



cityofnovi.org

CITY of NOVI CITY COUNCIL

Agenda Item G May 17, 2010

SUBJECT: Approval of one-year contract extension (to June 30, 2011) with Suburban Area Management-Novis LLC for the management agreement for Novi Ice Arena.

SUBMITTING DEPARTMENT: Parks, Recreation & Cultural Services

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

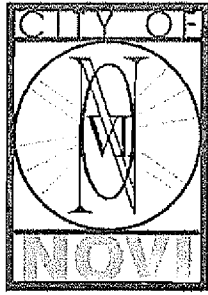
Given the historical knowledge and familiarity with the users and facility operating systems and infrastructure, as well as the excellent service provided by Suburban Area Management-Novis LLC, City staff recommend a one-year contract extension to Suburban Area Management, with the terms to remain the same as currently in place with a monthly management fee of \$9,066.40.

RECOMMENDED ACTION: Approval of one-year contract extension (to June 30, 2011) with Suburban Area Management-Novis LLC for the management agreement for Novi Ice Arena.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gaff				
Council Member Crawford				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

MEMORANDUM



cityofnovi.org

TO: CLAY PEARSON, CITY MANAGER
FROM: RANDY AULER, CPRP, DIRECTOR
PARKS, RECREATION & CULTURAL SERVICES
SUBJECT: NOVI ICE ARENA CONTRACT RENEWAL
DATE: MAY 5, 2010

5/6/10
To: Mayor & City Council Member
PA [Signature]

The Novi Ice Arena is accounted for in the City's Ice Arena Fund (an Enterprise Fund). The source of funding for this project was through revenue bonds, which are to be paid from the rents received from ice sales at the facility. The City of Novi's management (consulting) contract with Suburban Area Management-Novu LLC expires June 30, 2010.

At the City's request Suburban Area Management-Novu LLC, submitted a proposal for entering into a new one-year contract with the same terms as the current year with a monthly management fee of \$9,066.40.

City staff recommend the City enter into a one-year contract with Suburban Area Management-Novu LLC based on the attached proposal for the following reasons:

- The performance of Suburban Area Management-Novu LLC has met and in certain cases exceeded staff expectations.
- The results of the last request for proposals provided two firms submitting proposals.
- The management for this facility requires the operation to be self-sustaining with revenue generated from the operations, including repayment of debt service. Suburban Area Management has been successful in achieving this result.
- Certain other benefits include historical knowledge and familiarity with the users and the facility operating systems and infrastructure (similar to City attorney services, clear benefits to continuity).

If you concur with the recommendations, we will include on the next available City Council agenda. If you have any questions, or would like any additional information, please let me know.

Cox
CJP



MEMORANDUM

TO: Randy Auler
Kathy Smith-Roy
CITY OF NOVI

FROM: Tom Anastos, Suburban Arena Management, LLC

DATE: April 30, 2010

RE: NOVI ICE ARENA MANAGEMENT AGREEMENT EXTENSION

In follow up to our discussion, we are agreeable to extending our current ice arena management agreement through June 30, 2011 on the same terms and conditions that presently exist this year as stated in our agreement dated May 22, 2006.

If there are any additional questions or needs, please do not hesitate to contact me directly.

TAA/