

City of Muskegon
City Commission Work Session
July 13, 2015
City Commission Chambers
5:30 PM

MINUTES

2015-49

Present: Commissioners Spataro, German, Johnson, Gawron, Rinsema-Sybenga, Hood, and Turnquist.

Absent: None

LC Walker Arena

For the past six months, city staff has been working with the Muskegon Lumberjacks ownership group to transition the group from facility manager to tenant. After much consideration, the team and city staff mutually agreed that an ideal time to initiate the transition would be upon the completion of the 2014-15 hockey season. An important aspect of the early transition was the ability to enter into a long-term lease agreement that would improve the marketability of the hockey team.

The key terms of the proposed lease are as follows:

1. The lease has an initial 3 year term that can be extended up to two additional years if the hockey team sells at least 80,000 tickets in years two and/or three.
2. The hockey team will have access to certain office space, locker rooms, practice and game ice, concession areas, merchandise sales areas, and certain common areas.
3. The Lumberjacks will make an annual lump sum payment to the city equal to \$12,500, and provide a ticket revenue share with the city as follows:
 - a. \$1.00 per ticket for the first 60,000 tickets printed (\$37,500 of which is due at the same time as the annual lump sum payment).
 - b. \$0.00 per ticket for the next 12,500 tickets printed.
 - c. \$2.00 per ticket for the next 10,000 tickets printed.
 - d. \$3.00 per ticket for the next 10,000 tickets printed.
 - e. \$4.00 per ticket for any ticket printed in excess of 80,000 tickets
4. The hockey team and city are to split certain revenues related to advertising.
5. The hockey team will provide its own ushers, security, and post-game arena cleaning.
6. The hockey team will keep net revenues from concession sales during their games.
7. The hockey team will pay \$750 per preseason game and \$1000 per playoff game hosted arena.

This item will be considered at the July 14, 2015 City Commission Meeting.

Any Other Business

Commissioner Johnson inquired what steps had been taken for the designing of a new city logo.

The City Manager indicated we are going to seek public input at meetings in September and October. These meetings will likely take place at McGraft Park and Smith Ryerson.

Adjournment.

Motion by Commissioner Hood, seconded by Vice Mayor Spataro, to adjourn at 6:30 p.m.

MOTION PASSES

**Ann Marie Meisch, MMC
City Clerk**