



Request for City Council Committee Action from the Department of Finance

Date: March 1, 2006
To: Ways and Means/Budget Committee
Referral to: None
Subject: Edison Arena Sale to Park Board

Recommendation

Authorize the Chief Financial Officer to negotiate a final purchase agreement with the Park Board to sell the Edison Arena under the proposed terms as attached.

Previous Directives

The Finance Department has previously reported that the City's sublease to the Edison Youth Hockey Association is in default and continues to be in default. The Finance Department has been attempting to identify options to sell or lease the Arena to other parties.

Prepared or Submitted by Patrick Born, CFO (3375)

Approved by: _____ Patrick Born, CFO
_____ Steven Bosacker, City Coordinator

Permanent Review Committee (PRC) Approval ____ Not Applicable X

Note: To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

Policy Review Group (PRG) Approval ____ Date of Approval ____ Not Applicable X

Note: The Policy Review Group is a committee co-chaired by the City Clerk and the City Coordinator that must review all requests related to establishing or changing enterprise policies.

Presenters in Committee Patrick Born, CFO

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the ____ Capital Budget or ____ Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: ____ Action is within the plan. ____ Action requires a change to plan.

___ Other financial impact (Explain):

___ Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information Attached

The City Finance department and the Park Board staff have negotiated the attached terms for the Park Board's acquisition of the Edison Arena. The Park Board would buy the Arena for the balance of the City's Arena debt on July 1, 2006 (estimated to be \$710,000). The City would pay off the Arena debt using the sale proceeds. The Park Board would own the Arena as a part of its normal operations.

The City's subleasee, the Edison Youth Hockey Association, has an unpaid balance of lease payments owed to the City of \$187,000 through July 1, 2006. The City will seek recovery of these lease payments from the Association. The City may also recover these unpaid lease payments from a revenue sharing arrangement with the Park Board from its operation or sale of the Arena through December 31, 2016.