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For Immediate Release

Rosemount Steps Closer to Public Private Partnership

Innovative Plan Would Bring Life Time to Town

Rosemount, MN

Tuesday night, the Rosemount city council signed a purchase agreement to acquire a 29-acre parcel at the northeast corner of Cty Rd 42 and Akron Avenue. In addition, they signed off on a letter of intent with Life Time to build a state-of-the-art athletic club on a portion of the land parcel. If the proposed partnership with Life Time is completed, Rosemount residents would receive a reduced membership rate and other access benefits to the newly built Life Time location through the partnership.

The Life Time location currently being considered would be an approximate 108,000 square foot premier Healthy Way of Life™ club, that would anchor the development on 11 acres. The remaining 18 acres of land would be sold for retail expansion and infrastructure. Potential uses could include a convenience station, a grocery store, office/retail spaces, and some multi-family residential.

For several years, the City has been exploring various options for bringing a recreation center to the community. With inquiries, discussion and survey feedback, Rosemount citizens have been indicating their desire for such a facility for years. In 2017, consulting firm Ballard King was hired to conduct a market and feasibility study on the city constructing and running its own recreation facility. Results showed that Rosemount had a strong need for additional recreation facilities and residents were spending their recreation/fitness funds elsewhere. However, the study concluded that the City would lose upwards of \$500,000 annually on this option for a variety of reasons, leading city officials to strategically pursue other options.

In 2019, the city began to explore a non-profit partnership option. City officials had identified a total project budget of \$21M to support this endeavor and planned to utilize revenue generated by the local landfill fees as the funding source. In that model, the city would have constructed a 60,000 square foot facility and would have been responsible for half of all building upkeep, maintenance, and any annual profit loss that the managing partner may have experienced in down years for the life of the operation.

Around that time, the city was approached by Life Time as a possible partner. The company had Rosemount on its radar as a potential future project yet wasn't prepared to invest until the city's projected population growth became a reality, likely another ten or more years. Utilizing the same \$21M project budget and funding source so as to not put any tax burden on residents, city officials began exploring the benefits of a public private partnership with Life Time. As details emerged, this scenario became the most feasible and ideal option of the

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three, not only from a financial standpoint, but also due to its ability to kickstart economic development in the area.

This public private partnership option would add numerous benefits for the city, such as a larger facility with indoor/outdoor pools, exercise amenities, spa, café, and pickleball courts; no ongoing financial requirements for building maintenance throughout the 30-year lease term; spurring interest in an area intended for commercial and residential growth by adding a landmark tenant; and providing residents with a premier facility to meet the wants and needs of the community.

“We are extremely thrilled about the prospect of this innovative partnership with Life Time,” stated Rosemount Port Authority Chair and City Council member, Heidi Freske. “Growth and development are top priorities in Rosemount right now. Our citizens are looking for the convenience, retail variety, and amenities that contribute to a high quality of life in our city. Building and managing a city-run facility and accepting large annual losses was not what our residents were looking for.”

Mayor Bill Droste added, “Life Time has secured its place as the premier club operator with the best programming and experiences for the entire family. This partnership would be a forward thinking and nimble way to achieve multiple goals for our residents while letting the private sector do what it does best.”

The next steps in the process will include negotiating definitive agreements with Life Time, as well as the final design, bidding, and construction of the project. Construction on the facility could begin in 2023, with a goal to open the new Life Time in Rosemount in 2024. For more information on the city’s commercial visioning plans, visit www.ci.rosemount.mn.us/growth.

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