days per week dedicated to older adults
  - Camps/Clinics: An estimated 300-400 kids likely would participate in June and July camps
  - Tournaments: When the association hosts a 2-day, level 6 tournament, an average of 80 kids participate. The association's tournaments have more participation than those in Rochester, because it can draw from south and southwest of Mankato. Junior team tournaments hosted by the association typically include an average of 200 kids
- Quote from a representative of the Greater Mankato Community Tennis Association: "We are 50%-65% booked with very little effort in our market area."

Adding a director and adding programming to the proposed facility would only result in even larger utilization numbers and higher profits for the City of North Mankato.”

- The **Mankato Area Pickleball Association** has 330 members, with about 50% of them retirees
  - Players participate year-round, with the indoor season running from mid-September to April
  - During the winter, the association plays at the YMCA and local school gyms
    - YMCA: Utilize 4 courts from 8-12 p.m. Monday through Friday and from 1-3 p.m. on Sunday; also from 6:30-9 p.m. on Tuesday and Friday; participants must be YMCA members
    - School Gyms: Utilize the facilities for 2 hours per week, and each person pays \$30 per session (Fall: October to December; Winter: January to March)
  - Availability of indoor space in the market was limited, but the opening of the Picklebarn has satisfied demand, according to a representative of the association
    - The association is not affiliated with the Picklebarn, which operates on a membership model with daily fees
    - The City of Mankato also is building six new outdoor pickleball courts
    - A representative of the association still believes there is a need for indoor pickleball courts in the market in a rec center setting
  - The association also has hosted its own tournaments
  - Ideal configuration of a new facility to maximize participation from the sport:
    - Field/Court Size: 6-9 regulation-size pickleball courts
    - Preferred Flooring: Wood or modular
  - The association would be interested in utilizing a proposed facility and would prefer a pay-as-you-play model; it would likely utilize the facility from mid-September to April, every Monday through Friday from 8:30 to 11 a.m.
  - The association would be interested in hosting a tournament at the proposed facility
  - The association would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities

## VOLLEYBALL

### Clubs and Associations

- Two volleyball organizations in the market are Minnesota Attack Volleyball and the St. Peter Volleyball Association.
- **Minnesota Attack Volleyball** includes 27 teams from ages 10-8 and is a member of the Junior Volleyball Association (JVA)
  - Season is November to March
  - Teams train at facilities operated by the Mankato School District, as well as the St. Peter Community Center, Mankato State University and other recreation



- centers. The utilize about 10-12 courts for 20 hours per week from November-March. Rental fees range from \$30 to \$100 per hour per basketball court
- Teams participate in 7 tournaments per year. Entry fees for 1 day are \$110 per team and \$590-\$700 per team for 2-day events. Events are sanctioned by USA Volleyball and JVA. Teams travel from between 90 minutes and five hours away
- A representative of the club believes there is a need for an additional indoor sports facility in the market for the sport, because of the lack of indoor space, which forces the club to cut players
- Indoor activities that the organization would likely participate in at a new facility:
  - Leagues: Yes; 14 teams, and the club would be interested in running the league
  - Rentals: Yes; November-May for 40 hours per week
  - Camps/Clinics: Yes; 250 kids, and the club would be interested in running the activities
  - Tournaments: Yes; 27teams, and the club would be interested in running the activities
- The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
- The club representative believes North Mankato would be regional draw for events, attracting teams from up to four hours away
- **St. Peter Volleyball Association** is a nonprofit club with eight teams with players in grades 3-12
  - Season is January to late April; the youth academy (with 5-6 teams) has a summer season
  - Geographic reach of its players is St. Peter and the surrounding areas
  - Member of the Junior Volleyball Association
  - Teams train at the St. Peter Community Center, utilizing about 4 volleyball courts for seven hours per week from December to end-April; use of the space is free because the association is a nonprofit
  - Teams participate in 5 tournaments per year. Entry fees for a one day event are \$120-\$125 per team and \$500-\$700 for two-day events. Events are sanctioned by USA Volleyball and JVA, and most of the events the club participates in are one day. Teams travel within 2 hours for the events
  - A representative of the association believes there is a need for an additional indoor sports facility in the market for the sport, because of the lack of indoor space in the market
  - Indoor activities the organization would likely participate in at a new facility are:
    - Leagues: Yes; 4-6 teams
    - Rentals: Yes; December to late April for 7 hours per week and the association would be interested in renting the facility in May for its adult volleyball league; the association also has funds to rent the facility

- Camps/Clinics: Yes; 50-60 kids, and the club would be interested in running the activities
  - Tournaments: Yes; 8 teams
  - The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
  - The association representative believes North Mankato would be regional draw for events, attracting teams from up to four hours away
- **USA Volleyball's North Country Region** has 19,000 youth and 1,000 adults as registered members, with a large percentage coming from the Twin Cities area
  - Season is October to mid-June
  - Leagues are unregulated with indoor sports facilities
  - 
  - The region sanctions about 200 events per years, with the number of teams typically ranging from 16-32; entry fees are \$125-\$200 per team for one-day events and \$350-\$495 per team for two-day events; about 95% of events are one-day events
    - Gate fees are determined by the facility or organizing entity and are typically \$5 to \$10 per day per person
  - The region runs 15 to 20 events per year, mostly one-day events with entry fees ranging from \$125-\$200 per team
    - Rental fees are \$60 per hour per court, on average, and the region utilizes convention centers, schools and community centers while avoiding private facilities that might compete with the region
    - About 15% of teams stay overnight for two-day events
  - A region representative indicated the region likely would commit to running five events at a proposed facility from December to May and would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
  - The region representative believes North Mankato would be a regional draw for events
  - The region would have a need for an indoor sports facility for officials training, coaches' education, high-performance clinics and other events
  - Outdoor sand courts would be a welcome addition to the proposed facility
- Availability of indoor space in the market is limited
- There is a need for sports performance training in the market
- Impression of a proposed facility in the market = positive
- Ideal configuration of a new facility to maximize participation from the sport :
  - Court Size: 4-8 regulation-size volleyball courts
  - Preferred Surface: Wood or modular
  - Other Amenities Desired: Concessions, ample parking, spectator seating with mezzanine, team areas, meeting rooms and storage space

- Adult volleyball is popular in the market, with leagues in Mankato and hosted by parks and recreation departments
- Other sports that would impact the usage of a proposed facility = basketball, soccer, dance and lacrosse

## OTHER

### Associations, Schools and Tourism Organizations

- The nonprofit **Mankato Community Education & Recreation** organization must turn down gym-use requests due to a lack of availability space for basketball and volleyball training
  - The organization no longer operates youth and adult programs outside of youth and adult volleyball because of the city's new initiative to develop programming at the proposed indoor sports facility.
  - The following statistics are from youth and adult programs offered in 2019:
    - Adult basketball: November-March; 10 teams
    - Adult volleyball: November-March; 95 teams (program still active)
    - Adult pickleball: October-December/January-March; 40-50 players per session
    - Youth basketball: September-December (pre-K to grade 6); 16 teams
    - Youth volleyball: September-November/January-February;; 12-20 teams (program still active)
    - Youth lacrosse: February-March; 16 teams
    - Youth soccer: February-March; 20 teams
  - Outside groups or sports that have a need for indoor space beyond those that are available are basketball, volleyball, soccer, and lacrosse
  - The organization does not have plans to develop additional indoor recreational space
  - Other potential projects: Bethany Lutheran College is interested in a fieldhouse
  - Courts available in the market are at schools and colleges; there are no indoor turf venues in the market
  - The organization would not have funds to rent a private facility, because their programming fees are low
  - Availability of indoor space in the market is accessible for their programs, because they are second in line to rent/utilize school gyms
  - There is a need for an additional indoor sports facility in the market, because there are groups looking for more indoor space
  - Impression of a proposed facility in the market = positive
- **Mankato West High School** has varsity teams that need additional indoor space for courts, turf, aquatics and ice = swimming, basketball, volleyball, football and soccer
  - The school rents its courts, but the details are handled by the Mankato Community Education & Recreation
  - The school district has no plans to develop additional indoor facilities

- Sports groups or organizations with indoor sports facility needs beyond what is available = basketball, volleyball, soccer, lacrosse, baseball, softball and wrestling
- A school representative said Mankato State University built its indoor turf fieldhouse several years ago
- Courts available in the market are at schools
- Availability of indoor space in the market is limited
- There is a need for an additional indoor sports facility in the market, because of the lack of indoor space
- The athletic department/school would be interested in renting the following:
  - Courts: In September-October and from November-February for about 15 hours per week
  - Indoor tennis: On an as-needed basis
  - The school would have funds to rent the proposed facility
- Impression of a proposed facility in the market = positive
- The school would be interested in a contractual arrangement to guarantee space and reduce the hourly cost of activities
- The school/teams would be able to travel to a proposed facility
- A school representative believes the market would be a regional draw, attracting teams from within a two-hour drive time
- According to **Visit Mankato**, there are 15 hotels in the market
  - The busy season for conventions is fall/winter with summer being the slowest season
- The **Mankato Sports Commission** estimates sports have an annual economic impact of \$17.2 million in the market
  - In 2019, average overnight visitor spending was \$165-\$175 per day
  - The Sports Commission is becoming more active in trying to bring more sporting events to the market
  - The commission would help promote a proposed facility and assist with group sales efforts, but it would need to re-establish a relationship with the City of Mankato
  - The commission supports local sports such as adult and youth volleyball, baseball and softball, BMX, basketball, mountain biking and gymnastics
  - The Pone on Madison is a new facility in Mankato that will have an ice arena, restaurant(s) and a convention/wedding space for about 300 people.
  - There is a need for more indoor basketball courts, along with tennis/pickleball courts
  - The Picklebarn offers youth tennis lessons
  - Impression of a proposed facility in the market = positive
  - The market is a regional draw for events, with groups likely traveling from as far away as two hours away
  - Groups looking for event space include USA Archery and wrestling organization

# **2019 Indoor Multipurpose Sports Facility Market Feasibility Report**







## INDOOR MULTIPURPOSE SPORTS FACILITY MARKET FEASIBILITY REPORT

Prepared for:  
City of North Mankato, MN

North Mankato, MN  
February 2019

PI Sports, LLC, 12468 La Grange Rd, Suite 337, Louisville, KY 40245  
Contact Norm Gill, [norm@pinnacleindoor.com](mailto:norm@pinnacleindoor.com), (502) 551-1974



February 2019

To the Officials of the City of North Mankato, MN:

This is the final report regarding the market feasibility study we performed for a proposed indoor multipurpose sports facility in the North Mankato, MN, market. The attached document summarizes our research and analyses and is intended to assist you in making informed decisions regarding the future of the facility.

The conclusions contained in this report are based on the estimates, assumptions and other information developed from our research of the market; our knowledge of similar sports complexes; and our experience operating our own facilities. We analyzed all the information provided to us, including the management of competitive/comparable facilities in your market; local and regional sports organizations; demographic characteristics of the defined market; and other sources. We then applied our years of experience to provide you with our best professional recommendations.

We sincerely appreciate the opportunity to assist you with this project and would be happy to be of further assistance in the interpretation and application of the study's findings. After you've had time to digest the findings of this report, we recommend a follow-up conference call to answer any outstanding questions you might have.

Thank you for choosing Pinnacle.

Norm Gill  
Pinnacle Indoor Sports  
(502) 551-1974

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Exhibit II-Existing Facility Competition	
Plus: Detailed Demographics Reports	
Greater Mankato Regional Recreation Facilities Development Update (2017)	
Greater Mankato Community Tennis Association “Hub” Report (2015)	

## **Executive Summary**

Pinnacle Indoor Sports (referred to as “Pinnacle” throughout) was retained to conduct a thorough study to determine the viability of an indoor sport facility in the North Mankato market.

### **Findings**

Pinnacle interviewed more than two dozen representatives from local and regional organizations — a great majority of whom cited a need and/or desire for an indoor recreational/sports and tennis facility with hard courts in the North Mankato market. Additionally, Pinnacle studied current market conditions/demographics and evaluated existing multipurpose sports facilities.

As a result of this research, Pinnacle determined that unmet facility demand exists in the North Mankato area for the following sports:

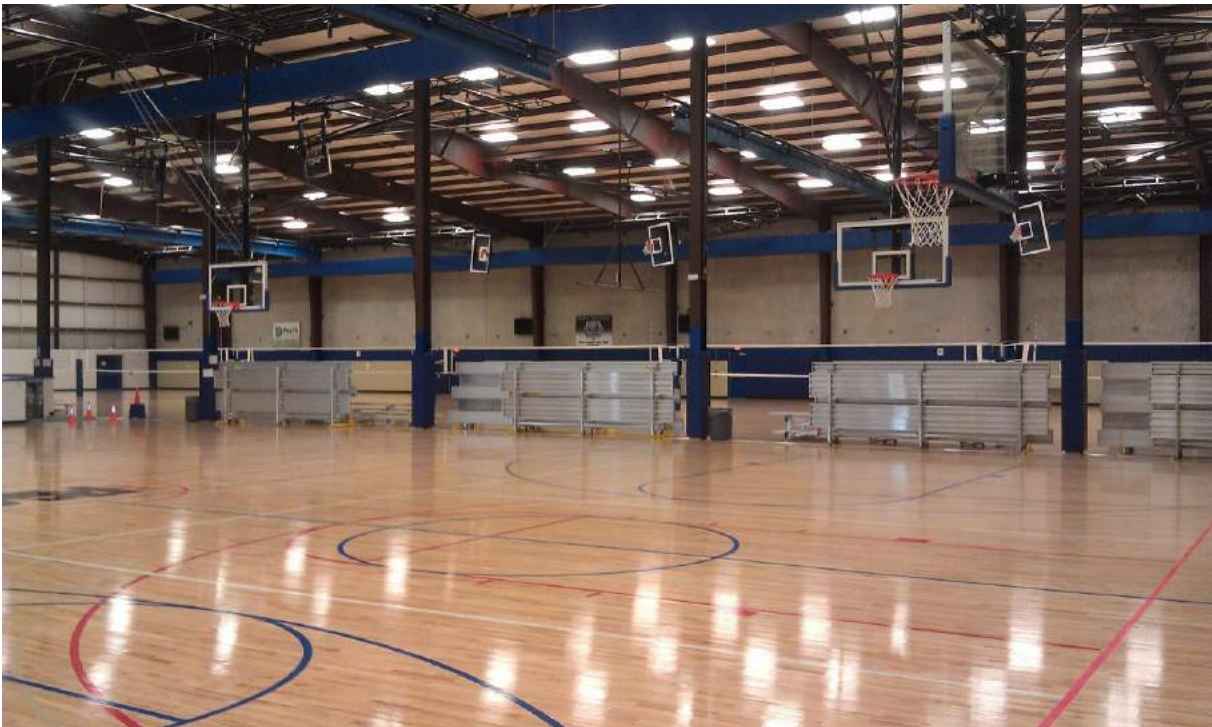
- Indoor youth and adult soccer/futsal
- Indoor youth and adult volleyball
- Indoor youth and adult basketball
- Indoor tennis
- Indoor hard-court rentals

In developing its facility recommendation, Pinnacle made the following four assumptions:

1. The project shall be constructed with funds generated from the 2016 sales tax extension approved by taxpayers.
2. The land would be readily available at no cost to the City of North Mankato.
3. The City of North Mankato would be exempt from paying property taxes on the proposed facility.
4. The City of North Mankato will offset some of the proposed facility’s operating expense, i.e. facility and grounds maintenance, liability insurance, and administrative costs.

With those assumptions in mind, multiple factors emerged that indicate the likelihood of a new indoor sports facility succeeding in the North Mankato market. They include:

- **A climate with a longer winter season than other areas of the Midwest.** A climate-controlled indoor facility would allow for year-round training and leagues in the North Mankato market, as well as provide a comfortable indoor environment during warm summers.
- **Healthy increases in population and household growth.** Both demographic factors suggest that a small multipurpose sports facility would be successful in North Mankato.
- **Heightened public interest.** Of particular note are representatives from area basketball and volleyball organizations and school districts, who indicated they would be interested in forging strategic partnerships with the operator of a new indoor sports facility to help ensure its success. That said, price points would need to align with local market rates.



**The PAC**  
Austin, TX



Additionally, representatives of other local sports programs Pinnacle interviewed indicated a desire to partner with the operators of a proposed indoor facility for various programs, leagues and tournaments. They include:

- Greater Mankato Community Tennis Association
- Mankato Area Pickleball Association
- Mankato Basketball Association
- Mankato United Soccer Club (futsal)
- Minnesota Attack (volleyball)
- Minnesota Rise (basketball)
- Minnesota Youth Soccer Association (futsal)

Pinnacle also is aware of the following indoor sports facilities and YMCA expansion plans in the works in the North Mankato market:

- Mankato State University plans to open an indoor turf facility by October 2019.
- Bethany Lutheran College is considering construction of an indoor turf and 200-meter track facility/fieldhouse, plus an outdoor turf field. As of the writing of this report, the college was awaiting final drawings, approval from the board of trustees and funding for the project. If the plan falls through, college officials told Pinnacle they would consider adding a dome over the outdoor turf field.
- Mankato Family YMCA plans to begin a capital funding campaign in November 2019 to build a new facility (pending the results of a financial pro forma). Elements under consideration include:
  - Four basketball courts
  - Indoor tennis courts
  - 12-lane indoor pool

For more information, see the attached “Exhibit I—Selected Interview Notes” and “Exhibit II— Existing Facility Competition.”

**Recommendation**

Based on existing conditions and assumptions, Pinnacle recommends the City of North Mankato move forward with plans to build a 44,000-square-foot multipurpose indoor sports facility in North Mankato.

It would include one multisport space that converts to offer combinations of the following: two regulation basketball courts, two futsal courts, four regulation volleyball courts or four elementary-/middle-school size school basketball courts, plus a separate area for three indoor tennis courts. This facility would satisfy current market needs.

A second, larger option (based on available funding and community desire) would allow for construction of an 88,000-square-foot facility that would house one multisport space that converts to offer combinations of the following: four regulation basketball courts, four futsal courts, eight regulation volleyball courts or eight elementary-/middle-school size school basketball courts, plus a separate area for six indoor tennis courts.

The larger facility design would not only meet current market needs, but also allow North Mankato to compete for regional tournaments and larger recreational events as a regional sports tourism destination — particularly for weekend basketball and volleyball tournaments.

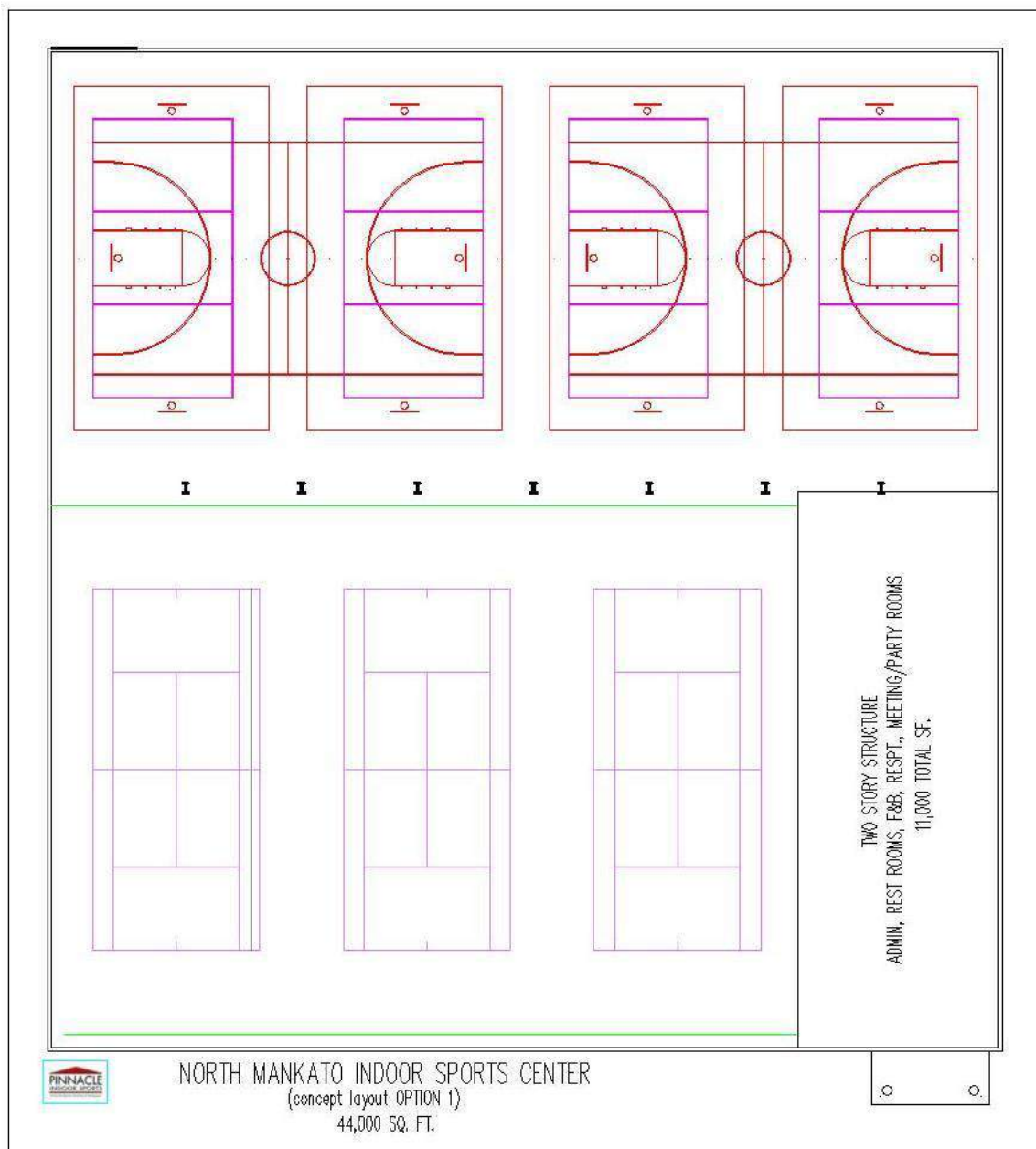
It should be noted that there is not an appreciable difference in the ongoing operating costs of the two options.

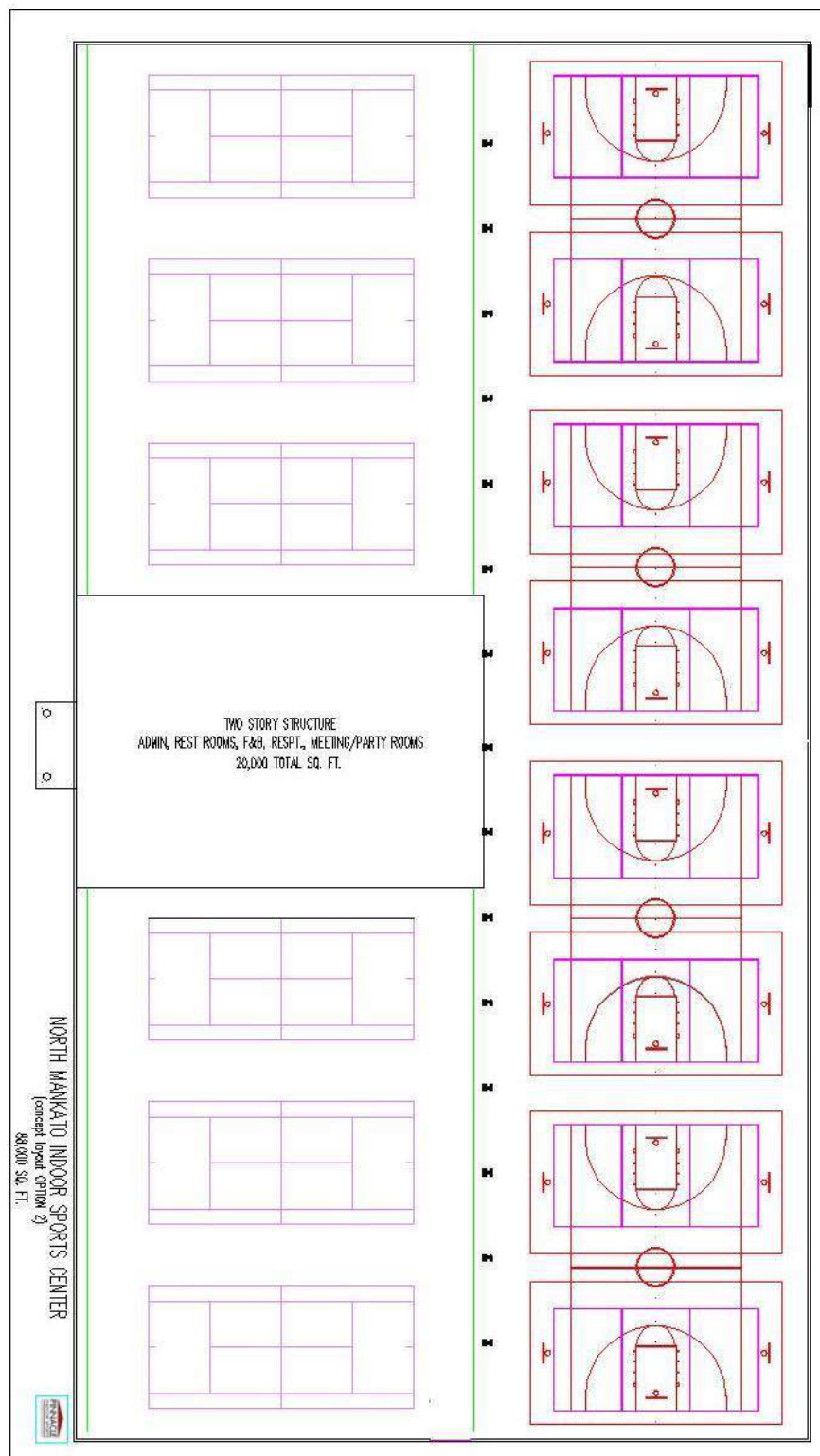
For proposed floor plan configurations and sports utilization examples featuring both options, see proposed floor plans on pages 8 and 9.

For more information, see the attached “Exhibit I—Selected Interview Notes” and “Exhibit II— Existing Facility Competition.”

**Next Step**

Pinnacle recommends additional community discussions regarding public preference for either a 44,000-square-foot or 88,000-square-foot facility.

**Recommended Proposed Floor Plan (44,000 square feet)**

**Recommended Proposed Floor Plan (88,000 square feet)**

## **Study Overview**

As referenced in the Executive Summary, Pinnacle was commissioned to assess the feasibility of building an indoor multipurpose sports facility in the North Mankato, MN, market. Pinnacle's charge was to determine the feasibility of an appropriately designed sports facility with the following goals:

1. Provide an evaluation of potential demand and market support for an indoor sports development
2. Recommend the most beneficial programming mix to balance the largest number of participants and highest revenue generation for the facility
3. Provide design specifications for the right-size facility according to the estimated utilization projections that would put it ahead of local and regional competition.

### **Assumptions**

The conclusions and recommendations of the study are based on the following assumptions:

1. That information received from sources, including other facilities, is accurate and complete.
2. That the supply of these types of facilities in the local and regional market area will not differ significantly from what already exists in the area today.
3. That the general national, state and regional economic outlook will not change markedly.
4. If a facility is developed, it will be of the highest quality, using state-of-the-art equipment, imaginative design and be properly capitalized.
5. If a facility is developed, competent and professional management will operate and market the facility.





The study and resulting recommendations were conducted by Pinnacle Indoor Sports — a leader in the development of sports complexes and recreational facilities in the United States. Pinnacle was founded in 2000 by experienced sports center owners and operators Steve Michener and Norm Gill to respond to the demand for professional planning and financial and management services in the indoor sports facility market. During the past 19 years, Pinnacle has provided sports complex planning, funding support, development, design and construction management, and operational services to more than 300 communities.



### **Research**

Pinnacle Partner Sam Migliano conducted telephone and email interviews with individuals representing various organizations in North Mankato to assess the local and regional sports markets as they relate to development of a proposed indoor facility.

Research conducted for this study included interviews with the following groups:

- Apple Valley Volleyball
- ARJO (Volleyball)
- Belle Plaine Juniors (Volleyball)
- Bethany Lutheran College
- D1 Minnesota (Basketball)
- Greater Mankato Community Tennis Association
- Mankato Area Girls Fastpitch Association
- Mankato Area Pickleball Association
- Mankato Area Public Schools - Mankato West
- Mankato Basketball Association
- Mankato Family YMCA
- Mankato United Soccer Club
- Minnesota Attack Volleyball
- Minnesota Comets (Basketball)
- Minnesota Heat Basketball
- Minnesota Rise (Basketball)
- Minnesota State University, Mankato
- Minnesota Youth Soccer Association
- St. Peter Youth Basketball Association
- USA Volleyball - North Country Region
- Visit Mankato (including Sports Commission + Greater Mankato Growth)
- Waseca Basketball Association

A review of the area's existing facilities also was conducted. Additionally, Pinnacle performed a demographics analysis of the market and compared it to other markets with successful privately financed indoor sports facilities. Finally, a review of national, regional and local sports organization participation rates and trends was undertaken.



**The Centre**  
State College, PA

# **Methodology**

The methodology employed by Pinnacle in conducting this market feasibility study includes a review of quantitative and qualitative data from local and regional sources.

## **Quantitative Data**

This review includes a search of primary and secondary sources to define the North Mankato market relative to the stated objectives and provide lines of inquiry for the next stage of qualitative research.

Specifically, the quantitative research phase gathered information on local, regional and national usage of indoor venues by sports and recreation groups, as well as a demographic study of the defined market.

Additional data gathered provides indications regarding local and regional sports activity trends. The quantitative research provides the following information:

- Regional and local trends in sports participation by targeted sports and activities
- Trends in size and type of indoor facilities by targeted sports in similar communities
- Disposable income/recreational spending patterns by local user groups

Research began within the North Mankato area, examining current recreational sports user groups, as well as sports organizations in the extended market outside the immediate area. The information obtained allowed for assessment of the area's sports venue needs and projected participation patterns of each group.

A wider regional data search using Internet sources, industry websites and publications, and personal contacts was included to evaluate the potential regional draw for special events such as tournaments and other activities. Regional sports and recreation groups were identified and inventoried based on the organizations' number of participants, current activities, facility utilization and participation statistics.

The local and regional demographics were analyzed using the most recent data from Environics Analytics, based on U.S. Census Bureau data (see "Attachment — Detailed Demographics Reports" for background).

**Qualitative Data**

Qualitative data research seeks to provide information beyond facts, such as personal descriptions/observations, user group intentions and industry trends gathered via personal interaction with potential user groups/area insiders. Focused research was used to explore and understand the real need for (and potential users of) a new facility. The qualitative research phase probed the following:

1. What user groups would benefit from a new indoor sports/recreation facility?
2. What sports and activities do the potential user groups represent?
3. What utilization rate (number of hours) is desired by identified user groups?
4. What time parameters (hours of day, days of week, times of year) are most desired by user groups for facility usage?
5. What types of venues are needed (hard courts, turf)?
6. What size venue is desired/needed by the identified user groups?

To better identify these needs, Pinnacle interviewed the following groups:

Group 1: Local government staff

Group 2: Local and regional sports association representatives

Group 3: Operators of existing sports/recreation facilities

Group 4: Educational leaders and professionals

Group 5: Nonprofit organizations

Pinnacle's approach to researching groups was via telephone interviews and e-mail interviews. Pinnacle introduced the purpose of the study and sought comments on personal, organizational and community needs for the proposed facility as these groups saw them (see "Exhibit I—Selected Interview Notes").

During the interviews, Pinnacle identified potential proponent groups and determined which ones might have interest and financial capability to play a significant project role.

