

Council Questions/Comments and Staff Responses Report for July 13, 2015

CONSENT AGENDA

Alderman Scott Black

Item 8B. Consideration of purchasing a replacement Video and Scoreboard System for use at the US Cellular Coliseum in the amount of \$1,389,605.35.

Question/Comment: Are we obligated per our contract to replace this equipment? If the Council votes no on this item, what, if any, are the legal ramifications?

Staff Response: Pursuant to Section 5.8 of the management agreement between the City and CIAM, the City retains the discretion to determine whether and to what level to fund Capital Improvements and Capital Equipment purchases. Accordingly, the City does not have a stated contractual obligation under its agreement with CIAM to purchase a new scoreboard. However, CIAM advises several events require video displays (e.g., IHSA tournaments and State dance, cheerleading, and team wrestling competitions and tournaments) and the failure to have an operational display would likely result in these events moving to another forum. In addition, the sporting teams that play at the Coliseum, including the Thunder, Edge and Flex, all utilize the video displays to sell advertising and generate revenue for their existence. If this is taken away, CIAM predicts difficulty in maintaining these sporting teams and events at the Coliseum. Finally, nearly all sponsorship contracts involving the Coliseum require utilization of the video display. Accordingly, failure to have an operational display would potentially create a breach of these contracts and the loss of significant revenue. Representatives from CIAM will be present at the meeting tonight to address these issues further and answer any questions.

Prepared by: Renee Gooderham, Deputy Clerk