

CLERK'S OFFICE
AMENDED AND APPROVED
Date: 10-3-00

Submitted by: Assemblymember FAIRCLOUGH
Prepared by: Assembly Office
For Reading: AUGUST 29, 2000

**ANCHORAGE, ALASKA
AO NO. 2000-137**

**AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING REGULATION
25.11 OF THE ANCHORAGE MUNICIPAL CODE AND PERTAINING TO THE FACILITY USE
POLICY FOR THE GEORGE M. SULLIVAN ARENA**

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1: Regulation 25.11 of the Anchorage Municipal Code is amended to read as follows:

25.11.001 Intent.

Constructed by public funds, the arena operates for the broadest public benefit. The primary goal of the arena is to promote a wide variety of activities paid by user fees, to generate revenues sufficient to pay all municipal costs associated with the arena's operations and maintenance. Upon achievement of this goal, the facility is to be managed to promote the broadest possible community use.

25.11.002 Definitions.

In this regulation:

A. "Arena" means the George M. Sullivan Arena located at 1600 Gambell Street, Anchorage, Alaska, and areas designated by the municipality for arena parking.

B. "Department" means the Department of Property and Facility Management.

C. "General Manager" means the person designated by the department of property and facility management to supervise and direct the operation of the arena or, in the event a management agreement between the municipality and a private contractor is executed for provision of those services, the individual named as general manager of the arena by that contractor and approved by the director.

D. "Director" means the director of the department of property and facility management or his designee.

25.11.003 Managing agency.

As designated by the mayor under Anchorage Municipal Code 25.10.050, the managing authority of the George M. Sullivan Arena shall rest with the department of property and facility management.

25.11.004 Operation of the arena.

A. Except as provided in Paragraph B of this section, use and operation of the arena shall be the responsibility of the department of property and facility management.

B. Consistent with AMC title 7, the municipality may, by contract, allow a contractor or contractors to assume the responsibilities of the department of property and facility management set forth in paragraph A of this section.

25.11.005 Rental agreements.

A. No person, firm, association or organization may use or occupy the arena for commercial, amusement, recreational or other purposes unless a user agreement for such use has been executed in accordance with this section.

B. The user agreement for use and occupancy of the arena shall be reduced to writing, executed by the tenant or its authorized representative, the arena general manager, and the director.

C. The general terms and conditions of user agreements shall be standardized and applied in a non-discriminatory fashion to all tenants using the arena. Fees for the use of the arena shall be in accordance with AMCR section 25.11.006. User agreements shall, at a minimum, identify the tenant, type of event, dates of occupancy and shall describe the rental rates and charges for specific event services and any other special terms or conditions applicable to the event.

D. Except as otherwise provided in regulation 25.11, the management contractor shall, with the concurrence of the director, promulgate and adhere to written policies regarding advance booking of the arena. The formalized policies shall be applied to all users in a nondiscriminatory manner and shall establish rules governing when and how bookings will be accepted. Bookings shall be accepted on a first come, first served basis, provided the terms and conditions of the advanced booking policy are met.

E. The management contractor may, with the concurrence of the director, refuse to allow events in the arena which endanger the public health, safety and welfare.

25.11.006 Schedule of fees.

A. The schedule of rental fees applicable to tenants of the arena shall be as set forth in the schedule of fees and charges below:

SCHEDULE OF FEES AND CHARGES

In addition to the policies, procedures, costs and other conditions regarding the rental of the Sullivan Arena, the following rental fees will apply:

Building rental shall be the greater of:

Ticketed Spectator Events

Basic rent	\$2,500.00/day or 10% of gross ticket receipts
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[NONTICKETED SPECTATOR EVENTS

FLAT DAILY RATE

\$3,500.00/DAY OR \$0.20 A SQUARE FOOT]

[NONPUBLIC EVENTS

BASIC RENT

\$3,500.00/DAY OR \$0.20 A SQUARE FOOT]

Non-ticketed spectator events, Non-public events/Trade shows

Basic rent

\$4,000.00/day or \$0.22 a square foot

Outer concourses rate

\$1,400.00 per day

Parking lot

Flat daily rate

\$2,000.00/day [\$1,800.00/DAY]

Move-in/move-out charges

As specified in the user agreement

\$2,000.00/day [\$1,800.00/DAY]

Overtime

As specified in the user agreement

\$450.00/hour

Minimum rent deposit

**Minimum deposit, on approval of
agreement**

\$2,500.00

**Balance of deposit, 30 days prior
to event**

Negotiable

Total rent

**Total remaining rent, minus any deposits,
will be collected before [DURING] the event
or at settlement of event(s).**

**B. With the authority of the director, arena management can offer tenants reduced rental rates
[FOR NEW EVENTS] under the following specific conditions:**