Senior and junior staff members participated in the collection and analysis of quantitative and qualitative data.

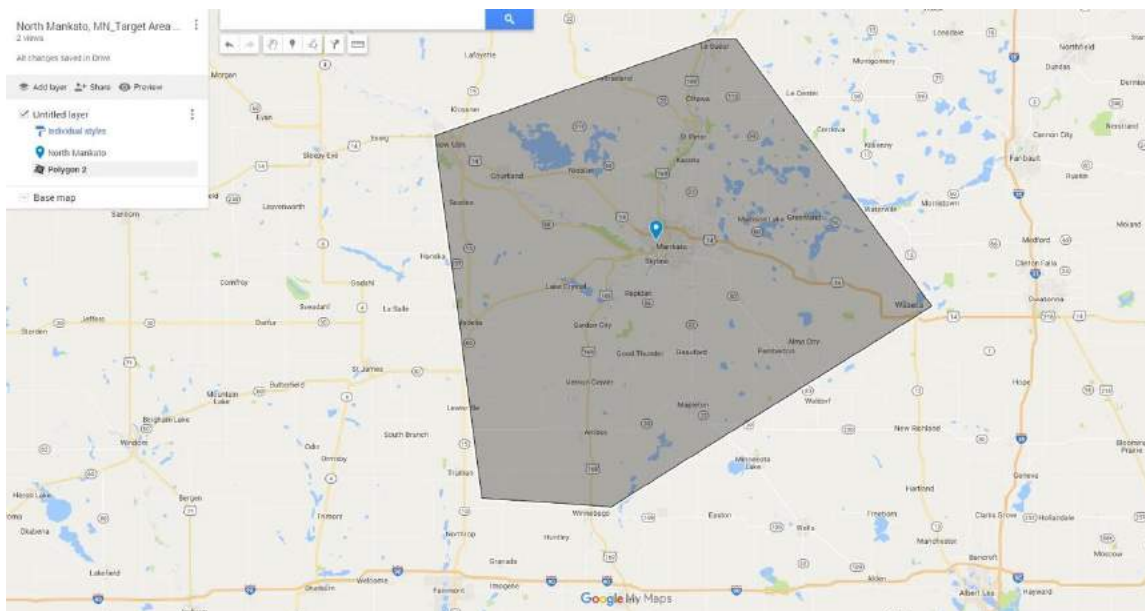
**Performance Steps to Assess Feasibility**

In order to project the financial performance of the facility, Pinnacle Indoor Sports took three internal steps to assess feasibility. Those steps were:

1. Interview the client to understand the vision and goals.
2. Identify areas in which residents are underserved, based on needs and habits.
3. Analyze existing regional service providers and events to identify areas of opportunities to attract traffic from outside the immediate market area.

## Market Area Description

For the purpose of this report, the local market area is defined as an area surrounding Mankato (see map below). Certain activities at a new indoor sports facility — including tournaments, clinics and camps — would likely draw from a broader area throughout the southern Minnesota region. Weekly programming, on the other hand, would draw from a more localized area.



North Mankato, located in Blue Earth and Nicolet Counties in south-central Minnesota, is about a 90-minute drive from Minneapolis/St. Paul. The Minnesota River separates North Mankato from Mankato to the south, and North Mankato is the smaller of the two cities.

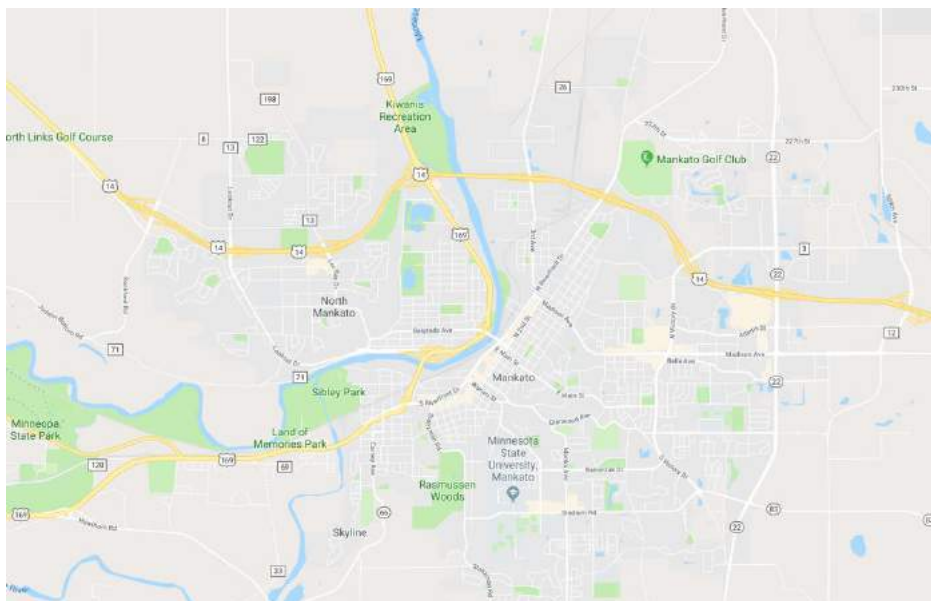
### Climate

Average temperatures in North Mankato range from a low of 3 degrees Fahrenheit in January to a high of 82 degrees Fahrenheit in July. The city receives an annual average of 31 inches of rain and 39 inches of snow (compared to the U.S. average of 39 inches of rain and 26 inches of snow per year). The number of sunny days per year is 195; the U.S. averages 205 sunny days per year. North Mankato's harsh weather — which can include wind chill factors in the negative digits — often wreak havoc on outdoor sports, especially those with spring seasons.



### **Transportation**

Although many roads lead to North Mankato, U.S Highways 14 and 169 are the two main routes in and out of the city.



### **Travel**

Travel distances to North Mankato from major communities in the area with substantial sports organizations close enough to visit for tournaments or other events include:

<u>City</u>	<u>Distance</u>	<u>City</u>	<u>Distance</u>
Bloomington, MN	72 miles	Minneapolis, MN	83 miles
Rochester, MN	86 miles	St. Paul, MN	97 miles
St. Cloud, MN	108 miles	Mason City, IA	108 miles
Winona, MN	134 miles	Sioux Falls, SD	157 miles
Eau Claire, WI	175 miles	Sioux City, IA	191 miles

### **Employment**

Among the largest employers in the Greater Mankato region are Mayo Clinic Health Systems, interactive print and marketing solutions giant Taylor Corp., and various educational institutions and government agencies.

### **Unemployment**

The unemployment rate in the Mankato-North Mankato region hit a high of 7.1% in March 2010 and dropped to an eight-and-a-half-year low of 1.7% in October 2018. The latest unemployment figure available for the region is 1.7% (October 2018).

# **Demographic Market Analysis**

## **General Population**

The population in the designated market area (see map on page 13) was estimated to change from 142,079 to 146,881 between the 2010 U.S. Census and 2018, an increase of 3.4%. Over the next five years, the population of the designated market is projected to increase by another 2.7%.

By comparison, the U.S. population was expected to increase by 6.6% between 2010 and 2018. That population total is expected to increase by another 3.6% over the next five years.



The number of households in the market area was estimated to change from 54,463 to 57,440 between 2010 and 2018, an increase of 5.5%. Over the next five years, the number of households is projected to increase by another 3.4%.

By comparison, the number of households in the United States was estimated to increase by 7.1% between 2010 and 2018, and by another 3.7% over the next five years.

The size of the population base of the North Mankato market is in line with the population parameters of successful indoor sports facilities in other markets. The past and continued population growth in the area provides a margin of error as to the probability of a sufficient population to support an indoor sports facility.

## **Age Distribution**

The 2018 median age in the North Mankato market is 35.5 years, while the 2018 average age is 38.5 years. In five years, the median age is projected to be 36.4 years.

By comparison, the median age in the United States in 2018 is 38.5, while the average age is 39.4. Five years from now, the U.S. median age is projected to remain at 39.5.

User statistics in other communities indicate that younger populations are more likely to participate in programs at indoor sports centers. That bodes well for a community such as North Mankato, where the population skews younger than the national average. Pinnacle anticipates widespread usage of a proposed indoor sports facility, based on a combination of age demographics, demand and local enthusiasm for this project.

**Ethnic Diversity**

Of the area's estimated 2018 population, 91.1% were White Alone; 3.1% were Black or African American Alone; 0.4% were American Indian and Alaska Native Alone; 1.7% were Asian Alone; 0.0% were Native Hawaiian and Other Pacific Islander Alone; 1.6% were Some Other Race; and 2.1% were Two or More Races.

Of the United States' estimated 2018 population, 69.8% were White Alone; 12.9% were Black or African American Alone; 1.0% were American Indian and Alaska Native Alone; 5.8% were Asian Alone; 0.2% are Native Hawaiian and Other Pacific Islander Alone; 6.9% were Some Other Race; and 3.5% are Two or More Races.

**Education**

An estimated 19.6% of the population over age 25 in the market has earned a Bachelor's Degree, 6.1% has earned a Master's Degree, 1.4% has earned a Professional School Degree and 1.7% has earned a Doctorate Degree.

In the United States, 19.2% of the population over age 25 has earned a Bachelor's Degree, 8.4% has earned a Master's Degree, 2.0% has earned a Professional School Degree and 1.4% has earned a Doctorate Degree.

**Income Statistics**

The average household income in the designated market is estimated to be \$77,962 in 2018, while the average household income for the United States is estimated to be \$89,646.

The average household income in the area is projected to increase over the next five years, to \$82,769, and the average household income in the United States is projected to increase to \$98,974 during the same time period.

**Primary Market Area Demographic Summary**

Taken collectively, North Mankato's demographics present a favorable case for the establishment of a new indoor sports facility in the market and suggest that such a facility would be successful, despite household incomes below the national average.

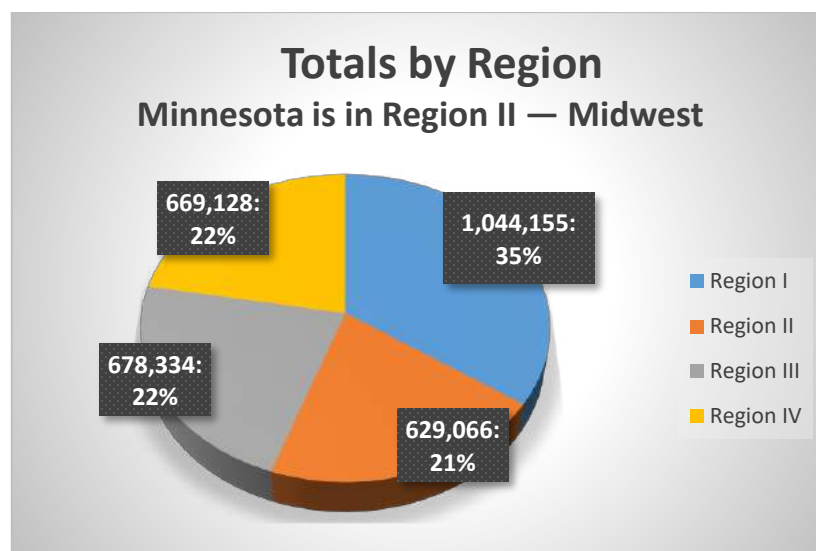
## The Recreational/Competitive Sports Communities

Multiple sports communities exist within the target market study area. What follows is a synopsis of some of the major ones.

### Soccer

Youth soccer in the United States is highly structured, with the majority of participants registered through the U.S affiliates of the sport's global governing body, Federation International de Futbol Association (FIFA). The United States Soccer Federation (USSF) delegates authority over youth soccer to the United States Youth Soccer Association (USYSA) and its member organizations. Formed in 1974 with 100,000 participants, USYSA now registers more than 3 million players between the ages of 5 and 19.

The USYSA affiliate for the target market area is the Minnesota Youth Soccer Association. The statewide organization boasts 52,000 youth players, with about 70 percent of them from the Twin Cities area. (About 8,000 players in Minnesota belong to the U.S. Adult Soccer Association.) The MYSA currently uses indoor sports facilities to host referee training, coaches' education and Olympic Development Program training.



Source: US Youth Soccer

Among the MYSA members in the North Mankato market is the Mankato United Soccer Club, which provides opportunities for 34 competitive teams (U9-U19) and 500 recreational players. Teams train at local school gymnasiums for a total of 100 hours in January and February, paying only \$5 per hour per court.



According to interviews with individuals associated with the Mankato United Soccer Club, indoor turf space in the market is limited, even with the pending opening of a dome turf facility at Mankato State University in late 2019. The club would be willing to consider a contractual arrangement to guarantee space and reduce the hourly cost of activities at a proposed new indoor facility.

#### **Futsal and Adult Soccer**

Futsal is in the early stages of development in the market, and the MYSA is looking for a facility with which to partner and provide futsal training and teams. Mankato United Soccer Club is interested in increasing futsal activity, too. Individuals associated with Futsal and the Adult Soccer League told Pinnacle there is reason to believe North

Mankato can be a regional draw for futsal tournaments.

Adult soccer also is popular but has room to grow. In fact, the North Mankato area may be an untapped market according to those associated with the sport.

See attached “Exhibit I — Selected Interview Notes” for more information on soccer.

#### **Soccer Summary**

Demand for an indoor soccer/futsal facility in the North Mankato market is high, and representatives of soccer organizations appear eager to begin leveraging the futsal opportunities an indoor soccer facility would provide.



## **Volleyball**

USA Volleyball is the national governing body for competitive youth club volleyball in the United States, with more than 325,000 members and an estimated 5,300 junior clubs.

In the target area, the North Country Region is the local regional volleyball authority of USA Volleyball, overseeing programs for juniors and adults, with a large percentage of those members coming from the Minneapolis/St. Paul area. The Executive director of the North Country USA Volleyball told Pinnacle that the region would be interested in hosting officials' training, coaches' clinics and other events at a proposed facility in North Mankato, as well as partnering to host tournaments.



Minnesota Attack Volleyball, echoed USA Volleyball's comments and stated there is a need for an additional indoor facility in the area that caters to volleyball. Teams currently train at facilities operated by the Mankato School District, as well as at the St. Peter Community Center, Mankato State University and other area recreation centers. They utilize between eight and 10 volleyball courts for 12 hours per week from November through March, paying between \$30 and \$100 per hour per court.

Other area volleyball clubs Pinnacle interviewed — including ARJO, Apple Valley Volleyball and Belle Plaine Juniors — indicated they would travel to North Mankato to participate in tournaments at a proposed facility.

## **Adult/Sand Volleyball**

Adult volleyball is popular in the market, with park and recreation departments among the entities that host indoor leagues. Sand volleyball is in the early stages of development, and interviews with the Executive Director of the North Country Region suggests that sand courts be part of a proposed facility's plans.

See attached "Exhibit I — Selected Interview Notes" for more information on volleyball.

## **Volleyball Summary**

Although some of the area's competitive volleyball clubs train at other facilities, they say they need more space. Additionally, other clubs from outside the immediate North Mankato area say they would travel to a proposed facility to compete in tournaments. Such factors justify the inclusion of hard courts in this project.

## **Basketball**

Basketball is one of the most popular participatory sports in the United States and is fast gaining popularity around the world. In the United States, the Amateur Athletic Union (AAU) is the largest organizing body for youth basketball — overseeing organizations in several sports, with almost 700,000 members and more than 150,000 volunteers.

In the target market, at least one team is affiliated with AAU: The Minnesota Rise, which uses local school gymnasiums and pays between \$10 and \$15 per hour per court. Meanwhile, Mankato Basketball Association teams (which are not part of AAU) train at local schools in Mankato and occasionally the recreation center in Lake Crystal. They utilize eight to 12 courts from late October to early March for 75 hours per week; the fee is \$7.50 per hour per court on weekdays and \$25 per hour per court on weekends.



Representatives from both clubs also said they would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities in a proposed new facility. So would the St. Peter Youth Basketball Association. A proposed facility would be a major asset to the Greater Mankato area — even though St Peter league teams currently practice for free at local high school gyms.

Other organizations, such as the independent Waseca Basketball Association, also train at local high schools and pay only \$2 per hour per court. Representatives from those teams said they would travel to North Mankato for tournaments.

Pinnacle also interviewed D1 Minnesota, whose director indicated teams would travel to North Mankato for tournaments only if D1 Minnesota were running the tournaments. Minnesota Heat also indicated the club would possibly participate in tournaments at a proposed facility in North Mankato. On the other hand, representatives from the Minnesota Comets said a two-hour-and-15-minute drive to North Mankato likely would be too far for players to travel.

## **Adult Basketball**

Adult basketball is popular in the market, with multiple independent leagues offered.

See attached “Exhibit I—Selected Interview Notes” for more information on basketball.

### **Basketball Summary**

The space needs for competitive, recreational and instructional youth basketball in the market — as well as additional outlets for adult basketball — justify the inclusion of hard courts in this project.

### **Tennis**

Tennis, generally speaking, is a very individual sport, overseen by the United States Tennis Association (USTA) and regional organizations.

In the market area, the local organization is the Greater Mankato Community Tennis Association, which hosts youth, high school and adult tournaments. Representatives from those organizations told Pinnacle that there are about 150 high school tennis players in the market and as many as 400 youth players. He also said that, although an indoor tennis facility in Mankato closed in 2010, Gustavus Adolphus College allows groups to rent its indoor courts for tournaments.



Still, representatives from the Tennis association suggest the market could handle another seven or eight indoor courts for regular usage. To that end, a local resident has verbally committed to donating land for the association to build a new indoor tennis facility for year-round use.

Despite that prospect, the association suggested they would consider partnering with a proposed indoor facility that included tennis programming for tournaments, indoor leagues, court rentals, camps and clinics.

Additionally, the USTA has an established history in the Greater Mankato area, having provided some of the \$70,000 in funding for resurfacing/reconstruction projects for tennis courts at Mankato East and Mankato West high schools a few years ago.

A 2015 report (attached to the end of this report) prepared by the Greater Mankato Tennis Community Association outlined the organization's proposal for an indoor/outdoor "tennis facility hub" and cited competitive imbalances for Greater Mankato area high school tennis teams because the region lacks a quality indoor tennis facility. The report also projected that a new indoor tennis facility would significantly increase participation numbers among college and adult players in the market.

Admittedly, the indoor tennis segment of a multipurpose indoor sports facility can be challenging, but with effective programming strategies that cater to an active tennis community, a new facility in the North Mankato region likely would generate significant usage — especially between Labor Day and mid-May.

### **Adult Tennis**

Outdoor adult tennis is popular in the market, but the GMTCA says no adult tournaments are available in the area, and a proposed new facility could change that. See attached “Exhibit I — Selected Interview Notes” for more information on tennis.

### **Tennis Summary**

Tennis in the North Mankato market is healthy, as evidenced by the Tennis association’s contention that additional indoor playing space is needed beyond that which it plans to develop on its own. A proposed indoor multipurpose facility that includes a tennis component would allow for potential expansion of the local tennis market.

### **Pickleball**

Pickleball, a hybrid of tennis, badminton and ping-pong, is considered one of the fastest-growing sports in the United States, with at least 2.5 million players (including many older adults.)

The sport’s popularity has been a long time coming. With a history dating back to 1965, pickleball most likely began when, according to the USA Pickleball Association website, “Joel Pritchard, [a] congressman from Washington state, and Bill Bell, [a] successful businessman, returned to Pritchard’s home on Bainbridge Island, Wash. (near Seattle), to find their families sitting around with nothing to do. The property had an old badminton court, so Pritchard and Bell looked for some badminton equipment and could not find a full set of rackets. They improvised and started playing with ping-pong paddles and a perforated plastic ball.”



Played indoors or outdoors with a paddle and a plastic ball, the court is the same size as a doubles badminton court, 20 by 44 feet. (The same pickleball court is used for both singles and doubles play.) The court is striped similar to a tennis court with left and right service courts, but there is a 7-foot zone in front of the net, called the “kitchen,” from which players are not allowed to volley.

Most games can be played within 20 minutes, and the social aspect is a key element of the game.

The USA Pickleball Association (USAPA), headquartered in Surprise, AZ, boasts about 30,000 members. In the Mankato area, there are about 170 members of the Mankato Area Pickleball Association — about 70 percent of which are retired adults. Players participate year-round, with the indoor season running from mid-September to April on basketball courts at the YMCA and school gymnasiums. Access to those facilities is limited, though, according to representatives of the association, and they believe there is a need for a new indoor sports facility that includes a pickleball component.

Interviews with local Pickleball representatives indicated to Pinnacle that the association not only would consider a contractual arrangement with a proposed indoor facility to guarantee space and reduce the hourly cost of activities, but it also would be interested in hosting tournaments at the venue. Additionally, the association would consider using the facility on a regular pay-as-you-play basis, occupying it from 8:30 to 11 a.m. every Monday through Friday from mid-September to May.

See attached “Exhibit I — Selected Interview Notes” for more information on pickleball.

### **Pickleball Summary**

While Pickleball’s popularity is increasing, it is still considered an emerging sport. However, the sport’s ability to share programming space with tennis in an efficiently operated indoor space would fill daytime hours and possibly result in tournaments.

### **Softball**

The number of softball players in the United States fluctuated between 9.4 million and 12.5 million between 2006 and 2017.

North Mankato's Caswell Park has a strong reputation and is a recognized destination for softball tournaments. Regarding indoor training space, the Mankato Area Girls



Fastpitch Association (with about 450 participants) has a three-year agreement with a hard-courts facility for use during the winter months, paying \$25 per hour. While that facility satisfies the club's training needs, Representatives from the Association said they would prefer an indoor turf facility be built in the Greater Mankato area.

See attached "Exhibit I — Selected Interview Notes" for more information on softball.

### **Adult Softball**

Adult softball grew quickly, but participation numbers have flattened in recent years.

### **Softball Summary**

The need for an additional indoor turf space for softball training is not great enough to justify the inclusion of turf in a proposed facility. That said, the installation of indoor batting cages and/or pitching lanes at a proposed indoor multipurpose facility could help diversify programming and attract new user groups.

## **High School Sports Trends**

Potential demand associated with any indoor multipurpose sports facility is somewhat dependent on the attributes of the industry as a whole, as well as specific target market segments. This section outlines key high school sports trends that may impact operation of a new multipurpose sports facility.

The following information is from the 2017-18 High School Athletics Participation Survey, conducted by the National Federation of State High School Associations (NFHS).

The number of participants in high school sports increased for the 29th consecutive year in 2017-18, reaching an all-time high of 7.98 million — an increase of 17,351 from the previous year. This data is based on figures from the 51 NFHS member state high school associations, which includes the District of Columbia.

Minnesota ranks No. 10 in total high school sports participation (240,433 boys & girls).



Sports participation by boys and girls each hit record highs, with 4,565,580 boys and 3,415,306 girls.

Here are the top 10 boys' sports for the 2017-18 school year:

- |                            |                         |
|----------------------------|-------------------------|
| 1. Football                | 6. Cross Country        |
| 2. Outdoor Track and Field | 7. Wrestling            |
| 3. Basketball              | 8. Tennis               |
| 4. Baseball                | 9. Golf                 |
| 5. Soccer                  | 10. Swimming and Diving |

Here are the top 10 girls' sports for the 2017-18 school year:

- |                            |                        |
|----------------------------|------------------------|
| 1. Outdoor Track and Field | 6. Cross Country       |
| 2. Volleyball              | 7. Tennis              |
| 3. Basketball              | 8. Swimming and Diving |
| 4. Soccer                  | 9. Competitive Spirit  |
| 5. Fast-Pitch Softball     | 10. Lacrosse           |

## **Ancillary Revenue Opportunities**

Due to the nature of the sports and recreation business, a large number of spectators and sports participants regularly frequent a multipurpose indoor sports facility. This leads to a number of ancillary revenue opportunities that should be explored. They include:

- Sports Performance Training
- Food Service
- Parties
- Facility Rentals
- Retail
- Youth Development Programs
- Corporate Partnerships

### **Sports Performance Training**

Many of the individuals interviewed for this report indicated a desire to see new sports performance training opportunities, and they say their players would consistently use such a facility.



**Pinnacle-developed facility**

Sports performance training can be implemented and overseen by hired staff in-house, in partnership with an area orthopedic or sports performance medical group or performance trainer, or simply via an independent group leasing space within a facility to carry out this type of activity.

As with any business model, a successful sports performance training facility requires proper management and marketing, as well as consideration of partnerships or franchise opportunities.

### **Food Service**

Food service in sports centers has traditionally been in the form of a small concessions stand and/or vending area. Successful operators know that captive audiences can make for profitable food service operations if done correctly. Hot food options should be offered, along with fountain beverages (which are much less expensive to carry than bottles or cans). Additionally, a strict no carry-in policy should be enforced from Day One. The only exceptions to this policy can be for water bottles and/or private rentals that require more food service options, such as buffet or plate dinners, than are available through current facility offerings.

A proactive marketing campaign also should be employed to package food into “meals” and to offer coupons to current participants as part of a membership program or to include certain food or beverage items with tournament or party packages for groups.

### **Parties**

Birthday, team, school and corporate parties are strong sources of income for any indoor sports center. Parties should be offered in “packages” to help users create the experience they are looking for while helping the facility ensure maximum revenue. In general, parties can be considered facility rental income, as the party customers primarily utilize facility time when conducting their parties.



**Pinnacle-developed facility**

In addition, opportunities exist to include food and beverage items, party decorations, gifts, staff (party supervisors and on-field attendants), equipment rentals and more — all at a mark-up for extra revenue. Local companies (bakeries, pizza places and party-supply businesses) should be considered for partnership opportunities for parties, similar to food-service partnerships.

Meeting rooms and field space can be used to host parties; specific party rooms are not needed unless a facility has the space available and parties become a much larger portion of total revenue. Parties are a significant source of revenue that should not be overlooked.

### **Facility Rentals**

Traditionally, sports facility rentals are considered only by sports organizations. Additional revenue opportunities, however, also exist via non-sports businesses and organizations looking for open spaces to host staff outings, corporate get-togethers and team-building sessions, or even small expos and trade shows.



**Pinnacle-developed facility**

Meeting rooms should be designed with sufficient electrical needs for multiple computers and can include built-in overhead projectors, white boards, blackout curtains for windows or doors, and Wi-Fi to ensure that any meeting can be held with ease. Additionally, the facility should be designed with at least one large (14-foot) overhead door, the ability to remove boards on court or turf surfaces as needed for the entrance of large vehicles and equipment, sufficient electrical (in some cases panels that drop from the ceiling), sufficient building egress and air exchange capabilities.

**Retail**

Retail components can be another source of revenue for indoor sports facilities. Past experience in owning and operating indoor sports facilities has shown that the best retail opportunities are those in which an already established local business leases space from the sports center as a satellite store to their main business.

Pinnacle does not recommend the inclusion of an in-house retail component, opting instead to contact existing retail sports stores to see if any of them would be interested in dedicated space to accommodate an existing or expansion location.

Once a new facility becomes more fully established, a line of apparel could be offered as part of the membership offerings (free T-shirt when signing up, for example) and sold on a limited basis for additional community marketing through the facility's front desk component.

**Youth Development Programs and Summer Camps**

Daytime programming opportunities for ages 1 to 5 will be an attraction for young families to join the facility and sign up for other activities as children get older.

Similar programs at other facilities have included open playtime, "mommy and me" classes, homeschool association rentals, senior programming and special events.



**Pinnacle-developed facility**

Additionally, daycare centers, preschools and school groups should be solicited for facility rentals during weekday time slots between 7 a.m. and 3 p.m. These groups also help build the facility's database (via participant insurance waiver forms) for future youth program marketing.

During the summer months, general summer camps (and separate sports-specific camps) can be held during weekday daytime hours for children too old for daycare but not yet old enough to stay home alone. General summer camps with field trips, arts and craft activities, and a variety of sports experiences can provide a significant source of income during the summer months, as can sports-specific camps and training opportunities.

### **Corporate Partnerships**

Corporate marketing partnerships, sponsorships and more modest advertising arrangements for outside businesses normally provide significant revenue that can be in place by opening day, thereby providing critical cash flow as a new facility grows to capacity. That being said, this is the one area of the indoor sports industry that experienced a downturn during the recent Great Recession. Although revenues are not what they once were, interest is returning, and this remains a very viable source of significant high-margin revenue that is often overlooked.

Past experience has shown that commercial arrangements with local businesses in the fields of medical services, auto dealerships, financial institutions, soft drinks and beer, pizza, cellular phones and sporting goods all are prime prospects in competitive situations. Industries catering to new home construction and existing homeowners also generate above-average partnership revenues. Related businesses such as real estate professionals, relocation companies, home-security providers, landscapers and furniture stores are prime prospects, as well.



**Pinnacle-developed facility**

## **Competition**

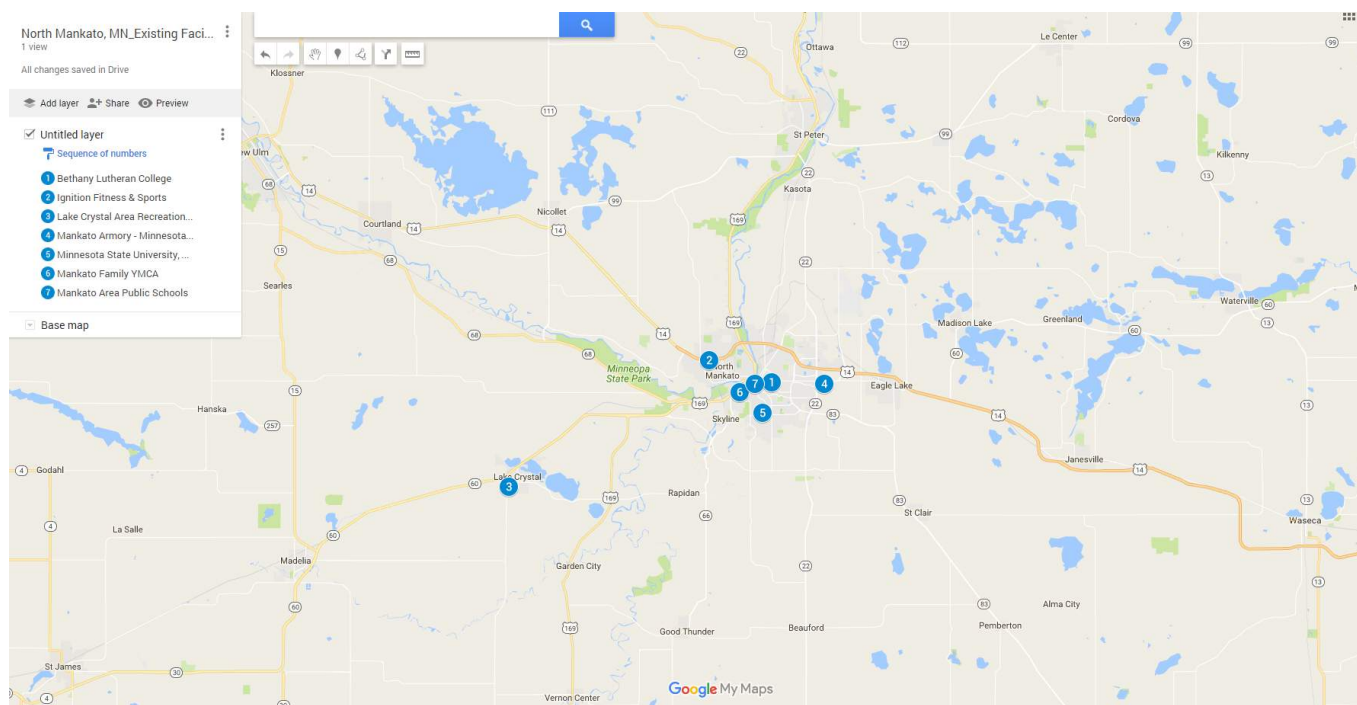
At least three multipurpose indoor sports facility developments are in the works in the North Mankato market, but two of them target turf sports and/or track and field. Mankato State University plans to open an indoor turf bubble by October 2019, and Bethany Lutheran College is considering construction of an indoor turf and 200-meter track facility/fieldhouse.



