

Watertown City Council Monday, November 9, 2020 7:00 p.m.

WORK SESSION AGENDA

The City Council meeting is now open to the public. All attendees must enter through the Sterling Street entrance and sign in. Each attendee <u>must wear a mask</u> while moving around, but may remove it when seated with 6-foot spacing.

Discussion Items:

- 1. International Development Hockey League, LLC Contract Amendment
 - Andreas Johansson, Owner
 - Scott Weller, Assistant Superintendent of Parks and Recreation
- 2. Micro Hydro
 - Michael Delaney, City Engineer
 - Vicky L. Murphy, Water Superintendent

To:

The Honorable Mayor and City Council

From:

Scott Weller, Assistant Superintendent of Parks and Recreation

Subject:

Watertown Wolves Contract

The Watertown Wolves recently underwent an ownership change and have been purchased by Mr. Andreas Johansson. Earlier this year Mr. Johansson approached the City with two requests:

- 1. Rename the Wolves locker room after a paid sponsor.
- 2. Add a permanent video board to the Arena for use during Wolves games and other events.

An updated lease was drafted to include the items listed above. Upon review, Mr. Johansson raised additional concerns, including:

- Extending the ice season into mid-May.
- Starting games earlier than 7:30pm.
- Reducing practice fees.

The Wolves have a substantial following throughout the community and have become an integral part of the Arena programming. They are also a primary driver of concession sales. However, any changes made regarding the length of season and game times would have an adverse effect on other user groups and staff. Below is an overview of the 2019 spring schedule and the current ice rental fees.

2019 spring schedule:

Dates	2019 Events	Fee Paid
April 21	Last day of ice	_
April 26-27	World's Biggest Garage Sale	\$ 1,500
May 1-6	Home Show	\$ 4,550
May 10-11	MMA	\$ 2,608
May 14-16	Career Jam	\$ 2,610
May 17-18	Shrine Circus	\$ 5,620
May 23-28	Spa Show	\$ 6,575

Ice rental fees:

Group	Ice Rental Fees	
Wolves	Practice - \$80 / Game - \$150	
Figure Skating	\$80 hr.	
Minor Hockey	Flat Fee - \$46,000	
Student Group	Student Group \$80 hr.	
Adult Group	\$120 hr.	

It's important to note that Figure Skating and Minor Hockey currently have contracts locking in their ice times. Attached is a copy of the most recent contract. Mr. Johansson will be in attendance to further discuss his concerns and to answer any questions.

FRANCHISE AGREEMENT

THE CITY OF WATERTOWN, NEW YORK AND INTERNATIONAL DEVELOPMENT HOCKEY LEAGUE, LLC

This Franchise Agreement is being made and is intended to be effective as of September 16, 2019 between THE CITY OF WATERTOWN, NEW YORK, with principal offices located at 245 Washington Street, Watertown, New York 13601 ("City") and International Development Hockey League LLC (the IDHL) with principal offices located at 5676 Thompson Road South Dewitt NY 13214.

INTRODUCTION

WHEREAS, the City is a municipal corporation organized under the laws of the State of New York and, as such, owns a community recreational facility known as the Alex T. Duffy Fairgrounds (the "Fairgrounds"); and

WHEREAS, the Fairgrounds contains many venues, one of which is the Municipal Arena which is used for activities including, but not limited to, an ice rink and bleachers for skating and games; and

WHEREAS, the City desires to promote future recreational activities at its Arena for the valid public purpose of the benefit, recreation, entertainment, amusement, convenience and welfare of the people of the City; and

WHEREAS, in pursuit of that public purpose, the City desires to contract with IDHL, a non-profit hockey franchise which competes in the International Development Hockey League (or a different league of a different name of comparable caliber of play), for use by IDHL of the Watertown Arena as its home venue; and

WHEREAS, the parties desire to set forth an agreement by which IDHL may enjoy a franchise for the use of the City facilities at the Watertown Ice Arena for the 2019-2022 non-profit hockey seasons in consideration of mutual covenants and agreements as stated herein, the City and IDHL agree as follows:

AGREEMENT

Section 1 – Term of Franchise

The term of this Franchise Agreement shall be from the period from September 16, 2019 through April 18, 2023.

