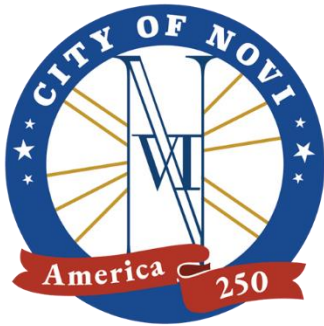




CITY OF NOVI CITY COUNCIL
MARCH 23, 2026

SUBJECT: Discussion on the future of the Novi Ice Arena based on a referral from the Finance and Administration Committee

SUBMITTING DEPARTMENT: City Manager
Parks, Recreation & Cultural Services

BACKGROUND INFORMATION:

The Novi Ice Arena is a 75,000-square-foot facility with two 85 x 200 sheets of ice, opened to the public in September 1998. The Ice Arena operates as part of the City's Ice Arena Fund (an Enterprise Fund). It was originally funded through revenue bonds, which are now fully repaid using rental income from ice sales. As a self-sustaining facility, the arena must generate sufficient revenue to cover operational costs. The City of Novi contracts with Suburban Arena Management, LLC, to operate the facility.

With the facility now debt-free and in very good operational condition, the Finance and Administration Committee (FAC), back in July 2025, began discussion on the future of the Novi Ice Arena. Data on budget projections, future Capital Improvement Project needs, lease and sale options, elimination of the debt service, an appraisal of the arena, and other items have been reviewed by the committee.

As a result of the deliberations at the FAC's meeting on February 19, 2026, the committee directed City Administration to bring forward three options for City Council discussion and possible action as it pertains to the future of the arena:

1. Solicit bids for sale of the Ice Arena with potential deed restrictions on any potential resale of the property/building.
2. Obtain bids on additional studies such as a 20 Year Capital Needs Assessment (estimated \$8,000-10,000), Site, Building & Operational Due Diligence (Estimated \$25,000), and/or Operational & Ownership Options Analysis (Estimated \$45,000)
3. Maintain current operations. City Staff will continue to monitor the financial performance and projections of Suburban Arena Management, LLC, including the arena's capital needs.

Reference materials included for the purpose of the discussion include:

- Finance and Administration Committee packet from February 19th, including Ice Arena accounting analysis from City Finance Department, revenue projections and history, and draft proposals for additional studies.
- Current contract with Suburban Arena Management, LLC for management of the arena approved by City Council on April 7, 2025.
- Letter from the City Attorney's office detailing considerations related to the sale or lease of the property and use of enterprise funds.
- August 2025 appraisal by Integra Realty Resources projecting a value of \$3,600,000.
- News articles on the sale of Ice Arenas by the communities of Hazel Park and Mt. Clemens, MI.

RECOMMENDED ACTION: Provide direction to City Administration on next steps to pursue for the future of the Novi Ice Arena.