



**MINUTES OF THE
GLENDALE CITY COUNCIL MEETING
Council Chambers
5850 West Glendale Avenue
April 13, 2010
7:00 p.m.**

The meeting was called to order by Vice-Mayor Manuel D. Martinez with the following Councilmembers present: Joyce V. Clark, Steven E. Frate, David M. Goulet, Yvonne J. Knaack, and H. Philip Lieberman.

Absent: Mayor Scruggs.

Also present were Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk.

COMPLIANCE WITH ARTICLE VII, SECTION 6(c) OF THE GLENDALE CHARTER

A statement was filed by the City Clerk that the 6 resolutions to be considered at the meeting were available for public examination and the title posted at City Hall more than 72 hours in advance of the meeting.

APPROVAL OF THE MINUTES OF THE MARCH 23, 2010 CITY COUNCIL MEETING

It was moved by Goulet, and seconded by Clark, to dispense with the reading of the minutes of the March 23, 2010 Regular City Council meeting, as each member of the Council had been provided copies in advance, and approve them as written. The motion carried unanimously.

PROCLAMATIONS AND AWARDS

**PROCLAMATION IN RECOGNITION OF NATIONAL CRIME VICTIMS' RIGHTS WEEK,
APRIL 18-24, 2010**

This is a request for City Council to proclaim April 18-24, 2010 as National Crime Victims' Rights Week in the City of Glendale. The goal of National Crime Victims' Rights Week is to recognize the suffering, struggles, and losses of crime victims as well as recognize and honor services that aid crime victims.

Marla Pressler and Stephanie Rogers, residents of Glendale and volunteers with the Glendale Police Department, will be present to accept the proclamation.

President Ronald Reagan proclaimed the first National Crime Victims' Rights Week in 1981. Every year since then, victim services and agencies throughout the United States have used one week in April to bring focus to the national problem of crime victimization in our society and to recognize services reaching out to crime victims.

This year's theme is "Crime Victims' Rights: Fairness. Dignity. Respect." In the not so distant past, victims were being routinely excluded from courtrooms and blamed for their victimization. Victims and advocates demanded fairness, dignity, and respect; this year's theme emphasizes the progress made toward realizing these ideals.

Present the proclamation to Marla Pressler and Stephanie Rogers, residents of Glendale and volunteers with the Glendale Police Department, proclaiming April 18-24, 2010 as National Crime Victims' Rights Week.

Vice-Mayor Martinez called Marla Pressler and Stephanie Rogers forward and presented the proclamation to them.

CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion.

1. SPECIAL EVENT LIQUOR LICENSES, ST. THOMAS MORE PARISH

This is a request for City Council to approve two special event liquor licenses for St. Thomas More Parish. The events will be held at St. Thomas More Parish located at 6180 West Utopia Road on Saturday, May 1 from 6 p.m. to midnight for a Cinco de Mayo fundraiser; and Saturday, October 23, 2010, from 7 p.m. to midnight for an Oktoberfest fundraiser.

If this application is approved, the total number of days expended by this applicant will be two of the allowed 10 days per calendar year. Under the provisions of A.R.S. § 4-203.02, the Arizona Department of Liquor Licenses and Control may issue a special event liquor license only if the Council recommends approval of such license.

The City of Glendale Planning, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

Based on the information provided under the background, it is staff's recommendation to forward these applications to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

2. LIQUOR LICENSE NO. 3-1288, SKY BOX SPORTS CAFE

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license. Sky Box Sports Cafe is located at 17035 North 67th Avenue, Suites 6 and 7. The

Arizona Department of Liquor Licenses and Control application (No. 12078273) was submitted by Bobbi Leigh Sovacki.

The location of the establishment is 17035 North 67th Avenue, Suites 6 and 7 and is located within the Sahuaro District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 11,798. This series 12 is a new license; however, the approval of this license will not increase the number of liquor licenses in the area because it will replace the series 6 license that was previously held at this location. The number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
06	Bar - All Liquor	6
07	Bar - Beer and Wine	1
09	Liquor Store - All Liquor	4
10	Liquor Store - Beer and Wine	5
12	Restaurant	12
	Total	<hr/> 28

The Maricopa County Health Department and the City of Glendale Planning, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

One petition with 55 signatures protesting the approval of this license was received during the 20 day posting period. Since the petition was received, the new business owner met with representatives from Casa Campana Senior Community to discuss issues raised by the community in their petition. On March 29, 2010, the Finance Department received a letter of support from Casa Campana Senior Community for approval of the liquor license.

Based on information provided under the background, it is staff's recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

3. LIQUOR LICENSE NO. 3-1289, GENO'S MARKET

This is a request for City Council to approve a new, non-transferable series 10 (Liquor Store - Beer and Wine) license. Geno's Market is located at 15414 North 67th Avenue. The Arizona Department of Liquor Licenses and Control application (No. 10076017) was submitted by Reenan Esa Kuza.

The location of the establishment is 15414 North 67th Avenue and is located within the Sahuaro District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 13,261. This series 10 is a new license; however, the approval of this license will not increase the number of liquor licenses in the area because this license replaces the previous one held at this location. The number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
06	Bar - All Liquor	5
09	Liquor Store - All Liquor	2
10	Liquor Store - Beer and Wine	5
12	Restaurant	4
	Total	16

The Maricopa County Health Department and the City of Glendale Planning, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

No public protests were received during the 20-day posting period.

Based on information provided under the background, it is staff's recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

4. LIQUOR LICENSE NO. 3-1290, CHIPOTLE MEXICAN GRILLE

This is a request for City Council to approve a new, non-transferable series 12 (Restaurant) license. Chipotle Mexican Grille is located at 5849 West Northern Avenue, Suite 500. The Arizona Department of Liquor Licenses and Control application (No. 12078282) was submitted by H.J. Lewkowitz.

The location of the establishment is 5849 West Northern Avenue, Suite 500 and is located within the Ocotillo District. The property is zoned C-2 (General Commercial). The population density within a one-mile radius is 18,946. This series 12 is a new license, therefore, the approval of this license will increase the number of liquor licenses in the area by one. The number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
06	Bar - All Liquor	2
07	Bar - Beer and Wine	2
09	Liquor Store - All Liquor	3
10	Liquor Store - Beer and Wine	4
12	Restaurant	7
14	Private Club	2
	Total	20

The Maricopa County Health Department and the City of Glendale Planning, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

No public protests were received during the 20-day posting period.