Year 1: September 22, 2019 through April 21, 2020. The last day of ice will be April 19, 2020.

Year 2: September 21, 2020 through April 20, 2021. The last day of ice will be April 18, 2021.

Year 3 September 20, 2021 through April 19, 2022. The last day of ice will be April 17, 2022.

Section II – Franchise Facilities Use Grant

The City grants IDHL a franchise for the use of the following facilities at the Watertown Arena:

- a. IDHL shall have exclusive access to a locker room identified on the building diagram attached as Exhibit "A" as the "home locker room." IDHL shall be furnished with a key to the "home locker room", but not a key to the Ice Arena. The risk of loss for IDHL equipment and gear shall remain with IDHL during the term of this Franchise.
- b. IDHL may locate a "pro shop" within the Vendor Area for a cost of \$100 for the season, to be paid to the City no later than September 30th, 2019. Only souvenirs, equipment and merchandise related to IDHL, International Development Hockey League or their sponsor may be sold at the pro shop. The risk of loss of all merchandise, equipment or souvenirs shall remain with IDHL during the term of this Franchise.
- c. At the time of any home IDHL game, other locker rooms shall be made available to the opposing team and to the officials two (2) hours before the start of the game. The opposing team's locker room is identified as the "away locker room" and the officials' locker room is identified as "officials" locker room" on Exhibit "A."
- d. During the term of this Agreement, IDHL will be provided a space by the City for IDHL skate sharpening equipment within the main locker room area. IDHL shall not have access to, nor use, the City-owned skate sharpener, nor shall the City have access to, nor use, IDHL's sharpener. IDHL's sharpening equipment shall only be used to sharpen skates of IDHL personnel and those affiliated with the organization.
- e. IDHL shall have access to the arena press box and sound system for all IDHL home games at least one hour prior to game time. The equipment to be made available is the City's existing system consisting of: Odyssey Innovation Design single-unit sound system with microphone and scoreboard control panel immediately when the group renting the ice prior to the game is off the ice Only those employees needing to work from the press box are permitted in the press box area.
- f. IDHL will not be provided with keys or security codes for after-hours access to the Arena.
- g. The City will be responsible for setting up a "queue" area that will allow up to 250 ticket purchasers to assemble inside the lobby in an organized fashion. This should be clearly marked and should flow without the use of IDHL personnel.
 - h. The City will provide tables and chairs for all scheduled home games.
- i. The City will ensure there is reliable wireless access in the arena as well as in the lobby of the arena for the 2019-2020 season. The IDHL will use their own internet, provided by

Spectrum for streaming and activities within the ice arena. No one shall connect any device that alters or expands the City's wifi, or wired network. This includes, but is not limited to: routers, switches, repeaters and Devices Internet Connection Sharing.

Section III - Other IDHL Rights and Privileges Pursuant to Franchise

In addition to grant of this franchise for use of designated City facilities, the City hereby grants an exclusive franchise to IDHL for the following sales and concessions:

a. For beer and wine sales see section IV.

b. IDHL shall have the exclusive right to sell signage within the arena, including sales on boards (interior and exterior) and framed areas on arena's walls, imbedded in the ice surface, on the three panels of glass directly behind the west goal and mounted on the City-owned zamboni Advertising by IDHL will be permitted in the lobby of the Municipal Arena approval from the Superintendent of Parks and Recreation. IDHL is permitted to sell the naming rights to the ice rink. IDHL agrees to pay the City 10% of the proceeds from the naming of the ice rink. The contract for the naming of the ice rink must be made available to the Superintendent of Parks and Recreation for review and approval. All advertising placed on boards shall be non-permanent in nature and shall adhere to the City's specifications. The City will provide all specification for the wall mounted advertisements. The City reserves the right to review and approve all advertising copies prior to its installation. All advertising must be removed at the end of the hockey season. Arena staff will be responsible for installing and removing all signage. A fee of \$5,000 shall be paid to the City Comptroller's Office no later than September 30, 2019. IDHL will also be granted rights to designate certain arena seating, other than the bleachers, as reserved seating for corporate sponsors, both inside the arena and in the lobby area, and will be responsible for adding signage to designate accordingly.