Mankato Family YMCA, meanwhile, plans to begin a capital funding campaign in November 2019 for a new facility that could include indoor tennis courts, basketball courts and a 12-lane indoor pool. That project, should it receive the green light, would happen after the design and construction of the City of North Mankato’s proposed indoor facility, giving the recommended project a leg up on any increased competition.

Several Mankato-area sports groups already use indoor gymnasiums at local high schools to meet their indoor sports needs, paying reasonable fees with which the city would have to compete. The proposed facility also would need to provide outstanding service and amenities previously unavailable in the market to make it even more appealing to various user groups.

For complete descriptions of the existing sports facilities in the North Mankato market study area, see the attached “Exhibit II— Existing Facility Competition.”



## SWOT Analysis

Through multiple meetings/interviews; a site visit; demographic research; competition and sports asset analysis; tours of competing facilities; and other market research; Pinnacle identified a range of market characteristics and priorities. The primary driver throughout this process was to analyze the potential for a new multipurpose indoor sports recreation facility in the North Mankato, MN, market.



The following is a summary of some key attributes and advantages and potential and existing challenges:

**S****Strengths**

- Baseball, softball, soccer and basketball are popular sports in the area
- North Mankato is located relatively close to major highways and/or roadway access
- Population growth in the Greater Mankato market

**W****Weaknesses**

- Average household income is below the national average.
- Low price points for indoor facilities via local recreation facilities and schools.

**O****Opportunities**

- Strategic alliances/partnerships with local sports organizations
- Excess demand for market-priced court facilities
- Some current indoor facilities rank average to below-average in quality
- Opportunity for extended indoor programming, due to long winters

**T****Threats**

- Number of competing facilities in the market
- Other private and/or public sports leagues or programming offered in the market
- Proposed development of new facilities

## Contributors to Project Success

Pinnacle identified multiple factors that are potential contributors to project success. Their impact will be quantified in the full financial forecast. These factors include:

- ***Destination Appeal:*** One of the primary factors in attracting programming, tournaments and participants is the appeal of the destination/location.
- ***Public Support:*** Successful public or private facilities begin with key institutional alliances that allow for a high level of support throughout the planning, zoning, construction and ongoing operations processes. There has been a positive response to the project from several key organizations in the local market.
- ***Sports Participation:*** The majority of user groups in the local market displayed enthusiasm for the project.
- ***Market and Demographics:*** The North Mankato market is attractive in terms of population size and age, and it boasts strong sports communities. A proposed facility likely would capitalize on interest and participation as soon as it opens.

## Challenges to Project Success

As is the case with many new developments, obstacles must be overcome to create and maintain an economically viable and financially sustainable facility. They are outlined below:

- **Cost to Operate:** As indicated in the financial model provided, there is an ongoing cost to operate an indoor sports facility.
- **Balance of Tournaments vs. Local Programming:** Although there will be limited instances in which local programming competes for time and space, an indoor facility also will fill a local void. Facility management must be clear in its scheduling and messaging, ensuring local users are aware of tournament/event plans and do not expect access when the facility is programmed for the purposes of boosting economic impact.
- **Market Rates:** In order to mitigate the need for ongoing subsidization or financial loss, the operations team must charge full market rate for space.
- **Current Market Amenities:** Some of the market's existing amenities have solid reputations. Additionally, as previously noted, the Mankato Family YMCA is exploring expansion, and Mankato State University plans to open an indoor turf facility by October 2019. Bethany Lutheran College also is considering the addition of an indoor turf facility and fieldhouse. In order to enter the North Mankato market, city officials must be confident in the facility's ability to generate income that meets expectations.

## Snapshot: Possible Operating Model

Scope	Includes
<b>Geographic Service Area</b>	North Mankato, MN
<b>Members and Program Participants Served</b>	Athletes (High School) Youth & Teens Adults & Families
<b>Funding/Revenue Sources</b>	Youth & Adult Leagues Youth & Adult Tournaments Adult Sports Sports Performance Training Youth Programing Special Events & Instructional Clinics Summer & Sports Camps Drop-in Play Private & Group Lessons Facility Rentals Food & Beverage Marketing Partners Memberships

### Facility Competitor Analysis

Direct Competitor	Substitutable Competitor	Resource Competitor
<ul style="list-style-type: none"> <li>Private indoor sports facilities</li> </ul>	<ul style="list-style-type: none"> <li>Club teams with training facilities</li> <li>Sports performance facilities with turf or court venues</li> <li>Baseball/softball indoor training facilities</li> </ul>	<ul style="list-style-type: none"> <li>Local Schools/Institutions</li> <li>Local Churches &amp; Youth Organizations</li> <li>Parks and Recreation</li> <li>YMCA</li> </ul>

### Trends Analysis

Types of Trends	Direction of Trend	Comments
Social needs or demands for programs or services	Needs or demands are: (x) Increasing	<ul style="list-style-type: none"> <li>Economic Issues – income disparity</li> <li>Aging population in community</li> </ul>
Other trends impacting your community/market		<ul style="list-style-type: none"> <li>Competition from school/community centers for sports/after school programs</li> <li>Quality of indoor turf/court venues</li> <li>City population increasing annually</li> </ul>

## Strategic Market Review

Pinnacle reviews the quantitative and qualitative market research according to historical case studies and then provides an internal grading system using the following criteria:

1=lowest / 5=highest

Focus Criteria	1	2	3	4	5
<b>Vision/Mission</b>					
<input type="checkbox"/> Supports the client's vision/mission.				x	
<b>Strategic Advantages</b>					
<input type="checkbox"/> Opportunities for collaborative strategic partnership(s).				x	
<input type="checkbox"/> Improves the market position.			x		
<input type="checkbox"/> Break even or produce a profit/surplus within 3 years.			x		
<input type="checkbox"/> Demonstrates a community benefit.				x	
<input type="checkbox"/> Maintains a mix of programs which profits/surplus or breakeven within 2 years.			x		
<input type="checkbox"/> Local and/or state political office positive about the project.					x
<input type="checkbox"/> Local user groups would utilize a new indoor sports facility.				x	
<b>Financial Viability</b>					
<input type="checkbox"/> Appears to make financial sense.			x		
<input type="checkbox"/> Estimates of measurable outcomes are available to input in the pro forma financial projections.			x		
<input type="checkbox"/> A real need exists with a sense of urgency.				x	
<b>Geographical and Customer Scope</b>					
<input type="checkbox"/> Will not interfere the service area of other competitors/existing facilities.		x			
<input type="checkbox"/> Area provides a welcoming, positive, safe and approachable environment.					x
<input type="checkbox"/> Geographic reach; strong. Demonstrate analysis of unmet needs and underserved groups within the service area.			x		
<b>Positioning in the market place as a Leader or Collaborator</b>					
<input type="checkbox"/> Demonstrate opportunity for strategic partnerships.				x	

# **Exhibit I: Selected Interview Notes**

## **North Mankato, MN**

### **Baseball/Softball**

- Mankato Area Girls Fastpitch Association

### **Basketball**

- D1 Minnesota
- Mankato Basketball Association
- Minnesota Rise
- Minnesota Heat Basketball
- Minnesota Comets
- St. Peter Youth Basketball Association
- Waseca Basketball Association

### **Soccer**

- Minnesota Youth Soccer Association
- Mankato United Soccer Club

### **Tennis & Pickleball**

- Greater Mankato Community Tennis Association
- Mankato Area Pickleball Association

### **Volleyball**

- ARJOApple Valley Volleyball
- Belle Plaine Juniors
- Minnesota Attack Volleyball
- USA Volleyball - North Country Region

### **Other**

- Bethany Lutheran College
- Mankato Family YMCA
- Mankato Area Public Schools
- Minnesota State University, Mankato
- Visit Mankato



## **BASEBALL/SOFTBALL**

### **Mankato Area Girls Fastpitch Association**

- There are numerous hard-court locations in the market, but many are very busy during the winter months
- Depending on the type of facility, the proposed development could be a nice addition to the market. Usage costs would be a concern, but adding court space is a good thing for the area
- Availability of indoor space is tight. The club spent two or three months in late 2017 looking for a space for winter training use and found a solid option for three years
- Season is mostly year-round. October and November are the only months during which there are not training or games
- About 450 kids participate in the club
- The club utilizes a gym, and rental fees are \$25 per hour. Additionally, the club has donated resources to improve the space, as the club believes the rental fee is reasonable and wants to help the current owner make improvements (such as better lighting and potentially repainting the space)
- The gym meets most of the club's needs, but there is desire for a dome that could host games during the winter months
- The finance chair thinks more dome-based facilities are needed in the area than hard-court facilities
- Amenities desired at a proposed facility would be 2-3 batting cages, 3-4 pitching lanes, locker rooms, good restrooms, pitching mats, and catching and hitting mats; it also would be nice to see some additional training equipment for strength, speed and agility training
- There is a need for sports performance training
- Adult softball used to be very popular in the market, but youth sports have become the priority for many adults in the market

## **BASKETBALL**

### **D1 Minnesota**

- The club would travel to North Mankato for tournaments, but only if the club were running the event

### **Mankato Basketball Association**

- There are between 270 and 305 players in the club, ages 9-14. About 66% are boys and 33% are girls
- Cost per player is \$250 per year
- This is a competitive program
- Other clubs in the market are St. Peters, Waseca, La Sueur and Lake Crystal. AAU clubs are Minnesota Rise and Minnesota Ice

- Season is October-March; AAU season is April-July
- The YMCA offers a recreational basketball program targeted for kids in grades K-6
- The club has no affiliation with a program such as AAU or USA Basketball
- Teams train at local schools in Mankato and occasionally utilize the recreation center in Lake Crystal. They utilize 8-12 courts from end of October to early March for 75 hours per week for all courts and pay \$7.50 per hour per court on weekdays and \$25 per hour per court on weekends
- Teams do not participate in leagues, only tournaments
- Teams participate in 5-9 tournaments per year. Entry fees are \$175-\$350 per team for 3 games guaranteed. Events are non-sanctioned, and teams travel within a 2-hour driving distance
- What would it take to move training regimens to a proposed facility? Availability and cost
- Availability of indoor space in the market is limited
- The president does believe there is a need for an additional indoor sports facility in the market for the sport, because several groups are competing for gym space for such sports as soccer, volleyball and pickleball
- Courts are available in the market at schools, colleges and the YMCA
- Ideal configuration of a new facility to maximize participation would be:
  - Field/Court Size: 3-4 high school regulation basketball courts
  - Preferred Flooring: Wood or Sport Court
  - Unacceptable Size and Flooring: Anything less than above and, in terms of flooring, tile or cement
  - Other Amenities Desired: Locker rooms, bathrooms, concessions and a scoreboard
- Indoor activities the organization would likely participate in at a new facility:
  - Leagues: Yes, 15-20 teams
  - Rentals: Yes, 6-20 hours per week from late October to early March; the club would have funds to rent the facility
  - Camps/Clinics: Yes, 150 players; club would promote the activities
  - Tournaments: Yes, 15-20 teams; club would like to host them
- The club does host a tournament utilizing 7 courts at Mankato State University, paying \$25 per hour per court
- Participation in adult basketball has decreased over the past 10 years. Adult leagues are held at the YMCA and Mankato Community Recreation Center
- The president believes there is a need for sports performance training in the market; about 25% of players would utilize the service
- The club would have a need for meeting space , a small office space and equipment storage at a proposed facility
- Impression of a proposed facility in the market is positive

- The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
- The president is not aware of any other indoor developments in the market
- Other sports that would impact usage of a new facility = soccer, softball/baseball, lacrosse and volleyball

### **Minnesota Rise**

- The club is affiliated with AAU and Grassroots
- Tournament season is April-July, with the bulk of tournaments in April and May
- The club rents high school gyms for training/practices, but schools have first priority
- The club pays \$10-\$15 per hour per court
- The club does not need office space
- There are 20 teams in the club, which also hosts a multiple 3-on-3 leagues. The summer 3-on-3 league has about 50 teams; the fall league has 100+ teams
- The club is interested in starting up a spring tournament
- The coach also holds individual workout sessions and is looking for places to rent for those activities
- Teams would travel to the Mankato market for events
- The owner does believe there is a need for an additional indoor sports facility in the market for the sport, because of the lack of indoor gym space
- Ideal configuration of a new facility to maximize participation from the sport:
  - Field/Court Size: 3 high school regulation basketball courts
  - Other Amenities Desired: Scoreboards
- Indoor activities that the organization would likely participate in at a new facility:
  - Leagues: No, only participate in tournaments
  - Rentals: Yes, 30-50 hours per week from April-July and 10-15 hours per week from June-July
  - Camps/Clinics: Yes, 30 players; club would promote the activities
  - Tournaments: Club would be interested in hosting one tournament per year
- The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
- The owner thinks regional/local basketball teams would travel to the area for tournaments

### **Minnesota Heat Basketball**

- The club would possibly travel to North Mankato for tournaments

### **Minnesota Comets**

- The club is located about two hours and fifteen minutes from Mankato

- The director can't commit to his club participating in events in North Mankato, simply because of the distance

**St. Peter Youth Basketball Association**

- There are 10-12 teams (100-150 participants)
- Hard courts available in the market are at schools and St. Peter Community Center
- Impression of a proposed facility in the market is positive. The vice president believes there is a need for recreation facilities, and the proposed facility would be a great asset to the Greater Mankato area
- Availability of indoor space in the market is extremely low, and there are many organizations wanting indoor space
- Basketball season is September to May
- Teams train and utilize school gyms for free; however, there is talk about charging a fee in the near future
- The association does need more indoor space and available times for teams to practice and play
- The vice president believes there is a need for an additional indoor sports facility in the market for the sport
- Amenities desired at a proposed facility would be 6 regulation size basketball courts, racquetball courts, a weight room and indoor golf facilities
- Indoor activities the organization would likely participate in at a new facility are:
  - Leagues: Yes, 10-12 teams
  - Rentals: Yes, from September to April
  - Camps/Clinics: Yes, 120 players
  - Tournaments: Yes, 10-12 teams
- The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities, but only if the gym space in St. Peter does not improve
- Believes there is need for sports performance training in the market
- Adult basketball is popular in the market

**Waseca Basketball Association**

- There are 5 boys' and 5 girls' teams, from grades K-8
- Cost per player is \$20 to \$100 per year
- Season is November to early April
- The club does not have an affiliation with organizations such as AAU
- Teams train at local schools, utilizing 3-4 gyms from November to early April for 10-12 hours per week and pay \$2 per hour per court
- Teams do not participate in indoor basketball leagues

- Teams participate in 3-7 tournaments per year. Entry fees are \$200 per team with 3-games guaranteed. Events are non-sanctioned, and teams travel within a 1-hour driving distance
- Availability of indoor space in the market is limited
- The president does believe there is a need for an additional indoor sports facility in the market for the sport because of the lack of indoor space
- Ideal configuration of a new facility to maximize participation from the sport is:
  - Field/Court Size: 2 high school regulation basketball courts
  - Preferred Flooring: Wood
  - Unacceptable Size and Flooring: Anything less than above and, in terms of flooring, concrete
  - Other Amenities Desired: Turf
- Indoor activities that the organization would likely participate in at a new facility:
  - Leagues: Yes, 5 teams
  - Rentals: Possibly, but travel to Mankato might be an issue
  - Camps/Clinics: Yes, 30 players; club would promote the activities
  - Tournaments: Yes, 10 teams
- Adult basketball participation is minimal in the market. Adult leagues are held at community and recreation centers.
- The president does believe there is a need for sports performance training in the market
- Impression of a proposed facility in the market is positive
- The president said that teams would travel to North Mankato for tournaments and leagues
- Other sports that would impact the usage of a new facility = soccer

## **SOCCER**

### **Mankato United Soccer Club**

- There are 34 competitive teams in the club from U9-U19, plus 500 recreational players
- Fee for recreational players is \$75 per season; fee for competitive players is \$450 per year
- Fall season is August-October; spring season is May-July
- Other clubs in the market are Le Sueur, Lake Crystal, St. Peter, Fairmont and New Ulm
- Member of Minnesota Youth Soccer Association
- Geographic reach of players is Mankato
- Teams used to train at the Armory but don't anymore, because it no longer has turf
- Teams train at local schools (3 gyms) for 100 total hours in January and February and pay \$5 per hour per court

- About 2-3 teams participate in indoor soccer leagues at Soccer Blast in the Twin Cities
- Availability of indoor space in the market is limited
- What would it take to move training regimens to a proposed facility? Decent cost and desired time slots
- The president does believe there is a need for an additional indoor sports facility in the market for the sport, because facility space and size is limited in the area
- Ideal configuration of a new facility to maximize participation from the sport:
  - Field/Court Size: Two regulation futsal size courts
  - Preferred Flooring: Futsal surface
  - Other Amenities Desired: Concessions
- Indoor activities that the organization would likely participate in at a new facility:
  - Rentals: Yes, 6 hours per week from December to mid-March; club would have funds to rent the facility
  - Camps/Clinics: Club might hold camps when the Mankato State University field opens but would consider a futsal camp at the proposed facility
  - Futsal Leagues: Yes, 10-12 teams
  - Futsal Tournaments: Yes, 10-12 teams
- There were no futsal leagues offered in 2018
- The president does believe North Mankato is a regional draw for futsal tournaments and that teams would travel to the area
- Adult soccer is an untapped market, according to the president. There is a local summer adult soccer league called La Liga Rosa with eight teams that plays at Lake Crystal
- The director does believe there is a need for sports performance training in the market; about 12-15 players would participate. One similar service currently operates in the market
- The club does not have a need for office space
- Impression of a proposed facility in the market = positive
- The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
- Other sports that would impact the usage of a new facility = lacrosse, baseball, football and rugby
- The president did indicate the club might offer a futsal league at the new indoor facility/dome at Mankato State University once it opens in late 2019
- The president did indicate a need for an outdoor turf field; club would help pay for capital costs and operational expenses, he said
- A new women's pro team will play under the club umbrella



**Minnesota Youth Soccer Association**

- There are 52,000 youth players in the state association, with about 70% of registered players coming from the Twin Cities
- There are about 8,000 adult members in the state, as part of the U.S. Adult Soccer Association
- Outdoor season is May to end of October; an Olympic Development Program (ODP) is held in May
- Indoor soccer is unregulated in the state
- The association utilizes indoor sports facilities to hold referee training, ODP training and coaches' education
- The association does not sanction or hold any futsal programming, but a few local affiliates in the Twin Cities run futsal programs
- Futsal is in its early stages of growth in the market
- The association would partner with a proposed facility to promote futsal and market to teams in the association
- The executive director believes there is a shortage of indoor space
- Ideal configuration of a new facility to maximize participation from the sport:
  - Field/Court Size: 1-3 futsal regulation size courts
  - Preferred Flooring: Hardwood
  - Unacceptable Size and Flooring: Anything less than above and, in terms of flooring, concrete
  - Other Amenities Desired: Restrooms and concessions
- Adult soccer is popular in the market
- Impression of a proposed facility in the market is positive

**TENNIS & PICKLEBALL****Greater Mankato Community Tennis Association**

- There are 150 high school tennis players and 300-400 youth players in the market
- Outdoor adult tennis and juniors' programs are popular in the market
- Member of USTA
- Indoor season is October to April
- Impression of a proposed facility in the market is positive
- The association hosts youth and adult USTA tournaments from Levels 2-7. Events are held from June to August (3 youth events, 1 adult event, 6 mixers per year)
- An indoor tennis facility in Mankato closed in 2010
- There is an indoor tennis facility at Gustavus Adolphus College. Outside groups cannot rent the courts for training or programming, but they can rent the venue for tournaments. The facility is always busy, according to the president

- Quite a few members travel to the indoor facility at Gustavus Adolphus College during the winter season
- The president believes there is need for an additional indoor tennis facility
- The president believes there is a need for an indoor tennis facility with 7-8 courts and the following amenities: a viewing area, bathrooms and changing rooms
- Pickleball is also popular in the market and growing
- The association does have plans to build an indoor tennis facility. A donor verbally committed to donating land and that option is still on the table
- If an indoor tennis facility were built in the market, it would be used by the association year round
- The association currently charges \$20 to be a member, which includes a spot on mailing and emailing lists. With no indoor tennis facility, it's hard to justify the validity of a membership and donating to the association. Currently, the association keeps a steady list of 150 members
- With no indoor facility, instructors charge \$25-\$30 per hour. Typically, indoor facilities charge \$50-\$75, and the instructor keeps usually 40%-50%
- The association currently hosts 3 USTA youth tournaments in June and July and 6 adult events; it also hosts approximately 14 high school tournaments per year. Some of those events could be indoor tournaments if there were an indoor facility. The association could also host sectional, college, regional, league and other tournaments in an indoor facility. Tournaments participants usually pay \$60 per person
- No indoor tennis leagues are offered at Gustavus Adolphus or in Owatonna; not enough court space is available to allocate up to 6 courts for league play
- No adult tennis tournaments are offered in the area. The two USTA tournaments offered are restricted to players with a certain number of USTA points; as a result, very few Mankato-area players participate
- Indoor activities at a proposed new indoor tennis facility that the association likely would participate in:
  - Indoor Leagues: The proposed facility could have USTA 3.0, 3.5, 4.0, 4.5 gendered leagues. It can do 7.0, 7.5, 8.0, 8.5, 9.0 USTA mixed doubles leagues. The facility also could offer flex singles and doubles leagues there are not associated with USTA. Additionally, the association could run leagues for older adults, such as 60+, 70+ and 80+. Special youth days could be programmed, with Junior Team Tennis programs offered year-round. Other opportunities would a cardio tennis program, age-group lessons and designated nights for men and women
  - Court Rental: Weekdays from 3-10 p.m. could focus on youth and private adult instruction. Retired adults and others with flexible schedules could use the facility from 7 a.m. to 3 p.m. Most clubs have three days per week dedicated to older adults

- Camps/Clinics: An estimated 300-400 kids likely would participate in June and July camps
- Tournaments: When the association hosts a 2-day, level 6 tournament, an average of 80 kids participate. The association's tournaments have more participation than those in Rochester, because it can draw from south and southwest of Mankato. Junior team tournaments hosted by the association typically include an average of 150 kids

### **Mankato Area Pickleball Association**

- There are 170 paid members in the association
- About 70% of those members are retired seniors
- The president has seen growth within the sport
- Players participate year-round, with the indoor season running from mid-September to April
- During the winter, the association plays at the YMCA and local school gyms
  - YMCA: Utilize 4 courts from 8-12 p.m. Monday through Friday and from 1-3 p.m. on Sunday; also from 6:30-9 p.m. on Tuesday and Friday. Participants must be YMCA members
  - School Gyms: Utilize the facilities for 6 hours per week, and each person pays \$30 per session (Fall – Oct to Dec and Winter – Jan to March)
- Availability of indoor space is limited
- The association hosts 1 tournament per year at the YMCA in April. In 2018, the event attracted 80 people; entry fees are \$25 per person
- The president believes there is a need for an additional indoor sports facility in the market for the sport, because there are no recreation centers in the area
- Ideal configuration of a new facility to maximize participation from the sport:
  - Field/Court Size: 6-9 regulation-size pickleball courts
  - Preferred Flooring: Wood or Sport Court
- The association would be interested in utilizing a proposed facility and would prefer a pay-as-you-play model. It would likely utilize the facility from mid-September to April, every Monday through Friday from 8:30 to 11 a.m.
- The association would be interested in hosting a tournament at the proposed facility
- The association would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities

## **VOLLEYBALL**

### **ARJO**

- The club would travel to North Mankato for tournaments and other events

### **Apple Valley Volleyball**

- Currently the club is not set up to participate in tournaments located outside of the southern Minneapolis/St. Paul area, but the commissioner said he certainly would consider participating in a tournament in North Mankato because of the short travel distance

### **Belle Plaine Juniors**

- The club would travel to North Mankato to compete in tournaments
- The Taylor Center at Mankato State University is the only quality volleyball facility south of Bloomington, and the club uses multiple gyms for their tournaments; only a certain number of teams can compete because of space limitations.
- Mankato is the same distance as some of the other cities to which the club travels for tournaments, and with less traffic. A new facility in North Mankato also would provide an opportunity to compete against teams in southern Minnesota.

### **Minnesota Attack Volleyball**

- There are 16 teams in the club, ages 10-18
- Season is November to March
- Member of the Junior Volleyball Association (JVA)
- Teams train at facilities operated by the Mankato School District, as well as the St. Peter Community Center, Mankato State University and other recreation centers. The utilize about 8-10 volleyball courts for 12 hours per week from November-March. Rental fees range from \$30 to \$100 per hour per basketball court
- Availability of indoor space in the market is limited
- Teams participate in 7 tournaments per year. Entry fees for 1-day is \$110 per team and \$590-\$700 per team for 2-day events. Events are sanctioned by USA Volleyball and JVA. Teams travel from between 90 minutes and three-and-a-half hours away
- The director does believe there is a need for an additional indoor sports facility in the market for the sport, because of the lack of indoor space, which forces the club to cut players
- Ideal configuration of a new facility to maximize participation from the sport :
  - Field/Court Size: 4 regulation-size volleyball courts
  - Preferred Flooring: Wood or Sport Court

- Other Amenities Desired: Concessions and spectator seating
- Indoor activities that the organization would likely participate in at a new facility:
  - Leagues: Yes, 14 teams, and the club would be interested in running the league
  - Rentals: Yes, November-May for 12 hours per week
  - Camps/Clinics: Yes, 70 kids, and the club would be interested in running the activities
  - Tournaments: Yes, 16 teams, and the club would be interested in running the activities
- The club would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
- The director believes there is a need for sports performance training in the market; about 16 teams would utilize the service
- Impression of a proposed facility in the market = positive
- Adult volleyball is popular in the market, with leagues hosted by parks and recreation departments
- Other sports that would impact the usage of a proposed facility = basketball, soccer and lacrosse

#### **USA Volleyball - North Country Region**

- There are 19,000 youth and 1,000 adults registered with the region, with a large percentage coming from the Twin Cities area
- Season is October to mid-June
- The region runs officials' training, coaches' clinics and other events, and it would be interested in utilizing a proposed facility for these trainings/clinics
- The region would be interested in partnering with the proposed facility and running tournaments there
- Impression of a proposed facility in the market = positive
- Ideal configuration of a new facility to maximize participation from the sport
  - Field/Court Size: 3-12 regulation-size volleyball courts
  - Preferred Flooring: Taraflex
  - Other Amenities Desired: Concessions, high ceiling, parking and restrooms
- Adult volleyball is popular in the market
- Some indoor leagues are regulated by the region, while others are not
- Entry fees for 1-day tournament range from \$60-\$100 per team; for 2-day events, they are \$275-\$400 per team
- Facilities can host tournaments without any affiliation to a club team provided a representative from the facility is a member of the region

- Sand volleyball is popular, but very few participants are registered with the region
- The executive director believes sand courts should be part of the proposed facility's plans

## **OTHER**

### **Bethany Lutheran College**

- The college's athletics programs need additional indoor sports space
- The college is looking at building an indoor turf and indoor 200-meter track facility/fieldhouse with an outdoor turf field. As of now, the college is waiting on final renderings and would need to present the plan to the board of trustees for approval — as well as secure funding for the project. If the plan falls through, the department would consider adding a dome to its outdoor turf field
- The college rents its indoor court; fees range from \$100-\$150 per 3-hour time block. The director did indicate some rentals are for free for youth groups
- The director believes there is greater need for an indoor turf venue and not more court venues
- College sports teams most in need of indoor space = baseball, softball, tennis, and soccer
- The director stated that an indoor tennis facility closed years ago
- The director indicated the college does not need to utilize a proposed facility if its own project proceeds
- If there were indoor tennis in the proposed facility, the college would utilize the facility for its tennis team for 15 hours per week from late January through March
- The tennis team currently uses indoor courts at Gustavus Adolphus College
- The director would consider a contractual arrangement to guarantee space and reduce the hourly cost of activities
- Impression of a proposed facility in the market = positive
- The director stated that Mankato State University is looking to build an indoor fieldhouse, and he also has heard that the Mankato Tennis Association was (as of about two years ago) considering an indoor tennis facility
- The director believes there is a need for an additional indoor sports facility in the market, because of the lack of indoor space

### **Mankato Family YMCA**

- The Y does have need for more indoor recreational space (hard courts), however the executive director did state that the Y is looking to build a new facility on Mankato's east side
- At this point, the Y has completed a market research and community needs assessment and hopes to begin a capital campaign in November 2019 (if the



financial pro forma comes back positive). The Y is looking to add some of the following elements in the new building:

- Indoor tennis courts
  - Childcare center
  - Four basketball courts
  - Twelve-lane indoor pool
- The Y offers the following youth sports programs:
  - Basketball – Winter
  - Soccer – Spring and fall
  - T-Ball – Spring and fall
  - Flag Football – Spring and fall
  - Each program runs for 7 or 8 weeks
  - On average, there are 120 participants in the youth sports programs
- The fall soccer program is an indoor program
- The Y rents its space to non-members or special events, but that seldom occurs because the space is consistently occupied by YMCA programs
- Sports most in need of indoor space = baseball, softball and soccer
- The executive director is aware that Mankato State University is adding a dome for turf and Bethany Lutheran College is adding a field house
- Indoor hard-court facilities available in the market are at the YMCA and colleges/universities
- The executive director does believe there is a need for an additional indoor sports facility in the market to host tournaments, but he doesn't believe an indoor facility can support itself if it were used only as a practice facility
- The Y would consider further discussions of a partnership for joint use arrangements to utilize space *only if the Y does not open its own new facility*

### **Mankato Family YMCA**

- The Y would have needs for additional indoor recreation programming space
- Youth sports programs that the Y offers:
  - Soccer: February-March = 100 kids
  - Basketball: January-February = 250 kids
  - T-ball and flag football programs are held outdoors
- Adult sports leagues that the Y offers:
  - Basketball: November-February = 8 teams (participation in adult basketball has been declining for the past 10 years)
  - Pickleball: 60-80 people
- The Y offers 12-18 mini-sports programs per year; 15 kids per five-week session
- The youth sports programs are aimed at youth from grades pre-K to 4. Each youth sports program is 8 weeks long

- There is a waiting list for program, because of lack of space
- There are 10,000 members, and the Y is financially strong
- The Y rents out its gyms to non-members for \$50 per hour per court
- Outdoor sports/groups that would have needs for additional indoor sports space beyond those available = soccer, basketball, flag football, softball and baseball
- The director was aware that Mankato State University and Bethany Lutheran College have plans to develop indoor facilities
- Courts available in the market are at the YMCA and schools
- The Y would consider an arrangement with a proposed facility for programming purposes and would utilize the space from October-April for 10-15 hours per week (and possibly in the summer months). The sports director is not sure if the Y would have funds to rent a facility; the CEO would make that decision
- The Y services the Mankato and North Mankato markets
- Impression of a proposed facility in the market = positive
- The director believes there is a need for an additional indoor sports facility in the market, because the area is a strong and consistent sports market

