



**FOREST LAKE AREA SCHOOLS
FOREST LAKE, MN 55025**

May 3, 2012

AGENDA ITEM: 9.1

TOPIC: FLAAA ARENA FEASIBILITY STUDY

BACKGROUND: The Forest Lake Area Athletic Association (FLAAA) approached the school district administration in December 2011 offering the school district a “first look” at acquiring the hockey arena. The school district appointed a task force with representatives from the city, school district and FLAAA to review the possibility. The first action of the task force was to recommend that the school district hire an independent firm to conduct a feasibility study.

PROCESS: The administration conducted a transparent review using Ehlers and Associates to conduct this feasibility study. Ms. Jodie Zesbaugh from Ehlers and Associates investigated the possible acquisition of the arena over the past three month period. She met with representatives from FLAAA and their auditor several times. She also met with the School Board’s Finance, Staff Welfare and Buildings & Grounds Committees, updating them on her progress. She met with the School Board on March 29 and also developed three proforma scenarios for the School Board’s Committees to review. At the most recent School Board Committee Meetings, the three scenarios were reviewed. The “optimistic” scenario yielded an accumulated deficit at the end of four years of \$ -146,417. The other two scenarios had even larger deficits.

RECOMMENDATION: Continued discussion of FLAAA Arena and possible purchase by the school district.