Based on information provided under the background, it is staff’s recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

5. LIQUOR LICENSE NO. 3-1291, COMFORT SUITES

This is a request for City Council to approve a person-to-person, location-to-location transfer series 7 (Bar - Beer and Wine) license. Comfort Suites is located at 9824 West Camelback Road. The Arizona Department of Liquor Licenses and Control application (No. 07070677) was submitted by Stanley Mark Sapp.

The location of the establishment is 9824 West Camelback Road and is located within the Yucca District. The property is zoned PAD (Planned Area Development). The population density within a one-mile radius is 7,423. This series 7 is a person-to-person, location-to-location transfer license, therefore, the approval of this license will increase the number of liquor licenses in the area by one. The number of liquor licenses within a one-mile radius is as listed below.

Series	Type	Quantity
09	Liquor Store - All Liquor	1
10	Liquor Store - Beer and Wine	2
12	Restaurant	2
	Total	<u>5</u>

The Maricopa County Health Department and the City of Glendale Planning, Police, and Fire Departments have reviewed the application and determined that it meets all technical requirements.

No public protests were received during the 20-day posting period.

Based on information provided under the background, it is staff’s recommendation to forward this application to the Arizona Department of Liquor Licenses and Control with a recommendation of approval.

6. CONSTRUCTION AGREEMENT FOR CHOLLA WATER TREATMENT PLANT

This is a request for City Council to authorize the City Manager to enter into a Construction Agreement with Vans Construction Company, Inc. to provide construction services for improvements at the Cholla Water Treatment Plant.

One of Council’s goals is one community with high-quality services for citizens. This agreement will allow the city to continue to provide high-quality water to residents and businesses.

The project is needed to enhance water production flexibility and reliability, and continue to keep the city compliant with existing water quality regulations.

These plant improvements include the repair of the Cholla 1 Reservoir liner, installation of a new variable frequency drive (VFD) at the Zone 1B Booster Pump Station to provide water system operation flexibility, installation of new pump control valves at the Zone 2 Booster Pump, and odor control improvements at the Solids Handling Facility.

On February 25, 2010, five bids were received for this project, with Vans Construction Company, Inc. submitting the lowest responsive, qualified bid.

This project will improve the overall reliability of the Cholla Water Treatment Plant operations by ensuring continued delivery of high-quality water. It will also keep the city in continued compliance with strict Federal and State regulations.

Funding is available in the FY 2009-10 Capital Improvement Plan. Operating costs associated with this project once completed are minimal and will be absorbed by the Utilities Department operating budget.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$190,500

<u>Account Name, Fund, Account and Line Item Number:</u> Cholla Water Plant Process Improvements, Account No. 2400-61024-550800, \$190,500
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The recommendation is to authorize the City Manager to enter into a Construction Agreement with Vans Construction Company, Inc. for plant improvements at the Cholla Water Treatment Plant in an amount not to exceed \$190,500.

7. PROFESSIONAL SERVICES AGREEMENT - ARROWHEAD RANCH WATER RECLAMATION FACILITY EQUIPMENT REPLACEMENT

This is a request for City Council to authorize the City Manager to enter into a Professional Services Agreement with Brown & Caldwell, Inc. to provide engineering services to replace three aging blowers at the Arrowhead Ranch Water Reclamation Facility (ARWRF).

This project is consistent with Council’s goal of providing high-quality services for Glendale residents by continuing to produce high-quality effluent water at the ARWRF.

The project is needed to improve the blower system reliability and continue to keep the city compliant with Federal and State regulatory requirements.

Blowers are used at the ARWRF to provide air for the treatment process, and are critical to ensure the reliable air supply that is necessary for the treatment process.

Several major repairs have been performed on these blowers. Due to the age and condition of this equipment, it has become cost prohibitive to continue repairing them. Engineering analysis

has indicated that it is more advantageous to replace the aging blowers with new energy efficient blowers to reduce operating costs.

Brown & Caldwell, Inc. was selected from the pre-qualified Engineering Consultant On-Call List. The list was developed from the Request for Qualifications submittals that were evaluated in late 2008 and became active in January 2009. The City of Glendale Engineering Department developed and maintains the Engineering Consultant On-Call List.

This project will significantly benefit the community by enhancing the reclamation process to continue providing high-quality effluent at the ARWRF.

Funding is available in the FY 2009-10 Capital Improvement Plan. Operating costs associated with this project once completed are minimal and will be absorbed by the Utilities Department operating budget.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$148,587

Account Name, Fund, Account and Line Item Number:
 Arrowhead Water Reclamation Facility Improvements, Account No. 2360-60007-551200,
 \$148,587

The recommendation is to authorize the City Manager to enter into a Professional Services Agreement with Brown & Caldwell, Inc. to provide Engineering Services to replace three aging blowers at the Arrowhead Ranch Water Reclamation Facility in an amount not to exceed \$148,587.

8. PROFESSIONAL SERVICES AGREEMENT - STORM WATER QUALITY MONITORING PROGRAM

This is a request for City Council to authorize the City Manager to enter into a Professional Services Agreement with Columbia Analytical Services, Inc. to provide storm water quality testing and analysis services.

One of Council’s goals is high-quality services for citizens. This agreement will continue the city’s efforts to monitor storm water quality and continue to comply with Federal regulations and guidelines.

Since 1999 the city has been issued permits from the U.S. Environmental Protection Agency (EPA) and the State of Arizona for the discharge from the city’s storm water drainage system. The city has completed annual reports since that time to demonstrate compliance with the permit. During any storm event when there are measurable amounts of runoff at five monitoring stations located in Glendale, United States Geological Survey (USGS) collects storm water samples, documents the sampling, and submits the samples to a chemical laboratory qualified to test the

samples. Columbia Analytical Services, Inc. will perform the testing and analysis of each sample in accordance with regulations and guidelines set by the EPA for the city.

The services provided by Columbia Analytical Services, Inc. ensure compliance with Federal regulations and guidelines. By testing the storm water samples collected from runoff, the city can detect pollutants and trace them back to their source, so that the cause of the pollution can be mitigated.

Funding is available in the FY 2009-10 Capital Improvement Plan. There are no operating costs associated with this project. This agreement is for a period of four years and three months starting June 2010 and ending September 2014. The city will be invoiced as storm water samples are collected and tested.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
	X		X		\$79,500

<u>Account Name, Fund, Account and Line Item Number:</u> AZDES Permit/Flood Control, Account No. 2180-79006-551200, \$79,500
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The recommendation is to authorize the City Manager to enter into a Professional Services Agreement with Columbia Analytical Services, Inc. in an amount not to exceed \$79,500 for storm water quality sample testing and analysis.

