



TO: VICTOR CARDENAS, CITY MANAGER
FROM: JEFF MUCK, PRCS DIRECTOR
SUBJECT: NOVI ICE ARENA UPDATE
DATE: JANUARY 11, 2024

MEMORANDUM

Mayor and Council –

Below is a memo summarizing changes recommended to ice time allocation at the arena. Novi Youth Hockey has seen a significant decrease (66%) in their enrollment.

- Victor

The Novi Ice Arena is a 75,000-square-foot facility with two 85 x 200 sheets of ice that opened its doors back in September 1988. Operational costs for the facility are accounted for in the City's Ice Arena Fund (an Enterprise Fund). The source of funding for this project was revenue bonds, which are paid from the rents received from ice sales at the facility. The City of Novi has contracted with Suburban Sports Group for over twenty years to manage the day-to-day operations of the arena. The City requires the operation to be self-sustaining with revenue generated from the operations, including repayment of debt service. The ice arena has made all of its debt service payments and established a capital replacement reserve fund under Suburban's management.

Suburban Sports Group has been successful in running a high-quality, customer service-oriented operation with a complete complement of ice skating and hockey programs. Examples include:

- Novi Youth Hockey Association (NYHA)
- Novi and Northville High School Hockey Teams
- International Ice Dancers (including past Olympic teams)
- Learn to Skate & Figure Skating Programs
- Hockey Development & Try Hockey for Free Programs
- Skating Club of Novi
- Adult Hockey Leagues
- Honeybaked Hockey Club, private group ice rentals and tournaments
- Open skate and open hockey sessions

Suburban staff have brought forward to City Administration concerns with the decline in participation levels of the Novi Youth Hockey Association (NYHA) and the impact on the arena's finances. The attached presentation was shared and discussed with staff. Most notable are the continuing trends in enrollment (including the number of Novi residents participating in NYHA) and the resulting reduction in the purchase of ice time, necessitating Suburban to find other revenue streams and methods of filling ice time. Suburban staff are planning to meet as soon as possible with NYHA leaders to implement ice scheduling changes and anticipate resistance to the changes. These changes center around treating NYHA like other entities in the arena, equally distributing premium ice time slots; for several years now, NYHA has received

preferential treatment, receiving its preferred slots every season. In doing so, with the decline in their enrollment, Suburban has experienced instances where both sheets of ice sit empty as NYHA was unable to meet their ice time commitments.

Suburban Ice recommends bringing in new entities to fill the void left by NYHA's declining enrollment. Again, in changing NYHA's standing of receiving their preferred ice time, all the time. City staff agrees that these steps are necessary to ensure the arena maintains a solid financial position and supports Suburban's decisions and future direction.