

Adopted 5-27-08

Amended 6.xx.2023

## Northern Lights Arena Surcharge Collection & Use Policy

### PURPOSE

To ensure adequate funds are set aside for the long term maintenance, upkeep and improvements for Northern Lights Arena in such a way to lessen the impact on the general fund of the County of Alpena. This policy and the resulting fund is not meant to pay or reimburse any lessee for normal operational costs, cleaning, normal/routine maintenance or the replacement based on regular wear and tear of equipment and/or fixtures. All capital replacement or improvement projects over \$5,000 must be included on the County's Capital Improvement Plan (CIP) and must be approved as part of the County's regular budgeting process. Approved Use items under \$5,000 may be included as part of a reimbursement request.

### Surcharge

A surcharge shall be collected on all paid ticketed events of **\$1.00** per ticket. For events where the premises are rented to a private company for an event, and the private company collects the gate, or for "general admission/non-ticketed/non-ice" or "no charge" events, then a flat fee for each day of such event shall be paid, which amount shall be either 5% of the base rental rate per day for such events, or \$100.00 per day, whichever is greater. **In addition, a fee of \$3 per hour of ice time rented will be collected and deposited as part of the surcharge.** These funds will be held by the County in the Equipment & Building Maintenance Improvement Reserve Fund for Northern Lights Arena (NLA).

### Definitions of Events

**Seated Ticketed** – An event where a ticket is sold representing a space or seat for the ticket holder to occupy.

**General Admission** – Other events. Including those events commonly referred to as "shows" in which the attendee is allowed to move freely about the area.

### Exemptions:

~~a) MHSAA tournament ice events that will not pay a per ticket surcharge. A cleaning fee will be assessed and collected in lieu of the surcharge. That money will be deposited as surcharge~~

~~revenue. The cleaning fee will be established by the lessee prior to the start of the season and clearly stated in any/all promotional materials.~~

b) Promotional tickets (totaling not more than 35) per seated ticketed event will be exempt only with the consent of the facility manager.

### **Accountability:**

(removed language regarding doing count w/Treasurer's Office)

The lessee will present a transmittal, signed by lessee verifying the count, with the deposit submitted to the County Treasurer showing the total tickets, less any exemptions, and the amount due under the surcharge policy.

The procedure for collecting rental surcharge will be a copy of the rental agreement with both parties' signatures and a transmittal with surcharge fee being indicated when payment is deposited with the County Treasurer.

### **These parameters apply to all of the policy:**

If an event does not fall within these parameters, the facility manager must consult the county.

### **Non – Exclusive Permitted Uses for Surcharge Funds**

The following examples of what should be perceived as essential areas that the surcharge money may be directed towards:

- Building shell including foundations, walls, roof and insulation.
- Internal partitions, decks, columns, and misc. support members.
- External appurtenances such as: sidewalks, landings, pathways, parking lots, and lighting.
- All electrical including lights, and mechanical hookups to starters, compressors, pumps, etc. (excluding bulbs).
- All mechanical and plumbing including fixtures.
- All components for creating and maintaining ice (including Zamboni's and compressors).
- All Door and door jambs.
- All glazing.
- All safety devices such as sprinkler systems and alarms.
- Future additional amenities as prescribed by law or code.
- **Larger equipment used in maintaining facility (i.e. equipment valued over \$5,000); if surcharge funds are used to purchase then the equipment will be owned by the County**

Examples of items that would not fall into the surcharge category would be: office furniture or supplies, bulletin boards, display cases, any equipment that is leased such as vending machines, small kitchen equipment, tables and chairs.

The County will review the budget annually with the CIP and any operator/lessee for a minimum amount to be budgeted for reimbursement expenses. Reimbursement requests up to the budgeted amount will be approved in compliance with the County's Purchasing & Procurement Policy, reimbursement requests over the budgeted amount will require review and approval by the Board of Commissioners.

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