CONSENT RESOLUTIONS

9. ACCEPTANCE OF GRANT FUNDING FROM THE GOVERNOR’S OFFICE OF HIGHWAY SAFETY

This is a request for City Council to adopt a resolution authorizing the City Manager to accept a Governor’s Office of Highway Safety (GOHS) grant for underage drinking enforcement in the approximate amount of \$15,000.

This request supports Council’s goal of one community committed to public safety by providing the Police Department additional means to enhance the enforcement of underage drinking and educate the retail stores and the public.

This grant award will provide overtime funding to increase the number of hours officers dedicate specifically to underage drinking enforcement and education. It will also allow the department to continue Covert Undercover Buy (CUB) operations and educate the retail stores that sell alcoholic beverages.

On December 23, 2009, Council authorized acceptance of a grant from GOHS for underage drinking enforcement and education.

This grant will benefit the citizens of Glendale by allowing the Police Department to team up with local high schools for youth education presentations and continue CUB operations throughout the city.

There is no financial match required for this grant.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
X					\$15,000

Account Name, Fund, Account and Line Item Number:

A specific account will be established in Fund 1840, the city’s grant fund, once the grant agreement is formally executed.

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the City Manager to accept a Governor’s Office of Highway Safety grant for underage drinking enforcement in the approximate amount of \$15,000.

Resolution No. 4360 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE ACCEPTANCE OF A GOVERNOR’S OFFICE OF HIGHWAY SAFETY GRANT FOR UNDERAGE DRINKING ENFORCEMENT BY THE GLENDALE POLICE DEPARTMENT IN THE APPROXIMATE AMOUNT OF \$15,000.

10. MUNICIPAL EFFLUENT PURCHASE AND SALE AGREEMENT

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into a Municipal Effluent Purchase and Sale Agreement between the Sub-Regional Operating Group (SROG) cities; and Arizona Public Service Company and Salt River Project Agricultural Improvement and Power District, acting on behalf of themselves and all the Palo Verde Nuclear Generating Station (PVNGS) partners.

The agreement to sell effluent is consistent with Council’s goal of one community that is fiscally sound. Revenues from the sale of effluent will be used to offset the city’s operating costs at the regional 91st Avenue Wastewater Treatment Plant.

The proposed agreement replaces an existing agreement that has been in effect since 1973. It continues a long-term relationship between the SROG cities and Arizona Public Service and Salt River Project, the two major electrical power providers in Arizona, by extending the sale of effluent to PVNGS through 2050. The proposed agreement will guarantee 80,000 acre-feet per year of cooling water for a regional source of electric energy for the next 40 years through the utilization of treated effluent for cooling purposes at PVNGS. The agreement also will provide the SROG member cities with additional revenue from the sale of the effluent.

Glendale is one of five member cities of the SROG. The other member cities include Mesa, Phoenix, Scottsdale, and Tempe. SROG is an entity formed to manage the 91st Avenue Wastewater Treatment Plant, in which all the member cities have an ownership share. Glendale has an 8 percent share in the treatment plant. The facility is operated by the City of Phoenix.

The PVNGS is comprised of seven entities including the Arizona Public Service, Salt River Project, El Paso Electric Company, Southern California Edison, Public Service Company of New Mexico, Southern California Public Power Authority, and Los Angeles Department of Water and Power. Arizona Public Service and the Salt River Project are the two largest shareholders in the PVNGS. The facility is operated by Arizona Public Service.

The proposed agreement significantly increases the amount of revenue the city receives from the sale of effluent to the PVNGS. Through 2025, the price paid per acre-foot of effluent will increase by 10.5 percent per year; building from a 2010 base price of \$58.57 per acre-foot. From 2026 through 2050 effluent rates will be based upon a tiered block rate structure, with increases for each additional 2,000 acre-foot increment delivered each month. Block rate adjustments will be tied to a set of water and power related Consumer Price Indices.

In addition to the per acre-foot effluent rates, PVNGS will pay SROG four equal water supply payments of \$7.5 million, for a total of \$30 million. These payments will be made in the first four years under the proposed agreement. No additional water supply payments will be made during the term of the agreement.

Based upon Glendale's proportional share of effluent deliveries to PVNGS; in 2010, the city is projected to receive \$374,848 from the sale of effluent, with an additional \$600,000 from the water supply payment. Revenue from the sale of SROG effluent and water supply payments will be used by the city to offset its operations and maintenance costs at the 91st Avenue Wastewater Treatment Plant.

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into a Municipal Effluent Purchase and Sale Agreement between the Sub-Regional Operating Group cities; and Arizona Public Service Company and Salt River Project Agricultural Improvement and Power District, acting on behalf of themselves and all the Palo Verde Nuclear Generating Station partners.

Resolution No. 4361 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF A MUNICIPAL EFFLUENT PURCHASE AND SALE AGREEMENT WITH THE CITIES OF PHOENIX, MESA, TEMPE AND SCOTTSDALE, ARIZONA PUBLIC SERVICE COMPANY AND SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT.

11. INTERGOVERNMENTAL AGREEMENT FOR ACCEPTANCE OF AMERICAN RECOVERY AND REINVESTMENT ACT GRANT FUNDS

This is a request for City Council to adopt a resolution authorizing the City Manager to enter into an Intergovernmental Agreement with the City of Phoenix for acceptance of American Recovery and Reinvestment Act (ARRA) grant funds for transit services under Federal Transit Administration (FTA) grant AZ-96-X002-01.

One of Council’s goals is to provide high-quality services for citizens. Providing transportation options within the city will assist in achieving this goal.

Funding for Transit in the region has become available to local governments through ARRA. The ARRA funds for the region were initially allocated to projects chosen by individual jurisdictions and the Regional Public Transportation Authority (RPTA). Due to lower than expected costs, savings from these projects have been pooled and redistributed to member cities of RPTA. A process for allocating these regional funds was approved by the RPTA Board. In order to expedite use of these funds the RPTA Board placed higher priority on fixed route, circulator and Americans with Disabilities Act (ADA) paratransit operating assistance.