**1 [NEW] E[e]vents during periods when the arena is historically unused. These periods are
currently defined as the summer months of June, July, and [THROUGH] August. [AND
MID-WEEK (NON-WEEKEND) DAYS, YEAR-ROUND.]**

**[2. [INTRODUCING NEW EVENTS TO THE ARENA THAT MIGHT DEVELOP INTO AN
ANNUAL EVENT. FOR INSTANCE, A NEW TYPE OF TRADE SHOW WOULD BE
ELIGIBLE FOR REDUCED RENT THE FIRST YEAR.]**

**2.[3] Acts of God (possibly an earthquake or volcanic eruption) or other uncontrolled disasters,
or the illness/death/loss of a featured artist or entertainer of a scheduled event (causing
the event to be canceled).**

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3.[4] Spectator events that generate in excess of \$10,000.00 in ~~alcohol sales and/or novelty~~ sales would qualify for a "sliding scale" on building rent and reimbursable labor. (Every dollar that the Sullivan Arena earned above \$10,000.00 on ~~alcohol/novelty~~ sales would be used to first reduce building rent and then arena labor on a dollar for dollar basis.).

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C. The general manager may, from time to time and with the prior written consent of the director, reduce the fees and charges applicable to specific events at the arena as required by economic conditions or in order to offer events of public or historical interest by nonprofit organizations.

D. Every three years, the Public Facility Advisory Commission will review the current schedule of fees and make recommended rate increases as appropriate.

25.11.007 Scheduling of events.

Events to be scheduled in the arena should reflect the diverse interests of the residents of Anchorage and shall ensure maximum use of the facility.

25.11.008 Event services.

Event services provided to tenants and users of the arena shall include but are not limited to those described in the "Event Services" document listed below. Required event services and attendant costs shall be specified in the user agreement as required by AMCR 25.11.005.C on an event-by-event basis.

EVENT SERVICES

The George M. Sullivan Arena offers the following services to all tenants utilizing the arena. As noted in the user agreement, a detailed and itemized listing of the special services required for events will be completed by the arena staff based on individual event requirements. Specialized services and their associated costs will be explained in an addendum to the user agreement which must be approved by the tenant prior to the event.

Event coordination (included in rent). An arena staff person will be assigned specifically to each event upon return of a completed and approved user agreement. This person will be available to outline in more detail the services available through the arena and to make all the necessary arrangements for the successful presentation of the event. This person will be the primary contact from the initial meeting with the tenant and throughout the event. All information regarding the event will be the responsibility of the staff person assigned.

Box office services (additional charge). The arena has a full-service box office and satellite ticket offices for advance sale purchases, in addition to day-of-event sales. A charge-line service is also offered whereby tickets may be purchased in advance by phone and charged to either Visa or Master Card. All tenants using the arena must utilize our box office if tickets are offered for sale, with the option of outside outlets.

Security (additional charge). It is mandatory that security guards be provided for each event held in the arena. All tenants must utilize the services of the arena's security staff.

First aid (additional charge). For attractions which will require emergency first-aid treatment, **trained first aid personnel [THE ANCHORAGE PARAMEDICS]** will be provided by the arena and passed on to the tenant based on actual cost.

Equipment rental (additional charge). The arena has an inventory of equipment available for rental. A listing of this equipment is available for review by the tenant. Arrangements for rental and use of this equipment will be made and documented in the user agreement.

Permits and licenses (additional charge). The user agreement precludes the necessity of securing any additional licenses and permits to hold an event within the arena, with the exception of a **State of Alaska Concert Promotion License [MUNICIPAL PUBLIC CONCERT PERMIT WHICH MUST BE OBTAINED FROM THE MUNICIPAL CLERK]**, and a State business license which shall be obtained from the State of Alaska.

Liability insurance (additional charge). It is mandatory that a liability insurance policy as outlined in the user agreement be obtained prior to the presentation of each event.

Ushering services (additional charge). An in-house ushering staff is provided by the arena, to include ticket takers, directors and ushers. All tenants utilizing the arena must use its ushering staff; including ticket takers directors and ushers.

Advertising and promotion (additional charge). Complete services for advertising and promotion of events are available through the arena, including full graphic arts and media buying service.

Catering (additional charge). A full catering service for food and beverage is available through the arena. Full catered food and beverage service is available for groups from 50 to 2,000.

Event services (additional charge). A highly trained staff of arena event attendants and custodians are provided to facilitate the necessary setup of equipment and cleanup during an event. These employees will be specifically assigned to each event and will be immediately available to meet each tenant's needs.

Parking operations. The arena has approximately 1,600 parking spaces. The cost to patrons using the parking facilities at the arena shall be in accordance with authorization by the municipal administration. A limited number of complimentary parking passes will be provided for the tenant's immediate staff.