#### **Mankato Area Public Schools - Mankato West**

- Varsity teams would have needs for additional indoor space for courts, turf, aquatics and ice = swimming, basketball, volleyball, football and soccer
- The school rents its courts, but the details are handled by the Community Recreation Department
- The school district has no plans to develop additional indoor facilities
- Sports groups or organizations with indoor sports facility needs beyond what is available = basketball, volleyball, soccer, lacrosse, baseball and softball
- The director did hear about the potential of a community recreation center to be built in St. Peter; he also mentioned that Mankato State University is developing an indoor fieldhouse, and the YMCA is looking to build a new facility on the east side of the city
- Courts available in the market are at schools
- Availability of indoor space in the market is tight
- The director believes there is a need for an additional indoor sports facility in the market, because of the lack of indoor space
- The athletic department/school would be interested in renting the following:
  - Courts: In September-October and from November-February for about 15 hours per week
  - The school would have funds to rent the proposed facility
- Impression of a proposed facility in the market = positive
- The school would be interested in a contractual arrangement to guarantee space and reduce the hourly cost of activities
- The school/teams would be able to travel to a proposed facility

**Minnesota State University, Mankato**

- The university will be opening a turf dome facility in October 2019. The dome will be used in the winter and be removed in the spring/summer for use as an outdoor field
- The needs of the university's varsity, club and intramurals teams are being met
- The university rents out its hard-court venues to outside groups based on availability
- The university will provide community access to the new turf facility; fees will be \$450 for the full field and \$150 for 1/3 field
- The director said the university would need to generate \$300,000 each year in rentals for the new turf dome facility
- The university does not have any plans to develop additional indoor recreational/sports facilities at this time
- Sports in the community most in need of indoor space = basketball, volleyball, pickleball and soccer
- The director is aware that the YMCA is looking to expand and build a new facility
- Hard-court venues in the market are at schools, universities/colleges and the YMCA
- The director also sits on the board of the Sports Commission and did state that there is money available for the development of sports facilities through the local option sales tax
- The university does not have indoor tennis facilities, but the tennis team does rent the indoor facility at Gustavus Adolphus College in St. Peter
- The director believes there is a need for an additional indoor sports facility in the market

**Visit Mankato**

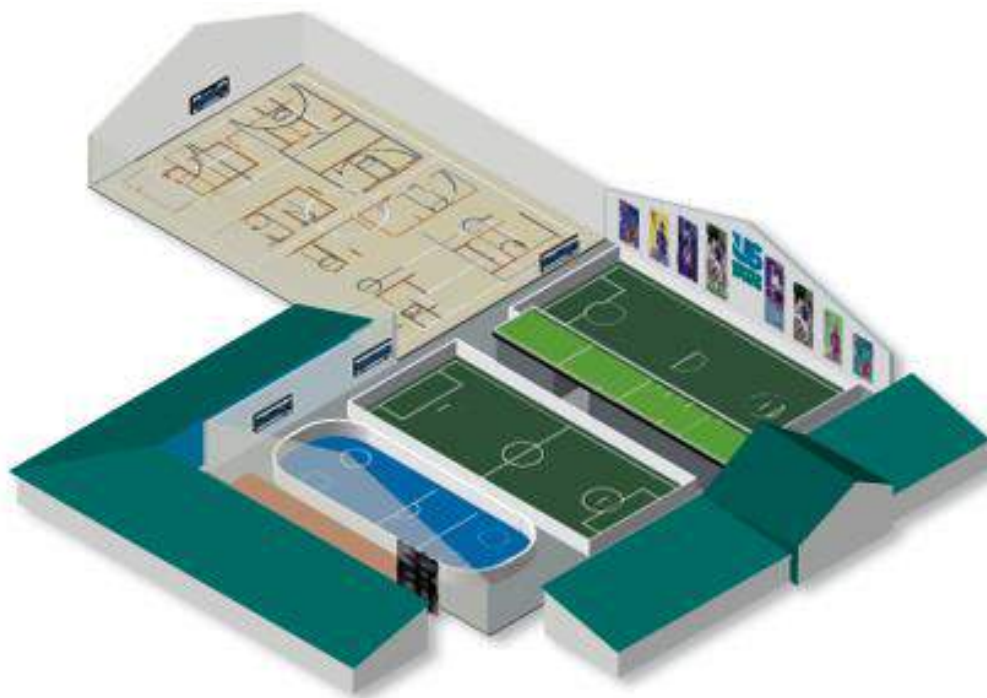
- There are 15 hotels in the market
- The Sports Commission estimates \$17.2 million in economic impact
- Average overnight visitor spending is \$165-\$175 per day
- The Sports Commission is becoming more active in trying to bring more sporting events to the market
- The busy season for conventions is fall/winter with summer being the slowest season
- The commission would help promote a proposed facility and assist with group sales efforts, but it would need to re-establish a relationship with the City of Mankato
- The commission supports local sports such as adult and youth volleyball, baseball and softball, BMX, basketball, mountain biking and gymnastics
- All three see a need for more basketball courts and tennis courts

## **Exhibit II: Existing Facility Competition**

### **North Mankato, MN**

Facilities are evaluated according to several criteria, including:

Functional Planning:	Design:	Site:
<ul style="list-style-type: none"> <li>• Plan and/or facility efficiency</li> <li>• The facility entry</li> <li>• The indoor facility circulation/traffic flow and;</li> <li>• Use of space</li> </ul>	<ul style="list-style-type: none"> <li>• Interior finishes</li> <li>• Detailing and color schemes</li> <li>• Use of natural and artificial lighting and;</li> <li>• Building materials/structure</li> </ul>	<ul style="list-style-type: none"> <li>• Location of the sports complex/facility</li> <li>• Ease of access to the facility site/location and;</li> <li>• Safety of the facility and the parking lot</li> </ul>



<b>Name</b>	<b>Mankato Armory - Minnesota National Guard</b>
<b>Address</b>	100 Martin Luther King Jr. Drive, Mankato, MN
<b>Website</b>	

Focus Criteria	Below Average/No	Average	Above Average/Yes
Exterior Facility Signage			x
Ample Parking Lots			x
What is the image portrayed by the facility			x
Parking Lot Lighting			x
Member Service Desk	x		
Staff person assigned at the front desk and was greeted	x		
Cleanliness of the facility			x
Interior lighting of the facility		x	
Surface of the sports venue	x		
Marketing material available on programming	x		
Facility is situated in a good area in terms of safety and ease of access			x
Is the facility easy to find and / or enter the site		x	
Quality of Website	x		
Offer on-line registration for programs	x		
Spectator seating around the field(s)/hard court(s)	x		
Hours of Operation posted in the facility	x		
Marketing Partners surrounding the facility	x		
Climate Controlled			x





<b>Name</b>	<b>Minnesota State University, Mankato (Myers Field House)</b>
<b>Address</b>	118 Myers Field House, Mankato, MN
<b>Website</b>	<a href="https://www.mnsu.edu/campusrec/facilities/myers.html">https://www.mnsu.edu/campusrec/facilities/myers.html</a>

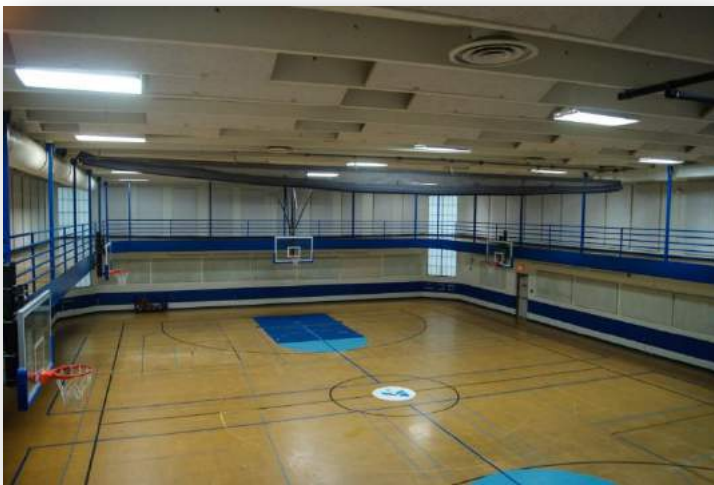
Focus Criteria	Below Average/No	Average	Above Average/Yes
Exterior Facility Signage			X
Ample Parking Lots			X
What is the image portrayed by the facility			X
Parking Lot Lighting			X
Member Service Desk	X		
Staff person assigned at the front desk and was greeted	X		
Cleanliness of the facility			X
Interior lighting of the facility			X
Surface of the sports venue	X		
Marketing material available on programming	X		
Facility is situated in a good area in terms of safety and ease of access			X
Is the facility easy to find and / or enter the site			X
Quality of Website			X
Offer on-line registration for programs	X		
Spectator seating around the field(s)/hard court(s)			X
Hours of Operation posted in the facility			X
Marketing Partners surrounding the facility	X		
Climate Controlled			X





<b>Name</b>	<b>Mankato Family YMCA</b>
<b>Address</b>	1401 S Riverfront Drive, Mankato, MN
<b>Website</b>	<a href="https://mankatoymca.org">https://mankatoymca.org</a>

Focus Criteria	Below Average/No	Average	Above Average/Yes
Exterior Facility Signage			X
Ample Parking Lots			X
What is the image portrayed by the facility			X
Parking Lot Lighting			X
Member Service Desk			X
Staff person assigned at the front desk and was greeted			X
Cleanliness of the facility			X
Interior lighting of the facility			X
Surface of the sports venue		X	
Marketing material available on programming			X
Facility is situated in a good area in terms of safety and ease of access			X
Is the facility easy to find and / or enter the site			X
Quality of Website			X
Offer on-line registration for programs			X
Spectator seating around the field(s)/hard court(s)	X		
Hours of Operation posted in the facility			X
Marketing Partners surrounding the facility	X		
Climate Controlled			X



**Local Competition**

<b>Name</b>	<b>Bethany Lutheran College</b>
<b>Address</b>	700 Luther Drive, Mankato, MN
<b>Website</b>	<a href="https://www.blc.edu">https://www.blc.edu</a>
<b>Venues</b>	2 basketball/volleyball courts, elevated track



<b>Name</b>	<b>Ignition Fitness</b>
<b>Address</b>	1960 Commerce Drive North Mankato, MN
<b>Website</b>	<a href="http://www.ignitionmankato.com/">http://www.ignitionmankato.com/</a>
<b>Venues</b>	1 turf field and batting cages



<b>Name</b>	<b>Lake Crystal Recreation Center</b>
<b>Address</b>	621 W Nathan St., Lake Crystal, MN
<b>Website</b>	<a href="http://www.lcarc.com">www.lcarc.com</a>
<b>Venues</b>	1 basketball/volleyball court

**Local Competition**

<b>Name</b>	<b>Minnesota State University, Mankato - Bresnan Arena / Otto Recreation Center / Schellberg Gym</b>
<b>Address</b>	Mankato, MN
<b>Website</b>	<a href="https://www.mnsu.edu/campusrec/facilities/">https://www.mnsu.edu/campusrec/facilities/</a>
<b>Venues</b>	6 basketball courts and 8 volleyball courts



<b>Name</b>	<b>Minnesota State University, Mankato-Myers Field House</b>
<b>Address</b>	Mankato, MN
<b>Website</b>	<a href="https://www.mnsu.edu/campusrec/facilities/">https://www.mnsu.edu/campusrec/facilities/</a>
<b>Venues</b>	8-lane 200-meter indoor track with 4 basketball/volleyball/ tennis/badminton courts



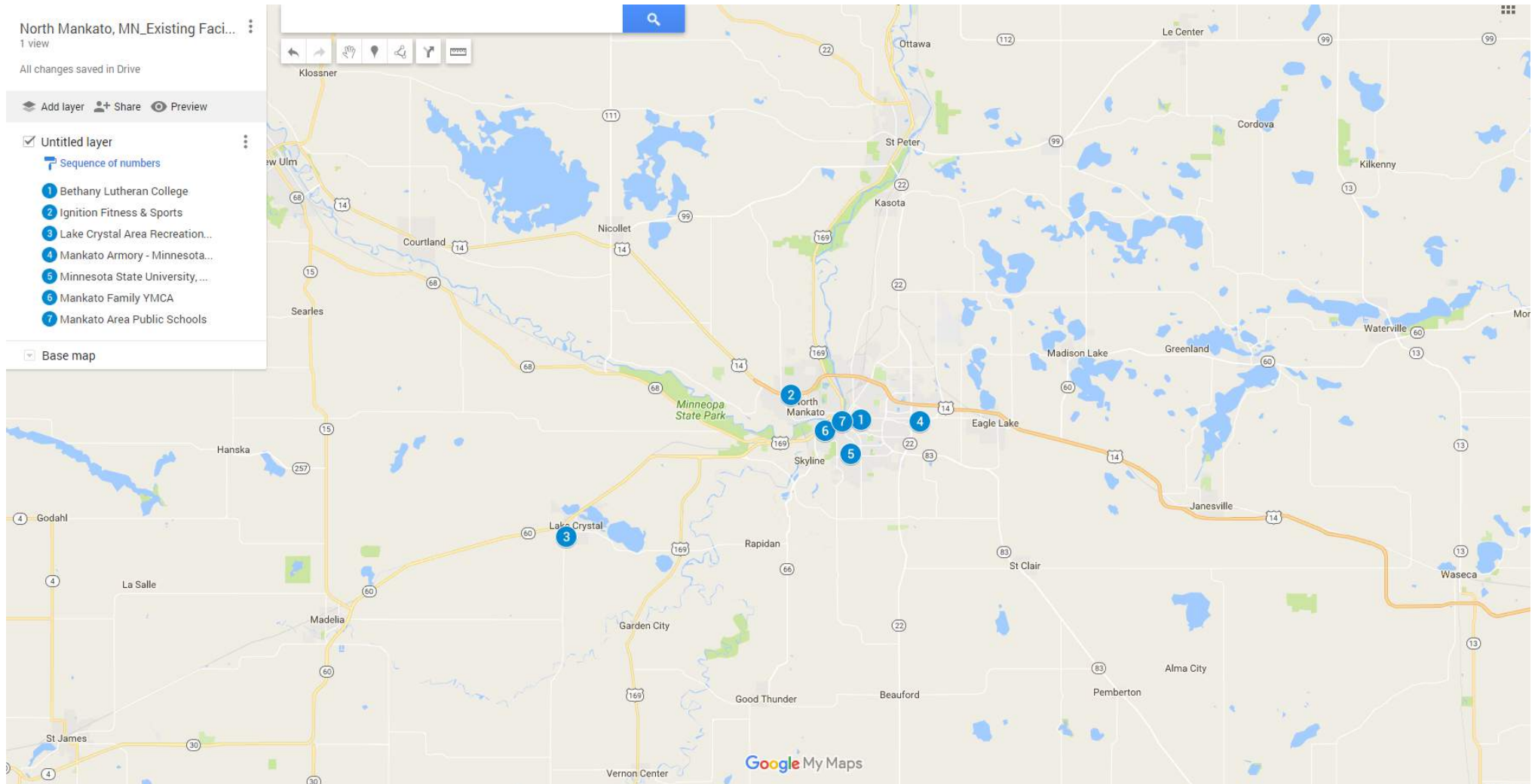
<b>Name</b>	<b>Mankato Area Public Schools</b>
<b>Address</b>	10 Civic Center Plaza, Mankato, MN
<b>Website</b>	<a href="http://www.isd77.org">www.isd77.org</a>
<b>Venues</b>	4 basketball courts / 5 volleyball courts

**North Mankato, MN**  
**Facility Analysis Summary**

Facility Name	# of Fields/Courts	Field/Court Dimensions	Mezzanine Viewing	Air Cond.	Heating	Locker Rooms	Retail	Alcohol	Food Service	Rental Rates
Mankato Armory - Minnesota National Guard	1 Turf Field	113x78 ft.	No	Yes	Yes	No	No	No	No	\$50 per hour
Minnesota State University, Mankato (Myers Field House)	4 Volleyball Courts 4 Basketball Courts 1 Batting Cage 1 Indoor Track	Volleyball – 30'x 60' H.S. Basketball – 94' X 50' Batting Cage – 60 ft. 200-meter track	No	Yes	Yes	Yes	No	No	Yes	-
Mankato Family YMCA	2 Volleyball Courts 3 Basketball Courts	Volleyball – 30'x 60' H.S. Basketball – 94' X 50'	No	Yes	Yes	Yes	No	No	No	\$50 per hour



## North Mankato, MN Facility Map Summary



# 2023 Demographics Reports (Local + Regional)



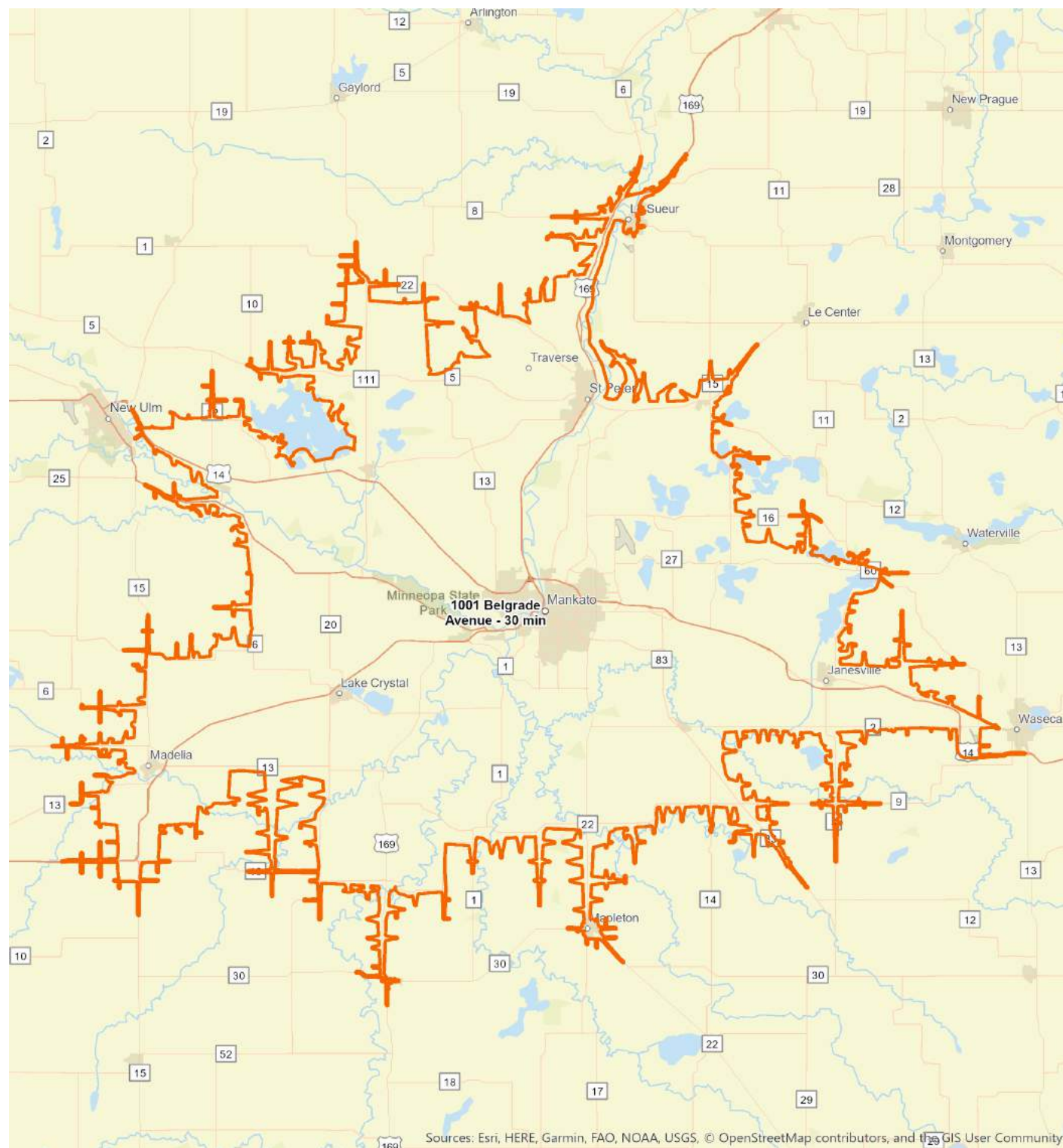




## **North Mankato, MN (Local Report)**

February 10, 2023

Trade Area: 1001 Belgrade Avenue - 30 min



# Pop-Facts® Demographics | Population & Race



Trade Area: 1001 Belgrade Avenue - 30 min

## POPULATION

110,285

## HOUSEHOLDS

42,645

## ETHNICITY



6.5%

Index:92

Hispanic/Latino

## HISPANIC ORIGIN\*



75.5%

Index:124

Mexican

## HOME LANGUAGE\*

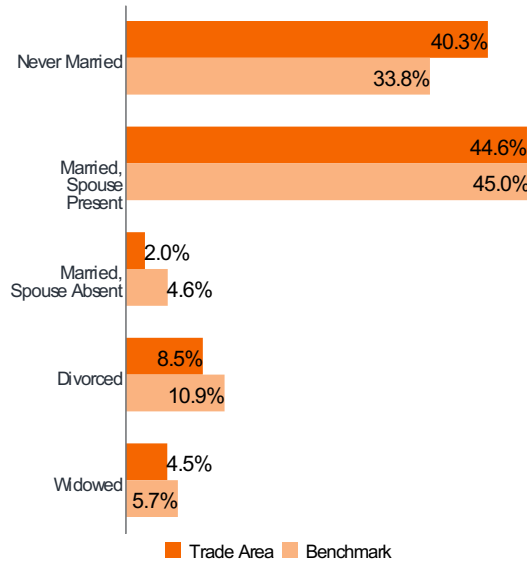


93.0%

Index:119

Only English

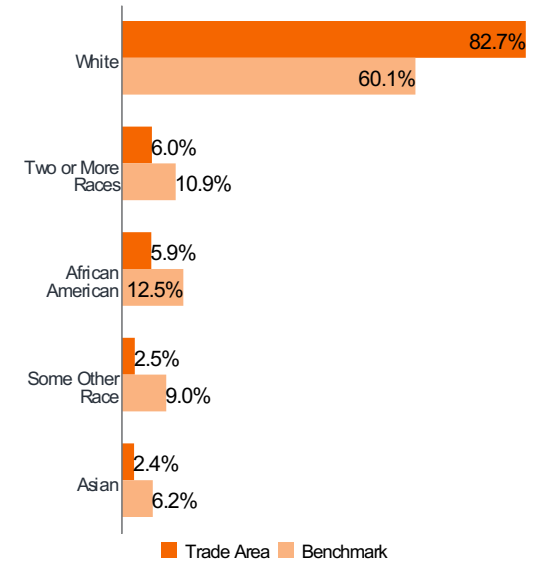
## MARITAL STATUS



## POPULATION BY AGE

Age	Count	%	Index
0 - 4	5,974	5.4	93
5 - 9	6,129	5.6	93
10 - 14	6,436	5.8	94
15 - 17	4,338	3.9	103
18 - 20	8,290	7.5	185
21 - 24	10,611	9.6	186
25 - 34	14,226	12.9	96
35 - 44	13,578	12.3	95
45 - 54	11,030	10.0	83
55 - 64	11,603	10.5	83
65 - 74	10,537	9.6	90
75 - 84	5,158	4.7	89
85+	2,375	2.2	105

## POPULATION BY RACE\*\*



Benchmark:USA

\*Top variable chosen from percent composition ranking

\*\*Top 5 variables chosen from percent composition ranking

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(<https://claritas.easptlight.com/Spotlight/About/3/2023>)

Index Colors:	<80	80 - 110	110+
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# Pop-Facts® Demographics | Housing & Household



Trade Area: 1001 Belgrade Avenue - 30 min

Population: 110,285 | Households: 42,645

## MEDIAN AGE OF HOUSEHOLDER

50

Index: 92

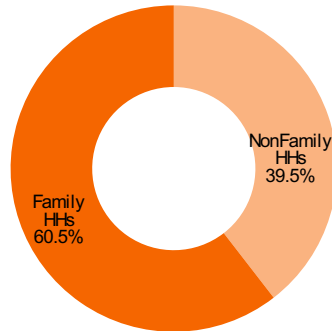
## PRESENCE OF CHILDREN\*



28.3%

Index: 84

## HOUSEHOLD TYPE



## HOUSING TENURE



Own

65.5%

Index: 102



Rent

34.5%

Index: 97

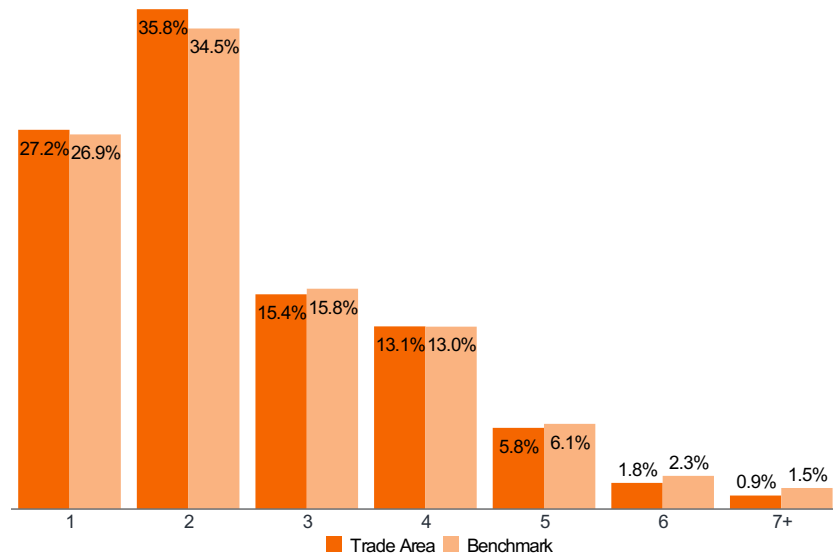
## AGE OF HOUSING\*\*



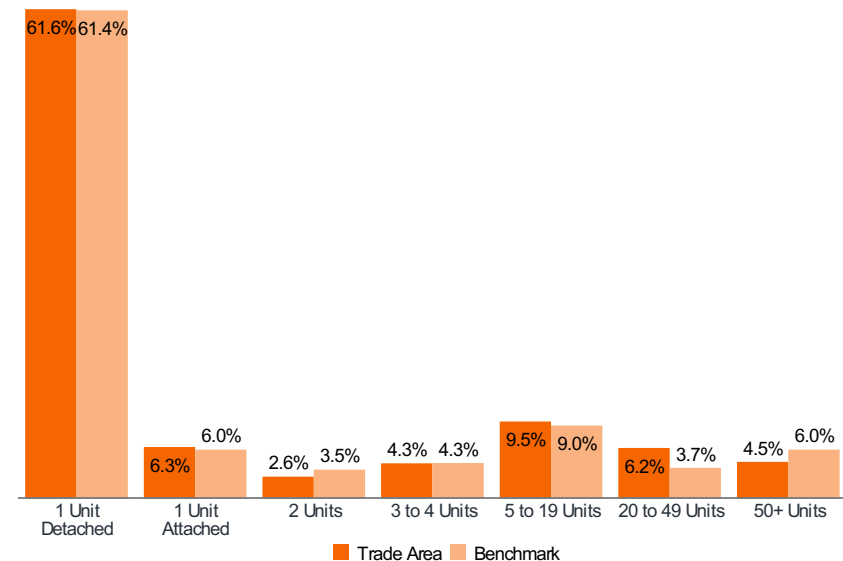
79+ years old

% Comp: 17.7 Index: 150

## HOUSEHOLD SIZE



## HOUSING UNITS IN STRUCTURE



Benchmark: USA

\*Uses the variable "Households with people under age 18"

\*\*Chosen from percent composition ranking

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Index Colors:	<80	80 - 110	110+
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# Pop-Facts® Demographics | Affluence & Education



Trade Area: 1001 Belgrade Avenue - 30 min

Population: 110,285 | Households:42,645

## EDUCATIONAL ATTAINMENT: TOP 2\*



25.6%

Index: 95

High School Graduate



23.6%

Index: 117

Bachelor's Degree

## EDUCATION: HISPANIC/LATINO



0.5%

Index:18

Bachelor's degree or higher

## POVERTY STATUS



92.9%

Index:102

At or above poverty

## HOUSEHOLD INCOME



Median Household Income

\$72,340

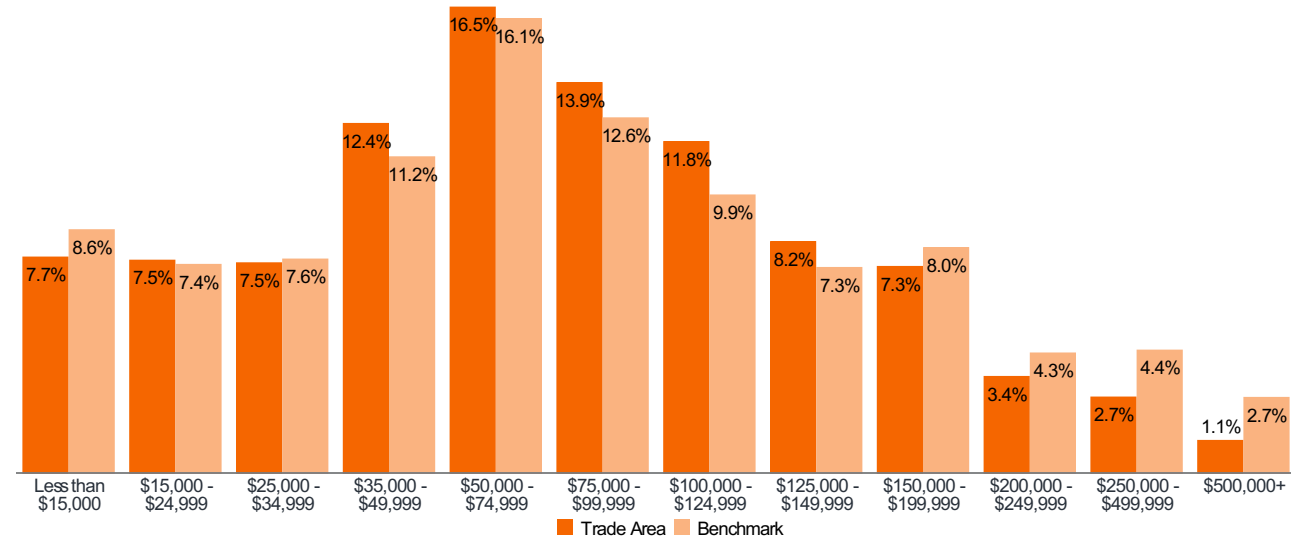
Index:99

Average Household Income

\$92,764

Index:88

## HOUSEHOLD INCOME DISTRIBUTION



Benchmark:USA

\*Ranked by percent composition

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Index Colors:	<80	80 - 110	110+
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# Pop-Facts® Demographics | Employment & Occupation



Trade Area: 1001 Belgrade Avenue - 30 min

Population: 110,285 | Households: 42,645

## OCCUPATIONAL CLASS\*



55.5%

Index:92

White Collar

## UNEMPLOYMENT RATE



2.6%

Index:54

Percent of civilian labor force unemployed

## METHOD OF TRAVEL TO WORK: TOP 2\*



78.4%

Index:104

Travel to work by **Driving Alone**

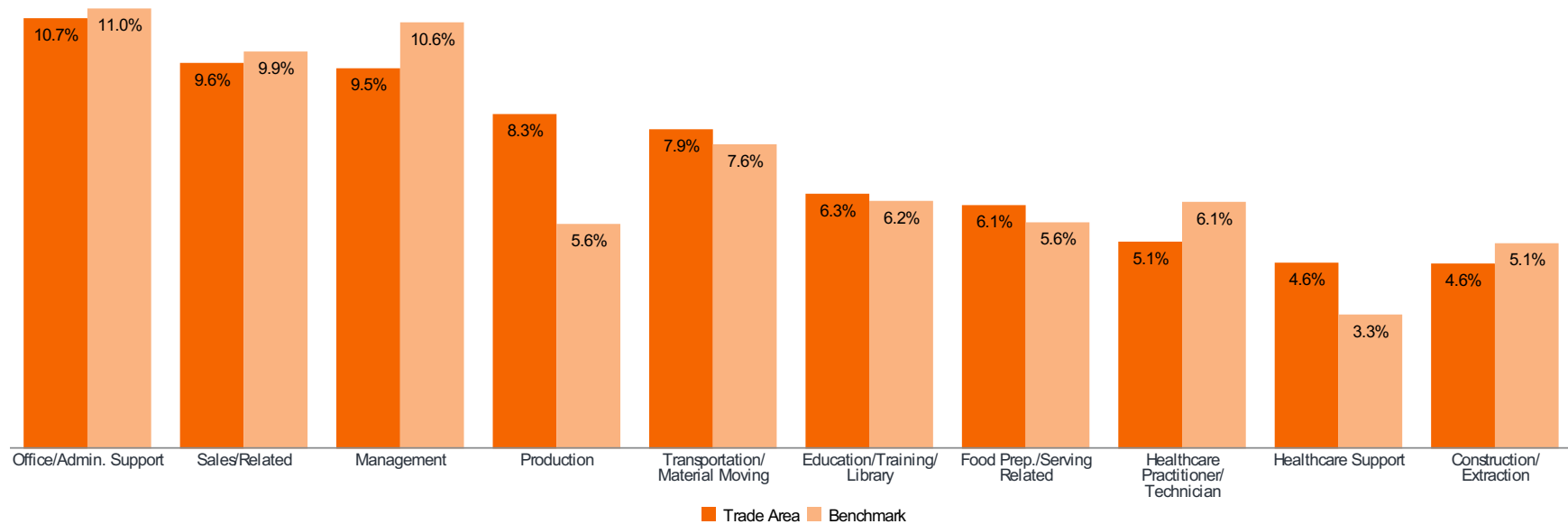


7.8%

Index:88

Travel to work by **Carpooling**

## OCCUPATION: TOP 10\*



Benchmark: USA

\*Chosen from percent composition ranking

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Index Colors:	<80	80 - 110	110+
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Trade Area: 1001 Belgrade Avenue - 30 min



## POPULATION

The population in this area is estimated to change from **109,386** to **110,285**, resulting in a growth of **0.8%** between 2020 and the current year. Over the next five years, the population is projected to grow by **2.3%**.

