

Agenda Report

TO: CITY COUNCIL

DATE: SEPTEMBER 14, 2009

FROM: CITY MANAGER

SUBJECT: PROPOSED ICE RINK FACILITY

RECOMMENDATION:

It is recommended that the City Council:

1. Direct staff to return to City Council by December 31, 2009 with a negotiated long term ground lease with Polar Ice Ventures that includes:
 - a. Construction of an ice skating facility with two sheets of ice substantially conforming to the plans developed by the City;
 - b. A shifting of financial risk associated with construction and operation of the ice rink to Polar Ice Ventures consistent with the terms listed in the Executive Summary section of this report;
 - c. A public benefits program similar to that negotiated in the draft management agreement;
 - d. A First Source Local Hire Program and a commitment to provide an opportunity to those currently working at the ice rink in Pasadena; and,
 - e. Exclusive partnership agreement between Polar Ice Ventures and the Los Angeles Kings.
2. Reject all bids received on April 1, 2009 in response to the Request for Bids for construction of the Pasadena Ice Skating facility.

Alternatively, if the City Council elects not to move forward with the ground lease approach, staff recommends that the City Council direct staff to return to City Council by February 28, 2010 with a proposal to renovate the existing ice skating facility at the Convention Center, as well as a management agreement with PCOC to operate the facility. Staff would work with the Convention Center staff and Board to develop a rehabilitation plan for the facility and evaluate options for managing the facility as the current lease terminates in September 2011. This action would preclude the rehabilitation of the facility as a ballroom until such

time that a new facility can be built.

EXECUTIVE SUMMARY:

As directed by the City Council at its meeting of August 3, 2009 staff has pursued a private/public partnership approach to the construction of an ice skating facility in Pasadena and on a preliminary basis has identified terms of an agreement with Polar Ice Ventures Inc. (P.I.V.) that if acceptable to the City Council, staff will pursue and formalize in an agreement to be presented to the City Council in January 2010. This approach shifts construction risks to P.I.V., provides for a sharing of the risks associated with financing the project, and caps the City's financial exposure.

Terms To Be Explored:

1. P.I.V. shall explore obtaining \$18 million in debt financing using City/County economic stimulus Build America Bonds;
2. The City's financial participation is to be limited to the provision of \$1 million to cover the projected cash flow shortfall for the first three years of operation, and a guarantee on \$8 million of the total debt. It is anticipated that the amortization of the City's \$8 million debt guarantee from years four through 30 will be serviced from net cash flow from the Ice Rink (Net cash flow is all cash flow from the project minus expenses, a management fee paid to P.I.V. plus P.I.V.'s debt service payments on \$10 million of the total financing);
3. P.I.V. will be responsible for construction of the facility and will provide construction management and oversight;
4. The City of Pasadena will enter into a ground lease with P.I.V. for 30 years plus two 10-year extensions. The ground lease rent to be negotiated with ground lease payments commencing in year 10 and based on a split of net revenues following all debt service payments.

BACKGROUND:

At the August 3, 2009 meeting the City Council directed staff to: 1) pursue the potential for a public/private partnership to construct and manage the proposed ice rink, 2) explore additional funding opportunities through the County of Los Angeles and explore partnerships with other cities, and 3) request an extension of the bid by Mallcraft, Inc. The following is the status of each item.

1. Public/Private Partnership Approach – Staff has had extensive discussions with P.I.V. in pursuit of a financing and operational agreement that reduces the project's capital cost and shifts risk away from the City. P.I.V. has indicated a willingness to assume construction risks. Working with a contractor they have experience with on the construction of another ice rink, P.I.V. may be able to eliminate the construction contingency (and take

responsibility for cost over-runs), reduce overall construction cost through value engineering, and provide construction management and oversight to the project thereby reducing the total capital requirement. These efforts may reduce the total capital costs of the project to \$18 million; however, significant additional analysis by the P.I.V. team is necessary.

