

**CITY OF WASILLA
ORDINANCE SERIAL NO. 06-27**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AUTHORIZING THE LEASE TO SPIRIT HOCKEY CLUB, L.L.C. DBA ALASKA AVALANCHE HOCKEY OF SPACE WITHIN THE MULTI-USE SPORTS COMPLEX TO OPERATE A JUNIOR HOCKEY TEAM; AUTHORIZING THE MAYOR TO EXECUTE AND DELIVER THE LEASE; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey proposes to operate a junior hockey team at the Wasilla Multi-Use Sports Complex, and has requested to lease space in the Multi-Use Sports Complex for this purpose; and

WHEREAS, WMC 5.32.110.A.2 provides that the Mayor may, with the approval of the City Council by ordinance, negotiate a lease of City land without public auction or sealed bid if the lease is for a beneficial new industry; and

WHEREAS, the Council finds that a junior hockey team would be a beneficial industry for the City of Wasilla, and that the approval of the lease is in the best interest of the City of Wasilla and its residents; and

WHEREAS, there has been presented to the City the form of a Lease and Facility Use Agreement between Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey and the City, which provides for the City to lease space in the Wasilla Multi-Use Sports Complex to Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey on the terms and conditions set forth therein and in this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Wasilla:

* **Section 1. Classification.** This is a non-code ordinance.


* **Section 2. Authorization of lease.** Based upon the findings stated above, the City is authorized to lease space in the Multi-Use Sports Complex to Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey under the terms and conditions set forth in the Lease and Facility Use Agreement that now is before this meeting. The lease is authorized notwithstanding any provision of Wasilla Municipal Code Chapter 5.32 to the contrary.

* **Section 3. Authorization of Lease and Facility Use Agreement.** The form and content of the Lease and Facility Use Agreement hereby are in all respects authorized, approved and confirmed, and the Mayor hereby is authorized, empowered and directed to execute and deliver to the counterparty the Lease and Facility Use Agreement on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as shall to her seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said document now before this meeting, and from and after the execution and delivery of said document, the Mayor hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the Lease and Facility Use Agreement as executed.

* **Section 4. Authority of Officers.** The Mayor, the Deputy Mayor, the City Clerk, and the Deputy City Clerk each is authorized and directed to do and perform all things and determine all matters not determined by this ordinance, to the end that the City may carry out its obligations under the Lease and Facility Use Agreement and this ordinance.

* **Section 5. Effective date.** This ordinance shall take effect upon adoption of the Wasilla City Council.

ADOPTED by the Wasilla City Council on June 26, 2006.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, MMC
City Clerk

[SEAL]



**CITY OF WASILLA
LEGISLATION STAFF REPORT**

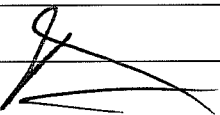
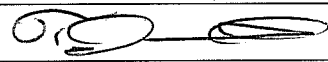
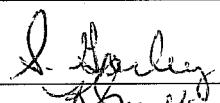

RE: ORDINANCE SERIAL NO. 06-27

AN ORDINANCE OF THE WASILLA CITY COUNCIL AUTHORIZING THE LEASE TO SPIRIT HOCKEY CLUB, L.L.C. DBA ALASKA AVALANCHE HOCKEY OF SPACE WITHIN THE MULTI-USE SPORTS COMPLEX TO OPERATE A JUNIOR HOCKEY TEAM, AUTHORIZING THE MAYOR TO EXECUTE AND DELIVER THE LEASE AND, PROVIDING FOR RELATED MATTERS.

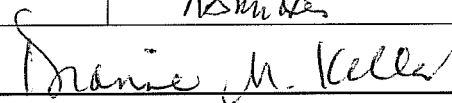
Agenda of: June 12, 2006

Date: June 6, 2006

Originator: Recreation and Cultural Services Manager

| Route to: | Department | Signature/Date |
|-----------|--|---|
| | Police Chief Youth Court, Dispatch, Code Compliance | |
| | Culture and Recreation Services Manager Library, Museum, Sports Complex | |
| X | Public Works & Recreation Facility Maintenance Director |  6/6/06 |
| X | Finance, Risk Management & MIS Director Purchasing |  6/6/06 |
| X | Deputy Administrator Planning, Economic Development, Human Resources |  6/06/06 |
| X | City Clerk |  |

REVIEWED BY MAYOR DIANNE M. KELLER:



FISCAL IMPACT: yes\$ or no

Funds Available yes no

Account name/number:

Attachments: Lease Agreement with Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey

SUMMARY STATEMENT: Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey is proposing to operate a Junior A hockey team in Wasilla and has requested to lease space and rent ice at the Multi-Use Sports Complex for the upcoming ice hockey season, July 1, 2006 through June 30, 2007. Junior A hockey is the highest level of amateur hockey governed by USA Hockey, the National Governing Body for ice hockey in the United States.