c. IDHL shall be the sole non-profit hockey team and/or "Junior amateur hockey team, e.g. Syracuse Stars caliber team (this does not include any of the youth programs currently operating in our geographic area) to hold a franchise for games for the 2019-2020 season. IDHL will also hold the "Right to first Refusal" in the Franchise Agreement on all subsequent hockey seasons.

Section IV – IDHL Obligations

The following constitutes the IDHL obligations in connection with the franchises granted herein:

a. Rates and Charges.

Ice time for team practices will be billed by the City at the rate of \$80.00 per hour of scheduled time. Ice time for games will be billed at \$150.00 per hour of scheduled time. Payment must be made to the City Comptroller by the 1st day of the month for that month's scheduled ice time. If full payment is not made by IDHL by the 1st day of the month for that

month's scheduled ice time or any other unpaid invoice is over 30 days outstanding, IDHL will not be authorized use of the facility until full payment is made. An invoice will be generated by the City at the month's end for any additional ice time hours used above and beyond scheduled time by IDHL, payable within 30 days. IDHL shall not receive credit for any unused, but scheduled, ice time unless IDHL gives the Parks and Recreation office 72 hours written notice. Any unused ice time canceled with at least 72 hours notice shall be credited toward future payments due to the City, provided that if no future payments are pending or anticipated, City shall refund IDHL for unused time within 30 days. IDHL will pay the City a \$1000 deposit by April 1st, 2020 which will be applied toward the last payment due in April 2020, provided the team still has an active franchise agreement with the City. The City will refund IDHL any balance of deposit that exceeds the final payment within 30 days.

In the third year of this contract, all rates and charges within this contract will increase for the following year (July-June) by the percentage reflected by the CPI for All Urban Consumers (CPI-U) for all items for the Northeast Region on a not seasonally adjusted basis, as reported by the United States Department of Labor, or other respected source for the immediately preceding year (July-June). Should the CPI be negative, the contract will remain at its initial rates.

b. Beer and Wine Sales.

IDHL is granted exclusive rights to provide for the sale of beer and wine at any events to be held in the arena during this time period, as approved by the City Manager, pursuant to the Agreement, and/or to enter into a sub-franchise agreement with a vendor, which shall obtain a seasonal license for the beer and wine sales for the Ice Arena limited to the term of this agreement from October 1st, 2019 through April 22, 2020. The City is to provide a location for the sale of beer and wine either in the form of a permanent structure complete with applicable refrigeration facilities or an area where a temporary trailer can be placed. This area must be agreed upon by both IDHL and the City. IDHL must accommodate to any event requesting beer and wine in the arena during this timeframe of the Franchise Agreement, with the Superintendent's approval. IDHL will be provided, at least, a 10 days' notice to ensure proper planning time, in the event the City requests beer and wine to be sold. IDHL is permitted to serve two alcoholic beverages per person per sale transaction.

IDHL sub-franchise agreement with said vendor shall provide that the vendor shall be bound by the terms and conditions of any license issued by the SLA, and shall also be bound by the terms of the City's "ABC Law, Rules and Guidelines," as the same may, from time to time, be amended. A copy of the City's current "ABC Law, Rules and Guidelines" is attached to this Agreement as Exhibit "D."

IDHL shall ensure that said vendor shall provide the City with a copy of any application made to the SLA for the seasonal license. The vendor must also agree that it will discontinue the sale of alcohol at any time when directed to do so by the shift supervisor of the Watertown City Police and provide proof of vendor's liquor liability insurance coverage in the amount of \$1,000,000.00 individual/\$2,000,000.00 aggregate.