The population in the base area is estimated to change from **331,449,281** to **334,500,069**, resulting in a growth of **0.9%** between 2020 and the current year. Over the next five years, the population is projected to grow by **2.1%**.

The current year median age for this area is **34.3**, while the average age is **38.0**. Five years from now, the median age is projected to be **35.4**.

The current year median age for the base area is **39.2**, while the average age is **40.2**. Five years from now, the median age is projected to be **40.3**.

### Of this area's current year estimated population:

**82.7%** are White Alone, **5.9%** are Black or African American Alone, **0.4%** are American Indian and Alaska Nat. Alone, **2.4%** are Asian Alone, **0.1%** are Nat. Hawaiian and Other Pacific Isl. Alone, **2.5%** are Some Other Race, and **6.0%** are Two or More Races.

### Of the base area's current year estimated population:

**60.1%** are White Alone, **12.5%** are Black or African American Alone, **1.2%** are American Indian and Alaska Nat. Alone, **6.2%** are Asian Alone, **0.2%** are Nat. Hawaiian and Other Pacific Isl. Alone, **9.0%** are Some Other Race, and **10.9%** are Two or More Races.

This area's current estimated Hispanic or Latino population is **6.5%**, while the base area's current estimated Hispanic or Latino population is **19.9%**.



## HOUSEHOLD

The number of households in this area is estimated to change from **42,220** to **42,645**, resulting in an increase of **1.0%** between 2020 and the current year. Over the next five years, the number of households is projected to increase by **2.6%**.

The number of households in the base area is estimated to change from **126,817,580** to **128,298,155**, resulting in an increase of **1.2%** between 2020 and the current year. Over the next five years, the number of households is projected to increase by **2.4%**.

Benchmark: USA

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Trade Area: 1001 Belgrade Avenue - 30 min



## EDUCATION

Currently, it is estimated that **7.7%** of the population age 25 and over in this area had earned a Master's Degree, **1.7%** had earned a Professional School Degree, **2.2%** had earned a Doctorate Degree and **23.6%** had earned a Bachelor's Degree.

In comparison, for the base area, it is estimated that for the population over age 25, **9.1%** had earned a Master's Degree, **2.2%** had earned a Professional School Degree, **1.5%** had earned a Doctorate Degree and **20.2%** had earned a Bachelor's Degree.



## INCOME

The average household income is estimated to be **\$92,764** for the current year, while the average household income for the base area is estimated to be **\$104,972** for the same time frame.

The average household income in this area is projected to change over the next five years, from **\$92,764** to **\$106,079**.

The average household income in the base area is projected to change over the next five years, from **\$104,972** to **\$118,758**.



## HOUSING

Most of the dwellings in this area (**65.5%**) are estimated to be **Owner-Occupied** for the current year. For the base area the majority of the housing units are **Owner-Occupied** (**64.4%**).

The majority of dwellings in this area (**61.6%**) are estimated to be structures of **1 Unit Detached** for the current year. The majority of the dwellings in the base area (**61.4%**) are estimated to be structure of **1 Unit Detached** for the same year.

The majority of housing units in this area (**17.7%**) are estimated to have been **Built 1939 or Earlier** for the current year.

The majority of housing units in the base area (**14.6%**) are estimated to have been **Built 1970 to 1979** for the current year.

Benchmark: USA

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Trade Area: 1001 Belgrade Avenue - 30 min



## LABOR

For this area, **1001 Belgrade Avenue - 30 min**, **97.4%** of the labor force is estimated to be employed for the current year.

The employment status of the population age 16 and over is as follows:

**0.1%** are in the Armed Forces, **69.7%** are employed civilians, **1.9%** are unemployed civilians, and **28.3%** are not in the labor force.

The occupational classification for this area are as follows:

**23.8%** hold blue collar occupations, **55.5%** hold white collar occupations, and **20.7%** are occupied as service & farm workers.

For the civilian employed population age 16 and over in this area, it is estimated that they are employed in the following occupational categories:

**1.3%** are in Architecture and Engineering, **2.0%** are in Arts, Entertainment and Sports, **4.4%** are in Business and Financial Operations, **2.2%** are in Computers and Mathematics, **6.3%** are in Education, Training and Libraries, **5.1%** are in Healthcare Practitioners and Technicians, **4.6%** are in Healthcare Support, **0.8%** are in Life, Physical and Social Sciences, **9.5%** are in Management, **10.7%** are in Office and Administrative Support.

**3.0%** are in Community and Social Services, **6.1%** are in Food Preparation and Serving, **0.5%** are in Legal Services, **1.5%** are in Protective Services, **9.6%** are in Sales and Related Services, **3.6%** are in Personal Care Services.

**3.9%** are in Building and Grounds Maintenance, **4.6%** are in Construction and Extraction, **1.0%** are in Farming, Fishing and Forestry, **2.9%** are in Maintenance and Repair, **8.3%** are in Production, **7.9%** are in Transportation and Moving.

For the base area, **USA**, **95.3%** of the labor force is estimated to be employed for the current year.

The employment status of the population age 16 and over is as follows:

**0.4%** are in the Armed Forces, **60.1%** are employed civilians, **3.0%** are unemployed civilians, and **36.5%** are not in the labor force.

The occupational classification for the base area are as follows:

**21.3%** hold blue collar occupations, **60.5%** hold white collar occupations, and **18.2%** are occupied as service & farm workers.

For the civilian employed population age 16 and over in the base area, it is estimated that they are employed in the following occupational categories:

**2.0%** are in Architecture and Engineering, **2.0%** are in Arts, Entertainment and Sports, **5.4%** are in Business and Financial Operations, **3.3%** are in Computers and Mathematics, **6.2%** are in Education, Training and Libraries, **6.1%** are in Healthcare Practitioners and Technicians, **3.3%** are in Healthcare Support, **1.0%** are in Life, Physical and Social Sciences, **10.6%** are in Management, **11.0%** are in Office and Administrative Support.

**1.8%** are in Community and Social Services, **5.6%** are in Food Preparation and Serving, **1.1%** are in Legal Services, **2.2%** are in Protective Services, **9.9%** are in Sales and Related Services, **2.7%** are in Personal Care Services.

**3.7%** are in Building and Grounds Maintenance, **5.1%** are in Construction and Extraction, **0.6%** are in Farming, Fishing and Forestry, **3.1%** are in Maintenance and Repair, **5.6%** are in Production, **7.6%** are in Transportation and Moving.

Benchmark: USA

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# Report Details

**Name:** North Mankato, MN (Local Report)  
**Date / Time:** 2/10/2023 11:00:11 AM  
**Workspace Vintage:** 2023

## Trade Area

Name	Level	Geographies
1001 Belgrade Avenue - 30 min		N/A

## Benchmark

Name	Level	Geographies
USA	Entire US	United States

## DataSource

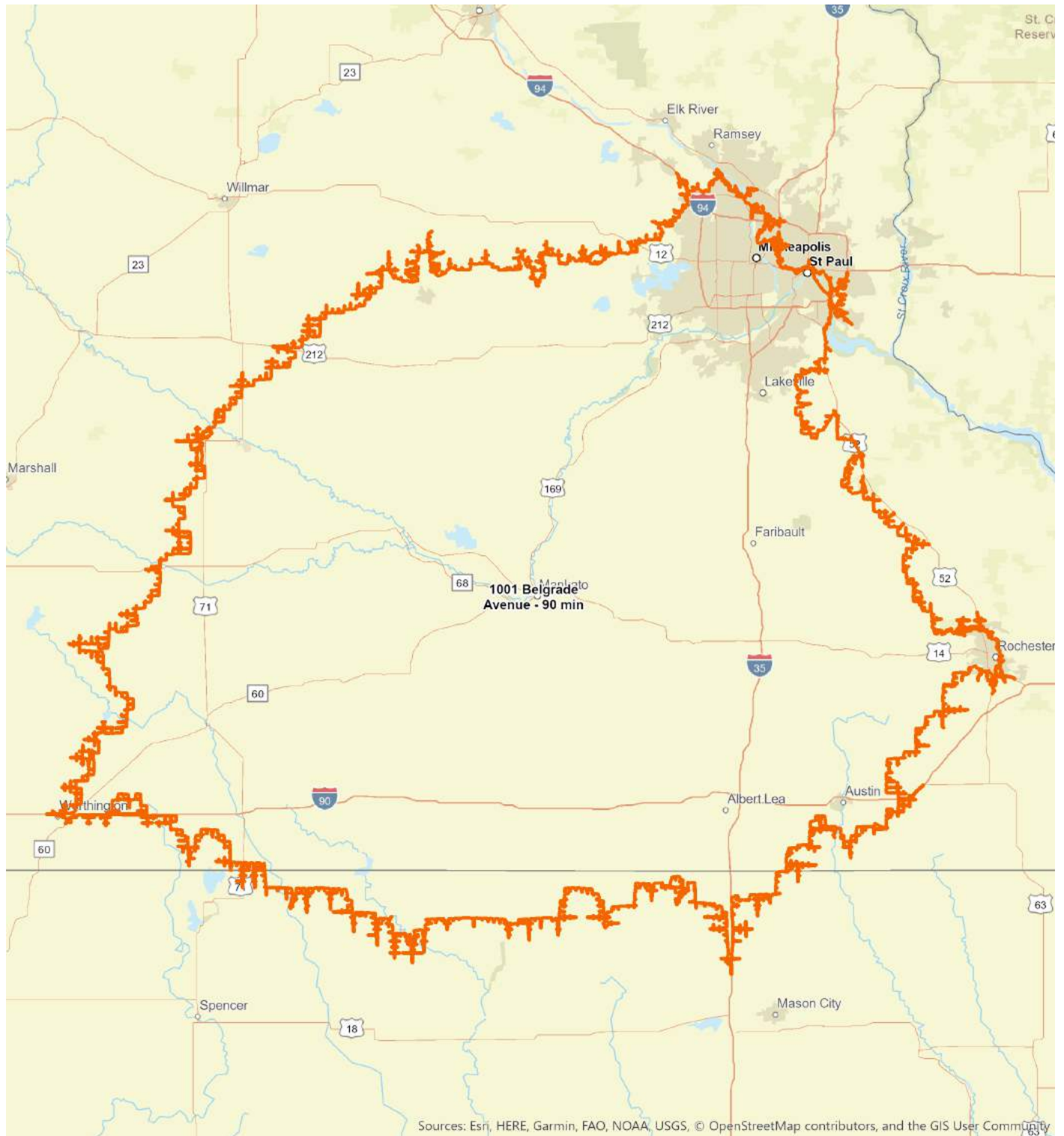
Product	Provider	Copyright
Claritas Pop-Facts® Premier 2023	Claritas	©Claritas, LLC 2023 ( <a href="https://claritas.easpotlight.com/Spotlight/About">https://claritas.easpotlight.com/Spotlight/About</a> )
SPOTLIGHT Pop-Facts® Premier 2023, including 2000 and 2010 US Census, 2023 estimates and 2028 projections	Claritas	© 2023 Claritas, LLC. All Rights Reserved. Pop-Facts is a registered trademark of Claritas, LLC. ( <a href="https://claritas.easpotlight.com/Spotlight/About">https://claritas.easpotlight.com/Spotlight/About</a> )



## **North Mankato, MN (Regional Report)**

February 10, 2023

Trade Area: 1001 Belgrade Avenue - 90 min



Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

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# Pop-Facts® Demographics | Population & Race



Trade Area: 1001 Belgrade Avenue - 90 min

## POPULATION

2,658,691

## HOUSEHOLDS

1,068,988

## ETHNICITY



8.4%

Index:96

Hispanic/Latino

## HISPANIC ORIGIN\*



66.3%

Index:109

Mexican

## HOME LANGUAGE\*

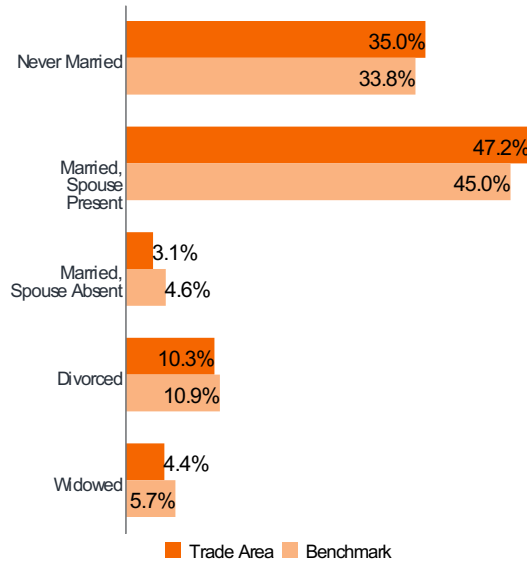


84.7%

Index:108

Only English

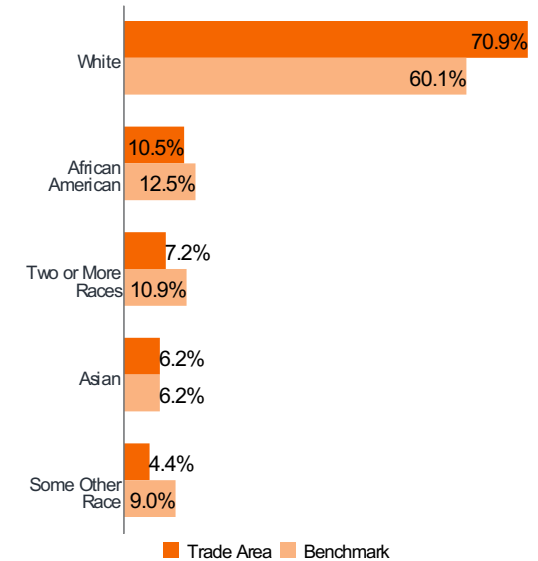
## MARITAL STATUS



## POPULATION BY AGE

Age	Count	%	Index
0 - 4	160,598	6.0	104
5 - 9	163,315	6.1	103
10 - 14	167,285	6.3	102
15 - 17	101,882	3.8	100
18 - 20	109,622	4.1	101
21 - 24	134,061	5.0	98
25 - 34	365,067	13.7	102
35 - 44	370,204	13.9	108
45 - 54	312,888	11.8	98
55 - 64	328,989	12.4	98
65 - 74	262,473	9.9	93
75 - 84	126,592	4.8	91
85+	55,713	2.1	102

## POPULATION BY RACE\*\*



Benchmark:USA

\*Top variable chosen from percent composition ranking

\*\*Top 5 variables chosen from percent composition ranking

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(<https://claritas.easptlight.com/Spotlight/About/3/2023>)

Index Colors:	<80	80 - 110	110+
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# Pop-Facts® Demographics | Housing & Household



Trade Area: 1001 Belgrade Avenue - 90 min

Population: 2,658,691 | Households: 1,068,988

## MEDIAN AGE OF HOUSEHOLDER

51

Index: 96

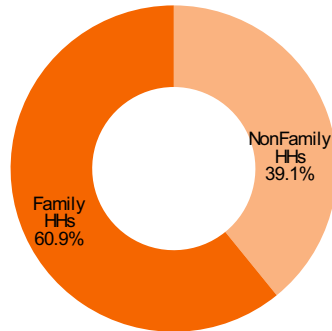
## PRESENCE OF CHILDREN\*



30.8%

Index: 91

## HOUSEHOLD TYPE



## HOUSING TENURE



Own

67.1%

Index: 104



Rent

32.9%

Index: 93

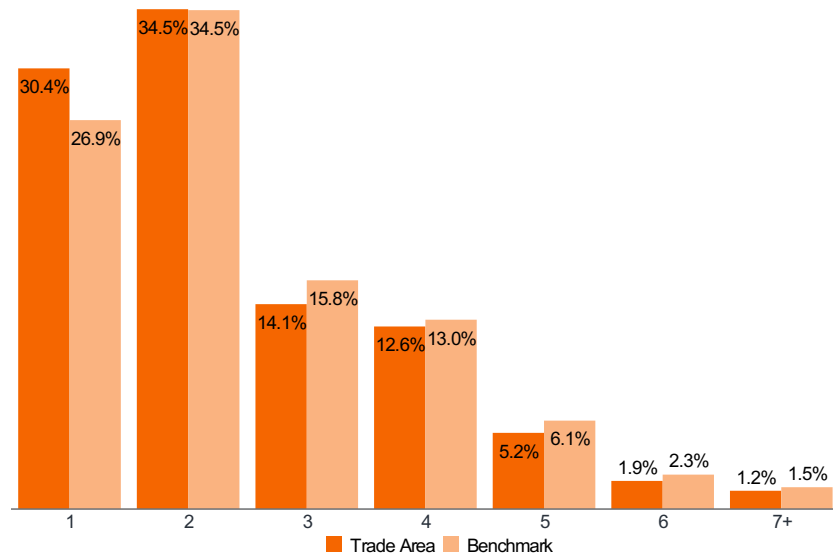
## AGE OF HOUSING\*\*



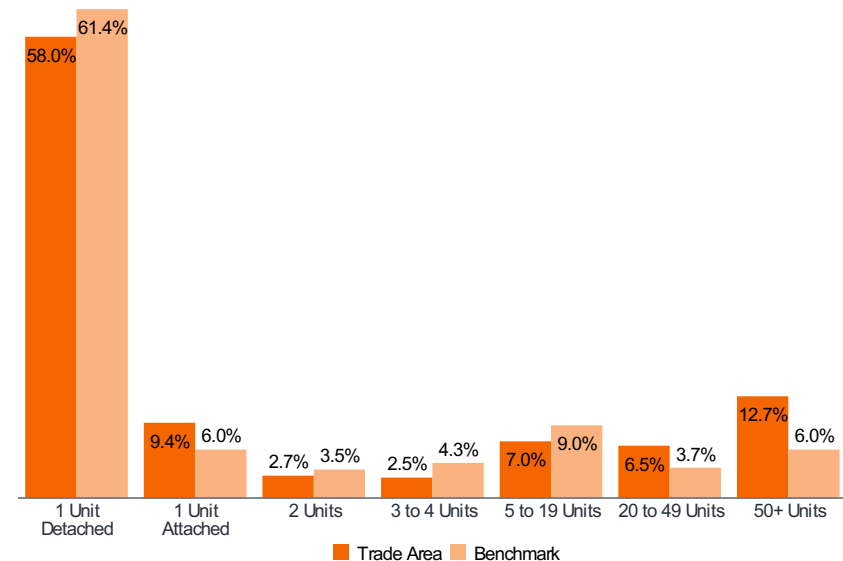
79+ years old

% Comp: 17.5 Index: 148

## HOUSEHOLD SIZE



## HOUSING UNITS IN STRUCTURE



Benchmark: USA

\*Uses the variable "Households with people under age 18"

\*\*Chosen from percent composition ranking

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Index Colors:	<80	80 - 110	110+
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# Pop-Facts® Demographics | Affluence & Education



Trade Area: 1001 Belgrade Avenue - 90 min

Population: 2,658,691 | Households: 1,068,988

## EDUCATIONAL ATTAINMENT: TOP 2\*



28.7%

Index: **142**

Bachelor's Degree



20.3%

Index: **76**

High School Graduate

## EDUCATION: HISPANIC/LATINO



1.4%

Index: **48**

Bachelor's degree or higher

## POVERTY STATUS



94.8%

Index: **104**

At or above poverty

## HOUSEHOLD INCOME



Median Household Income

**\$88,130**

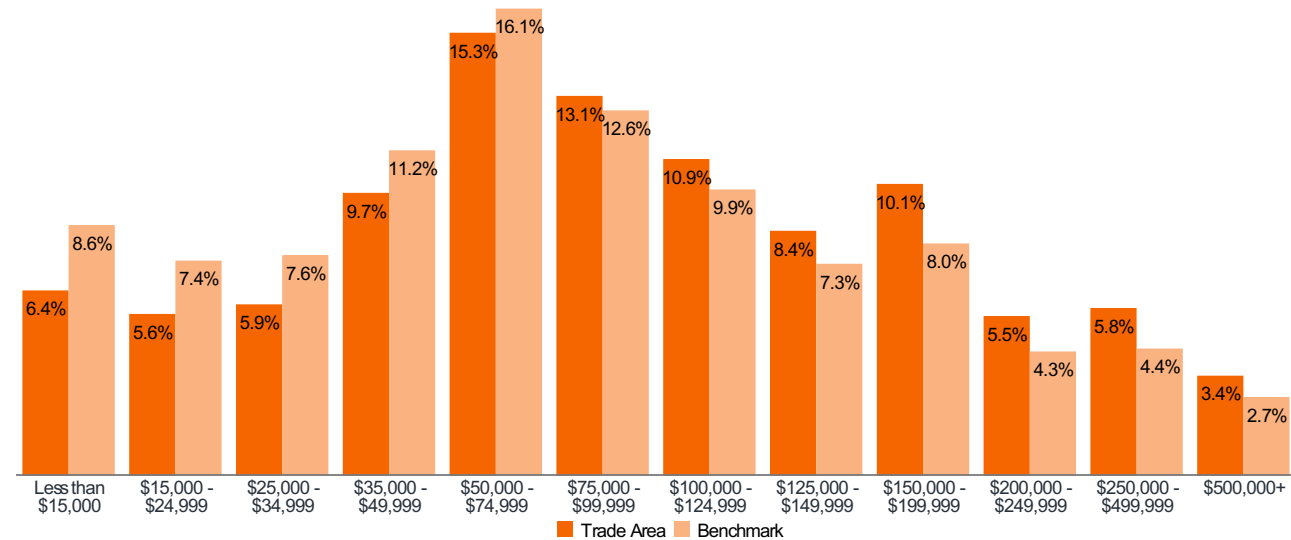
Index: **120**

Average Household Income

**\$121,318**

Index: **116**

## HOUSEHOLD INCOME DISTRIBUTION



Benchmark: USA

\*Ranked by percent composition

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Index Colors:	<80	80 - 110	110+
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# Pop-Facts® Demographics | Employment & Occupation



Trade Area: 1001 Belgrade Avenue - 90 min

Population: 2,658,691 | Households: 1,068,988

## OCCUPATIONAL CLASS\*



67.0%

Index:111

White Collar

## UNEMPLOYMENT RATE



3.3%

Index:71

Percent of civilian labor force unemployed

## METHOD OF TRAVEL TO WORK: TOP 2\*



74.3%

Index:99

Travel to work by **Driving Alone**

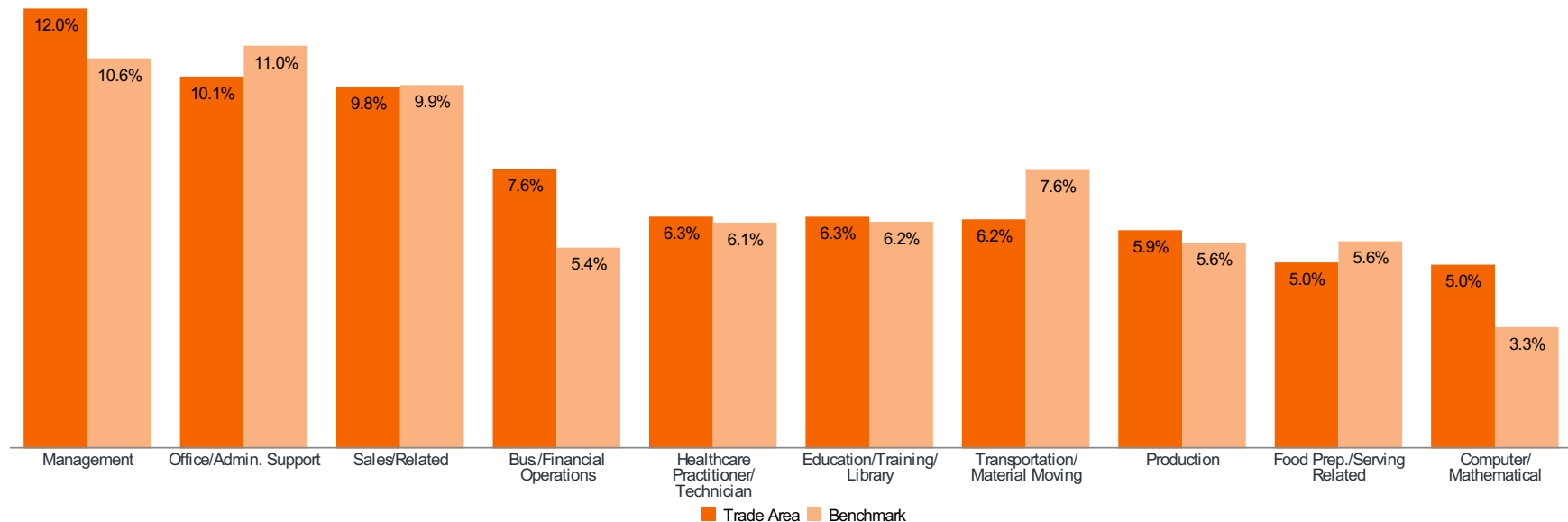


7.5%

Index:85

Travel to work by **Carpooling**

## OCCUPATION: TOP 10\*



Benchmark: USA

\*Chosen from percent composition ranking

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(<https://claritas.easpotlight.com/Spotlight/About/3/2023>)

Index Colors:	<80	80 - 110	110+
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Trade Area: 1001 Belgrade Avenue - 90 min



## POPULATION

The population in this area is estimated to change from **2,641,294** to **2,658,691**, resulting in a growth of **0.7%** between 2020 and the current year. Over the next five years, the population is projected to grow by **2.5%**.

The population in the base area is estimated to change from **331,449,281** to **334,500,069**, resulting in a growth of **0.9%** between 2020 and the current year. Over the next five years, the population is projected to grow by **2.1%**.

The current year median age for this area is **38.4**, while the average age is **39.5**. Five years from now, the median age is projected to be **39.6**.

The current year median age for the base area is **39.2**, while the average age is **40.2**. Five years from now, the median age is projected to be **40.3**.

### Of this area's current year estimated population:

**70.9%** are White Alone, **10.5%** are Black or African American Alone, **0.8%** are American Indian and Alaska Nat. Alone, **6.2%** are Asian Alone, **0.1%** are Nat. Hawaiian and Other Pacific Isl. Alone, **4.4%** are Some Other Race, and **7.2%** are Two or More Races.

### Of the base area's current year estimated population:

**60.1%** are White Alone, **12.5%** are Black or African American Alone, **1.2%** are American Indian and Alaska Nat. Alone, **6.2%** are Asian Alone, **0.2%** are Nat. Hawaiian and Other Pacific Isl. Alone, **9.0%** are Some Other Race, and **10.9%** are Two or More Races.

This area's current estimated Hispanic or Latino population is **8.4%**, while the base area's current estimated Hispanic or Latino population is **19.9%**.



## HOUSEHOLD

The number of households in this area is estimated to change from **1,062,366** to **1,068,988**, resulting in an increase of **0.6%** between 2020 and the current year. Over the next five years, the number of households is projected to increase by **2.5%**.

The number of households in the base area is estimated to change from **126,817,580** to **128,298,155**, resulting in an increase of **1.2%** between 2020 and the current year. Over the next five years, the number of households is projected to increase by **2.4%**.

Benchmark: USA

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Trade Area: 1001 Belgrade Avenue - 90 min



## EDUCATION

Currently, it is estimated that **11.1%** of the population age 25 and over in this area had earned a Master's Degree, **2.9%** had earned a Professional School Degree, **1.8%** had earned a Doctorate Degree and **28.7%** had earned a Bachelor's Degree.

In comparison, for the base area, it is estimated that for the population over age 25, **9.1%** had earned a Master's Degree, **2.2%** had earned a Professional School Degree, **1.5%** had earned a Doctorate Degree and **20.2%** had earned a Bachelor's Degree.



## INCOME

The average household income is estimated to be **\$121,318** for the current year, while the average household income for the base area is estimated to be **\$104,972** for the same time frame.

The average household income in this area is projected to change over the next five years, from **\$121,318** to **\$137,352**.

The average household income in the base area is projected to change over the next five years, from **\$104,972** to **\$118,758**.



## HOUSING

Most of the dwellings in this area (**67.1%**) are estimated to be **Owner-Occupied** for the current year. For the base area the majority of the housing units are **Owner-Occupied** (**64.4%**).

The majority of dwellings in this area (**58.0%**) are estimated to be structures of **1 Unit Detached** for the current year. The majority of the dwellings in the base area (**61.4%**) are estimated to be structure of **1 Unit Detached** for the same year.

The majority of housing units in this area (**17.5%**) are estimated to have been **Built 1939 or Earlier** for the current year.

The majority of housing units in the base area (**14.6%**) are estimated to have been **Built 1970 to 1979** for the current year.

Benchmark: USA

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Trade Area: 1001 Belgrade Avenue - 90 min



## LABOR

For this area, **1001 Belgrade Avenue - 90 min**, **96.7%** of the labor force is estimated to be employed for the current year.

The employment status of the population age 16 and over is as follows:

**0.1%** are in the Armed Forces, **69.3%** are employed civilians, **2.3%** are unemployed civilians, and **28.3%** are not in the labor force.

The occupational classification for this area are as follows:

**17.6%** hold blue collar occupations, **67.0%** hold white collar occupations, and **15.4%** are occupied as service & farm workers.

For the civilian employed population age 16 and over in this area, it is estimated that they are employed in the following occupational categories: **2.5%** are in Architecture and Engineering, **2.6%** are in Arts, Entertainment and Sports, **7.6%** are in Business and Financial Operations, **5.0%** are in Computers and Mathematics, **6.3%** are in Education, Training and Libraries, **6.3%** are in Healthcare Practitioners and Technicians, **3.3%** are in Healthcare Support, **1.3%** are in Life, Physical and Social Sciences, **12.0%** are in Management, **10.1%** are in Office and Administrative Support.