P.I.V. is also willing to be responsible for debt up to \$10 million and the associated annual payments. P.I.V.'s analysis of their appetite for risk is based on the cash flows contained in the pro-forma (Attachment A). Attachment A is similar to the pro-forma previously provided to the City Council however the facility will be private and therefore will be subject to property tax. Accordingly, property tax has been added as an expense. Attachment B takes the cash flows and applies them to debt service which indicates that the project, beginning in year four generates cash flow sufficient to cover anticipated operational expenses including a management fee of \$150,000 and debt service of \$1,171,000. However, during years 1-3 there is a cumulative cash flow shortfall of approximately \$1 million. Given the early years' cash shortfall and P.I.V.'s reluctance to take financial responsibility for more than \$10 million, with the capital cost for the project approximately \$18 million a city guarantee on \$8 million of the debt is required. Based on the cash flow analysis, sufficient cash flow would be available after the first three years of operation to cover both P.I.V.'s and the City's portion of the debt service. In the event there is insufficient cash flow to pay the annual debt service P.I.V. would be responsible for \$650,000 to service \$10 million in debt and the City for \$520,500 to service \$8 million in debt with the \$650,000 (i.e. P.I.V.'s portion) having priority call on cash flow.

2. The City has received an allocation of \$11.1 million in Build America bonds from the Federal Government under the stimulus package, and the County of Los Angeles received an allocation of \$271 million. These bonds, with certain restrictions, permit the construction of private facilities with tax-exempt financing. As the facility will serve a population beyond Pasadena, staff has initiated discussions with the County to explore the option of using a portion of the County allocation for this project, if the staff recommendation is approved these efforts will continue.

In addition, staff has had discussion with other communities regarding participation in the project. Unfortunately, given the state of the local and national economy and resultant impacts on state finances and local priorities, participation in this project does not appear to be a possibility.

3. Mallcraft, Inc. has been very generous in agreeing to extend its bid from August to September, however given the current economic environment staff does not recommend a publically built nor an exclusively publically financed ice rink.

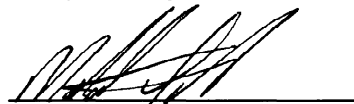
FISCAL IMPACT:

The current proposal is expected to reduce the City's financial exposure from \$24 million to \$9 million, consisting of \$1 million to cover the anticipated operating shortfall in the first three years of operation and \$8 million in debt, which translates to \$520,000 per year over the 30 year life of the financing. While it is anticipated that beginning in year four there will be sufficient net income to cover this debt service, there is no guarantee.

In August, 2008 the City Council established in the General Fund a \$2.5 million reserve for Key Projects and Initiatives. Although the City Council did not formally establish the priority for these projects the list included the ice rink as well as the urgent care center funding for which has since been identified from the Charter Capital Fund. Should an agreement be reached with P.I.V. consistent with the terms outlined in this report, staff recommends utilizing this reserve to fund the anticipated \$1 million operating shortfall for years one through three and reserve the balance to cover debt service payments in the event sufficient net income is not achieved.

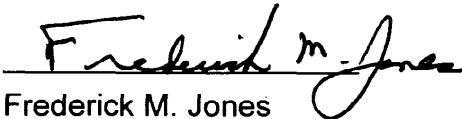
Additionally, there has been some discussion of fund raising efforts to further reduce the City's financial exposure. To the extent that such efforts become reality and funds generated, it is expected that the City's financial contribution to the project would be reduced accordingly.

Respectfully submitted,



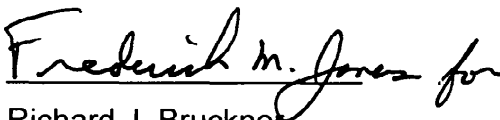
Michael J. Beck
City Manager

Prepared by:



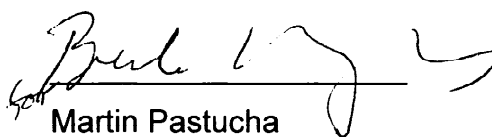
Frederick M. Jones
Senior Project Manager

Approved by:



Richard J. Bruckner
Director Planning & Development

Concurrence:



Martin Pastucha
Director of Public Works

Attachment A – 30 year pro forma with 4% growth in revenue and 3% in expenses

Attachment B – Cash Flow Analysis

Attachment A

**POLAR ICE VENTURE PRO FORMA
ASSUMES 3% GROWTH ON REVENUE & 3% GROWTH ON EXPENSES**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
ON ICE REVENUES						3%	3%	3%
General Adm	470,700	259,500	259,500	281,925	281,925	290,383	299,094	308,067
Skate Rental	150,700	83,000	83,000	90,200	90,200	92,906	95,693	98,564
Skate School	371,000	453,600	514,600	547,800	547,800	564,234	581,161	598,596
Youth Hockey	346,500	431,970	490,560	546,000	596,960	614,869	633,315	652,314
Adult Hockey	350,280	444,337	610,400	708,400	766,360	789,351	813,031	837,422
Group Sales	84,000	114,500	104,900	104,900	104,900	108,047	111,288	114,627
Contract Ice	269,500	415,500	495,500	532,000	570,740	587,862	605,498	623,663
Stick Time	38,000	40,900	40,900	40,900	40,900	42,127	43,391	44,693
Pick Up Hockey	30,374	23,700	36,000	36,000	36,000	37,080	38,192	39,338
Free Style	50,604	86,300	110,500	110,500	110,500	113,815	117,229	120,746
Classes/Clinics	18,079	35,000	35,000	35,000	35,000	36,050	37,132	38,245
Camps	40,534	73,500	76,500	84,300	84,300	86,829	89,434	92,117
Birthday Parties	105,955	102,000	92,000	92,000	92,000	94,760	97,603	100,531
Lockers/Skate Repair								
	2,326,226	2,563,807	2,949,360	3,209,925	3,357,585	3,458,313	3,562,062	3,668,924
NET OFF-ICE REVENUES								
Retail Sales - Net	78,000	80,340	82,680	85,488	85,488	88,053	90,694	93,415
Food/Beverage income	45,600	45,600	48,600	48,600	48,600	50,058	51,560	53,107
Vending Machine Income	51,080	43,900	29,000	25,679	26,861	27,667	28,497	29,352
Game Area Income	46,578	53,100	68,400	68,400	68,400	70,452	72,566	74,743
Advertising	150,000	150,000	150,000	168,000	168,000	173,040	178,231	183,578
	371,258	372,940	378,680	396,167	397,349	409,269	421,548	434,194
TOTAL REVENUE	2,697,484	2,936,747	3,328,040	3,606,092	3,754,934	3,867,582	3,983,609	4,103,118
						3%	3%	3%
COST OF SERVICES EXPENSE								
COS - Sport Shop								
COS Admiss & Packages	31,066	17,127	17,127	18,607	18,607	19,165	19,740	20,332
COS Skate School	55,650	68,040	77,190	82,170	82,170	84,635	87,174	89,789
COS Adult Coaches/Officials	113,491	159,961	186,413	114,660	125,362	129,123	132,997	136,986
COS Adult Hockey Supplies	500	500	500	500	500	515	530	546
COS Youth Coaches/Officials	60,638	75,595	115,976	134,596	145,608	149,976	154,476	159,110
COS Youth Hockey Supplies	3,990	11,700	13,200	13,200	13,200	13,596	14,004	14,424
COS Camps/Clinics	-	3,000	2,700	2,700	2,700	2,781	2,864	2,950
COS Birthday Parties	47,680	45,900	41,400	41,400	41,400	42,642	43,921	45,239