IDHL acknowledges that, as the party responsible for the sub-franchisee, it is obligated not to permit the alcoholic beverages in violation of the New York Alcoholic Beverage and Control Law, the New York Penal Law, and/or the New York General Obligations Law. If it is determined that the vendor has sold beverages in violation of any of the applicable rules and regulations, including any term of this franchise, IDHL right to contract with a sub-franchisee for the sale of alcohol on the premises will be immediately revoked.

IDHL acknowledge that the City of Watertown is not involved in the sale of alcoholic beverages, and agrees to defend and indemnify the City, including reimbursement of the City's reasonable attorneys' fees, from any and all claims, civil or criminal, arising from any claimed violations of law pertaining to, or statutory duty arising from, the sale of alcoholic beverages.

IDHL acknowledges that "tailgating" on City Fairgrounds property is not permitted and that IDHL shall be responsible for monitoring the parking areas surrounding the Ice Arena to ensure compliance. No alcohol may be consumed on any City Fairgrounds property except within the Ice Arena.

Any changes to this agreement made necessary by the SLA or any other regulatory authority to ensure the issuance and continuation of vendor's license to offer beer and wine sales shall first be proposed, in writing, by IDHL legal counsel. If the City incurs any legal fees in connection with negotiating and implementing such changes, IDHL agrees to reimburse the City its reasonable legal fees and disbursements leading to the adoption of such changes.

c. Food Concessions.

IDHL acknowledges that the concession stand located in the Arena will be the only source of food sold during the IDHL games. IDHL is permitted to provide food and beverages from other outside vending sources to staff and others affiliated with the organization during all team functions, including games, postgame only. IDHL will be permitted to set up a VIP area on the second floor in the arena to accommodate for 4 high top tables. This area must be code compliant. A \$2.00 per person fee for all people permitted in the VIP area will be charged to IDHL and shall be paid in advance. IDHL shall provide a copy of the contract indicating the number of VIP people permitted in the VIP area to the Parks and Recreation office in advance of the VIP event.

d. Birthday Parties

IDHL acknowledges that they shall purchase food through the arena concession stand for all birthday parties. IDHL acknowledges that the cost to rent the birthday party room is \$25 per hour, per room. IDHL must provide cake and/or ice cream and paper products for the cake and/or ice cream for all birthday parties.

e. Liability Insurance/Worker's Compensation Insurance.

IDHL shall provide commercial general liability insurance, naming the City as an additional insured to the City's specifications of coverage in the amount of \$1,000,000.00 individual/\$2,000,000.00, for the term of this franchise. The certificate of insurance must reflect that the additional insured status is in effect for the entire term of this Franchise Agreement, and further reflect that the City shall be entitled to at least 30 days' prior written notice of any cancellation of IDHL's insurance for any reason whatsoever. Proof of Insurance shall be provided to the City before September 1st, 2017 IDHL shall provide proof of Worker's Compensation Insurance to the City before September 1st, 2019.

f. Code Compliance.

IDHL acknowledges that all activities are subject to the provisions of the New York State Fire Prevention and Building Code.

g. Security.

IDHL shall provide readily identifiable security by a professional security force for each home game. Any private security firm used by IDHL shall be registered with the NYS Department of State per N.Y. Gen. Bus. Law Section 89-G. Such professional security force shall be adequate to maintain safety and discipline among the attendees. IDHL will require a minimum number of 5 security guards scheduled for games with attendance up to 600. If the attendance goes exceeds 600 1 additional security guard will be added for every 150 in attendance at the games up to a maximum of 8 security guards.

Additional security guards can be requested for play-off games. In the event the City Manager determines, in his sole discretion, that, at any event, already in progress or otherwise, that IDHL security is inadequate, the City shall have the right to require additional security be provided; or to suspend future games until the IDHL agree to provide additional security. Inadequate security may be considered a breach of this Agreement.

h. Damages.

