



Public Hearing
Ice Arena Sale
1280 Bollenbacher Dr.
City Council
August 5, 2024

Terms of Property Sale



- Purchase Agreement Sale Price \$1,025,000
- Approximately 3.35 acres of the 4.75 acre total acreage will be sold, including 24,200 sf improved building space
 - Provisions of a “buy back” option and 2-year lease are unique provisions related to typical fair market sales
 - Buy back option is \$1,150,000 must be done in 1st year
 - We will have other costs as part of the transaction including Phase II Environmental, subdivision and survey work, etc.
 - City requiring a 20’ easement on north property line
- Closing planned for October 31, 2024
- Lease Agreement 24-months following the commencement date to lease space back

DEPICTION OF REAL PROPERTY TO BE CONVEYED TO BUYER

(Subject to survey and minor subdivision prior to Closing to determine legal descriptions.
Property City will retain contains approximately 1.4 acres.
Property City will convey contains approximately 3.36 acres.)



Sale Option of Existing Arena



- Buyers Tyler Westman and Brett Anderson exploring private recreation re-use (not conditioned on re-use for sale)
- Summary Tentative Terms
 - \$1,025,000 Purchase Price
 - \$20,000 earnest money
 - *Note: tax base “growth” estimate = \$41,549 total annual property taxes after City lease completed.*
 - Subdivision (and consolidation) of property
 - City retaining park land (see illustration)
 - Re-zoning to commercial
 - Address transportation plan reference to potential river crossing (not pursue this and future amendment to plan)
 - Phase 2 Environmental to be completed by City prior to closing
 - Roof repair is scheduled for repair (insurance hail damage) & would complete prior
 - City retains ownership of ice resurfacer (Zamboni) and other personal property
 - City lease agreement negotiated concurrent (see next page)

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Sale Option of Existing Arena



- **Summary Terms (continued)**
 - 24-month lease (providing for time for new construction period assuming that prior to closing some commitments are made on construction plans)
 - Additional extension options in the lease terms if needed
 - \$9,000 per month – year 1
 - \$10,000 per month – year 2
 - Investment of sale proceeds covering all or most of lease during this time
 - “buy back option” tied in with lease for period of time

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New Ice Arena Financing



- **New Ice Arena Financing Partnership**

- Sale Proceeds from Existing Arena to New Arena
- Northfield Hockey Association Fundraising – \$2 Million
- Northfield School District – \$250K for 20-Years (\$200K toward debt & \$50K ice fees)
- City of Northfield and City of Dundas share remaining Cost based on Market Value of Each City (87.9% Northfield, 12.1% Dundas)

New Ice Arena



- Example Bond Repayment

<u>Ice Arena - Estimated Repayment Components</u>	<u>Bond Amount</u>	<u>Levy Need</u>	<u>Estimated Tax Impact - \$350,000 Res Hmstead</u>
New Arena: 100% City	18,055,000	1,391,008	\$204
New Arena: Partner with School and Dundas	18,055,000		
School District Lease Levy		200,000	\$15
City of Dundas		144,354	\$154
City of Northfield		<u>1,046,654</u>	\$154
	Total:	1,391,008	
	<i>Combined Resident Impact (School + City):</i>		<u>\$169</u>
			\$14/Month

New Ice Arena Financing



- **Financing (Debt)**

- Following State Law on all debt financing
- Lease revenue bonds (EDA conduit)
- This is a common tool for city financing
- City Council Authorization versus vote considerations:
 - Representative government – follow state law options on debt authorization
 - Cost increases with construction inflation with delays
 - Purchaser interest in acquisition has been already extended from 2023
 - Partnership including School District and Dundas City support

Schedule/Timeline



Tasks/Actions	2024			2025				2026		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Architect Updated Cost Estimating for Options										
Sale Terms on Existing Ice Arena										
EDA - Conduit Financing Introduction	22-Apr-24									
School District										
School Board Intorduction on Partnership	22-Apr-24									
School Board Action of Partnership	13-May-24									
Northfield Council - Ice Arena Update	7-May-24									
City of Dundas										
Dundas Council Introduction of Partnership	22-Apr-24									
Dundas Council Action	28-May-24									
Northfield Council - Ice Arena Partnership Update	4-Jun-24									
Northfield Council - Partnership & Contract for Architect	18-Jun-24									
Architect Design Plans										
Issue Construction Manager (CM) RFO	19-Jul-24									
Northfield Council- Public Hearing & Approve Sale of Ex Arena		5-Aug-24								
Northfield Hockey - Fundraising Update		20-Aug-24								
School Board 20-Year Partnership Agreement		23-Sep-24								
EDA - Conduit Financing Introduction		23-Sep-24								
Northfield Council - Approve CM Contract			1-Oct-24							
City of Dundas 20-Year Partnership Agreement			14-Oct-24							
Northfield Hockey - Fundraising/Donation Commitments			12-Nov-24							
EDA - Conduit Financing				6-Jan-25						
Ice Arena Construction										
Ice Arena Opens August 2026										

	City of Northfield
	Northfield School District
	City of Dundas
	Northfield Hockey Association

Question/Discussion