Based on the RPTA Board action, Glendale’s share of ARRA funds will be \$74,874 of which \$4,610 is operating assistance for the Glendale Urban Shuttle (GUS) based on the number of annual revenue miles and \$70,264 is operating assistance for ADA paratransit service based on the number of ADA trips in FY 2008-09. Phoenix is designated as the regional recipient of FTA grants, and distributes the federal funds to cities in the metropolitan area.

The Dial-A-Ride and GUS transit services benefit Glendale residents and visitors. These grant funds will provide operating assistance that will promote the continuation of quality and reliable services.

Funds from ARRA in the amount of \$74,874 are available for ADA paratransit and GUS services. The funds received will be reimbursements of a portion of the operating cost already expended.

Grants	Capital Expense	One-Time Cost	Budgeted	Unbudgeted	Total
X					\$74,874

Account Name, Fund, Account and Line Item Number:

A specific account will be established in fund 1842, the city’s ARRA grant fund, once the agreement is formally executed.

Waive reading beyond the title and adopt a resolution authorizing the City Manager to enter into an Intergovernmental Agreement with the City of Phoenix for acceptance of American Recovery and Reinvestment Act grant funds for transit services under Federal Transit Administration grant AZ-96-X002-01.

Resolution No. 4362 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING AND DIRECTING THE ENTERING INTO OF

AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF PHOENIX FOR ACCEPTANCE OF AMERICAN RECOVERY AND REINVESTMENT ACT GRANT FUNDS FOR TRANSIT SERVICES.

12. INDUSTRIAL DEVELOPMENT AUTHORITY REVENUE BONDS FOR MIDWESTERN UNIVERSITY

This is a request for City Council to adopt a resolution authorizing the issuance of Industrial Development Authority (IDA) revenue bonds for Midwestern University in an amount not to exceed \$160,000,000 to pay outstanding Commercial Paper Notes in full. The Glendale IDA authorized and approved the issuance of the notes in 2006 with the proceeds being used for financing various capital projects at the Midwestern University campuses.

This request is consistent with the Council goal of one community with quality economic development. Midwestern University is a highly-respected university attracting both students and visitors positively impacting revenues to the city. The university creates a professional, well-educated medical workforce for Glendale.

Approximately \$70,000,000 of the 2010 Bond proceeds will be used to pay the outstanding Commercial Paper Notes in full. The remainder of the 2010 Bond proceeds will be used by Midwestern University to finance new capital projects at its campuses.

Under the provision of A.R.S. § 35-742, Glendale is not liable or obligated for the payment of the debt obligations issued by the IDA. In addition, under the provisions of A.R.S. § 35-721(B), the proceedings of the IDA for its issuance of bonds require the approval of the Council, as the governing body of the IDA.

The IDA held an open board meeting on April 1, 2010, to consider and approve the financing for the issuance of revenue bonds. On January 27, 2010, prior to the meeting, a representative of the IDA conducted a public hearing as required by §147(f) of the Internal Revenue Code of 1986. There was no public input at that time.

This action will restructure the existing debt financing while providing a financing mechanism for Midwestern University, a long-time partner with the City of Glendale.

Under the provision of A.R.S. § 35-742, Glendale is not liable or obligated for the payment of the debt obligations issued by the IDA.

The recommendation is to waive reading beyond the title and adopt a resolution authorizing the issuance of Industrial Development Authority revenue bonds for Midwestern University in an amount not to exceed \$160,000,000.

Resolution No. 4363 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, APPROVING THE ISSUANCE BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF GLENDALE, ARIZONA OF ITS

REVENUE BONDS, MIDWESTERN UNIVERSITY, SERIES 2010, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$160,000,000.

It was moved by Frate and seconded by Knaack, to approve the recommended actions on Consent Agenda Item Nos. 1 through 12, including the approval and adoption of Resolution No. 4360 New Series, Resolution No. 4361 New Series, Resolution No. 4362 New Series, and Resolution No. 4363 New Series,; and to forward Special Event Liquor License Application for St. Thomas More Parish for May 1 and October 23, 2010 and Liquor License Application No. 3-1288 for Sky Box Sports Café, No. 3-1289 for Geno’s Market, 3-1290 for Chipotle Mexican Grille and 3-1291 for Comfort Suites to the State of Arizona Department of Liquor Licenses and Control, with the recommendation for approval. The motion carried unanimously.

PUBLIC HEARING RESOLUTIONS

13. MEMORANDUMS OF UNDERSTANDING WITH POTENTIAL BUYERS OF PHOENIX COYOTES (PUBLIC HEARING) (RESOLUTIONS)

Jim Colson, Deputy City Manager, and Art Lynch, SRJ Government Consultants, LLC, presented this item.

This is a request for City Council to conduct a public hearing and adopt the resolution(s) authorizing the City Manager to enter into Memorandums of Understanding (MOUs) with potential buyers of the Phoenix Coyotes. The MOUs will be forwarded to the National Hockey League (NHL) for their consideration. The NHL, as the current owner of the Phoenix Coyotes, will decide who the new owner will be.

This request supports the Council goal of one community with quality economic development in our entertainment district and keeping with the positive image of Glendale to residents and tourists.

In May 2009, the Coyotes Hockey, L.L.C. and its affiliated entity, Arena Management Group, L.L.C. (collectively referred to as the “Coyotes”) filed for federal bankruptcy protection.

During the bankruptcy proceedings, the NHL purchased the assets of the Coyotes but did not assume the Arena Management, Use and Lease Agreement (AMULA).

Discussions have now reached a point where all parties desire to commit to more formal and detailed agreements.

The recommendation is to conduct a public hearing; waive reading beyond the title(s) and consider adoption of the resolution(s) which would authorize the City Manager to enter into Memorandums of Understanding with Glendale Hockey, LLC and/or Ice Edge Team, LLC.