Extraordinary utilities, equipment, and maintenance services (additional charge). The following services would be provided by local agencies: messenger services, stenographer, notary public, print shop, photographic services, carpentry shop, display builder, sign painter, paint shop, plumber, locksmith, laborers, musicians, decorating service, audio/visual operators, audio/visual repairmen, freight, tours and entertainment, exhibit and display development, attendance stimulation and publicity.

25.11.009 Public facilities advisory commission.

A. Pursuant to Anchorage Municipal Code 4.60.190, there is a public facilities advisory commission consisting of nine persons appointed by the mayor and confirmed by the assembly.

B. The commission shall advise the mayor and the assembly on policy matters pertaining to management of the Sullivan Arena, Egan Center, Ben Boeke Ice Arena, Dempsey Anderson Ice Arena, and other public facilities as the mayor shall designate. Specifically, the commission shall:

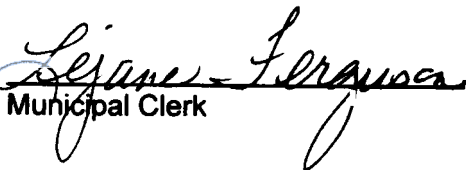
- 1 Advise the mayor and the assembly on annual appropriations made for the public facilities indicated above;
- 2.
3. Review and make recommendations to the mayor on the annual operations plan for the public facilities indicated above;
4. On request of the mayor, review and make recommendations on proposed regulations or amendments governing operation and use of the public facilities indicated above;
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~~Section 2: This ordinance shall become effective upon passage and approval, except the revised fees and charges under AMC 25.11.006 shall become effective on January 1, 2001. *~~

PASSED AND APPROVED by the Anchorage Assembly this 3 day of October 2000.


Chair

ATTEST:


Municipal Clerk

* Section 2: This ordinance shall become effective upon passage and approval, except the revised fees and charges under AMCR 25.11.006 shall become effective on or and shall be applicable only to user rental agreements executed after January 1, 2001.



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM
NO. 789-2000

Meeting Date: AUGUST 29, 2000

From: Assemblymember Fairclough
Subject: REVISION OF THE USE POLICIES AT THE GEORGE M. SULLIVAN
SPORTS ARENA SPECIFICALLY RELATED TO INCREASES IN USE
FEES AND TICKET SURCHARGES

The two ordinances, AO 2000-136 (amending AMC 10.45.050) and AO 2000-137 (amending AMCR 25.11), modify the fee structure at the George M. Sullivan Sports Arena.

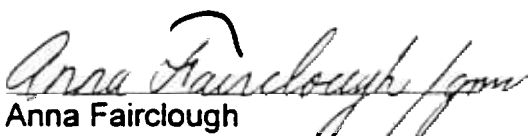
The fees at the George M. Sullivan Sports Arena have not changed since the Arena opened in 1983. During the first 17 years of Arena operations, the original fee structure was adequate because revenues were increasing as a result of increasing business and the new facility required minimal major repair work.

Currently, the George M. Sullivan Sports Arena is fully utilized and in February entered its 18th year of operation. Since the Arena is at or near capacity, revenues are flat and are projected to remain so. This, combined with the fact that the facility is aging and requires increased levels of major maintenance projects, prompted the Arena staff and the Public Facilities Advisory Commission to recommend fee and surcharge increases at the Sullivan Arena. The combination of fee and surcharge increases proposed in these ordinance revisions would increase annual revenues by \$250,000 - \$300,000. This amount, along with current revenue generated by operations, is sufficient to fund an annual major maintenance and repair capital program of approximately \$450,000 per year, plus reduce the tax subsidy of the Sullivan Arena.

At a public hearing before the Public Facilities Commission, most users of the Arena expressed understanding of the need to increase the fees to cover additional facility costs.

In order to allow users time to plan for the proposed fee and surcharge increases, they would not become effective until January 2001.

Respectfully submitted


Anna Fairclough
Assemblymember

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO 2000-136, Amending AMC 10.45.050, Sullivan Arena Ticket Surcharge
AO 2000-137, Amending AMCR 25.11, Sullivan Arena Use Policy

Sponsor: Assemblymember Fairclough

Preparing Agency: Assembly Office **Others Affected:** P&FM

CHANGES IN EXPENDITURE AND REVENUES (Thousands of Dollars)

Operating Expenditures	FY 94	FY 95	FY 96	FY 97	FY 98
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
TOTAL DIRECT COSTS:					

ADD: 6000 Charge from Others					
LESS: 7000 Charge to Others					
FUNCTION COSTS:					

REVENUES:					
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CAPITAL:					

POSITIONS: FT/PT and Temp.					

Public Sector Economic Effects:

According to P&FM, the revised surcharges and fees in these two ordinances will result in an estimated annual increase of \$250,000 - \$300,000 in revenues - to assist in funding annual major maintenance of the Sullivan Arena, plus reduce the tax subsidy of the Arena.

Private Sector Economic Effects:

Surcharge and fee increases will result in increased ticket costs and rental costs for events at the Sullivan Arena.