In the event any of the locker rooms, lockers, restrooms, office space, or any other public areas are damaged by actions attributable to IDHL, their opposing team, or the fans, the repairs to such damage shall be the responsibility of IDHL and shall be promptly performed by the City. If rink glass is intentionally broken by the fans, IDHL will with be responsible for paying the cost of the glass or contacting authorities to press charges against the individual who broke the glass. Replacement of damaged property shall be equal to existing property. The City will follow the City purchasing policy by obtaining 3 quotes, when possible. The invoice shall be due and payable within 30 days.

i. Cleaning After Games.

IDHL shall provide a cleaning staff, following each home game, to clean the arena, including cleaning of all locker rooms; cleaning of all areas where beer and wine sales are made; and cleaning of the bleachers. All cleaning and disposal of trash, rubbish, etc. must be

performed by IDHL on the same night when a game is held, and to the satisfaction of the City's Superintendent of Parks and Recreation or his/her designee. This cleaning will consist only of picking up trash from all areas, rough sweeping of bleacher areas, and "spot" mopping of any spilled items. This is not to be considered a "thorough" cleaning of the facility.

i. Trash Removal.

The parties agree that IDHL shall pay \$250.00, for the term of this Agreement, for trash removal from the Arena. Said payment shall be due on or in advance of September 1st, 2019

k. After-hours Access.

If IDHL requires after-hours/holiday access to the Arena facility, IDHL shall arrange for the same in advance.

1. Hold Harmless.

IDHL shall indemnify and hold the City harmless, including reimbursement for reasonable attorneys' fees, from any and all loss, costs or expense arising out of any liability or claim of liability for injury or damages to persons or to property sustained by any person or entity by reason of IDHL operation, use, or occupation of designated facilities, and resulting from any act or omission of IDHL or any of its officers, agents, employees, guests, patrons or invitees. The liability insurance in the type and amounts identified in Section IV, naming the City as an additional named insured shall be sufficient for purposes of meeting IDHL obligations under this paragraph.

Section V – City Obligations.

The City agrees to undertake the following obligations:

- a. The City shall provide the locker rooms.
- b. The City will maintain the ice in good condition.
- c. The City will undertake a good faith effort to reasonably schedule practice ice time at levels comparable to the Wolves schedule for the 2018-2019 season.
- d. Prior to the commencement of this Franchise Agreement and for the term thereof, the City shall have on hand extra glass for the rink board in the event glass breaks during practice or games. IDHL will be billed for the costs (materials and labor) associated with any replacement caused by intentional actions by fans, players and/or those associated with the respective teams but City employees will be responsible for installing replacement glass as expeditiously as possible. The invoice is payable within 30 days.

e. The City shall indemnify and hold the IDHL harmless, including reimbursement for reasonable attorneys' fees, from any and all loss, costs or expense arising out of any liability or claim of liability for injury or damages to persons or to property sustained by any person or entity by reason of any act or omission of the City or any of its officers, agents, employees, guests, patrons or invitees.

Section VI – Anticipated Home Games and Contingency.

IDHL will proceed to schedule between 26 and 30 home games during the 2019-2020 hockey seasons.

The parties further anticipate IDHL participation in playoff games, which games will also likely be evenly split for scheduling purposes.

The parties to this Agreement agree to work together to schedule home games in such a fashion as to result in a minimum disruption to other groups or individuals utilizing the arena ice facility.

This Agreement is expressly contingent on the mutual agreement of the parties to a schedule of games. If the parties cannot come to a written agreement on the schedule prior to October 1st, 2019, this agreement will not be binding on either party and will be null and void. Each party shall bear its own expense in anticipation of performing the contract, provided that City shall refund any sums prepaid for trash and signage fees hereunder.

Section VII - Maintenance.

The City agrees that it will keep the premises, including any structural or capital repairs and improvements, in good repair during the term of this Franchise Agreement, and at its own expense. The City further agrees that it shall bear the cost of electric facilities and electric service to the premises, except as otherwise provided herein.