Mr. Ed Beasley, City Manager, stated staff will present two Memorandums of Understanding for potential buyers of the Phoenix Coyotes. The City of Glendale was first approached by the former Coyote's team owner in 2008 regarding his interest in selling the team. Staff worked to negotiate agreements that would keep the team in Glendale and to ensure that no tax payer dollars would be utilized to retain the team. In addition, staff worked to make certain there was no adverse impact on certain and current revenue streams. On May 5th 2008, in the midst of negotiations, the owner decided to put the team into bankruptcy. In the months that followed, the city worked closely with the U.S. bankruptcy court and the National Hockey League to facilitate an agreement to keep the team in the valley. He explained that in September of 2009, the National Hockey League bought the team out of bankruptcy with the intention of finding a suitable owner no later than June 30, 2010. He noted that throughout September of 2009, the NHL worked directly with the interested parties. In December, the NHL referred the qualified, interested buyers to the City of Glendale to begin negotiations on the terms of the MOU. He stated that in December, staff met with the interested parties to negotiate for each MOU according to Council's direction. He noted that only within the last two weeks, was staff able to finalize the closing points necessary for these agreements. The negotiations took a large amount of time based on the different financial structures being proposed by the parties as well as creating language that was a comfortable level for all involved. He indicated the benefits were clearly obvious in keeping the Coyotes here in Glendale and in the valley. He explained both MOU's meet different goals. He thanked all the parties involved in this difficult progress.

Mr. Jim Colson, Deputy City Manager, stated that each proposal under consideration proposes utilizing a Community Facilities District to fund the financial obligations. He explained that the CFD was a 3rd party entity, distinct from the city, with the city having no financial obligation or responsibilities associated with the CFD. The CFD has been in the Arizona statute since 1988 and has the ability to collect revenues and sell bonds. He noted it was not anticipated that the CFD boundaries will expand beyond Westgate facilities. The first proposal under consideration pertains to Glendale Hockey, LLC. The ownership group is prepared to make an equity investment of \$103 million to acquire the team from the NHL. The CFD will collect revenues from new user driven sources and are directly generated by activities at the arena and the surrounding district. He noted that under this proposal the CFD is obligated to fund \$65 million to the NHL over the period of three years and a \$25 million operating reserve account with a cap of \$100 million and 7 years. He added that once the CDF has satisfied, the two requirements the CFDs obligation expires.

Mr. Colson indicated there has been a substantial amount of misinformation about an inclusion of a believed "out clause" in the Glendale Hockey, LLC proposal. The most important point to make is that the MOU clearly states Glendale Hockey, LLC will keep the Coyotes for the remainder of the 26 year lease. He stated there was no "out clause". The MOU does include legal language that is limited in its application and provides the option of remedies if necessary. The buyer has the right of recourse, only if the CFD does not fulfill its financial obligation. He stated the city has protection in two regards. It has independent audit rights provided by the NHL to ensure the team's operation practices were reasonable and consistent with other similar markets and time frames. The city also has rights of remedy including the right to find new independent revenue streams that would be necessary to address any amount of shortfall, as well as a buyer that would keep the team in Glendale.

Mr. Colson continued the second proposal under consideration pertains to an MOU with Ice Edge Holdings, LLC. The owners of Ice Edge will fund the majority of the acquisition through debt financing. The bank debt will be backed by CFD revenues. The owners have advised Glendale that the bank is requiring the city must contractually be obligated to pay any revenue shortfall of the CFD. He noted that under this proposal, the city may have to use tax payer dollars to satisfy the funding requirements of the CFD. He indicated this proposal would utilize the city's credit to back the buyer's debt, in practical terms constituting a guarantee. This proposal is not consistent with the Council's directives regarding the negotiations. Under this proposal, the CFD is required to fund \$7.5 million per year for the right to operate parking for the period of the debt. In addition, a requirement obligation is also included that would fund \$5 million per year for 10 years for operating losses and be funded through CFD assessments. Additionally, there is also a third element of a \$2 million dollar per year ticket surcharge. He reiterated that the Ice Edge Team, LLC was not consistent with the Council's directives regarding the negotiations.

Mr. Art Lynch, SRJ Government Consultants, LLC, summarized Mr. Colson comments regarding the two proposals. He stated the city has continued based on direction, to require that the proposals keep the city's current revenue streams intact and is agreed upon as part of the MOU. In addition, both proposals must look to a funding mechanism referred to as a CFD or other mechanism depending on the current market conditions. The CFD funding mechanism would be the independent entity that collects all the revenue streams. They included parking, surcharges as well as other potential revenue sources. This process is a voluntary community facilities district and is consistently used for public infrastructure and incidental or direct expenses that relate to public purposes and publicly own facilities.

Mr. Craig Tindall, City Attorney, reiterated that CFDs have existed in Arizona since 1988. They provide a mechanism that legally allows for revenues to be generated and dispersed from entities that directly benefit from a specific public use. He explained CFDs have their own source of revenue and are independent. Consequently, the city does not have liability as the result of creating the CFD. The city may contract with the CFD and the district to provide services and the Council will serve as a board for the CFD. He noted these agreements will require several other agreements to implement the provisions and negotiate them as quickly as possible. They will then be brought back to Council for further action.

Councilmember Goulet asked how quickly a CFD could be formed and what would happen if the business community in that area chose not to participate. Mr. Colson explained that a CFD took between 90 and 120 days to establish but indicated that this could be done in a quicker manner. He noted this was a voluntary mechanism and would like Mr. Tindall to expand on the obligations the district may have. Mr. Tindall stated that because of the time the CFD would only consist of land owners that agree to be in the CFD. Councilmember Goulet asked if a landowner chose to participate, could they opt out at any time. Mr. Tindall stated the land owner would have to stay until the CFD expires. Councilmember Goulet asked if the new owners were required to stay, if the property was sold. Mr. Tindall explained that once the CFD district is created, it exists regardless of the ownership of the property.

Councilmember Clark asked for clarification on Glendale Hockey's proposal regarding the MOU recourse and the year process. Mr. Lynch explained that the duration was for the seven year period. Councilmember Clark asked if they were looking at year six and seven according to the agreement. Mr. Lynch responded yes.

Councilmember Goulet asked if the recourse only applied if the CFD failed. Mr. Lynch stated he was correct. Councilmember Goulet remarked that any failed action would go against the CFD and those within, not the City of Glendale. Mr. Lynch agreed.

Vice Mayor Martinez asked if the additional revenue remedies presented would be part of city revenues. Mr. Colson stated they would not. Councilmember Clark commented that the members of the CFD would identify the new additional revenue streams. Mr. Colson agreed.

Councilmember Lieberman read from the Glendale Hockey, LLC proposal adding that it seemed the lease did allow an out clause after the fifth year. He disputed the lease terms and a 3rd party that has not been named. He noted he believed there was a lot that had not been covered in the documents. Mr. Tindall stated he was correct in stating there were still many terms that need to be further negotiated and defined. He added there will be additional agreements that will follow this process, further defining these provisions.

Vice-Mayor Martinez opened the public hearing on Agenda Item No. 13.

