



Fox Valley Ice Arena Acquisition/Management

In 2007, the Forest Preserve District of Kane County was in the process of evaluating its existing preserves to locate a site for a new 10,000 square foot administration building, as it had grown out of the 7,400 square foot historic yellow house in the government center it rented from the County. The estimated cost of the new construction was \$3.5M for the building, plus any necessary exterior infrastructure such as driveway and parking.

During the site search, the Forest Preserve District learned the Fox Valley Ice Arena was for sale, and that it had 10,000 square feet of office space on the third floor. The facility is located next to existing Forest Preserve property (Striker's Soccer, Cougars and Settler's Hill Golf Course facilities) and borders the County's closed Setter's Hill Landfill. The District has an intergovernmental agreement with the County to develop the site as open space/recreation. At the time the property was appraised at \$11M.

In 2008, the District negotiated a sale price of \$6.5M. The County contributed \$1M to the acquisition in order to gain access through the property to Kirk Road for the landfill site. Additionally, \$750,000 from the purchase proceeds was placed in an escrow fund for the purpose of performing capital improvements to the building. This funding was used for infrastructure improvements such as repair and replacement of mechanical systems, replacement of the lighting in the lobby and ice rinks, interior flooring and painting, to purchase new equipment, make roof repairs, complete parking lot resealing, exterior roof painting, and more.

The District entered into a 20-year license agreement at the time of the acquisition for the management of the facility. With exception of the District performing the snow removal, the District does not pay any operating expenses such as utilities, building maintenance or common-area maintenance fees. These are all the responsibility of the management company. The District is saving over \$100,000 annually in its operating budget by housing its administrative offices within the building. All of the District's administrative staff is located in the facility, including the Public Safety Department which has independent space on the first floor.

Annual management fees are reimbursed to the District's Capital Fund, where the original investment was drawn. The revenue from the management contract will reimburse the District for its entire \$5.5M acquisition in the 18th year of the contract. The annual revenue is used to fund the District's continued capital initiatives such as renovating trails and other infrastructure, as well as grant matches for natural resource initiatives and opening new preserves and regional trail systems.