



1. Pursuant to Resolution 2009-047R, the City should release the remaining \$80,000 of the \$600,000 loan to the Metro Authority.
2. The City should refer a bond refinancing ordinance to the City Council for approval to refinance the existing eligible Redevelopment Fund debt.
3. The City should begin negotiations with the Metro Authority to enter into a 3-year Amended Agreement that would include annual operating support in the amount of \$1,200,000 annually for FY2010 (effective July 1, 2009), \$1,100,000 in FY2011, and \$1,000,000 in FY2012. Effective July 1, 2009, the City would release \$800,000 in financial operating support to the Metro Authority, with the remainder of the financial operating support being dispersed beginning January, 2010. This Amended Agreement would include the loan payback scheduled as referenced in this report.
4. In addition, there would be five additional conditions as part of the Amended Agreement: 1) the Metro Authority will cut approximately \$300,000 in non-variable annual operating expenses within the first one-hundred twenty (120) days of executing the Agreement; 2) the Metro Authority shall provide written financial reports, including monthly balance sheets and P/L statements to City Council on a monthly basis and provide a review of financials with City staff and Aldermen on a quarterly basis; 3) the Metro Authority will implement internal revenue enhancements commensurate with existing overhead expenses being incurred at the MetroCentre as well as industry standards; 4) the Metro Authority shall explore, via a Request for Information, the option of a private management company and provide a written report to the City detailing the pros and cons of such a decision; and 5) No later than sixty (60) days prior to the expiration of the 2010 fiscal year and 2011 fiscal year, the City shall review the performance of the Metro Authority based on the recommendations and conditions set forth herein, and the City may have the option to withhold payments, exclusive of AHL franchise contractual obligations, in the subsequent fiscal year until the recommendations that are contained within Section VIII of this report are met.

Governance

A close relationship between the City of Rockford and the Metro Authority are essential moving forward. While the city currently has an Alderman liaison on the Metro Authority Board, it is recommended that two Aldermen be appointed to the Board as voting members. This would require a change in state statute.

It is also clear that when the Metro Authority was established, the MetroCentre was considered a regional entity, as evidenced by three (3) appointments by the Chairman of Winnebago County, and one (1) appointment by the Mayor of Loves Park. It is our contention that it indeed is a regional venue, and it is recommended that this be a topic of discussion for the City of Rockford Downtown Venues, Festivals, and Special Events Advisory Group.



Conclusion & Study Considerations for City of Rockford Downtown Venues, Festivals, and Special Events Advisory Group.

Based on the analysis of Ad Hoc Committee, it is believed that these recommendations will put the MetroCentre on a path towards fiscal health and continued success for years to come. The transition that occurred with the renovation of the MetroCentre and the acquisition of the AHL hockey franchise proved to be extremely difficult, particularly given these financial times. However, the positive signs are that ticket sales are at historic highs, the Metro Authority had more sellouts than ever before last year, and attendance is rising steadily. Redevelopment of the Main Street Mall, along with the opening of several restaurants and bars downtown, are also good signs of the economic impact of the MetroCentre.

The recommendations that are contained within this report did not come easily, and it will take sacrifice and discipline to implement the recommendations contained herein. Let us learn from the past and restore the Redevelopment Fund for its primary purpose and intent, and maintain that fiscal discipline going forward.

Study Considerations for City of Rockford Downtown Venues, Festivals, and Special Events Advisory Group.

The report contained herein provides a foundation from which the Downtown Venues, Festivals, and Special Events Advisory Group can build upon. Pursuant to Resolution 2009-047R, it is recommended that the following issues are in need of additional study, discussion and collaboration:

- Vision and goals. The Advisory Group should identify a vision and goals for the collective downtown publicly supported venues, tourism attractions and facilities, special events; and related marketing activities. Such items should include, but not necessarily be limited to, the MetroCentre, Coronado Theater, Davis Park, On the Waterfront Festival, and Convention and Visitor's Bureau activities. It is apparent from our research that the partnerships and collaborations of the various agencies were more closely connected and aligned with each other in the early 1980s than they are today. If we are lacking elements such as needed capital investments or additional venues or tourism products to support a successful downtown tourism and venue vision, then such items should be identified and discussed.
- Funding priorities and funding options. There is identified at least three sources of revenue for the included efforts: the Redevelopment Fund, the Hotel/Motel Tax, and the Amusement Tax. While there has been some discussion in the City-Metro Ad Hoc Report on prioritization of the use of these funds in the short term, there is a need for additional discussion to prioritize the use of the funds and developing a plan for any transition on the application of these funds or other funds to the identified needs. Another important element for consideration and discussion should be the possibility for expansion of the Redevelopment Fund and the Amusement Tax into surrounding municipalities that benefit from the MetroCentre, as well as other regional entertainment venues. The funding discussion should support the identified vision and goals.



- Governance. Based on the identified vision and funding scenarios, the Advisory Group should provide advice or suggestions on any needed governance changes. If there are, for example, operational efficiencies or risks that might be obtained from consolidation or strategic partnerships, then those areas should be discussed. If there are recommended changes for the City Council to consider for its governing relationship with any or all of the respective parties, then those changes should be discussed.

Our review of history has shown that there were strong partnerships and alliances that were formed in the 1980s to share revenues and coordinate resources to fulfill our collective mission to improve the citizens' overall quality of life through tourism, arts, entertainment, and cultural venues such as the MetroCentre, Coronado Theatre, and Davis Festival Park, to name just a few. It is also clear that our community must review and revisit our current agency relationships and partnerships to determine how we can sustain and grow our community assets in these areas.

We want to thank the Mayor and City Council for the opportunity to serve on the City-Metro Ad-Hoc Committee, and we look forward to the work that will follow this committee to ensure that our arts, entertainment, and festival venues and operations can be sustainable in the long-term for the future of our community.