Mr. Anthony Le Blanc, Paradise Valley, AZ, representing Ice Edge, LLC, stated there were many item in the documents that still need to be resolved, as well as many that were up for interpretation. He explained they had spent eight months working on this project and believes in the future of hockey in Glendale. They understand the Area Management, Use and lease Agreement (AMULA) has its requirements and are looking forward to working with staff. He indicated it was said earlier in the presentation, that Ice Edge was in violation of one of Council's directives regarding negotiations. Additionally, he would like to highlight a term that has been glossed over by staff. He stated they had worked very closely with the NHL and signed a letter of intent to purchase the Coyote back in December, contingent on them finalizing their business with the City of Glendale. They have also been very conscious that anything they put into a document will pass the scrutiny of the Goldwater Group. He explained it was not only their intent to keep the team in Glendale, but a serious commitment to the community to keep the team in Glendale for the additional 24 years. He noted in their opinion, the city should not entertain any options of anything less than a full commitment to keep the team in Glendale for the entire term of the original lease. He stated that they will not place any burden on the Glendale tax payers to ensure the valuation of the franchise maintains a certain level. He indicated they were utilizing some forms of bank loan; however, the members of the group were also putting tens of millions of their own dollars to ensure this franchise is purchased. They are raising approximately \$200 to \$250 million to purchase the franchise and have support to fund any additional losses. He asked the Council to strike the language in 3.1 subsection D, in order to position Ice Edge on a level playing field as the other group. He explained this was not a binding document and has not been executed by the city. He would like to focus on language that will be acceptable to the city in the actual AMULA.

Councilmember Clark asked staff if there was a procedure in place to respond to his suggestion. Mr. Beasley noted there was no doubt how hard Ice Edge, LLC has worked to accommodate the city. However, if this was something that could have been done previous to tonight, it would have been done. He stated the city had made it clear, 3.1 D was a problematic clause; nevertheless, in fairness and transparency, staff let it move forward. He explained that they would have liked to discuss this much earlier, not at the actual hearing. He added this information has been out five days prior to this date for public review. In answer to his suggestion, staff would love to work with them; however, staff does not have enough information on the financial institution and figures that would go into the proposal. He noted that striking the section now would hinder the document moving forward. Councilmember Clark indicated she understood that this offer would not allow the staff time to analyze the document, placing everyone at a disadvantage. She stated it was best to consider the document as presented over the past week. Mr. Beasley added that the city did not create the time frame they were in now. He indicated the time frames have been imposed by the bankruptcy, NHL requirement and the best interest of the team.

Mr. Deryl Kloster, Edmonton Alberta, Canada, stated he was a ticket season holder and wanted to keep the Coyotes in Glendale. He explained that he loved Arizona hockey and wants to continue to support the Council's decision to keep them here. He wants to continue to spend his money and support the merchants at Westgate. He wished the Council good luck in making the right decision.

Ms. Monique Reaux, Tolleson, AZ, stated she was here as a concerned citizen as well as a fan. She agrees with rebranding the Coyotes to include the entire state of Arizona. She indicated that this was bigger than just keeping the Coyotes in the state. This was about jobs, taxes, services and maintaining the growth of the communities. She noted that if the Coyotes leave, there will be a minimum of 400 jobs that will be lost immediately. She discussed the money that already has been spent to build the arena and how the citizens will have to pay it back. In addition, money will be lost by the merchants and city. She stated the 1100 fans will not be coming to Glendale 42 times a year over the next 26 years. She remarked that in this economy, they did not have the luxury of replacing the Coyotes with another tenant. She explained that trying to build a fan base and reputation would take years if they started from scratch. She hopes the Council approves both of the lease agreements in order to provide the city an edge in negotiations. She implored Council to keep the Coyotes in Arizona and support their wishes.

Ms. Heather Schroeder, Phoenix, AZ, stated she was president of the Phoenix Coyotes Booster Club and has been a hockey fan for 13 years. She agrees with Glendale's marketing slogan "Glendale's Got Game" and believes it was absolutely true. She indicated that hockey was a big part of the sports community and brings people to Glendale. She discussed how an average person going to a game helps the community by buying dinner, snacks, and souvenirs. She noted that people travel and bring their tourist dollars to Glendale and the rest of the state. She asked the Council to not take a chance in losing all those tax dollars, jobs and the attention of around the world focused on their great city when the team is doing well. She noted the Phoenix Coyotes Booster Club is a non-profit organization and a fan club. She explained that over the summer they had collected over 1000 signatures on a petition to show their support in wanting to keep the team in Glendale and had submitted a copy to the City Clerk.

Mr. John Glenn, Phoenix, AZ, thanked the Council for their time today and in doing their due diligence on this matter. He requested that any name change would be stricken from the document. He believes many feel the same way and would like to keep the name intact.

Ms. Marie Gormely, Glendale, AZ, stated she has been a resident of Glendale for 30 years. She and her family are avid hockey fans and hope the Coyotes stay in Glendale. She noted she supports the merchants and restaurants in Glendale and rarely goes outside of Glendale to purchase anything. She stated that going to a hockey game was a great way to have an evening out with her family.

Mr. Jeffery J. Lansing, Phoenix, AZ, stated he was a fan and has recently bought a 20 game ticket pack and has gone to every game. He noted it was fun to see everyone having such a great time. He explained if the Coyotes left, many little kids would lose interest in hockey. He reminded everyone of the many jobs that would be lost if they left. He stated that they as a city cannot let another job leave the area. He added the Coyotes have had a tremendous season and for them to leave now, was not how the story was suppose to end. He stated if the Council does their part in keeping the Coyotes here, the fan base will do their part in getting more fans to help and support the city.

Ms. Amy JoGreen, Phoenix, AZ, stated she bought her season tickets after the Coyotes went into bankruptcy. She said it was incredible to believe that the city now has two viable offers to keep the team here in Glendale. Equally amazing was that 4,500 people would grow into a pack of 17,000 people all with wallets to use in Glendale. She noted that everyone discounted the Coyotes going to the playoffs; however, they were proven wrong. She believes in these two offers and hopes the Council also believes in the Coyotes staying in Glendale.

Mr. Larry Feiner, Glendale, AZ, stated he was a hockey fan as well as a realtor. He thanked the city for their incredible negotiating skills and doing what it took to protect the citizens and the City of Glendale. He asked the Council to not push too hard and become over aggressive. He noted that playing hard ball was good, but to not end up empty handed.