<u>Section VIII – Return of Premises.</u>

IDHL agrees to return all franchised premises to the City, upon the expiration of this Franchise Agreement, in as good condition as when IDHL received possession of the premises, reasonable wear and tear excepted, and excepting damage to the premises caused by others when the premises were not under the control of IDHL.

IDHL acknowledges that, as of the commencement of this Franchise Agreement, the IDHL has received the premises in good condition.

Section IX – Venue and Applicable Law.

a. This Agreement shall be construed in accordance with the laws of the State of New York.

- b. The City and IDHL agree that venue for any legal action arising from a claimed breach of this Franchise Agreement is in the Supreme Court, State of New York, in and for the County of Jefferson.
- c. This instrument contains the entire agreement between the parties and supersedesall prior agreements and understandings, oral and written, with respect to the transactions & performance contemplated herein. No amendment of this Agreement shall be binding unless executed in writing by both parties.

IN WITNESS WHEREOF, the City and IDHL have caused this Franchise Agreement to be executed by authorized agents to be effective as of october 1,2019.

By Richard Finn, City Manager

International Development Hockey League LLC

By: Donald Kirnan, IDHL

STATE OF NEW YORK) SS COUNTY OF JEFFERSON)

On the <u>fgth</u> day of <u>fune</u>, 2019 before me, a notary public in and for said State, personally came Richard Finn, to me known, who being by me duly sworn, did depose and say that she resides in Watertown, New York; and that she is the City Manager of the CITY OF WATERTOWN, NEW YORK, the municipal corporation described in and which executed the above instrument; and that she signed her name thereto by the authority of the Watertown City Council.

Notary Public

DALE MORROW
Notary Public, State of New York
Reg. No. 01MO5065265
Qualified in Jefferson County

Commission Expires 09/03/ 2022

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On the May of May, 2019 before me personally came Donald Kirnan to me known, who being by me duly sworn, did depose and say that he resides in and that he is the managing member of the International Development Hockey League, the corporation described in and which executed the above instrument; and that he signed his name thereto by the authority of the board of directors of said limited liability company.

Notary Public

GEORGE J. SHIOMOS
Lic. #015H6044386
Notary Public-State of New York
Qualified in Onondaga County
My Commission Expires 07/03/20