**2.2%** are in Community and Social Services, **5.0%** are in Food Preparation and Serving, **1.2%** are in Legal Services, **1.1%** are in Protective Services, **9.8%** are in Sales and Related Services, **2.7%** are in Personal Care Services.

**2.8%** are in Building and Grounds Maintenance, **3.2%** are in Construction and Extraction, **0.5%** are in Farming, Fishing and Forestry, **2.2%** are in Maintenance and Repair, **5.9%** are in Production, **6.2%** are in Transportation and Moving.

For the base area, **USA**, **95.3%** of the labor force is estimated to be employed for the current year.

The employment status of the population age 16 and over is as follows:

**0.4%** are in the Armed Forces, **60.1%** are employed civilians, **3.0%** are unemployed civilians, and **36.5%** are not in the labor force.

The occupational classification for the base area are as follows:

**21.3%** hold blue collar occupations, **60.5%** hold white collar occupations, and **18.2%** are occupied as service & farm workers.

For the civilian employed population age 16 and over in the base area, it is estimated that they are employed in the following occupational categories: **2.0%** are in Architecture and Engineering, **2.0%** are in Arts, Entertainment and Sports, **5.4%** are in Business and Financial Operations, **3.3%** are in Computers and Mathematics, **6.2%** are in Education, Training and Libraries, **6.1%** are in Healthcare Practitioners and Technicians, **3.3%** are in Healthcare Support, **1.0%** are in Life, Physical and Social Sciences, **10.6%** are in Management, **11.0%** are in Office and Administrative Support.

**1.8%** are in Community and Social Services, **5.6%** are in Food Preparation and Serving, **1.1%** are in Legal Services, **2.2%** are in Protective Services, **9.9%** are in Sales and Related Services, **2.7%** are in Personal Care Services.

**3.7%** are in Building and Grounds Maintenance, **5.1%** are in Construction and Extraction, **0.6%** are in Farming, Fishing and Forestry, **3.1%** are in Maintenance and Repair, **5.6%** are in Production, **7.6%** are in Transportation and Moving.

Benchmark: USA

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# Pop-Facts® Demographics | Population & Race



Trade Area: 1001 Belgrade Avenue - 180 min

## POPULATION

6,471,000

## HOUSEHOLDS

2,548,442

## ETHNICITY



6.9%

Index:98

Hispanic/Latino

## HISPANIC ORIGIN\*



67.1%

Index:111

Mexican

## HOME LANGUAGE\*

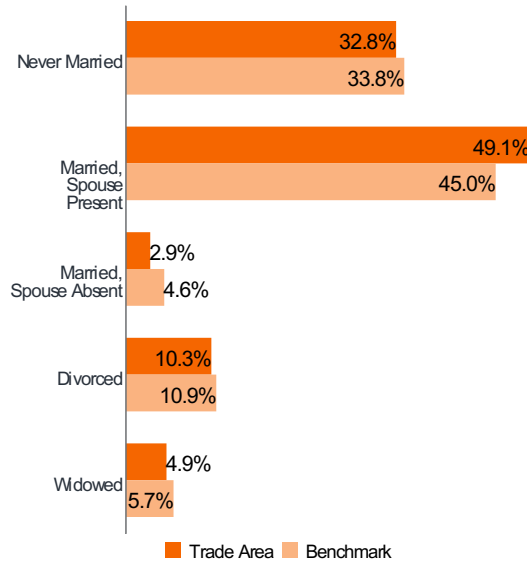


88.1%

Index:113

Only English

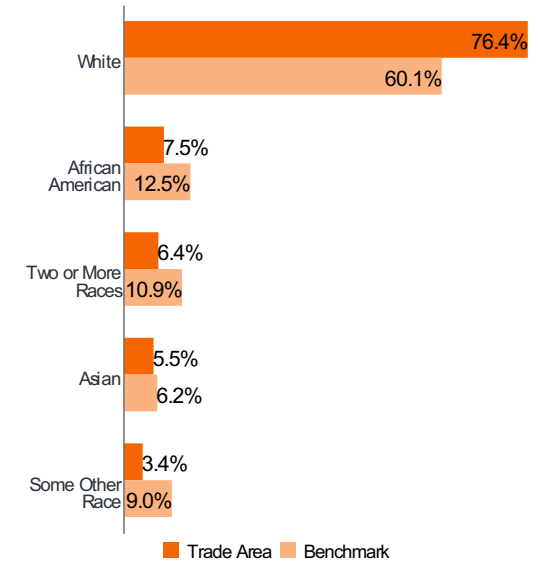
## MARITAL STATUS



## POPULATION BY AGE

Age	Count	%	Index
0 - 4	395,448	6.1	105
5 - 9	401,871	6.2	104
10 - 14	416,358	6.4	104
15 - 17	253,982	3.9	103
18 - 20	284,699	4.4	108
21 - 24	348,274	5.4	104
25 - 34	837,297	12.9	96
35 - 44	848,656	13.1	102
45 - 54	745,828	11.5	96
55 - 64	815,063	12.6	100
65 - 74	666,039	10.3	97
75 - 84	319,093	4.9	94
85+	138,391	2.1	104

## POPULATION BY RACE\*\*



Benchmark:USA

\*Top variable chosen from percent composition ranking

\*\*Top 5 variables chosen from percent composition ranking

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Index Colors:	<80	80 - 110	110+
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# Pop-Facts® Demographics | Housing & Household



Trade Area: 1001 Belgrade Avenue - 180 min

Population: 6,471,000 | Households: 2,548,442

## MEDIAN AGE OF HOUSEHOLDER

53

Index: 98

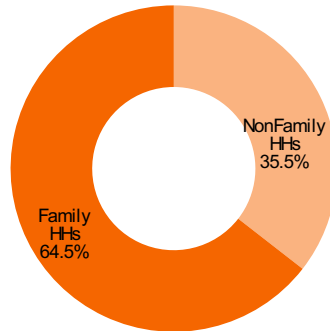
## PRESENCE OF CHILDREN\*



32.0%

Index: 95

## HOUSEHOLD TYPE



## HOUSING TENURE



Own

70.7%

Index: 110



Rent

29.3%

Index: 82

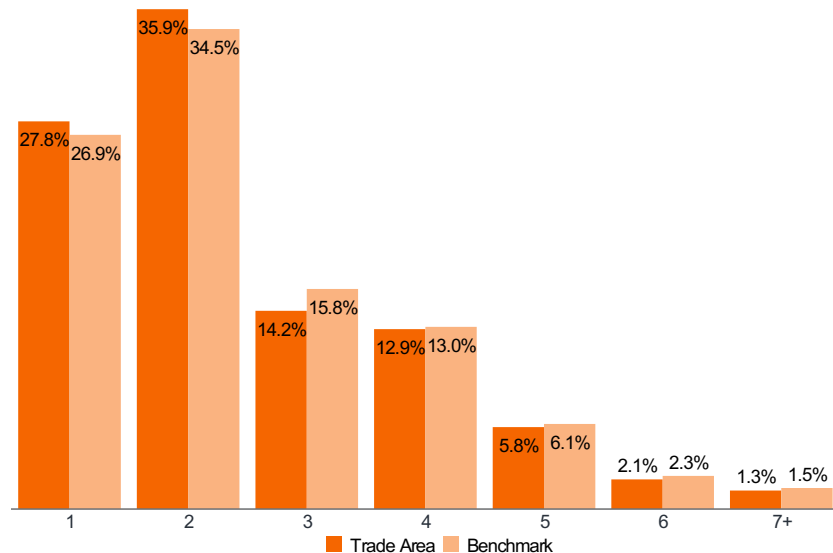
## AGE OF HOUSING\*\*



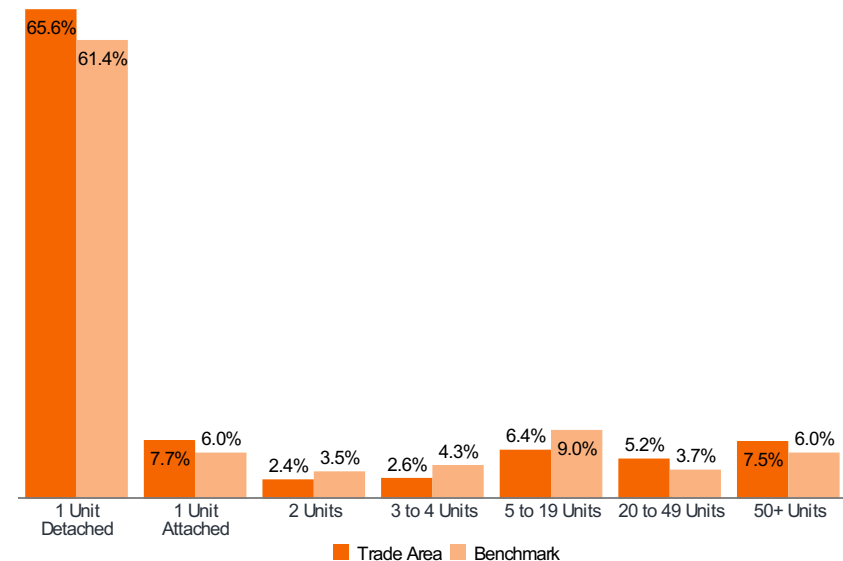
79+ years old

% Comp: 16.5 Index: 140

## HOUSEHOLD SIZE



## HOUSING UNITS IN STRUCTURE



Benchmark: USA

\*Uses the variable "Households with people under age 18"

\*\*Chosen from percent composition ranking

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Index Colors: <80 80 - 110 110+

# Pop-Facts® Demographics | Affluence & Education



Trade Area: 1001 Belgrade Avenue - 180 min

Population: 6,471,000 | Households: 2,548,442

## EDUCATIONAL ATTAINMENT: TOP 2\*



25.1%

Index: 93

High School Graduate



24.2%

Index: 120

Bachelor's Degree

## EDUCATION: HISPANIC/LATINO



1.0%

Index: 35

Bachelor's degree or higher

## POVERTY STATUS



94.8%

Index: 104

At or above poverty

## HOUSEHOLD INCOME



Median Household Income

\$83,240

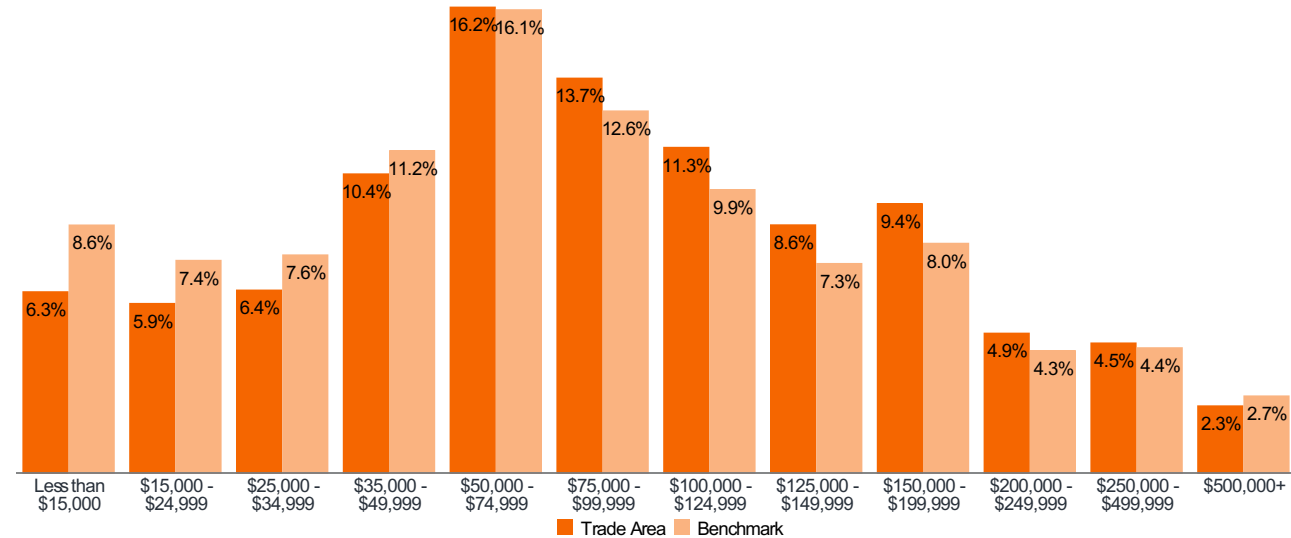
Index: 114

Average Household Income

\$110,770

Index: 106

## HOUSEHOLD INCOME DISTRIBUTION



Benchmark: USA

\*Ranked by percent composition

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Index Colors:	<80	80 - 110	110+
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# Pop-Facts® Demographics | Employment & Occupation



Trade Area: 1001 Belgrade Avenue - 180 min

Population: 6,471,000 | Households: 2,548,442

## OCCUPATIONAL CLASS\*



61.9%

Index:102

White Collar

## UNEMPLOYMENT RATE



3.2%

Index:68

Percent of civilian labor force unemployed

## METHOD OF TRAVEL TO WORK: TOP 2\*



77.3%

Index:102

Travel to work by **Driving Alone**

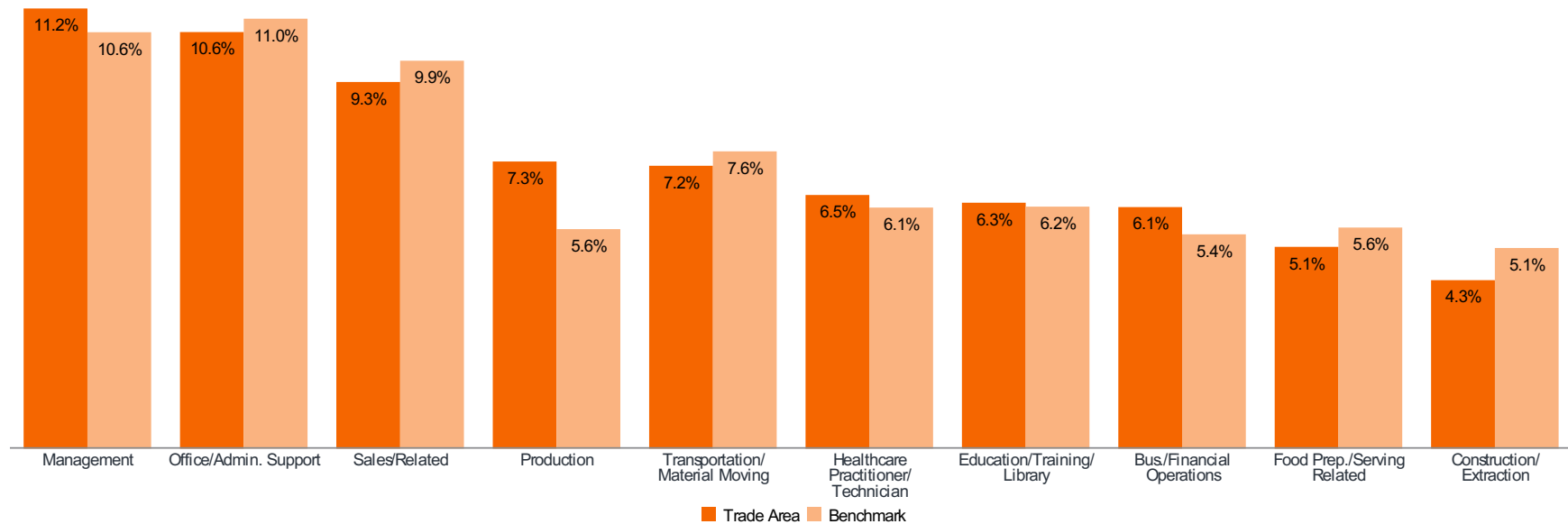


8.1%

Index:92

Travel to work by **Carpooling**

## OCCUPATION: TOP 10\*



Benchmark: USA

\*Chosen from percent composition ranking

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Index Colors:	<80	80 - 110	110+
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Trade Area: 1001 Belgrade Avenue - 180 min



## POPULATION

The population in this area is estimated to change from **6,410,361** to **6,471,000**, resulting in a growth of **0.9%** between 2020 and the current year. Over the next five years, the population is projected to grow by **2.4%**.

The population in the base area is estimated to change from **331,449,281** to **334,500,069**, resulting in a growth of **0.9%** between 2020 and the current year. Over the next five years, the population is projected to grow by **2.1%**.

The current year median age for this area is **38.5**, while the average age is **39.6**. Five years from now, the median age is projected to be **39.4**.

The current year median age for the base area is **39.2**, while the average age is **40.2**. Five years from now, the median age is projected to be **40.3**.

### Of this area's current year estimated population:

**76.4%** are White Alone, **7.5%** are Black or African American Alone, **0.8%** are American Indian and Alaska Nat. Alone, **5.5%** are Asian Alone, **0.1%** are Nat. Hawaiian and Other Pacific Isl. Alone, **3.4%** are Some Other Race, and **6.4%** are Two or More Races.

### Of the base area's current year estimated population:

**60.1%** are White Alone, **12.5%** are Black or African American Alone, **1.2%** are American Indian and Alaska Nat. Alone, **6.2%** are Asian Alone, **0.2%** are Nat. Hawaiian and Other Pacific Isl. Alone, **9.0%** are Some Other Race, and **10.9%** are Two or More Races.

This area's current estimated Hispanic or Latino population is **6.9%**, while the base area's current estimated Hispanic or Latino population is **19.9%**.



## HOUSEHOLD

The number of households in this area is estimated to change from **2,523,366** to **2,548,442**, resulting in an increase of **1.0%** between 2020 and the current year. Over the next five years, the number of households is projected to increase by **2.6%**.

The number of households in the base area is estimated to change from **126,817,580** to **128,298,155**, resulting in an increase of **1.2%** between 2020 and the current year. Over the next five years, the number of households is projected to increase by **2.4%**.

Benchmark: USA

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Trade Area: 1001 Belgrade Avenue - 180 min



## EDUCATION

Currently, it is estimated that **8.9%** of the population age 25 and over in this area had earned a Master's Degree, **2.2%** had earned a Professional School Degree, **1.4%** had earned a Doctorate Degree and **24.2%** had earned a Bachelor's Degree.

In comparison, for the base area, it is estimated that for the population over age 25, **9.1%** had earned a Master's Degree, **2.2%** had earned a Professional School Degree, **1.5%** had earned a Doctorate Degree and **20.2%** had earned a Bachelor's Degree.



## INCOME

The average household income is estimated to be **\$110,770** for the current year, while the average household income for the base area is estimated to be **\$104,972** for the same time frame.

The average household income in this area is projected to change over the next five years, from **\$110,770** to **\$125,862**.

The average household income in the base area is projected to change over the next five years, from **\$104,972** to **\$118,758**.



## HOUSING

Most of the dwellings in this area (**70.7%**) are estimated to be **Owner-Occupied** for the current year. For the base area the majority of the housing units are **Owner-Occupied** (**64.4%**).

The majority of dwellings in this area (**65.6%**) are estimated to be structures of **1 Unit Detached** for the current year. The majority of the dwellings in the base area (**61.4%**) are estimated to be structure of **1 Unit Detached** for the same year.

The majority of housing units in this area (**16.5%**) are estimated to have been **Built 1939 or Earlier** for the current year.

The majority of housing units in the base area (**14.6%**) are estimated to have been **Built 1970 to 1979** for the current year.

Benchmark: USA

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Trade Area: 1001 Belgrade Avenue - 180 min



## LABOR

For this area, **1001 Belgrade Avenue - 180 min**, **96.9%** of the labor force is estimated to be employed for the current year.

The employment status of the population age 16 and over is as follows:

**0.1%** are in the Armed Forces, **67.8%** are employed civilians, **2.2%** are unemployed civilians, and **30.0%** are not in the labor force.

The occupational classification for this area are as follows:

**21.7%** hold blue collar occupations, **61.9%** hold white collar occupations, and **16.4%** are occupied as service & farm workers.

For the civilian employed population age 16 and over in this area, it is estimated that they are employed in the following occupational categories: **2.2%** are in Architecture and Engineering, **2.0%** are in Arts, Entertainment and Sports, **6.1%** are in Business and Financial Operations, **3.7%** are in Computers and Mathematics, **6.3%** are in Education, Training and Libraries, **6.5%** are in Healthcare Practitioners and Technicians, **3.5%** are in Healthcare Support, **1.1%** are in Life, Physical and Social Sciences, **11.2%** are in Management, **10.6%** are in Office and Administrative Support.

**2.0%** are in Community and Social Services, **5.1%** are in Food Preparation and Serving, **0.9%** are in Legal Services, **1.3%** are in Protective Services, **9.3%** are in Sales and Related Services, **2.7%** are in Personal Care Services.

**3.0%** are in Building and Grounds Maintenance, **4.3%** are in Construction and Extraction, **0.7%** are in Farming, Fishing and Forestry, **2.9%** are in Maintenance and Repair, **7.3%** are in Production, **7.2%** are in Transportation and Moving.

For the base area, **USA**, **95.3%** of the labor force is estimated to be employed for the current year.

The employment status of the population age 16 and over is as follows:

**0.4%** are in the Armed Forces, **60.1%** are employed civilians, **3.0%** are unemployed civilians, and **36.5%** are not in the labor force.

The occupational classification for the base area are as follows:

**21.3%** hold blue collar occupations, **60.5%** hold white collar occupations, and **18.2%** are occupied as service & farm workers.

For the civilian employed population age 16 and over in the base area, it is estimated that they are employed in the following occupational categories: **2.0%** are in Architecture and Engineering, **2.0%** are in Arts, Entertainment and Sports, **5.4%** are in Business and Financial Operations, **3.3%** are in Computers and Mathematics, **6.2%** are in Education, Training and Libraries, **6.1%** are in Healthcare Practitioners and Technicians, **3.3%** are in Healthcare Support, **1.0%** are in Life, Physical and Social Sciences, **10.6%** are in Management, **11.0%** are in Office and Administrative Support.

**1.8%** are in Community and Social Services, **5.6%** are in Food Preparation and Serving, **1.1%** are in Legal Services, **2.2%** are in Protective Services, **9.9%** are in Sales and Related Services, **2.7%** are in Personal Care Services.

**3.7%** are in Building and Grounds Maintenance, **5.1%** are in Construction and Extraction, **0.6%** are in Farming, Fishing and Forestry, **3.1%** are in Maintenance and Repair, **5.6%** are in Production, **7.6%** are in Transportation and Moving.

Benchmark: USA

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# Report Details

**Name:** North Mankato, MN (Regional Report)  
**Date / Time:** 2/10/2023 11:06:11 AM  
**Workspace Vintage:** 2023

## Trade Area

Name	Level	Geographies
1001 Belgrade Avenue - 90 min		N/A
1001 Belgrade Avenue - 180 min		N/A

## Benchmark

Name	Level	Geographies
USA	Entire US	United States

## DataSource

Product	Provider	Copyright
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SPOTLIGHT Pop-Facts® Premier 2023, including 2000 and 2010 US Census, 2023 estimates and 2028 projections	Claritas	© 2023 Claritas, LLC. All Rights Reserved. Pop-Facts is a registered trademark of Claritas, LLC. ( <a href="https://claritas.easpotlight.com/Spotlight/About">https://claritas.easpotlight.com/Spotlight/About</a> )

# North Mankato Indoor Sports Center

## 4-Year Financial Operating Model

	CY2024	CY2025	CY2026	CY2027
	CY1	CY2	CY3	CY4
<b>Sales Forecast:</b>				
<b>Indoor Programming</b>				
Basketball	\$15,220	\$126,230	\$187,008	\$265,746
Volleyball	\$4,028	\$58,578	\$85,038	\$107,098
Futsal	\$2,600	\$42,600	\$57,405	\$73,010
Tennis	\$50,712	\$119,580	\$119,580	\$119,580
<b>Other Income:</b>				
Week Break Camp	\$1,750	\$7,175	\$9,800	\$12,250
Day Pass	\$0	\$0	\$0	\$0
Gate	\$0	\$0	\$19,198	\$38,396
Parking	\$0	\$0	\$0	\$0
General Summer Camp	\$0	\$162,500	\$181,250	\$200,000
Parties	\$1,950	\$15,600	\$23,400	\$31,200
Food and Beverages	\$4,370	\$145,322	\$123,906	\$150,814
Membership Fees	\$2,400	\$16,200	\$24,600	\$30,600
Space Lease	\$0	\$0	\$0	\$0
Partnerships Cash	\$20,000	\$90,000	\$120,000	\$120,000
Partnerships Trade	\$4,000	\$12,000	\$12,000	\$12,000
Misc. Events Income	\$0	\$7,200	\$21,600	\$36,000
Early Childhood Program	\$3,600	\$12,900	\$16,500	\$20,100
Speed & Agility Training	\$0	\$0	\$0	\$0
Hotel/Motel & F&B Taxes, General Fund Transfer	\$0	\$65,000	\$65,000	\$176,000

3/31/23

<b>Total Revenue</b>	<b>\$110,630</b>	<b>\$880,885</b>	<b>\$1,066,285</b>	<b>\$1,392,795</b>
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### Expenses:

Pre Opening Operational Expenses	\$25,000	\$0	\$0	\$0
Furniture, Fixtures and Equipment (FF&E)	\$150,000	\$0	\$0	\$0
Management Fees	\$0	\$0	\$0	\$0
Legal Costs	\$1,600	\$2,400	\$2,400	\$2,400
Marketing Costs	\$60,000	\$90,000	\$90,000	\$90,000
Telecommunications	\$6,000	\$9,000	\$9,000	\$9,000
Postage	\$800	\$1,200	\$1,200	\$1,200
Accounting/Payroll Services	\$10,000	\$30,000	\$30,000	\$30,000
Bank Charges	\$553	\$4,404	\$5,331	\$6,964
Food and Beverages COGS (Café Cogs)	\$1,311	\$43,596	\$37,172	\$45,244
Parties COGS	\$488	\$3,900	\$5,850	\$7,800
Cleaning Services	\$6,000	\$18,000	\$18,000	\$18,000
Computer Services	\$2,000	\$6,000	\$6,000	\$6,000
Dues & Subscriptions	\$400	\$1,200	\$1,200	\$1,200
Equipment R & M	\$8,000	\$24,000	\$24,000	\$24,000
Food/Drink Comped	\$400	\$1,200	\$1,200	\$1,200
Licenses & Fees	\$1,000	\$3,000	\$3,000	\$3,000
Meals & Entertainment	\$2,000	\$6,000	\$6,000	\$6,000
Office Supplies	\$2,000	\$6,000	\$6,000	\$6,000
Sanitation	\$5,000	\$15,000	\$15,000	\$15,000
Satellite TV Service	\$3,000	\$9,000	\$9,000	\$9,000
Supplies-Other	\$2,000	\$6,000	\$6,000	\$6,000
Internet Expenses	\$1,000	\$3,000	\$3,000	\$3,000
Travel & Lodging	\$0	\$0	\$0	\$0
other misc	\$4,000	\$12,000	\$12,000	\$12,000
Operating interest Loan	\$0	\$0	\$0	\$0
<b>Misc Expense Sub-Total:</b>	<b>\$292,552</b>	<b>\$294,901</b>	<b>\$291,353</b>	<b>\$303,008</b>

Facility Lease	\$0	\$0	\$0	\$0
Building Repair & Maintenance	\$4,000	\$12,000	\$12,000	\$12,000
Facility P & E	\$0	\$0	\$0	\$0
Landscape Maintenance	\$10,000	\$30,000	\$30,000	\$30,000
Insurance--P & L	\$16,000	\$48,000	\$48,000	\$48,000
Utilities	\$35,552	\$106,656	\$106,656	\$106,656
Property Taxes	\$0	\$0	\$0	\$0
Capital Reserve	\$10,000	\$20,000	\$30,000	\$40,000
<b>Facility Expense Sub-total:</b>	<b>\$75,552</b>	<b>\$216,656</b>	<b>\$226,656</b>	<b>\$236,656</b>

Payroll--Permanent	\$101,667	\$195,000	\$195,000	\$195,000
Payroll--Incentive	\$0	\$0	\$0	\$0
Payroll--Instructors	\$1,308	\$5,282	\$7,161	\$9,004
Payroll--Parttime Sports	\$11,539	\$74,926	\$89,181	\$112,837
Payroll--Referees/Officials	\$400	\$7,620	\$11,645	\$14,675
Payroll--Taxes	\$13,742	\$33,025	\$34,961	\$38,021
General Summer Camp Expense	\$0	\$32,500	\$36,250	\$40,000
Sports Camp Expenses	\$2,109	\$6,948	\$6,948	\$6,948
Tournament Expenses	\$0	\$0	\$30,720	\$61,440
FT Employee Benefits	\$120,000	\$120,000	\$120,000	\$120,000
<b>Personnel Expense Sub-total:</b>	<b>\$250,764</b>	<b>\$475,302</b>	<b>\$531,866</b>	<b>\$597,926</b>

<b>Total Expenses:</b>	<b>\$618,868</b>	<b>\$986,859</b>	<b>\$1,049,875</b>	<b>\$1,137,590</b>
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<b>Annual Operating Profit/Loss:</b>	<b>-\$508,238</b>	<b>-\$105,974</b>	<b>\$16,410</b>	<b>\$255,204</b>
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# North Mankato Indoor Sports Center

## 4-Year Financial Operating Model

	CY2024 CY1	CY2025 CY2	CY2026 CY3	CY2027 CY4
<b>Sales Forecast:</b>				
<b>Indoor Programming</b>				
Basketball	\$11,220	\$108,230	\$160,008	\$233,746
Volleyball	\$4,028	\$56,178	\$81,438	\$102,298
Futsal	\$2,600	\$25,200	\$34,205	\$38,210
Tennis	\$50,712	\$119,580	\$119,580	\$119,580
<b>Other Income:</b>				
Week Break Camp	\$1,750	\$7,175	\$9,800	\$12,250
Day Pass	\$0	\$0	\$0	\$0
Gate	\$0	\$0	\$19,198	\$38,396
Parking	\$0	\$0	\$0	\$0
General Summer Camp	\$0	\$90,000	\$112,500	\$135,000
Parties	\$1,950	\$15,600	\$23,400	\$31,200
Food and Beverages	\$3,570	\$137,762	\$113,146	\$136,494
Membership Fees	\$0	\$7,800	\$12,600	\$15,000
Space Lease	\$0	\$0	\$0	\$0
Partnerships Cash	\$20,000	\$90,000	\$120,000	\$120,000
Partnerships Trade	\$4,000	\$12,000	\$12,000	\$12,000
Misc. Events Income	\$0	\$7,200	\$21,600	\$36,000
Early Childhood Program	\$3,600	\$12,900	\$16,500	\$20,100
Speed & Agility Training	\$0	\$0	\$0	\$0
Hotel/Motel & F&B Taxes, General Fund Transfer	\$0	\$0	\$0	\$0

<b>Total Revenue</b>	<b>\$103,430</b>	<b>\$689,625</b>	<b>\$855,975</b>	<b>\$1,050,275</b>
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### Expenses:

Pre Opening Operational Expenses	\$25,000	\$0	\$0	\$0
Furniture, Fixtures and Equipment (FF&E)	\$150,000	\$0	\$0	\$0
Management Fees	\$0	\$0	\$0	\$0
Legal Costs	\$1,600	\$2,400	\$2,400	\$2,400
Marketing Costs	\$60,000	\$90,000	\$90,000	\$90,000
Telecommunications	\$6,000	\$9,000	\$9,000	\$9,000
Postage	\$800	\$1,200	\$1,200	\$1,200
Accounting/Payroll Services	\$10,000	\$30,000	\$30,000	\$30,000
Bank Charges	\$517	\$3,448	\$4,280	\$5,251
Food and Beverages COGS (Café Cogs)	\$1,071	\$41,328	\$33,944	\$40,948
Parties COGS	\$488	\$3,900	\$5,850	\$7,800
Cleaning Services	\$6,000	\$18,000	\$18,000	\$18,000
Computer Services	\$2,000	\$6,000	\$6,000	\$6,000
Dues & Subscriptions	\$400	\$1,200	\$1,200	\$1,200
Equipment R & M	\$8,000	\$24,000	\$24,000	\$24,000
Food/Drink Comped	\$400	\$1,200	\$1,200	\$1,200
Licenses & Fees	\$1,000	\$3,000	\$3,000	\$3,000
Meals & Entertainment	\$2,000	\$6,000	\$6,000	\$6,000
Office Supplies	\$2,000	\$6,000	\$6,000	\$6,000
Sanitation	\$5,000	\$15,000	\$15,000	\$15,000
Satellite TV Service	\$3,000	\$9,000	\$9,000	\$9,000
Supplies-Other	\$2,000	\$6,000	\$6,000	\$6,000
Internet Expenses	\$1,000	\$3,000	\$3,000	\$3,000
Travel & Lodging	\$0	\$0	\$0	\$0
other misc	\$4,000	\$12,000	\$12,000	\$12,000
Operating interest Loan	\$0	\$0	\$0	\$0
<b>Misc Expense Sub-Total:</b>	<b>\$292,276</b>	<b>\$291,677</b>	<b>\$287,074</b>	<b>\$297,000</b>

Facility Lease	\$0	\$0	\$0	\$0
Building Repair & Maintenance	\$4,000	\$12,000	\$12,000	\$12,000
Facility P & E	\$0	\$0	\$0	\$0
Landscape Maintenance	\$10,000	\$30,000	\$30,000	\$30,000
Insurance--P & L	\$16,000	\$48,000	\$48,000	\$48,000
Utilities	\$35,552	\$106,656	\$106,656	\$106,656
Property Taxes	\$0	\$0	\$0	\$0
Capital Reserve	\$10,000	\$20,000	\$30,000	\$40,000

<b>Facility Expense Sub-total:</b>	<b>\$75,552</b>	<b>\$216,656</b>	<b>\$226,656</b>	<b>\$236,656</b>
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Payroll--Permanent	\$111,667	\$215,000	\$215,000	\$215,000
Payroll--Incentive	\$0	\$0	\$0	\$0
Payroll--Instructors	\$1,308	\$5,282	\$7,161	\$9,004
Payroll--Parttime Sports	\$10,819	\$68,122	\$79,497	\$99,949
Payroll--Referees/Officials	\$0	\$3,840	\$6,265	\$7,515
Payroll--Taxes	\$14,855	\$34,609	\$36,199	\$38,874
General Summer Camp Expense	\$0	\$18,000	\$22,500	\$27,000
Sports Camp Expenses	\$2,109	\$6,948	\$6,948	\$6,948
Tournament Expenses	\$0	\$0	\$30,720	\$61,440
FT Employee Benefits	\$120,000	\$120,000	\$120,000	\$120,000

<b>Personnel Expense Sub-total:</b>	<b>\$260,758</b>	<b>\$471,801</b>	<b>\$524,290</b>	<b>\$585,731</b>
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<b>Total Expenses:</b>	<b>\$628,585</b>	<b>\$980,134</b>	<b>\$1,038,019</b>	<b>\$1,119,387</b>
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<b>Annual Operating Profit/Loss:</b>	<b>-\$525,156</b>	<b>-\$290,509</b>	<b>-\$182,044</b>	<b>-\$69,113</b>
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5/16/23  
No Transfer  
or taxes



## MEMORANDUM

**TO:** Honorable Mayor and City Council  
**FROM:** Matt Lassonde, City Planner  
Mike Fischer, Community Development Director  
**DATE:** June 15, 2023  
**SUBJECT:** Request to Permit Motorized Golf Carts

### INTRODUCTION

The following is background information on a 2020 request from a local resident (renewed 2023) for motorized golf carts (MGCs) to be permitted on the North Mankato roadway system.