In 2005, the team relocated to Wasilla from Springfield, Missouri and became the Wasilla Spirit. The primary owners of the team lived in Missouri and Fairbanks, Alaska. In its first season in Wasilla, the team made the North American Hockey League playoffs and lost a five game, first round series to its new arch rival, Fairbanks Ice Dogs. On May 13, 2006, the North American Hockey League Board of Governors approved the sale of the team to a local group from Wasilla who changed the name of the team to

the Alaska Avalanche. The team will continue to play in the North American Hockey League with up to 15 other teams. Areas of the country where other teams are located include Fairbanks, North Dakota, Minnesota, Iowa and Texas. Teams from these areas and others will travel to Wasilla to play games during the season that runs from September 1st through mid-April.

During its first season, the team generated more than \$55,000 in direct revenue to the Multi-Use Sports Complex. Ice rental was the largest portion of the revenue with \$20,500 for practice ice and almost \$16,500 in ice rented for games. Other revenue generated as a result of the team using the facility was more than \$15,500 in both facility concession sales and concession commissions and \$2,500 in practice ice rented by visiting teams. An additional \$50,000 was generated through a partnership with the team in advertising sales of banners and dasher board ads bringing a grand total of more than \$105,000 of revenue to the Sports Complex.

The new ownership is requesting a reduction in the hourly cost of practice time. The current cost of the times most used by the team last year is \$135 per hour. The request is to reduce that cost to \$100 per hour. Last year the team used approximately 152 hours for practice. If the same amount of hours were used this year at a cost of \$100 per hour, the amount collected would be \$5,300 less than last year. The ice time generally used for practices by the team is at a time of day when schools are in session and the general public is unlikely to rent. In return for a reduction in the practice ice hourly cost, the team is proposing to assist the facility in several programs that will potentially generate new revenue and save the facility some additional expenses. One program being proposed is to assist the facility in the operation of a beginner's ice hockey skating class. Another is for players of the team to appear at public skating sessions throughout the season skating with the public and providing autographs. A third program is to partner with the facility to host a youth hockey clinic during the holiday break. The fourth and final program is to supply the use of the team members for a total of 100 hours in assisting the facility staff in the transition of the facility for special events. The value of these programs is estimated to be more than \$9,000. This proposal is explained in more detail in Exhibit F of the proposed agreement.

In addition to the revenue the facility receives as a result of the team playing here, there is revenue received by businesses in and around the City of Wasilla. For example, last year there 14 different weekends where out of town teams rented hotel rooms, ate meals at local restaurants, rented vehicles and purchased goods at many of the stores. Even the team from Fairbanks had 20 to 40 people travel to Wasilla each time the team traveled here for a weekend series. These people as well rented rooms and purchased food during their stay. It is estimated that more than 350 rooms were rented during the season. Fans from the Anchorage area also attended games on a regular basis with some most likely purchasing items at local businesses either before or after the games. The revenue derived by the local businesses cannot necessarily be quantified but most definitely has an impact on the local economy. With the team now under local ownership, it is anticipated that the attendance will increase providing more revenue to the facility as well as the businesses within the City of Wasilla. Administration is currently working with Northern Economics to measure the impact that this team and other events at the Sports Complex brings to the City and local businesses

The team has requested office and storage space as well as the ice rink for practicing and playing games. Revenues for the space, ice rental, concessions and advertising are expected to reach and most likely exceed \$100,000 for the year. Administration believes it is in the best interest of the City and the facility to enter into a lease agreement with the Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey. The attached lease agreement defines the rules under which the Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey can operate within the Multi-Use Sports Complex.

Administration requests Council to authorize the Mayor to enter into a lease agreement with the Spirit Hockey Club, L.L.C. dba Alaska Avalanche Hockey for leasing space and operating a junior hockey team in the Multi-Use Sports Complex.