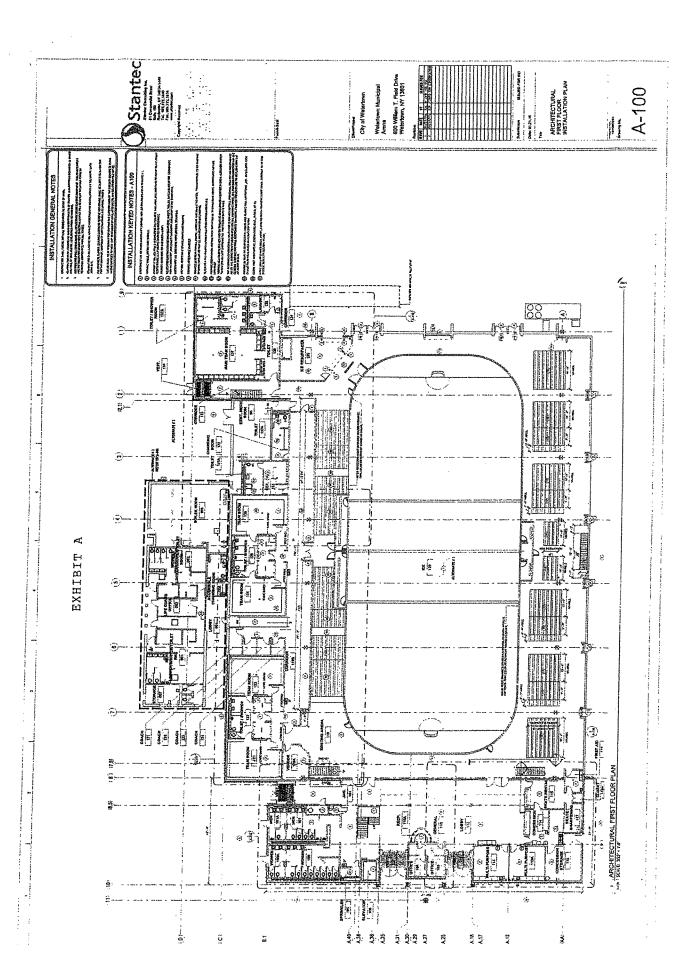


EXHIBIT D

ABC Law Rules and Guidelines

- You must provide the City of Watertown with a copy of your license certificate at least
 24 hours before the start of your event.
- You as the licensee are responsible for the activities of employees and patrons in all pats
 of the licensed premises, even if you are not always physically present, to ensure that the
 business is operating in accordance with the ABC Law.
- Your license certificate must be displayed so that it is in a conspicuous place inside the
 premises near the point of sale. Copies of the certificate for posting purposes are not
 acceptable.
- If you wish to make any changes in the structure of your corporation, or if you wish to
 change the individuals on the license, you must file the appropriate application and obtain
 approval from the Authority before making these changes.
- Appropriate books and records detailing purchases with invoices and the amount of each sale must be maintained at the premises and made available for inspection by SLA investigators.
- Bartenders, waitresses, waiters, hostesses and/or any persons who handle and receive payment for alcoholic beverages must be at least 18 years old.
- Bus persons and dishwashers who handle containers which have held alcoholic beverages
 must be at least 16 years old and must be directly supervised by someone at least 21 years
 old.
- According to Section 260.21 of the Penal Law, persons under the age of 16 must be accompanied by a parent or guardian to enter an on premises establishment.
- Alcoholic beverages must be consumed on the premises.
- Hours of sale are determined by the closing hours in the county where your establishment
 is located and your license/permit. Be sure you know the proper hours.
- You must have a valid bond in effect at all times.
- Purchases of alcoholic beverages must be made from duly licensed manufacturers and wholesalers. Purchases from retail stores or from any other retail licensee for resale are not permitted.
- Gambling of any type, either professional or social, is not permitted on any licensed
 premises. Exceptions are the sale of lottery tickets when licensed by the Division of the
 Lottery and bingo or games of chance when authorized by the State Racing and Wagering
 Board.
- Refilling or tampering with the contents of any container containing alcoholic beverages is not permitted.

- An alcoholic beverage must be dispensed from the container in which it was received from the wholesaler.
- Any plans to make major physical changes or to substantially alter the licensed premises in any way may require permission from the authority prior to construction.
- Patrons may consume drinks purchased before closing hours up until one-half hour after the legal closing hours.
- To prevent sales to minors, ask for proof. It is a crime to give or sell alcoholic beverages to anyone under the age of 21. You should instruct your employees to check for proof of age before selling any alcoholic beverages. Acceptable documents for identification:
 - Valid New York State driver's license or a valid driver's license from any other state or Canada.
 - Valid identification issued by the New York Department of Motor Vehicles (non-Driver ID card).
 - Valid United States military identification.
 - Valid passport or visa from the United States government or any other country.

College ID OR Sheriff's ID Cards are NOT acceptable Proof of Age.

- Have a written policy on what you expect from employees when making alcoholic beverage sales and post the policy for all employees to see.
- Post a "Date Born After" sign in close proximity to all cash registers.
- Establish an ongoing training and education program for all employees.
- Be sure your bartenders, wait staff and clerks understand that they can be arrested for selling alcoholic beverages to minors and/or intoxicated people.
- Support your employees when they refuse to make a sale.
- Encourage responsible drinking when advertising your establishment. Do not use advertising and/or promotions which are designed as inducements for teenagers to drink.

Recognize the signs of intoxication

Slurred speech

Mood swings

The smell of alcohol

Loud, abusive, profane language

Staggering or falling