### BACKGROUND

In September of 2020, staff received a request from a resident to change City ordinance 73.08 Motorized Golf Carts to allow the use of golf carts on designated roadways in North Mankato (see **Exhibit A** for both the original and updated requests). The ordinance currently states:

*"No person shall operate a motorized golf cart on streets, alleys, sidewalks or other public property."*

The Traffic and Safety Committee reviewed and discussed the request, initially recommending denial based on public safety concerns, enforcement issues, and the lack of demonstrated need to use golf carts as a form of transportation. Attorney Mike Kennedy mentioned this request had been brought to previous Councils but was rejected due to safety characteristics, limitations on travel, and enforcement concerns. The City Council requested that staff gather additional information on the topic and bring it back for discussion later (see **Exhibit B** for an excerpt of minutes from that meeting).

In response, City staff performed a review of ordinances from other Minnesota cities, using elements of those to develop a draft ordinance and associated map of designated roadways that would regulate the use of MGCs if adopted. The draft ordinance and map were eventually vetted by the Traffic and Safety Committee who approved the materials to go to the City Council.

The City Council discussed the draft ordinance and map at a work session on April 12, 2021 (see **Exhibit C** for an excerpt of minutes from that meeting). During the discussion, City staff summarized the process for developing the ordinance and the requirements within, aimed to regulate MGCs on local roads.

Much of the discussion was focused around MGC access in the City. The proposed ordinance and map would restrict travel to only designated roadways. This would result in the inability for MGC drivers to travel from Lower North to Upper North and from crossing Highway 14. Some council members questioned this, suggesting alternative roads should be examined. Staff stated that certain roadways were restricted because they are not deemed safe for MGC travel.

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One council member asked if MGCs could access City trails. Staff explained trails such as the Lake Street passage to Mary Lane or the old Belgrade Hill trail are too steep and are not able to safely accommodate MGCs. Staff needed to follow up with the MN Department of Transportation (MnDOT) to see about travel on the Bluff Valley Trail on Highway 14. MnDOT stated they would not allow them due to federal requirements set in the Transportation Alternatives grant funding agreement (see **Exhibit D**). However, that response raised the question as to whether or not a MGC could be used as a mobility device under ADA guidelines. Guidance shown as **Exhibit E** states that people with disabilities have the right to choose whatever mobility device best suits their needs, unless there is a legitimate safety reason that it cannot be accommodated. MnDOT did express that MGCs would only be a good fit if a trail is at least 10 feet wide and adequate signage was present. However, MnDOT believed that it, *"is ultimately going to be a matter of how the City is managing [MGCs] on other trail facilities."* This topic would need to be researched further if the City decides MGCs can travel on trails.

Council member Oachs asked if Utility Task Vehicles (UTVs) could be used on trails. Mayor Dehen stated that UTVs are different than the request for MGCs. In fact, the definition provided by staff for MGCs in the draft ordinance excludes UTVs. As the initial request was to permit MGCs, any questions of allowing UTVs on roadways would need to be further researched. UTVs generally move much faster than MGCs and will require a different set of regulations, restrictions, and could possibly be held to standard motor vehicle laws. **Exhibit F** is an excerpt from a brief provided by MN House Research providing a review of MN vehicle laws for low-power vehicles.

The Council Work Session on April 12 was the last discussion undertaken by the City Council. City Council direction to staff was to follow up on Bluff Valley Trail Usage and to connect with Mankato regarding any ordinance they have in place.

#### **DRAFT NORTH MANKATO ORDINANCE & DESIGNATED ROADWAY MAP**

In December 2020, leading up to the April 12, 2021 work session, staff provided the City Council with a report summarizing how other communities are regulating the use of MGCs. That report is attached as **Exhibit G** and compares 12 city ordinances. Elements from these ordinances were used to tailor an ordinance for North Mankato. The draft ordinance and designated roadway map developed through conversations with the Traffic and Safety Committee and presented to Council is attached as **Exhibit H**.

#### **CONCLUSION**

No decisions were made regarding permitting MGCs on North Mankato City Streets. Staff has received answers to most questions left unanswered during the April 12, 2021 Council Work Session aside from discussions with Mankato and further considering UTVs usage in the City. Staff recommends the City Council review the materials provided and decide if permitting MGCs should receive further consideration.

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# EXHIBIT A

## Original Request

**Matthew Lassonde**

**From:** Michael Fischer <michaelf@northmankato.com>  
**Sent:** Thursday, October 8, 2020 9:38 AM  
**To:** 'Matthew Lassonde'  
**Subject:** FW: Proposal to Change City Ordinance 73.08 Motorized Golf Carts

Mike Fischer  
Community Development Director  
City of North Mankato  
1001 Belgrade Avenue  
North Mankato, MN 56003  
507-625-4141  
[michaelf@northmankato.com](mailto:michaelf@northmankato.com)

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**From:** Bill Young <Bill.Young@lindsaywindows.com>  
**Sent:** Wednesday, September 9, 2020 7:56 AM  
**To:** 'Michael Fischer' <michaelf@northmankato.com>  
**Cc:** neetz@hickorytech.net  
**Subject:** Proposal to Change City Ordinance 73.08 Motorized Golf Carts

Dear Mike Fischer,

I, William Young, would like to propose a change in the City Ordinance 73.08 Motorized Golf Carts, to allow the use of motorized golf carts on designated roadways in North Mankato. City ordinance 73.08 states that no person shall operate a motorized golf cart on streets, alleys, sidewalks, or other public property.

As a resident of North Mankato, MN since August 2, 1988, my wife and I would like to see this ordinance pass. This is an environmentally way to travel around North Mankato. Fellow residents would be able to drive to the gas station, patronage the local restaurants, visit family members, and the lifelong friends they have made in our community. Contractors would be able to visit construction sites in developing neighborhoods. As the city walk branches over to North Mankato this would be an economical way for residents to view these amazing sculptures. There are residents within our community who are unable to walk for long distances and allowing them to utilize a golf cart to get around would encourage their independence. This would help residents to get out and enjoy themselves. They're simple to operate and maintain; they're less costly than a vehicle.

The state of Minnesota allows golf cart use on public roadways and highways, with a special permit and insurance; there would be a special fee for the special permit. The driver would also need to be licensed. There would have to be some restrictions, which would have to be included is that the driver of the golf cart would be subjected to the same traffic laws and duties as operators of other motor vehicles. The golf cart would only be operated on designated roadways where the speed limit is posted for 30 mph, if necessary, you would be able to cross over non-designated roads or highways, as long as, you remain on the designated road. A slow-moving emblem would need to be attached to the golf cart. The golf cart could only be operated between sunrise and sunset. They would also not be able to be operated in

bad weather, except for emergencies and if the visibility is poor and you cannot see people or other vehicles from 500 feet away. The golf cart would not be able to be modified to go more than designed speed; which is generally 15 - 25 mph.

Golf carts have been used for many years in gated communities, resorts, and campuses. As they grow in popularity there are several cities that allow them on their roadways in Minnesota, some include: Rochester, Lake City, Anoka, Minneota, Prior Lake, and Golden Valley.

When used properly they are very safe and we as residents of North Mankato should be able to utilize golf carts as means of transportation within our community.

Hopeful Golf Cart Driver,

William Young  
717 Nicollet Avenue  
North Mankato, MN 56003  
507-995-6338  
[neetz@hickorytech.net](mailto:neetz@hickorytech.net)

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E-MAIL CONFIDENTIALITY NOTICE:

The contents of this e-mail message and any attachments are intended solely for the addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message or if this message has been addressed to you in error, please immediately alert the sender by reply e-mail and then delete this message and any attachments. If you are not the intended recipient, you are notified that any use, dissemination, distribution, copying, or storage of this message or any attachment is strictly prohibited.

**Matthew Lassonde****Updated Request**

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**From:** Michael Fischer  
**Sent:** Monday, June 12, 2023 4:50 PM  
**To:** Matthew Lassonde  
**Subject:** FW: Proposal to Change City Ordinance 73.08 Motorized Golf Carts

Mike Fischer  
Community Development Director  
City of North Mankato  
1001 Belgrade Avenue  
North Mankato, MN 56003  
507-625-4141

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**From:** Bill Young <Bill.Young@lindsaywindows.com>  
**Sent:** Thursday, May 25, 2023 1:48 PM  
**To:** Michael Fischer <MichaelF@northmankato.com>  
**Cc:** Neetz <neetzbill@gmail.com>  
**Subject:** Proposal to Change City Ordinance 73.08 Motorized Golf Carts

Dear Mike Fischer,

I, William Young, would like to propose a change in the City Ordinance 73.08 Motorized Golf Carts, to allow the use of motorized golf carts on designated roadways in North Mankato. City ordinance 73.08 states that no person shall operate a motorized golf cart on streets, alleys, sidewalks, or other public property.

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Hopeful Golf Cart Driver,

William Young  
717 Nicollet Avenue  
North Mankato, MN 56003  
507-995-6338  
[neetz@hickorytech.net](mailto:neetz@hickorytech.net)

**Request for the use of Golf Carts on City Streets**

Mayor Dehen recognized resident Bill Young, 717 Nicollet Avenue, who appeared before Council and stated he was interested in Council considering allowing golf carts on City streets. He reported golf carts could be beneficial for those who have difficulty with mobility to travel around town. Mr. Young stated he had found reports that say that golf carts are safer than bicycles. He stated the City should license and regulate golf carts to increase mobility and independence for North Mankato residents.

**Council Member Oachs moved, seconded by Council Member Norland, to remove the September Traffic & Safety Committee Meeting from the Consent Agenda to allow discussion on allowing Golf Carts on the Streets. Vote on the motion: Oachs, Steiner, Norland, and Dehen aye; Whitlock nay. Motion Carried.**

**Consent Agenda**

**Council Member Steiner moved, seconded by Council Member Norland, to approve the Consent Agenda.**

- A. Bills and Appropriations.
- B. Res. No. 79-20 Approving Donations/Contributions/Grants.
- C. Res. No. 80-20 Appointing Election Judges.
- D. Res. No. 81-20 Authorizing Application for MnDOT Landscape Partnership Application.

**Vote on the motion: Oachs, Whitlock, Steiner, Norland, and Dehen aye; no nays. Motion carried.**

**Receive and Approve the Recommendations from the September Traffic & Safety Committee Meeting.**

Community Development Director Fischer reported the Traffic and Safety Committee reviewed the request to allow the use of golf carts on City streets and recommended denial based on public safety concerns, enforcement issues, and the lack of demonstrated need to use golf carts as a form of transportation. Attorney Kennedy commented that the issue had been reviewed in by previous Councils. A few of the concerns that have prevented the use of golf carts are the lack of seatbelts, lights, and if limitations are placed on golf cart travel, enforcement of those restrictions. Council Member Norland reported she was interested in additional information, especially in light of seeing a three-wheeled recumbent bike with a motor driving down the street. Council Members Steiner and Oachs also expressed interest in additional information. City Administrator Harrenstein commented that staff would prepare additional information for review in early spring.

**Council Member Oachs moved, seconded by Council Member Norland, to Approve all Recommendations Except the Golf Cart's Denial from the September Traffic & Safety Committee Meeting. Vote on the motion: Oachs, Whitlock, Steiner, Norland, and Dehen aye; no nays. Motion carried.**

**Public Comments Concerning Business Items on the Agenda**

None.

**Business Items**

**Ordinance No. 133, Fourth Series Amending Chapter 155: Subdivision Regulations-Administrative Lot Splits.**



Mayor Dehen requested clarification if an administrative lot split could have been used last year when a resident wanted to purchase a small portion of land from their neighbor to allow them to install a pool. Community Development Director Fischer reported that would be one example. City Administrator Harrenstein reported the process is standard procedure in other cities, including Mankato, New Ulm, and St. Peter. The process would not only save money for the property owner but time. **Council Member Steiner moved, seconded by Council Member Norland, to adopt Ordinance No. 133, Fourth Series Amending Chapter 155: Subdivision Regulations- Administrative Lot Splits. Vote on the motion: Oachs, Whitlock, Steiner, Norland, and Dehen aye; no nays. Motion carried.**

### Open Forum

Bill Young, 717 Nicollet Avenue, appeared before Council and commented that Rochester does not allow turn signals on their golf carts because they did not want side by sides on their roads.

### City Administrator and Staff Comments

City Administrator Harrenstein reported staff has communicated with the City Council that the Spring Lake Park Report, Caswell Park, and the TIF Districts that were scheduled for the October 12, 2020, Council Work Session will be taken up along with the CIP at the October 26, 2020, Council Work Session. Staff would be speaking one-on-one with Council Members concerning the tax levy and additional budget information.

City Administrator Harrenstein reported leaf-pick-up has begun and will continue until all leaves are picked up or prevents collection.

Public Works Director Host reported leaf pick up has started. Countryside Drive reconstruction is moving forward with the construction of the base of the road. Junk drop-off will occur on October 8-11, 2020.

### Mayor and Council Comments

Council Member Norland encouraged residents to get out and vote and thanked City Clerk Van Genderen for her work and dedication to providing a safe and secure election.

Council Member Norland encouraged residents to mulch their leaves for natural fertilizer.

Council Member Oachs encouraged residents to get out to the Farmer's Market as the season is coming to an end.

Council Member Oachs encouraged residents to visit the Library and attend some of the Library's activities.

Council Member Whitlock commented that the powerline at the corner of Range Street and Belgrade Avenue had been moved, which improves the line of sight at the intersection.

Mayor Dehen commented that Night to Unite is October 6<sup>th</sup>, and the Library would be hosting an event at Storybook Park.

At 7:30 p.m. on a motion by Council Member Norland, seconded by Council Member Oachs, the Council Meeting was adjourned.

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Mayor

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City Clerk

Pursuant to due call and notice thereof, a Council Work Session of the North Mankato City Council was held in the Council Chambers on March 12, 2021. Mayor Dehen called the meeting to order at 12:30 pm. The following were present remotely through Zoom for roll call: Council Members Steiner, Norland, Oachs, and Mayor Dehen, City Administrator Harrenstein, Chief of Police Gullickson, Finance Director McCann, Community Development Director Fischer, Finance Director McCann, City Planner Lassonde, and City Clerk Van Genderen. Council Member Whitlock arrived by zoom at 12:55 p.m. Citizen monitoring was available through a conference call.

### **Request for the use of Golf Carts on City Streets**

City Administrator Harrenstein reported the request was brought to City Council by a citizen. In October 2020, the Traffic and Safety Committee reviewed the proposal and recommended Council not move forward with amending City Code to allow golf carts to be driven on City Streets. The City Council requested additional research be completed concerning the request. City staff has completed the additional review of the proposed changes and would recommend the Ordinance change as presented.

City Planner Lassonde reported that Minnesota State Statute 169.045-Special Vehicle Use on Roadway allows establishing an ordinance to authorize motorized golf carts, all-terrain vehicles, utility task vehicles, or mini trucks on designated roadways or portions of roadways under their jurisdiction. He reported City staff researched to understand how other cities manage their Motorized Golf Carts. He stated the City reviewed twelve cities with Motorized Golf Cart ordinances.

City Planner Lassonde stated the proposed Ordinance would allow the operation of motorized golf carts from sunrise to sunset and would not be permitted if there was inclement weather. The proposed Ordinance limited the use of motorized golf carts to roadways with a posted speed limit of thirty miles per hour or less and on roads identified on the "permitted roadways" map included with the Ordinance. Additional requirements included a valid driver's license, operations permitted from April through October, must display a slow-moving vehicle emblem, be equipped with rearview mirrors, headlights, and taillights, maintain insurance coverage, observe all traffic laws, obtain a permit from the City of North Mankato and the Motorized Golf Cart must be inspected. City Planner Lassonde reviewed the map, which outlined where Motorized Golf Carts could operate.

Council Member Norland commented it appeared the main roads were not permitted. City Planner Lassonde responded they were not allowed but could be crossed by a golf cart if it intersected a road where golf carts were permitted. He noted there is no way to travel from Upper North to Lower North. The main roads were not deemed safe to travel on with a Motorized Golf Cart. Police Chief Gullickson reported a lengthy discussion was held concerning accessibility to roadways. He stated discussion with other law enforcement officers who have a similar ordinance in their cities and maintaining safety. Council Member Norland requested clarification on where the motorized golf carts would be driving. Chief Gullickson commented they would be to the far right but may need to move into the traffic lane if a car is parked on the street. City Administrator Harrenstein noted that if Council moved forward with a Motorized Golf Cart ordinance, the City would probably be contacted by those interested in permitting ATVs, UTVs, or four-wheelers for City street use. He clarified that significant roads could be crossed by Motorized Golf Carts but could not be driven on eliminating the ability to get from Upper North to Lower North and crossing Highway 14. Council Member Norland requested clarification on why Lookout Drive could not be used as there are many walkers and bikers who utilize the road. City Administrator Harrenstein commented that there was not enough width for safety, and there is a lot of concern about the current safety of bicycles and walkers on the road. Council Member Norland commented there are many alternative forms of transportation, and the City may need to consider alternative routes and options. Mayor Dehen stated he was concerned with people who would want to use the Motorized Golf Cart to travel to Big Dogs or Spinners to visit the

bars but will not be legally allowed due to lack of access based on where golf carts are permitted to travel. He also expressed concerns about golf carts driving on the narrow crowded streets of lower North. Mayor Dehen was also concerned about the burden on the Police Department. Mayor Dehen suggested if the Council moves forward to restrict drivers to 18 and older. Council Member Norland suggested moving forward with a Public Hearing to obtain additional input. Council Member Oachs commented that there is increased use of UTVs in other cities and is interested in the Ordinance. She noted the use of trails to travel around the area and requested clarification on if this would be an option.

Mayor Dehen commented that the UTV is different than a motorized golf cart. He expressed concerns about those that would want to use their golf cart to bypass liquor laws. He also noted the hilly terrain in North Mankato is difficult for visibility and could create a dangerous situation. Council Member Oachs wondered if Mary Lane's trail to Spring Lake Park could be used to move golf carts from upper North to lower North. City Planner Lassonde stated the path is really steep and relatively narrow and would cause golf cart drivers problems. City Administrator Harrenstein reviewed possible trails that could be used in linking upper and lower North Mankato, including the Bluff Valley Trail and Old Belgrade Hill. He noted there was not a good option. Mayor Dehen commented the City could reach out to MnDOT to determine if they would allow Motorized Golf Carts on the Bluff Valley Trail. He also suggested further discussion with Mankato to learn more about their thoughts on Motorized Golf Carts, commenting he did not want to pit North Mankato Ordinances against Mankato Ordinances.

### **2020 Annual Report North Mankato Police Department**

Police Chief Gullickson reviewed the 2020 North Mankato Police Department Annual Report. He commented that 2020 was a challenging year due to COVID-19, George Floyd's death, and the year's political upheaval. He stated the Police Department strived to provide quality service amid the upheaval and challenging times. Police Chief Gullickson reported a 22-year-old man died due to a narcotic overdose, and he reported a suspect had been charged with murder.

Police Chief Gullickson reported the Police Department invests in police officers by requiring training and encouraging officers to attend additional training. The Police Department had 981 hours of continuing education which is 70 hours of training per officer. The training is a practical investment in the officers to help them keep and improve their skills.

Police Chief Gullickson reported the Patrol Division consists of 10 patrol officers who patrol 24 hours a day, seven days a week. Changes in patrol include two new officers and the resignation of Mikeal Torsden.

The Investigation Unit consists of Lieutenant Adams and Investigator Gagelhoff, who investigated 630 cases in 2020. Police Chief Gullickson thanked the administrative support staff of Senior Police Secretary Junker and Part-time Police Secretary Clark for their work, including managing data requests. In 2020 there were 843 data requests. Police Chief Gullickson noted he served on several committees and task forces reiterating the regional scope of the work performed in North Mankato.

Police Chief Gullickson reviewed the Use of Force information. He noted the officers strive to control and de-escalate situations. Unfortunately, not everyone encountered by the police department is cooperative, and force is needed to protect themselves and take people into custody. He noted in 2020, officers responded to 8377 calls for service, with 27 incidents requiring the use of force.

Police Chief Gullickson thanked the Police Reserve for their commitment to assisting the Police Department and keeping North Mankato safe.

## Matthew Lassonde

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**From:** Parker, Samuel (DOT) <Samuel.Parker@state.mn.us>  
**Sent:** Wednesday, April 14, 2021 9:33 AM  
**To:** Matthew Lassonde  
**Cc:** Allis, Ronda (DOT)  
**Subject:** Motorized Golf Carts

Hello Matt,

I hope you are doing well!

The US 14/Bluff Valley Trail was selected by the Area Transportation Partnership and constructed with [FY 2015 Transportation Alternatives funding](#) as designated in the federal transportation bill ([MAP-21](#)). Using this type of funding limits the types of use on the facility:

*(29) Transportation alternatives. - The term "transportation alternatives" means any of the following activities when carried out as part of any program or project authorized or funded under this title, or as an independent program or project related to surface transportation:*

*(A) Construction, planning, and design of on-road and off- road trail facilities for pedestrians, bicyclists, and other nonmotorized forms of transportation, including sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic calming techniques, lighting and other safety-related infrastructure, and transportation projects to achieve compliance with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.). Sec. 101 TITLE 23, U.S.C. 10*

I would interpret these non-motorized restrictions as enduring through the life of the federal interest facility, which is assumed to be around 15 years.

Motorized mobility devices, maintenance, and electric-assist bikes are not subject to the "motorized" restrictions.

Please let me know if you have any other questions,

Sam

**Sam Parker**  
Principal Planner | District 7

**Minnesota Department of Transportation**  
2151 Bassett Drive  
Mankato, MN 56001  
507-508-3232  
[samuel.parker@state.mn.us](mailto:samuel.parker@state.mn.us)



U.S. Department of Justice  
Civil Rights Division  
Disability Rights Section



## Wheelchairs, Mobility Aids, and Other Power-Driven Mobility Devices

The Department of Justice published revised final regulations implementing the Americans with Disabilities Act (ADA) for title II (State and local government services) and title III (public accommodations and commercial facilities) on September 15, 2010, in the Federal Register. These requirements, or rules, clarify and refine issues that have arisen over the past 20 years and contain new, and updated, requirements, including the 2010 Standards for Accessible Design (2010 Standards).

### Overview

**People with mobility, circulatory, respiratory, or neurological disabilities use many kinds of devices for mobility. Some use walkers, canes, crutches, or braces. Some use manual or power wheelchairs or electric scooters. In addition, advances in technology have given rise to new devices, such as Segways®, that some people with disabilities use as mobility devices, including many veterans injured while serving in the military. And more advanced devices will inevitably be invented, providing more mobility options for people with disabilities.**

This publication is designed to help title II entities (State and local governments) and title III entities (businesses and non-profit organizations that serve the public) (together, "covered entities") understand how the new rules for mobility devices apply to them. These rules went into effect on March 15, 2011.

- Covered entities must allow people with disabilities who use manual or power wheelchairs or scooters, and manually-powered mobility aids such as walkers, crutches, and canes, into all areas where members of the public are allowed to go.
- Covered entities must also allow people with disabilities who use other types of power-driven mobility devices into their facilities, unless a particular type of device cannot be accommodated because of legitimate safety requirements. Where legitimate safety requirements bar accommodation for a particular type of device, the covered entity must provide the service it offers in alternate ways if possible.
- The rules set out five specific factors to consider in deciding whether or not a particular type of device can be accommodated.

### Wheelchairs

Most people are familiar with the manual and power wheelchairs and electric scooters used by people with mobility disabilities. The term "wheelchair" is defined in the new rules as "a manually-operated or power-driven device designed primarily for use by an individual with a mobility disability for the main purpose of indoor or of both indoor and outdoor locomotion."

### Other Power-Driven Mobility Devices

In recent years, some people with mobility disabilities have begun using less traditional mobility devices such as golf cars or Segways®. These devices are called "other power-driven mobility device" (OPDMD) in the rule. OPDMD is defined in the new rules as "any mobility device powered by batteries, fuel, or other engines... that is used by individuals with mobility disabilities for the purpose of locomotion, including golf cars, electronic personal assistance mobility devices... such as the Segway® PT, or any mobility device designed to operate in areas without defined pedestrian routes, but that is not a wheelchair". When an



OPDMD is being used by a person with a mobility disability, different rules apply under the ADA than when it is being used by a person without a disability

## Choice of Device



People with disabilities have the right to choose whatever mobility device best suits their needs. For example, someone may choose to use a manual wheelchair rather than a power wheelchair because it enables her to maintain her upper body strength. Similarly, someone who is able to stand may choose to use a Segway<sup>®</sup> rather than a manual wheelchair because of the health benefits gained by standing. A facility may be required to allow a type of device that is generally prohibited when being used by someone without a disability when it is being used by a person who needs it because of a mobility disability. For example, if golf cars are generally prohibited in a park, the park may be required to allow a golf car when it is being used because of a person's mobility disability, unless there is a legitimate safety reason that it cannot be accommodated.

## Requirements Regarding Mobility Devices and Aids

Under the new rules, covered entities must allow people with disabilities who use wheelchairs (including manual wheelchairs, power wheelchairs, and electric scooters) and manually-powered mobility aids such as walkers, crutches, canes, braces, and other similar devices into all areas of a facility where members of the public are allowed to go.



In addition, covered entities must allow people with disabilities who use any OPDMD to enter the premises unless a particular type of device cannot be accommodated because of legitimate safety requirements. Such safety requirements must be based on actual risks, not on speculation or stereotypes about a particular type of device or how it might be operated by people with disabilities using them.

For some facilities -- such as a hospital, a shopping mall, a large home improvement store with wide aisles, a public park, or an outdoor amusement park -- covered entities will likely determine that certain classes of OPDMDs being used by people with disabilities can be accommodated. These entities must allow people with disabilities using these types of OPDMDs into all areas where members of the public are allowed to go.

In some cases, even in facilities such as those described above, an OPDMD can be accommodated in some areas of a facility, but not in others because of legitimate safety concerns. For example, a cruise ship may decide that people with disabilities using Segways<sup>®</sup> can generally be accommodated, except in constricted areas, such as passageways to cabins that are very narrow and have low ceilings.

- For other facilities -- such as a small convenience store, or a small town manager's office -- covered entities may determine that certain classes of OPDMDs cannot be accommodated. In that case, they are still required to serve a person with a disability using one of these devices in an alternate manner if possible, such as providing curbside service or meeting the person at an alternate location.

Covered entities are encouraged to develop written policies specifying which kinds of OPDMDs will be permitted and where and when they will be permitted, based on the following assessment factors.

## Assessment Factors

In deciding whether a particular type of OPDMD can be accommodated in a particular facility, the following factors must be considered:

- the type, size, weight, dimensions, and speed of the device;
- the facility's volume of pedestrian traffic (which may vary at different times of the day, week, month, or year);

- the facility's design and operational characteristics (e.g., whether its business is conducted indoors or outdoors, its square footage, the density and placement of furniture and other stationary devices, and the availability of storage for the OPDMD if needed and requested by the user);
- whether legitimate safety requirements (such as limiting speed to the pace of pedestrian traffic or prohibiting use on escalators) can be established to permit the safe operation of the OPDMD in the specific facility; and
- whether the use of the OPDMD creates a substantial risk of serious harm to the immediate environment or natural or cultural resources, or poses a conflict with Federal land management laws and regulations.

It is important to understand that these assessment factors relate to an entire class of device type, **not** to how a person with a disability might operate the device. (See next topic for operational issues.) All types of devices powered by fuel or combustion engines, for example, may be excluded from indoor settings for health or environmental reasons, but may be deemed acceptable in some outdoor settings. Also, for safety reasons, larger electric devices such as golf cars may be excluded from narrow or crowded settings where there is no valid reason to exclude smaller electric devices like Segways®.