COS Event Sales	10,080	13,740	12,588	12,588	12,588	12,966	13,355	13,755
Subtotal	323,095	395,563	467,094	420,421	442,135	456,399	469,061	483,133
Net Revenue After COS	2,374,389	2,541,184	2,860,946	3,185,671	3,312,799	3,411,183	3,514,548	3,619,985
OTHER OPERATING EXPENSE								
Payroll - Salary	473,585	564,037	648,859	641,985	654,729	674,371	694,602	715,440
Payroll - Bonus	15,500	15,000	15,500	15,500	15,500	15,965	16,444	16,937
Payroll - Commission	18,550	22,680	25,730	27,390	27,390	28,212	29,058	29,930
Payroll - Taxes	37,220	38,457	44,240	48,149	50,364	51,875	53,431	55,034
Employee Benefits	28,800	28,800	30,600	35,280	35,280	36,338	37,429	38,551
Advertising	82,000	84,000	72,000	72,000	72,000	74,160	76,385	78,676
Promotions	12,000	2,900	2,900	2,900	2,900	2,987	3,077	3,169
Fees - Credit Card & Bank	25,588	28,202	32,443	35,309	36,933	38,041	39,182	40,358
Fees - Payroll Service	12,000	12,000	12,000	12,000	12,000	12,360	12,731	13,113
Insurance	98,400	100,200	106,212	109,332	112,800	116,184	119,670	123,260
Office Expense	32,000	42,000	42,000	45,600	45,600	46,968	48,377	49,828
Postage Expense	11,000	8,000	8,000	8,000	8,000	8,240	8,487	8,742
Professional Fees	12,000	12,000	12,000	12,000	12,000	12,360	12,731	13,113
Repairs & Maintenance	72,000	72,000	84,000	84,000	84,000	86,520	89,116	91,789
Service Contracts	24,000	24,000	24,000	24,000	24,000	24,720	25,462	26,225
Supplies	54,000	54,000	54,000	57,600	57,600	59,328	61,108	62,941
Taxes	150,000	153,000	156,060	159,181	162,365	165,612	168,924	172,303
Telephone Expense	24,000	24,000	24,000	24,000	24,000	24,720	25,462	26,225
Trash Removal	3,300	3,540	3,540	3,540	3,540	3,646	3,756	3,868
Travel/Training	12,000	12,000	12,000	12,000	12,000	12,360	12,731	13,113
Uniforms	4,900	2,400	2,400	2,400	2,400	2,472	2,546	2,623
Utilities (5% inc)	216,800	233,100	250,000	261,640	274,722	288,458	302,881	318,025
Capital Cost Allowance	-	-	36,800	11,900	55,000	68,400	32,000	38,100
Base Mgt Fee (w/ 3% grow)	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481
Misc Expense								
Contingent Reserve			15,000	15,000	15,000	15,000	24,000	24,000
TOTAL OTHER OPERATING	1,569,643	1,690,816	1,873,419	1,884,615	1,968,949	2,043,188	2,078,695	2,149,844
TOTAL EXPENSES	1,892,738	2,086,379	2,340,513	2,305,036	2,411,084	2,498,587	2,547,756	2,632,977
NET INCOME	804,746	850,368	987,527	1,301,056	1,343,850	1,368,995	1,435,853	1,470,141
SCE License & Lease	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
Net Net Income	764,746	810,368	947,527	1,261,056	1,303,850	1,328,995	1,395,853	1,430,141
Cumulative Cash Flow	764,746	1,575,114	2,522,641	3,783,697	5,087,547	6,416,541	7,812,395	9,242,535