Ms. Jean Galan, Phoenix, AZ, chose not to speak.

Mr. Daniel Drew, Glendale, AZ, stated he was not a lawyer, however, the MOU for Glendale Hockey LLC appeared irregular to him, prompting him to have a lot of questions. He said it seemed Glendale Hockey, LLC, had negotiated a very good contract for themselves. He questioned what AMULA meant and asked for additional information on it. He indicated that he still did not understand how the CFD worked since it was said Glendale was not going to be associated with it; however, the Council was on the board to manage it. He also asked what was being done about payments totaling \$46.6 million dollars for the first three year of which \$21.6 million dollars is being paid to the NHL. He still does not understand what they were paying for. He also questioned the operating loss amount of \$25 million a year and the cap of \$100 million for seven years. He explained the city should not have to purchase anything or pay anyone for other business losses. He stated that as a tax payer, he would like to understand how this process works and why the city has agreed to some of these conditions. He also discussed the letter of

credit being provided to Glendale Hockey, LLC, in order to do business with Glendale. He also had problems with the parking fees and where the money was going.

Mr. Ken Jones, Glendale, AZ, stated he wanted the team to stay in Glendale. He also had some questions regarding the MOUs since it appears Glendale was prepared to award a lot of benefits to the bidders. He questioned paying \$65 million to the Glendale Hockey group buying the Coyotes. He explained that in return, Glendale Hockey assumes the lease only to walk away in five years and not stay for the 24 year lease. In addition, the parking fees could be going to reduce the city's budget shortage; however, it was all going to the CFD. He agrees that the Coyotes need to stay in Glendale, but believes these two MOUs were grossly stacked against Glendale.

Ms. Liz Bennett, Glendale, AZ, stated she has lived in Glendale for 25 years. She is a Glendale business owner and a Coyotes season ticket holder. She said the Coyotes have a bright future in Glendale and the whole valley will benefit from them. She noted that the team could not be replaced and hopes they continue to call Glendale their home.

Ms. Karmalee Thompson, Peoria, AZ, stated how much she loved the sport and hopes the Coyotes remain in Glendale. She talked about passing on her love of the game to her two little girls. She reiterated how much it meant to have the Coyotes remain in Glendale.

Vice Mayor Martinez called for a 10 minute break.

Mr. John Kaites, Phoenix, AZ, representing Glendale Hockey LLC, stated he felt very humbled and blessed to be before the City Council tonight. He explained how they had worked for almost 1 ½ years on this project. He thanked city staff for an amazing job in working with them on this project. He noted that since the NHL had taken over the team, the team has done terrific. However, time was running out and they need to make a decision on who will run the team. They need to start taking advantage of the team's momentum and start selling sponsorships, season tickets, and naming rights, to maximize their revenue and reduce the risk to the CFD. He added that city staff has composed a plan they believe would work. He noted this MOU was not the final document. They will be working on the final contract in the next 30 to 60 days and have it completed in the time frame necessary. He added that the NHL had approved Glendale Hockey, LLC, for ownership at their meeting last July. He stated they were ready to move forward to secure a binding lease agreement in the next 30 to 60 days.

Mr. Tom Vasilion, Glendale, AZ, chose not to speak.

Ms. Helen Vasiliow, Glendale, AZ, chose not to speak.

Mr. Jack Briggs, Anthem, AZ, stated that at the end of last year, he starting bringing his family to hockey games and they had fallen in love with the sport, team and arena. He explained how they spend money in the area when they go to games, which helps the economy. His daughters are also now playing hockey. He noted the role and impact the players have in the community when they visit hospitals and give of their time in the community. He asked the Council to help the Coyotes stay in Glendale.

Mr. Gary Livingston, Glendale, AZ, stated the MOUs presented were very difficult to understand or evaluate. It was extremely hard to ascertain what these proposals are really giving the city. He had difficulty understanding why Glendale would have to provide an operating loss reserve account. He noted that if an organization wanted to buy the hockey team, it should be their business. He noted the city only owns the arena and does not understand why the city is entering into an agreement that places the tax payers at risk. He stated that of what he has read so far, these MOUs were a loss to the city.

Mr. Jaime Eisner, Phoenix, AZ, stated his support for the Coyotes staying in Glendale. He explained how he visits the arena and the surrounding area and spends his money in different forms. He noted that he and his teenage friends were the future tax payers in Glendale.

Mr. Sam Conrad, Avondale, AZ, stated he was an avid hockey fan. He discussed how the organization had weathered several management transformations only to come up on top. He explained how the team was ahead of schedule and will continue to be successful. As a result, fan attendance will soar. He noted that in his opinion Glendale Hockey, LLC, was a good organization; however, had disappeared when times got hard and only now when the team was successful, they reappeared. However, Ice Edge, LLC, has weathered the storm with the Coyotes even when they were at their lowest. He believes they were now getting a raw deal not being allowed to purchase the hockey team. He feels Glendale Hockey LLC was receiving the better advantage in this process. He prefers they accept both offers to ensure Glendale has the best opportunity to succeed.

Mr. Travis Hair, Phoenix, AZ, stated his support to keep the Coyotes in Glendale. He explained that both offers had their drawbacks and had concerns they will meet their deadlines. He indicated he hopes Council approves both offers and hopes they work quickly to get a deal done.

Ms. Heather McWhorter, Goodyear, AZ, stated her support for the Coyotes. She said she has been a season ticket holder since 2008 and was the president of the Save the Coyotes Collation. They formed the collation after the team was placed in bankruptcy last spring. Their purpose was to rally fans together in these challenging times. She thanked the city and Council for their due diligence in finding a suitable agreement in order to keep the Coyotes team in Glendale. She encourages the passing of the resolutions to expedite the closing of this chapter and a start of a new one for the Coyotes and the City of Glendale.

Mr. Mike Mortzrey, Surprise, AZ, stated he was an avid Coyote fan and a season ticket holder. He has eight Coyotes jerseys in his closet at home. He explained that he dines in the area and spends his money there whenever possible. He encouraged the Council to take this opportunity to keep the Coyotes in Glendale and to accept both bids. He also discussed the amount of tourist money coming into the area from Canadian fans.

Ms. Jennifer Wade, Glendale, AZ, stated her support for the Coyote team. She explained how her seven year old son was also a fan and is now playing hockey. She noted that if they lose the Coyotes, they lose future players and fans. She asked for Council to approve both bids and let the NHL decide.