Based on these assessment factors, the Department of Justice expects that devices such as Segways® can be accommodated in most circumstances. The Department also expects that, in most circumstances, people with disabilities using ATVs and other combustion engine-driven devices may be prohibited indoors and in outdoor areas with heavy pedestrian traffic.

### Policies on the Use of OPDMDs

In deciding whether a type of OPDMD can be accommodated, covered entities must consider all assessment factors and, where appropriate, should develop and publicize rules for people with disabilities using these devices. Such rules may include



requiring the user to operate the device at the speed of pedestrian traffic;

identifying specific locations, terms, or circumstances (if any) where the devices cannot be accommodated;

setting out instructions for going through security screening machines if the device contains technology that could be harmed by the machine; and

specifying whether or not storage is available for the device when it is not being used.

### Credible Assurance



An entity that determines it can accommodate one or more types of OPDMDs in its facility is allowed to ask the person using the device to provide credible assurance that the device is used because of a disability. If the person presents a valid, State-issued disability parking placard or card or a State-issued proof of disability, that must be accepted as credible assurance on its face. If the person does not have this documentation, but states verbally that the OPDMD is being used because of a mobility disability, that also must be accepted as credible assurance, unless the person is observed doing something that contradicts the assurance. For example, if a person is observed running and jumping, that may be evidence that contradicts the person's assertion of a mobility disability. However, it is very important for covered entities and their staff to understand that the fact that a person with a disability is able to walk for a short distance does not necessarily contradict a verbal assurance -- many people with mobility disabilities can walk, but need their mobility device for longer distances or





uneven terrain. This is particularly true for people who lack stamina, have poor balance, or use mobility devices because of respiratory, cardiac, or neurological disabilities. A covered entity cannot ask people about their disabilities.

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### **Staff Training**

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Ongoing staff training is essential to ensure that people with disabilities who use OPDMs for mobility are not turned away or treated inappropriately. Training should include instruction on the types of OPDMs that can be accommodated, the rules for obtaining credible assurance that the device is being used because of a disability, and the rules for operation of the devices within the facility.

**For more information about the ADA, please visit our website or call our toll-free number.**

**ADA Website**

**[www.ADA.gov](http://www.ADA.gov)**

To receive e-mail notifications when new ADA information is available, visit the ADA Website's home page and click the [link](#) near the top of the middle column.

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### **ADA Information Line**

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800-514-0301 (Voice) and 800-514-0383 (TTY)

24 hours a day to order publications by mail.

M-W, F 9:30 a.m. – 5:30 p.m. , Th 12:30 p.m. – 5:30 p.m. (Eastern Time) to speak with an ADA Specialist.

All calls are confidential.

For persons with disabilities, this publication is available in alternate formats.

Duplication of this document is encouraged. January 2014

The Americans with Disabilities Act authorizes the Department of Justice (the Department) to provide technical assistance to individuals and entities that have rights or responsibilities under the Act. This document provides informal guidance to assist you in understanding the ADA and the Department's regulations.

This guidance document is not intended to be a final agency action, has no legally binding effect, and may be rescinded or modified in the Department's complete discretion, in accordance with applicable laws. The Department's guidance documents, including this guidance, do not establish legally enforceable responsibilities beyond what is required by the terms of the applicable statutes, regulations, or binding judicial precedent.

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### **PDF Version of this Document**

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January 31, 2014

## Overview

This brief summarizes lower-power vehicle laws in Minnesota. As used here, the term “low-power and unconventional vehicle” covers a variety of vehicle types, including autocycles, all-terrain vehicles, electric-assisted bicycles, golf carts, mini-trucks, motor scooters, motorized foot scooters, motorized bicycles (or mopeds), and neighborhood electric vehicles.

Although all of the vehicles are motorized they vary greatly in form, size, features, and intended use. In most cases the vehicles are smaller and less powerful than a typical car, truck, or SUV. Some are devices marketed mainly to children, whereas others present an alternative to a passenger automobile.




Minnesota law regulates vehicle operation on public streets and highways and establishes licensing, insurance, and equipment requirements. Legislation in recent years has established new classifications of vehicles and devices and, in many cases, specific regulations for each type of vehicle. The expansion of vehicle categories in law reflects a rise in the variety of vehicles and devices available to consumers.




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## Summary of Regulations

The tables below outline basic requirements for each type of vehicle. Subsequent sections provide detail on the regulations.

	All-Terrain Vehicle and Utility Task Vehicle	Autocycle	Electric-Assisted Bicycle
<b>Example</b>			
<b>Legal attributes</b>	ATV: up to 960 cc engine, three to six flotation tires, max. 1,800 lbs. dry weight UTV: four wheels, up to 1,200 cc engine, 1,800 to 2,600 lbs. dry weight	Three wheels, nonstraddled seats, steering wheel, anti-lock brakes, meets federal safety standards for motorcycle	Bicycle with saddle, pedals for human propulsion, two to three wheels, max. 1,000-watt electric motor, 20 m.p.h. top speed, meets federal standards
<b>Registration</b>	Local special permit; typically DNR registration for ATV use	Title, vehicle registration, tax, license plate	Not required
<b>Operator licensing</b>	Not required	Driver's license (no endorsement needed)	None required; minimum operator age is 15
<b>Insurance</b>	Liability coverage (same as passenger autos)	Liability coverage (same as passenger autos)	Not required
<b>Operating rules</b>	Generally same traffic laws as other motor vehicles; some limitations on operating at night and in low visibility	Generally same traffic laws as other motor vehicles; various limitations	Generally same traffic laws as motor vehicles; various limitations
<b>Safety equipment</b>	Most equipment laws do not apply; rearview mirror	Helmet if under age 18 and cabin is unenclosed; various equipment requirements; headlight on at all times	Lighting generally required for night; helmet not required
<b>Notes</b> "ATV" refers to an all-terrain vehicle. "UTV" refers to a utility task vehicle. "DNR" refers to the Department of Natural Resources.			

	Golf Cart	Mini-Truck	Motor Scooter
<b>Example</b>			
<b>Legal attributes</b>	Not specifically defined in law	Up to 660 cc or 7,500-watt engine, 900 to 2,200 lbs. dry weight, does not meet certain federal safety standards	Not specifically defined in law (but part of motorcycle classification, which includes: seat or saddle, up to three wheels)
<b>Registration</b>	Local special permit	Local special permit; possible DNR registration as ATV	Title, vehicle registration, tax, license plate
<b>Operator licensing</b>	Not required	Driver's license or permit	Driver's license with two-wheeled vehicle endorsement
<b>Insurance</b>	Liability coverage (same as passenger autos)	Liability coverage (same as passenger autos)	Liability coverage (same as passenger autos)
<b>Operating rules</b>	Generally same traffic laws as other motor vehicles; some limitations on operating at night and in low visibility	Generally same traffic laws as other motor vehicles	Generally same traffic laws as other motor vehicles; various limitations; no operation on sidewalks
<b>Safety equipment</b>	Most equipment laws do not apply; rearview mirror; slow-moving vehicle emblem	Headlights; taillights; turn signals; mirrors; windshield; seat belt; parking brake	Helmet if under age 18; various equipment requirements; eye protection for all operators; headlight on at all times
<b>Notes</b> "ATV" refers to an all-terrain vehicle. "DNR" refers to the Department of Natural Resources.			

## **Motorized Golf Carts – Ordinance Review**

### **Summary of Ordinances in MN**

December 2020

#### **Introduction**

Minnesota State Statute 169.045 - Special Vehicle Use on Roadway states that *“any county, home rule charter or statutory city, or town may by ordinance authorize the operation of motorized golf carts, all-terrain vehicles, utility task vehicles, or mini trucks, on designated roadways or portions thereof under its jurisdiction.”* With this in mind, the City of North Mankato is considering establishing an ordinance to regulate the usage of Motorized Golf Carts in the community and has begun research to fully understand how other MN cities are doing so. The following provides a summary review of ordinances pertaining to the regulation of usage of Motorized Golf Carts (MGCs) in various MN cities, including the following:

- |                  |                    |
|------------------|--------------------|
| 1. Rochester     | 7. Shakopee        |
| 2. Lake City     | 8. White Bear Lake |
| 3. Anoka         | 9. Madison         |
| 4. Minneota      | 10. Pipestone      |
| 5. Prior Lake    | 11. Elysian        |
| 6. Golden Valley | 12. Oak Grove      |

#### **Ordinance Requirements**

The following requirements were common among all ordinances reviewed as dictated by Minnesota State Statute 169.045:

- Ordinances shall:
  - Designate roadways
  - Prescribe the form of application for permit for up to a three-year term with option to renew
  - Require evidence of insurance.
- MGCs:
  - May only be operated from sunrise to sunset, unless equipped with original equipment headlights, taillights, and rear-facing break lights.
  - Shall not be operated in inclement weather, except during emergency conditions as provided in the ordinance, or when visibility is impaired by weather, smoke, fog, or other conditions, or at any time when there is insufficient visibility to clearly see persons and vehicles on the roadway at 500 feet.
  - Shall display the slow-vehicle emblem.

- May cross any street or highway intersecting a designated roadway.
- All operators have the rights and duties applicable to any driver except when those provisions cannot reasonably be applied to motorized golf carts.

### **Variations Among MN Ordinances**

Ordinances tailor the requirements of Minnesota State Statute 169.045 in various ways. The following outlines some of the variations observed between MN ordinances:

- *Designated Roadways.* Perhaps the largest variation among ordinances is how each ordinance dictates where MGCs can operate. The following is a breakdown per city:
  - Rochester:
    - *MGCs can only operate on streets approved by resolution of the City Council. Approved roadways will be listed on the permit issued to the operator.*
    - *Applicants must submit a written description of the route which the applicant proposes to take from the place where the MGC is garaged to the golf course where the intended use is.*
  - Lake City:
    - *MGCs may be operated on roadways or shoulders of roadways under the City's jurisdiction except for those listed.*
    - *MGCs can be operated on roadways with joint jurisdiction for connectivity purposes to access the nearest municipal street. These are listed in ordinance.*
  - Anoka:
    - Motorized golf carts may be operated on all local city streets within the limits of the city that have a speed limit of 30 miles per hour or less, with the exception of East Main Street, where such operation is prohibited. MGCs can also be operated on designated trails. Restricted areas are further listed in the ordinance.
  - Minneota:
    - MGCs and ATVs shall only be operated on city owned streets, alleys, and county roads or county state-aid highways located within the boundaries of the city. Golf carts and ATV's are permitted to cross State Highway 68.
  - Prior Lake:
    - Motorized golf carts may only be operated on the designated roadways specified on the approved permit. The roadways listed on the approved permit on which the motorized golf cart may operate. Designated roadways must be public streets under City jurisdiction with speed limits of 35 miles per hour or less.
  - Golden Valley:
    - MGCs are hereby authorized on the roadways and streets in all districts zoned for residential uses only and which streets are not State trunk highways, County highways or County State-aid roads, but may cross such roads and highways if the golf cart bears a slow-moving vehicle emblem.

- Shakopee:
    - May operate on all roads in City with a posted speed of 35mph or less.
  - White Bear Lake:
    - Roadways within the City of White Bear Lake with a posted speed limit of thirty-five (35) miles per hour or less.
  - Madison:
    - MGCs may be operated on all streets and roads within the limits of the city except State Highways designated as Highway 75 and Highway 40 and County Highways designated as Highway 19 and Municipal Highway 204.
  - Pipestone:
    - Motorized carts shall be permitted on City streets between April 1 and October 31 of each year.
    - ...a permit issued under this ordinance also may:
      - Limit operation of the motorized golf cart to use only on specific streets within the group of designated streets.
      - Prohibit operation on certain designated streets during specified times, dates or occasions.
  - Elysian:
    - Motorized golf carts may be operated only on streets and roadways designated on the permit authorized by the City Council.
    - Motorized golf carts may not be operated on State Highways or County Highways. Drivers may cross, at right angles, any highway intersecting a designated street or roadway.
    - Motorized golf carts may not be driven on any portion of the DNR State Trail. Drivers may cross the Trail where it intersects approved streets or roadways.
  - Oak Grove:
    - No person shall operate an all-terrain vehicle or golf cart on the roadway, on the shoulder, or on the inside bank or slope of any trunk, county state-aid, or county highway in the city.
    - All-terrain vehicles and golf carts may be operated within city streets provided that they are operated on the far right-hand side of the roadway surface and in the same direction as the roadway traffic on the nearest lane of the roadway except for turning or crossing movements at intersections.
- *Age of Operator.* While many cities specifically state a minimum age of 16 years of age to operate MGCs in designated public rights-of-way, most cities require a valid driver's license which implies the same. However, Anoka requires that only persons 21 years of age and older may operate MGCs on designated public rights-of-way.
  - *Permits and Proof of Insurance.*
    - Many ordinances require the operator to have the permit and/or proof of insurance in their possession while operating a MGC.
    - Some require the permit number is posted on the vehicle such as White Bear Lake, Minneota, and Lake City.
  - *Parking.* Many ordinances, not all, provide provisions for parking. Parking for MGCs typically follows normal vehicle parking laws and MGCs are required to use vehicle parking spaces.



- *Permit Term.* Under MN State Statute, cities can offer a permit term of up to three years without renewal. However, most cities reviewed only provide an annual term. Anoka is the only city reviewed allowing a three-year permit term.
- *Speed Limits.* The City of Minneota is the only city regulating speed of MGCs beyond posted speed limits, limiting MGCs to a maximum of 15mph.
- *MGC Relation to All-Terrain Vehicles (ATVs) and Other Similar Type Vehicles.* Most ordinances reviewed pertain solely to permitting and operating MGCs. However, some have broader scope, including provisions and distinctions between MGCs, ATVs, and other similar type vehicles. These cities include Anoka, Minneota, Prior Lake, and Pipestone.
  - Anoka defines UTVs and outlines exemptions for public safety and golf course use of UTVs in the community.
  - Minneota defines Class 1 and Class 2 ATVs and provides similar guidance for MGC and ATV usage in the community throughout the ordinance.
  - Prior Lake and Pipestone both state that the definition of MGCs excludes ATVs.

## Conclusion

Many MN communities have chosen to regulate the use of MGCs as dictated through Minnesota State Statute 169.045. This allows cities to designate roadways, prescribe the form of application for permit, and require insurance for operators of MGCs while dictating operating timeframes and conditions that will ensure public safety.

City staff reviewed state statute and ordinances from 12 MN cities to understand requirements and observed differences among them. Perhaps the most variation among cities that were reviewed was found where MGCs can operate, with some cities allowing MGCs on public streets within residential zones, others only allowing MGCs on streets with posted speeds (maximum 30-35 mph), and yet others only allowing MGCs on prescribed streets dictated by the City Council. Some variation was observed in age of operator, permitting and insurance, parking, maximum operating speeds, and relationship to ATVs and other similar type vehicles.

The City of North Mankato will need to consider variations when determining how to “right-size” an ordinance for the community and how citizens will be allowed to use MGCs moving forward.

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## Links to State Statute and Ordinances

- MN State Statute 169.045: <https://www.revisor.mn.gov/statutes/cite/169.045>
- Rochester, MN: [https://library.municode.com/mn/rochester/codes/code\\_of\\_ordinances?nodeId=PTIICOOR\\_TIT\\_11TRVE\\_CH11-2MOGOCA](https://library.municode.com/mn/rochester/codes/code_of_ordinances?nodeId=PTIICOOR_TIT_11TRVE_CH11-2MOGOCA)
- Lake City, MN: [https://www.ci.lake-city.mn.us/vertical/sites/%7B95AE24C2-7B77-4EE6-9D85-64F563A03DED%7D/uploads/Chapter\\_77 - Golf Carts updated\\_01.06.20.pdf](https://www.ci.lake-city.mn.us/vertical/sites/%7B95AE24C2-7B77-4EE6-9D85-64F563A03DED%7D/uploads/Chapter_77_-_Golf_Carts_updated_01.06.20.pdf)
- Anoka, MN: [https://library.municode.com/mn/anoka/codes/code\\_of\\_ordinances?nodeId=CD\\_CH66TRVE\\_A\\_RTIVGOCAUTSIVE](https://library.municode.com/mn/anoka/codes/code_of_ordinances?nodeId=CD_CH66TRVE_A_RTIVGOCAUTSIVE)
- Minneota, MN: [https://minneota.com/Ordinance\\_15\\_01\\_Golf\\_Cart\\_ATV.pdf](https://minneota.com/Ordinance_15_01_Golf_Cart_ATV.pdf)
- Prior Lake, MN: <http://156.99.83.130/WeblinkExternal/DocView.aspx?id=135738&dbid=0&repo=PriorLake>

- Golden Valley, MN:  
[https://library.municode.com/mn/golden\\_valley/codes/code\\_of\\_ordinances?nodeId=PTIGEOR\\_CH26TRVE\\_ARTIINGE\\_S26-5MOGOCAOPRE](https://library.municode.com/mn/golden_valley/codes/code_of_ordinances?nodeId=PTIGEOR_CH26TRVE_ARTIINGE_S26-5MOGOCAOPRE)
- Shakopee, MN:  
[https://shakopee.municipalcodeonline.com/book?type=ordinances#name=MOTORIZED\\_GOLF\\_CARTS](https://shakopee.municipalcodeonline.com/book?type=ordinances#name=MOTORIZED_GOLF_CARTS)
- White Bear Lake, MN:  
[https://www.whitebearlake.org/sites/default/files/fileattachments/administration/page/1711/chapter\\_607.pdf](https://www.whitebearlake.org/sites/default/files/fileattachments/administration/page/1711/chapter_607.pdf)
- Madison, MN: [https://ci.madison.mn.us/index.asp?SEC=A5D30E46-859B-4F12-8B51-DFEF95452D85&Type=B\\_BASIC](https://ci.madison.mn.us/index.asp?SEC=A5D30E46-859B-4F12-8B51-DFEF95452D85&Type=B_BASIC)
- Pipestone, MN: <https://www.progressivepipestone.com/DocumentCenter/View/522/Golf-Cart-Ordinance>
- Elysian, MN: [http://www.elysianmn.com/docs/ordinances/Ordinance65\\_09.pdf](http://www.elysianmn.com/docs/ordinances/Ordinance65_09.pdf)
- Oak Grove, MN:  
[https://library.municode.com/mn/oak\\_grove/codes/code\\_of\\_ordinances?nodeId=COORPAI\\_CH22STSIOTPUPL\\_ARTIIRI-WMA\\_S22-63ALTEVE](https://library.municode.com/mn/oak_grove/codes/code_of_ordinances?nodeId=COORPAI_CH22STSIOTPUPL_ARTIIRI-WMA_S22-63ALTEVE)

## CHAPTER 73: RECREATIONAL VEHICLES

### Section

<a href="#">73.01</a>	Purpose and intent
<a href="#">73.02</a>	Definition
<a href="#">73.03</a>	Operation requirements
<a href="#">73.04</a>	Street crossings
<a href="#">73.05</a>	Hours of operation
<a href="#">73.06</a>	Minimum equipment requirements
<a href="#">73.07</a>	Designation of public areas for use
<a href="#">73.08</a>	Motorized golf carts
<a href="#">73.09</a>	Specialized vehicles: utility-terrain vehicles and mini-trucks

### § 73.01 PURPOSE AND INTENT.

(A) (1) The purpose of this chapter is to provide reasonable regulations for the use of recreational motor vehicles on public and private property in the city.

(2) This chapter is not intended to allow what the Minnesota Statutes prohibit nor to prohibit what the Minnesota Statutes expressly allow.

(B) It is intended to ensure the public safety and prevent a public nuisance.

### § 73.02 DEFINITION.

For the purpose of this chapter, the following definition shall apply unless the context clearly indicates or requires a different meaning.

**RECREATIONAL MOTOR VEHICLE.** Any self-propelled vehicle and any vehicle propelled or drawn by a self-propelled vehicle used for recreational purposes including, but not limited to trail bikes, off-highway motorcycles, as defined by M.S. § 84.787, Subd. 7, as it may be amended from time to time, ~~or~~ or other all-terrain vehicles as defined by M.S. § 84.92, Subd. 8, as it may be amended from time to time, motorized golf carts, motorized go-carts, hovercraft or motor vehicles licensed for highway operation which is being used for ~~off-road~~ recreational purposes.

### § 73.03 OPERATION REQUIREMENTS.

It is unlawful for any person to operate a recreational motor vehicle:

(A) On private property of another without specific written permission of the owner of the property; (Written permission may be given by a posted notice of any kind or description, so long as it specifies the kind of vehicles allowed, that the owner, occupant or lessee prefers, such as by saying " Recreational Vehicles Allowed, "" Trail Bikes Allowed, "" All-Terrain Vehicles Allowed " or words substantially similar.)

(B) On publicly-owned land, including school, park property, playgrounds, recreation areas and golf courses, except where permitted by this chapter;

(C) In a manner so as to create a loud, unnecessary or unusual noise which disturbs, annoys or interferes with the peace and quiet of other persons;

(D) On a public sidewalk or walkway provided or used for pedestrian travel;

(E) At a place while under the influence of intoxicating liquor or narcotics or habit-forming drugs;

(F) At a rate of speed greater than reasonable or proper under all the surrounding circumstances;

(G) At any place in a careless, reckless or negligent manner so as to endanger or be likely to endanger any person or property or to cause injury or damage thereto;

(H) On any public street, highway or right-of-way unless licensed pursuant to Minnesota law and this chapter of the City Code;

(I) To intentionally drive, chase, run over or kill any animal, wild or domestic;

(J) By halting any recreational motor vehicle carelessly or heedlessly in disregard of the rights or the safety of others or in a manner so as to endanger or be likely to endanger any person or property or in excess of 25 miles per hour on publicly-owned lands; and/or

(K) Within 150 yards of any public recreational area or gathering of people. This provision does not apply to the occasional use of recreational motor vehicles on private property for the purpose of loading or unloading it from a trailer or for mechanically checking it.

Penalty, see § [10.99](#)

#### **§ 73.04 STREET CROSSINGS.**

No person under 14 years of age operating the vehicles regulated herein shall make a direct crossing of any street, highway or public right-of-way.

Penalty, see § [10.99](#)

#### **§ 73.05 HOURS OF OPERATION.**

~~Hours for use are~~ Recreational motor vehicles can operate from 8:00 a.m. to 10:00 p.m., with the exception of motorized golf carts operating on designated roadways where operation can only be during daylight hours between sunrise and sunset.

Penalty, see § [10.99](#)

#### **§ 73.06 MINIMUM EQUIPMENT REQUIREMENTS.**

(A) Standard mufflers shall be properly attached and in constant operation to reduce the noise of operation of the motor to the minimum necessary for operation. No person shall use a muffler cutout, by-pass, straight pipe or similar device on a recreational motor vehicle motor. The exhaust system shall not emit or produce a sharp popping or crackling sound.

(B) Brakes shall be adequate to control the movement of and to stop and hold under any conditions of operation.

(C) At least one clear lamp shall be attached to the front with sufficient intensity to reveal persons and vehicles at a distance of at least 100 feet ahead during the hours of darkness under normal atmospheric conditions. The head lamp shall be so that glaring rays are not projected into the eyes of an oncoming vehicle operator. It shall also be equipped with at least one red tail lamp having a minimum candlepower of sufficient intensity to exhibit a red light plainly visible from a distance of 500 feet to the rear during the hours of darkness under normal atmospheric conditions. This equipment shall be required and shall be in operating condition when the vehicle is operated between the hours of one-half hour after sunset and one-half hour before sunrise, or at times of reduced visibility.

Penalty, see § [10.99](#)

#### **§ 73.07 DESIGNATION OF PUBLIC AREAS FOR USE.**

(A) The Council may designate areas for use of recreational motor vehicles by approval of a majority of the members of the City Council. The areas designated may be changed from time to time by the City Council. Any area designated shall be published in the official newspaper of the city in a conspicuous place after the approval. If an area is changed, the change shall be published in like manner in the official newspaper of the

city. An up-to-date map of any designated park areas open for recreational motor vehicle use shall be kept on file in the office of the City Clerk, who shall provide on request a copy of the map together with the applicable rules, regulations and this chapter to each person requesting the information from the city.

(B) Unless designated by the City Council as an area for recreational motor vehicles, the use on city park -property or designated off-street trail shall be unlawful. Further, the use of city parks designated by the City Council shall be in accordance with all of the applicable provisions of this chapter.

Penalty, see § [10.99](#)

### **§ 73.08 MOTORIZED GOLF CARTS.**

~~A. No person shall operate a motorized golf cart on streets, alleys, sidewalks or other public property.~~

A. *Authorization.* Pursuant to its authority under M.S. § 169.045, the City authorizes the operation of motorized golf carts on designated roadways as permitted under this Section.

B. *Definitions.*

**MOTORIZED GOLF CART.** A self-propelled vehicle of the type and style designated for, and commonly used by, patrons of golf courses, but excluding vehicles commonly known as all-terrain vehicles or ATV's, utility-terrain vehicles or UTV's, mini-trucks, and other specialized vehicles not considered a motorized golf cart.

**DESIGNATED ROADWAY.** Roadways within the City of North Mankato with a posted speed limit of thirty (30) miles-per-hour or less and/or identified on the "Permitted Roadways" figure accompanying this ordinance. The operator, under permit, of a motorized golf cart may cross any street or highway intersecting a designated roadway within City limits.

C. *Operation Requirements.* It is unlawful for any person to operate a motorized golf cart on a roadway unless:

- a. The operator possesses a valid driver's license.
- b. The operation is on a designated roadway, except when crossing any non-designated street or highway intersecting a designated roadway.
- c. The operation is during daylight hours between sunrise and sunset as stated in § 73.05.
- d. The operation is only during the months of April through October of each year and not during inclement weather, or when visibility is impaired by weather, smoke, fog, or other conditions, or when there is insufficient light to clearly see persons or vehicles thereon at a distance of 500 feet.
- e. The motorized golf cart displays a slow-moving vehicle emblem, as described by M.S. § 169.522, on the rear thereof.
- f. The motorized golf cart is equipped with rear view mirrors as required by M.S. § 169.70.
- g. The motorized golf cart is equipped with headlights and taillights as defined in § 73.06.
- h. The operator provides a signal of intention when turning or stopping the motorized golf cart as defined in M.S. § 169.19. The signals herein required shall be given either by means of the hand and arm or by a signal

lamp or signal device of a type approved by the commissioner of public safety.

- i. The operator has insurance coverage required by State statute (presently M.S. § 65B.48, subd. 5 where the term “Motorcycle” shall be understood to represent “Motorized Golf Cart”).
  - j. The operator observes all traffic laws, except such as cannot reasonably be applied to motorized golf carts.
  - k. The number of persons occupying a motorized golf cart in motion does not exceed the manufacturer specifications.
  - l. The operator has displayed a permit obtained from the City of North Mankato on the motorized golf cart as provided for herein, or as otherwise authorized by other provisions of this City code or State statute.
- D. *Permits.* Persons wishing to operate motorized golf carts on designated roadways must complete a permit application obtained from the City clerk. Permits shall be valid for one year from the date of issuance. Conditions for issuance of a permit are as follows:
- a. Applicant must possess a valid driver's license.
  - b. If the applicant is physically disabled, the applicant must submit a certificate signed by a licensed physician that the applicant is able to operate a motorized golf cart on the designated roadways.
  - c. Applicant must have proof of insurance as required by M.S. § 65B.48, subd. 5.
  - d. Permit decals obtained from the City of North Mankato shall be affixed to the front panel of the driver's side of the golf cart to ensure visibility for law enforcement.
- E. *Inspections.* Owners/Operators of motorized golf carts attempting to obtain a permit from the City of North Mankato for operation on designated roadways shall have the motorized golf cart inspected by the City during the permit application process. To have inspection completed, owners/operators can drive the motorized golf cart to the North Mankato City Hall on designated roadways as defined herein. Where lack of available designated roadways does not permit an owner/operator of a motorized golf cart to drive to City Hall, the owner/operator can:
- a. Have the motorized golf cart transported by trailer to City Hall.
  - b. Submit photos of the motorized golf cart to City staff for review. Submitted photos should include one (1) photo of the front, rear, and each side of the motorized golf cart and shall be clear enough so that a detailed inspection can be completed. City staff reserves the right to request additional photos if they feel the original submitted photos are inadequate for a detailed inspection of the motorized golf cart.
- F. *Storage.* The storage of motorized golf carts on residentially zoned properties will comply with § 92.19 and § 156.035 of the City Code.
- G. *Penalty.* see § [10.99](#)

## **§ 73.09 SPECIALIZED VEHICLES: UTILITY-TERRAIN VEHICLES AND MINI-TRUCKS.**



(A) *Purpose and intent.* The purpose of this section is to provide reasonable regulations for the use of specialized vehicles on public property within the city. This section is not intended to allow what the Minnesota Statutes prohibit or to prohibit what the Minnesota Statutes expressly allow. It is intended to ensure the public safety and prevent a public nuisance.

(B) *Definitions.* For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**DRIVER.** The person driving and having physical control over the utility-terrain vehicle or mini-truck.

**MINI-TRUCK.** As defined in M.S. § 169.011, Subd. 40(a), as may be amended from time to time, a motor vehicle that has 4 wheels, is propelled by an electric motor with a rated power of 7,500 watts or less or an internal combustion engine with a piston displacement capacity of 660 cubic centimeters or less, has a total dry weight of 900 to 2,200 pounds, contains an enclosed cabin and a seat for the vehicle operator, commonly resembles a pickup truck or van, including a cargo area or bed located at the rear of the vehicle, and was not originally manufactured to meet federal motor vehicle safety standards required of motor vehicles in the 49 C.F.R. §§ 571.101 to 571.404, and successor requirements.

**UTILITY-TERRAIN VEHICLE.** A motorized flotation-tired vehicle with at least 3 but no more than 6 low pressure tires that has an engine displacement of less than 960 cubic centimeters and total dry weight of less than 1800 pounds and side-by-side seating.

(C) *Operation.* Utility-terrain vehicles may only be used for business or commercial purposes.

(D) *Conditions of operation.*

(1) A driver shall be at least 18 years of age.

(2) Utility terrain vehicles shall display the slow-moving vehicle emblem provided for in M.S. § 169.045, as it may be amended from time to time, when operated on designated roadways.

(3) Utility-terrain vehicles and mini-trucks shall be equipped with a rearview mirror to provide the driver with adequate vision from behind as required by M.S. § 169.70, as it may be amended from time to time.

(4) Every person operating a utility-terrain vehicle or a mini-truck on designated roadways has all the rights and duties applicable to the driver or any other vehicle under provisions of M.S. Chapter 169, as it may be amended from time to time, except when these provisions cannot reasonably be applied to utility-terrain vehicles or mini-trucks and except as otherwise specifically provided in M.S. § 169.045, Subd. 7, as it may be amended from time to time.

(5) The number of occupants on the utility-terrain vehicle or mini-truck shall not exceed the design occupant load.

(6) No operation of a utility-terrain vehicle and mini-truck shall be allowed on private property without the consent of the owner, or on any city sidewalk, trail or park.

(7) A mini-truck may be operated on roadways within the city if it is equipped with all of the following:

(a) At least 2 headlamps;

(b) At least 2 tail lamps;



- (c) Front and rear turn signal lamps;
  - (d) An exterior mirror mounted on the driver's side of the vehicle and either (a) an exterior mirror mounted on the passenger's side of the vehicle or (b) an interior rear-view mirror;
  - (e) A windshield;
  - (f) A seat belt for the driver and front passenger; and
  - (g) A parking brake.
- (E) *Violation; penalty.* Any person who operates a utility-terrain vehicle or a mini-truck within the city in violation of this section shall be guilty of a misdemeanor.  
(Ord. 48, 4th Series, passed 1-22-2013)