Assumptions:

1. Actual PIV proforma for Yrs 1 - 5; 3% growth in revenues thereafter and 3% growth in expenses thereafter.
2. Capital Cost in Year 1 - 10 based upon information from PIV (Berman); Yr 11 based upon average of first 10 years; increased by 3%
3. Contingent Reserve in Year 1 - 10 based upon information from PIV (Berman); \$24K thereafter
4. "Base Mgt Fee" included with 3% annual growth; no "Bonus Management Fee" included.
5. Annual 5% increase in Utility cost assumed beginning in year 5.

Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17
3%	3%	3%	3%	3%	3%	3%	3%	3%
317,309	326,828	336,633	346,732	357,134	367,848	378,884	390,250	401,958
101,521	104,567	107,704	110,935	114,263	117,691	121,221	124,858	128,604
616,554	635,050	654,102	673,725	693,937	714,755	736,197	758,283	781,032
671,884	692,040	712,801	734,186	756,211	778,897	802,264	826,332	851,122
862,545	888,421	915,074	942,526	970,802	999,926	1,029,924	1,060,821	1,092,646
118,066	121,608	125,256	129,014	132,884	136,871	140,977	145,206	149,562
642,373	661,644	681,493	701,938	722,996	744,686	767,027	790,038	813,739
46,033	47,414	48,837	50,302	51,811	53,365	54,966	56,615	58,314
40,518	41,734	42,986	44,275	45,604	46,972	48,381	49,832	51,327
124,369	128,100	131,943	135,901	139,978	144,177	148,503	152,958	157,547
39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902
94,880	97,727	100,659	103,678	106,789	109,992	113,292	116,691	120,192
103,547	106,653	109,853	113,148	116,543	120,039	123,640	127,350	131,170
3,778,991	3,892,361	4,009,132	4,129,406	4,253,288	4,380,887	4,512,313	4,647,683	4,787,113
96,217	99,104	102,077	105,139	108,294	111,542	114,889	118,335	121,885
54,700	56,341	58,031	59,772	61,565	63,412	65,314	67,274	69,292
30,232	31,139	32,073	33,036	34,027	35,048	36,099	37,182	38,297
76,985	79,294	81,673	84,123	86,647	89,246	91,924	94,682	97,522
189,085	194,758	200,601	206,619	212,817	219,202	225,778	232,551	239,528
447,220	460,636	474,455	488,689	503,350	518,450	534,004	550,024	566,525
4,226,211	4,352,998	4,483,588	4,618,095	4,756,638	4,899,337	5,046,317	5,197,707	5,353,638
20,942	21,571	22,218	22,884	23,571	24,278	25,006	25,756	26,529
92,483	95,258	98,115	101,059	104,090	107,213	110,430	113,742	117,155
141,096	145,329	149,689	154,179	158,805	163,569	168,476	173,530	178,736
563	580	597	615	633	652	672	692	713
163,883	168,800	173,864	179,079	184,452	189,985	195,685	201,556	207,602
14,857	15,302	15,761	16,234	16,721	17,223	17,740	18,272	18,820
3,039	3,130	3,224	3,321	3,420	3,523	3,629	3,737	3,850
46,596	47,994	49,434	50,917	52,444	54,018	55,638	57,307	59,027
14,168	14,593	15,031	15,482	15,946	16,424	16,917	17,425	17,947
497,627	512,556	527,932	543,770	560,083	576,886	594,192	612,018	630,379
3,728,584	3,840,442	3,955,655	4,074,325	4,196,555	4,322,451	4,452,125	4,585,689	4,723,259
736,903	759,010	781,781	805,234	829,391	854,273	879,901	906,298	933,487
17,445	17,969	18,508	19,063	19,635	20,224	20,831	21,456	22,099
30,828	31,753	32,705	33,686	34,697	35,738	36,810	37,914	39,052
56,685	58,386	60,137	61,941	63,800	65,714	67,685	69,716	71,807
39,708	40,899	42,126	43,390	44,692	46,032	47,413	48,836	50,301
81,037	83,468	85,972	88,551	91,207	93,944	96,762	99,665	102,655
3,264	3,362	3,463	3,567	3,674	3,784	3,897	4,014	4,135
41,568	42,815	44,100	45,423	46,786	48,189	49,635	51,124	52,658
13,506	13,911	14,329	14,758	15,201	15,657	16,127	16,611	17,109
126,957	130,766	134,689	138,730	142,892	147,178	151,594	156,142	160,826
51,323	52,863	54,449	56,082	57,765	59,498	61,283	63,121	65,015
9,004	9,274	9,552	9,839	10,134	10,438	10,751	11,074	11,406
13,506	13,911	14,329	14,758	15,201	15,657	16,127	16,611	17,109
94,543	97,379	100,300	103,309	106,409	109,601	112,889	116,276	119,764
27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218
64,829	66,774	68,777	70,841	72,966	75,155	77,410	79,732	82,124
175,749	179,264	182,849	186,506	190,236	194,041	197,922	201,880	205,918
27,012	27,823	28,657	29,517	30,402	31,315	32,254	33,222	34,218
3,984	4,104	4,227	4,354	4,484	4,619	4,757	4,900	5,047
13,506	13,911	14,329	14,758	15,201	15,657	16,127	16,611	17,109
2,701	2,782	2,866	2,952	3,040	3,131	3,225	3,322	3,422
333,926	350,623	368,154	386,561	405,890	426,184	447,493	469,868	493,361
25,500	191,000	45,870	47,246	48,663	50,123	51,627	53,176	54,771
190,016	195,716	201,587	207,635	213,864	220,280	226,888	233,695	240,706
24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
2,204,514	2,439,586	2,366,413	2,442,220	2,520,633	2,601,747	2,685,663	2,772,483	2,862,316
2,702,141	2,952,141	2,894,345	2,985,990	3,080,716	3,178,633	3,279,855	3,384,502	3,492,695
1,524,070	1,400,856	1,589,242	1,632,105	1,675,922	1,720,704	1,766,462	1,813,205	1,860,943
(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
1,484,070	1,360,856	1,549,242	1,592,105	1,635,922	1,680,704	1,726,462	1,773,205	1,820,943
10,726,605	12,087,462	13,636,704	15,228,809	16,864,731	18,545,435	20,271,897	22,045,102	23,866,045

• thereafter.

Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26
3%	3%	3%	3%	3%	3%	3%	3%	3%
414,016	426,437	439,230	452,407	465,979	479,958	494,357	509,188	524,464
132,462	136,436	140,529	144,745	149,087	153,559	158,166	162,911	167,799
804,463	828,597	853,455	879,058	905,430	932,593	960,571	989,388	1,019,069
876,656	902,956	930,044	957,946	986,684	1,016,284	1,046,773	1,078,176	1,110,521
1,125,425	1,159,188	1,193,964	1,229,783	1,266,676	1,304,677	1,343,817	1,384,131	1,425,655
154,049	158,671	163,431	168,334	173,384	178,585	183,943	189,461	195,145
838,151	863,295	889,194	915,870	943,346	971,647	1,000,796	1,030,820	1,061,745
60,063	61,865	63,721	65,632	67,601	69,630	71,718	73,870	76,086
52,867	54,453	56,087	57,769	59,503	61,288	63,126	65,020	66,971
162,273	167,141	172,155	177,320	182,640	188,119	193,762	199,575	205,563
51,399	52,941	54,529	56,165	57,850	59,585	61,373	63,214	65,110
123,797	127,511	131,337	135,277	139,335	143,515	147,821	152,255	156,823
135,105	139,158	143,333	147,633	152,062	156,624	161,323	166,162	171,147
4,930,727	5,078,649	5,231,008	5,387,938	5,549,576	5,716,064	5,887,546	6,064,172	6,246,097
125,542	129,308	133,188	137,183	141,299	145,538	149,904	154,401	159,033
71,371	73,512	75,717	77,989	80,328	82,738	85,220	87,777	90,410
39,446	40,630	41,849	43,104	44,397	45,729	47,101	48,514	49,969
100,448	103,461	106,565	109,762	113,055	116,446	119,940	123,538	127,244
246,714	254,115	261,739	269,591	277,678	286,009	294,589	303,427	312,529
583,520	601,026	619,057	637,628	656,757	676,460	696,754	717,656	739,186
5,514,247	5,679,675	5,850,065	6,025,567	6,206,334	6,392,524	6,584,299	6,781,828	6,985,283
3%	3%	3%	3%	3%	3%	3%	3%	3%
27,325	28,145	28,989	29,859	30,755	31,677	32,627	33,606	34,615
120,669	124,289	128,018	131,859	135,814	139,889	144,086	148,408	152,860
184,098	189,621	195,310	201,169	207,204	213,420	219,823	226,418	233,210
734	756	779	802	826	851	877	903	930
213,830	220,245	226,853	233,658	240,668	247,888	255,325	262,984	270,874
19,385	19,966	20,565	21,182	21,818	22,472	23,146	23,841	24,556
3,965	4,084	4,207	4,333	4,463	4,597	4,734	4,877	5,023
60,797	62,621	64,500	66,435	68,428	70,481	72,595	74,773	77,016
18,486	19,040	19,612	20,200	20,806	21,430	22,073	22,735	23,417
649,290	668,769	688,832	709,497	730,782	752,705	775,286	798,545	822,501
4,864,957	5,010,906	5,161,233	5,316,070	5,475,552	5,639,819	5,809,013	5,983,283	6,162,782
961,492	990,336	1,020,046	1,050,648	1,082,167	1,114,632	1,148,071	1,182,513	1,217,989
22,762	23,445	24,148	24,873	25,619	26,388	27,179	27,995	28,835
40,223	41,430	42,673	43,953	45,271	46,630	48,029	49,469	50,953
73,961	76,180	78,465	80,819	83,244	85,741	88,314	90,963	93,692
51,810	53,364	54,965	56,614	58,312	60,062	61,864	63,720	65,631
105,734	108,906	112,174	115,539	119,005	122,575	126,252	130,040	133,941
4,259	4,387	4,518	4,654	4,793	4,937	5,085	5,238	5,395
54,237	55,864	57,540	59,267	61,045	62,876	64,762	66,705	68,706
17,622	18,151	18,696	19,256	19,834	20,429	21,042	21,673	22,324
165,651	170,620	175,739	181,011	186,441	192,034	197,795	203,729	209,841
66,965	68,974	71,043	73,175	75,370	77,631	79,960	82,359	84,829
11,748	12,101	12,464	12,838	13,223	13,619	14,028	14,449	14,882
17,622	18,151	18,696	19,256	19,834	20,429	21,042	21,673	22,324
123,357	127,058	130,869	134,795	138,839	143,004	147,295	151,713	156,265
35,245	36,302	37,391	38,513	39,668	40,858	42,084	43,347	44,647
84,588	87,125	89,739	92,431	95,204	98,060	101,002	104,032	107,153
210,036	214,237	218,522	222,892	227,350	231,897	236,535	241,266	246,091
35,245	36,302	37,391	38,513	39,668	40,858	42,084	43,347	44,647
5,199	5,355	5,515	5,681	5,851	6,027	6,207	6,394	6,585
17,622	18,151	18,696	19,256	19,834	20,429	21,042	21,673	22,324
3,524	3,630	3,739	3,851	3,967	4,086	4,208	4,335	4,465
518,029	543,931	571,127	599,684	629,668	661,151	694,209	728,919	765,365
56,414	58,107	59,850	61,645	63,495	65,400	67,362	69,382	71,464
247,927	255,365	263,026	270,917	279,044	287,416	296,038	304,919	314,067
24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
2,955,274	3,051,472	3,151,033	3,254,081	3,360,748	3,471,171	3,585,490	3,703,853	3,826,415
3,604,564	3,720,241	3,839,865	3,963,578	4,091,530	4,223,876	4,360,776	4,502,398	4,648,916
1,909,683	1,959,433	2,010,200	2,061,989	2,114,804	2,168,648	2,223,523	2,279,430	2,336,367
(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)	(40,000)
1,869,683	1,919,433	1,970,200	2,021,989	2,074,804	2,128,648	2,183,523	2,239,430	2,296,367
25,735,728	27,655,162	29,625,362	31,647,351	33,722,154	35,850,802	38,034,326	40,273,756	42,570,123

