



REGULAR AGENDA ITEM NO. 8.A.

FOR COUNCIL: January 24, 2024

WARD IMPACTED: City-Wide Impact

SUBJECT: Consideration and Action on Approval of a Hockey Contract for the Bloomington Arena Between the City of Bloomington and Illinois Hockey Club LLC, as requested by the Arts & Entertainment Department.

RECOMMENDED MOTION: The proposed Contract be approved.

STRATEGIC PLAN LINK:

Goal 3. Grow the Local Economy

Goal 5. Great Place - Livable, Sustainable City

STRATEGIC PLAN SIGNIFICANCE:

Objective 3a. Retention and growth of current local businesses

Objective 5d. Appropriate leisure and recreational opportunities responding to the needs of residents

BACKGROUND: After months of negotiations the Arts & Entertainment Department recommends approval of the attached lease agreement with Illinois Hockey Club LLC to bring professional hockey to Bloomington. If approved, the agreement would pave the way for what would be the highest level of hockey the City has ever had, as well as the highest level in the region.

It was announced last week that the East Coast Hockey League (ECHL) had approved an expansion application to add a new team in Bloomington pending City Council approval of a lease agreement. The team, which will be named later in the week following Council consideration, would begin play in October of 2024 and be owned and operated by Hallett Sports & Entertainment. Hallett is the same group that owns the Indy Fuel and the newly expanded Fishers Freight football team, which plays as part of the IFL (Indoor Football League).

The team would pay a total of \$5.4 million in rent over the course of the proposed 20-year agreement and it is estimated that the agreement would also generate roughly \$750,000 in profit annually for the City based on attendance, revenue, and expense estimates. Keeping in mind, earnings could increase as the team grows and builds its fan base. To further breakdown the agreement, 70% of food & beverage sales, 100% of parking, 80% of hockey suite revenue, and 80% of arena naming rights revenues will remain with the City. The team will keep all gate receipts and Ticketmaster rebates. The City and team will partner on selling naming rights and the team will sell and retain 100% of hockey sponsorship sales.

Following expiration of the initial agreement term, the agreement will renew for consecutive five-year renewal periods on the same terms unless either the Illinois Hockey Club or the City notifies the other party of its intention not to renew.

Tickets will include a \$2.50 per ticket facility fee with \$1.50 of each ticket used for arena maintenance and renovation. All of the aforementioned terms are standard in the sports and entertainment industry.

The agreement includes performance standards requiring per game average attendance and food and beverage sales of 2,200 people and \$20,000 respectively, that the team maintain an ECHL minimum level of play and play a minimum number of games. The team would be in default of the agreement if the standards were not met, or specified default remedies implemented.

If approved, the Bloomington franchise would become the 30th team for the ECHL.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: N/A

FINANCIAL IMPACT: The team will pay rent of \$180,000 in year 1, \$240,000 in years 6-10, \$300,000 in years 11-15 and \$360,000 in years 16-20. During hockey events 70% of food & beverage, 100% of parking, 80% of suite revenues, and 80% of arena naming rights revenues would come back to the City with the team getting all gate receipts and Ticketmaster rebates. The city and team would be responsible for selling naming rights and the team would sell and retain 100% of sponsorships.

Tickets will include a \$2.50 per ticket facility fee with \$1.50 of each ticket used for arena maintenance and renovation. All of the aforementioned terms are standard in the sports and entertainment industry.

We also anticipate that having significant activity in the arena for hockey events on a regular basis will significantly help in attracting other arena users for concerts, sporting events and other uses. It is not unusual for such activity to attract other development to the area.

AMERICAN RESCUE PLAN FUNDING IMPACT: N/A

COMMUNITY DEVELOPMENT IMPACT: This request meets the following goals and objectives of the Bloomington Comprehensive Plan 2035: ED-5: Enhance tourism based-economic development. ED-4: Enhance the image of Bloomington as a business-friendly community. CF-1: Continue to provide quality public facilities and services. ED-3: Build and maintain a skilled and employable workforce to meet the needs of the current businesses.

Respectfully submitted for consideration.

Prepared by: Gregory Grisham,

ATTACHMENTS:

[A&E 1B License Agreement](#)