Year 27	Year 28	Year 29	Year 30
3%	3%	3%	3%
540,197	556,403	573,095	590,288
172,833	178,018	183,358	188,859
1,049,641	1,081,131	1,113,565	1,146,972
1,143,837	1,178,152	1,213,497	1,249,902
1,468,425	1,512,478	1,557,852	1,604,588
200,999	207,029	213,240	219,637
1,093,597	1,126,405	1,160,197	1,195,003
78,369	80,720	83,141	85,636
68,980	71,049	73,181	75,376
211,729	218,081	224,624	231,362
67,064	69,076	71,148	73,282
161,528	166,373	171,365	176,505
176,282	181,570	187,017	192,628
6,433,480	6,626,484	6,825,279	7,030,037
163,804	168,718	173,780	178,993
93,123	95,916	98,794	101,758
51,468	53,013	54,603	56,241
131,061	134,993	139,043	143,214
321,905	331,563	341,509	351,755
761,362	784,203	807,729	831,961
7,194,842	7,410,687	7,633,008	7,861,998
3%	3%	3%	3%
35,653	36,723	37,824	38,959
157,446	162,170	167,035	172,046
240,207	247,413	254,835	262,480
958	987	1,016	1,047
279,000	287,370	295,991	304,871
25,293	26,051	26,833	27,638
5,173	5,329	5,489	5,653
79,327	81,706	84,158	86,682
24,120	24,844	25,589	26,356
847,176	872,592	898,769	925,733
6,347,665	6,538,095	6,734,238	6,936,265
1,254,528	1,292,164	1,330,929	1,370,857
29,700	30,591	31,508	32,454
52,482	54,057	55,678	57,349
96,503	99,398	102,380	105,451
67,600	69,628	71,717	73,868
137,959	142,098	146,361	150,752
5,557	5,723	5,895	6,072
70,767	72,890	75,077	77,330
22,993	23,683	24,394	25,125
216,136	222,621	229,299	236,178
87,374	89,996	92,695	95,476
15,329	15,789	16,262	16,750
22,993	23,683	24,394	25,125
160,953	165,781	170,755	175,877
45,986	47,366	48,787	50,251
110,368	113,679	117,089	120,602
251,013	256,033	261,154	266,377
45,986	47,366	48,787	50,251
6,783	6,986	7,196	7,412
22,993	23,683	24,394	25,125
4,599	4,737	4,879	5,025
803,633	843,815	886,006	930,306
73,608	75,816	78,091	80,433
323,489	333,193	343,189	353,485
24,000	24,000	24,000	24,000
3,953,333	4,084,776	4,220,915	4,361,931
4,800,510	4,957,368	5,119,685	5,287,664
2,394,332	2,453,319	2,513,323	2,574,334
(40,000)	(40,000)	(40,000)	(40,000)
2,354,332	2,413,319	2,473,323	2,534,334
44,924,455	47,337,775	49,811,098	52,345,432

ATTACHMENT B
POLAR ICE VENTURE PRO FORMA & CASH FLOW
PIV \$10M and City \$8 M in Bond Debt Svc

SCENARIO:						
Actual PIV proforma for Yrs 1 - 5; 3% growth in revenues thereafter and 3% growth in expenses; 5% growth in utility thereafter; includes property taxes						
YEAR	NET REVENUE	PIV \$10 M BOND DEBT SVC	ANNUAL CASH FLOW AFTER PIV DEBT	City \$8 M BOND DEBT SVC	ANNUAL CASH FLOW AFTER PIV + CITY DEBT	CUMULATIVE NET CASH FLOW
1	764,746	650,500	114,246	520,500	(406,254)	(406,254)
2	810,368	650,500	159,868	520,500	(360,632)	(766,886)
3	947,527	650,500	297,027	520,500	(223,473)	(990,359)
4	1,261,056	650,500	610,556	520,500	90,056	(900,303)
5	1,303,850	650,500	653,350	520,500	132,850	(767,453)
6	1,328,995	650,500	678,495	520,500	157,995	(609,459)
7	1,395,853	650,500	745,353	520,500	224,853	(384,605)
8	1,430,141	650,500	779,641	520,500	259,141	(125,465)
9	1,484,070	650,500	833,570	520,500	313,070	187,605
10	1,360,856	650,500	710,356	520,500	189,856	377,462
11	1,549,242	650,500	898,742	520,500	378,242	755,704
12	1,592,105	650,500	941,605	520,500	421,105	1,176,809
13	1,635,922	650,500	985,422	520,500	464,922	1,641,731
14	1,680,704	650,500	1,030,204	520,500	509,704	2,151,435
15	1,726,462	650,500	1,075,962	520,500	555,462	2,706,897
16	1,773,205	650,500	1,122,705	520,500	602,205	3,309,102
17	1,820,943	650,500	1,170,443	520,500	649,943	3,959,045
18	1,869,683	650,500	1,219,183	520,500	698,683	4,657,728
19	1,919,433	650,500	1,268,933	520,500	748,433	5,406,162
20	1,970,200	650,500	1,319,700	520,500	799,200	6,205,362
21	2,021,989	650,500	1,371,489	520,500	850,989	7,056,351
22	2,074,804	650,500	1,424,304	520,500	903,804	7,960,154
23	2,128,648	650,500	1,478,148	520,500	957,648	8,917,802
24	2,183,523	650,500	1,533,023	520,500	1,012,523	9,930,326
25	2,239,430	650,500	1,588,930	520,500	1,068,430	10,998,756
26	2,296,367	650,500	1,645,867	520,500	1,125,367	12,124,123
27	2,354,332	650,500	1,703,832	520,500	1,183,332	13,307,455
28	2,413,319	650,500	1,762,819	520,500	1,242,319	14,549,775
29	2,473,323	650,500	1,822,823	520,500	1,302,323	15,852,098
30	2,534,334	650,500	1,883,834	520,500	1,363,334	17,215,432
	52,345,432	19,515,000	32,830,432	15,615,000	17,215,432	