Mr. Jesse Hurley, Phoenix, AZ, stated his support for the Coyote team. He said his son has autism and hockey was about the only thing to which the family can take him. He thanked the Council for everything they have done to help the Coyotes team stay in Glendale. He believes the city should accept both offers to ensure the best outcome for the fans and the city. He explained that hockey was not just a game, but a way of life for many fans.

Present at meeting but did not choose to speak, all marked card in support of Agenda Item No. 13:

Michale M. Galos, Phoenix, AZ; Quentin Crosley, Tolleson, AZ; Rick Bennett, Mesa, AZ; Roberta Miller, Glendale, AZ; Scott Gromlay, Peoria, AZ; Nicole Poplasla, Glendale, AZ; Andrew DeVito, Phoenix, AZ; Liz Macias, Phoenix, AZ; Mike Doyle, Litchfield Park, AZ; Jeni & Dale Wade, Glendale, AZ; Michael Montgomery, Surprise, AZ; Matt Morgon, Laveen, AZ; Jeff & Pam Carter, Tolleson, AZ; Stony Pearson, Phoenix, AZ; Jessica Engel, Phoenix, AZ; Sue Ann Canfield, Chandler, AZ; Anthony Winter, Phoenix, AZ; John H. Rienecker, Phoenix, AZ; Marian Reinecker, Phoenix, AZ; Michael Kasher, Glendale, AZ; Steve Flynn, Surprise, AZ; Andrea Hasbrouck, Chandler, AZ; Marc Fredrick, Cave Creek, AZ; Susan Galan, Phoenix, AZ; Jaime Eisner, Phoenix, AZ; Kimberly Gallan, Glendale, AZ; Rosilyn Miller, Glendale, AZ; Wlizabeth M. Ellis, Sun City West, AZ; George J. Ellis, Sun City, AZ; Paul Serbic, Glendale, AZ; Karleen Miller, Glendale, AZ; Sabrina Barie, Phoenix, AZ; Tony Nesbitt, Phoenix, AZ; Debra Gower, Peoria, AZ; Sean Love, Phoenix, AZ; Thomas D. Gower, Peoria, AZ; Patrick Love, Phoenix, AZ; Nancy Tom, Phoenix, AZ; Annette Tom, Phoenix, AZ; Sandy Hazzard, Glendale, AZ; Tim O'Reilly, Glendale, AZ; Arlene O'Reilly, Glendale, AZ; Spencer Hazzard, Glendale, AZ; Patricia Fana, Litchfield Park, AZ; Debbie Fana, Litchfield Park, AZ; Jeff Jones, Goodyear, AZ; Kayla Pasch, Avondale, AZ; Paula Jones, Goodyear, AZ; Kelly Thompson, Youngtown, AZ; Bob Steiger, Glendale, AZ; Bonnie Steiger, Glendale, AZ; Keith B. Oliver, Glendale, AZ; Kathie Oliver, Glendale, AZ; Chris Ballaro, Glendale, AZ; Joel Perkins, Glendale, AZ.

Vice-Mayor Martinez closed the public hearing.

Resolution No. 4364 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, SUPPORTING THE BID OF GLENDALE HOCKEY, LLC FOR THE ACQUISITION OF THE PHOENIX COYOTES FROM THE NATIONAL HOCKEY LEAGUE; AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING.

It was moved by Frate, and seconded by Clark, to pass, adopt and approve Resolution No. 4364 New Series. The motion carried unanimously.

Vice Mayor Martinez asked for any comments.

Councilmember Lieberman stated he wanted to make clear that the Council had not been part of the negotiating team. He explained they had received the documents a week ago today and did

not have ample time to study both resolutions. He noted the newspaper had received the copy at the same time. He remarked that the city's main purpose was to help the Coyotes stay in Glendale. The city has a huge investment in making sure they stay in Glendale. He noted how Glendale's debt service was now \$12.1 million and last year, \$4.4 million was used to help cover debt service. He discussed the MOUs and noted there were parts he did not like and would like to debate. He noted this was his 19th year on the Council and has seen many resolutions and contracts, yet these MOUs have given him more problems than any other on which he has ever voted. In conclusion, because there were flaws in both contracts that will hopefully be corrected, he will be voting for both MOUs.

Councilmember Clark stated that each Councilmember has given careful consideration to the two MOUs. She personally had prepared a chart to help her understand both MOUs and then had staff answer her questions and concerns. She explained she had a responsibility to the tax payers of Glendale to protect their assets. She has received many emails both for and against these MOUs. She read from an email that she received citing how much money is spent by the average hockey fan in Glendale. She indicated the total amount was close to \$6,500 resulting in revenue for the City of Glendale and its businesses. She explained these types of occurrences by the fan base were very important to her and her decision making process. The revenue generated will help pay off the \$180 million in construction bonds used to build the arena. She added that if they refuse to accept either or both of these MOUs, the NHL will take this team and move it to another market. As a result, the tax payer will be left paying the debt service on the bonds. She explained that many people were very confused about the AMULA and the Community Facilities District or CFD. She stated that the AMULA was the Arena Management, Use and Lease Agreement which was the original contract the city used when the arena was first built. The AMULA has not been negotiated until the NHL accepts an offer. The deadline from the NHL is June 30, 2010. She explained that the Community Facilities District was not written by the City of Glendale but by the state legislature. She stated that anyone can download and print the document from the Arizona State Legislature's website. She discussed sections ARS 48-7-08 and ARS 48-7-20. She reiterated that these MOUs were not contracts but simply set the parameters of what to negotiate at the next level. She noted that after reading each MOU very carefully, she will be supporting Glendale Hockey, LLC's MOU.

Councilmember Goulet thanked everyone who attended tonight's meeting especially those who spoke. He stated those eight years ago, the Council had an opportunity to develop the western area of the city and had chosen a fresh and different approach. The arena and hockey team were the first piece of a big puzzle that continues to unfold. He explained that creating jobs was the main goal the Council, management and staff had for this community. He noted the long term benefits of a sports entertainment district far outweighed building another subdivision. Consequently, last year, because of the things the city has done, the city had more than a 1/2 million people come to Glendale because of sports alone. The city is to be commended as well as the teams. He explained the idea that the city should give up something after they have worked so hard, was foolhardy. He noted the city needs the sports element to make this mechanism work. He added that the heavy lifting was done by staff once the Council provides their goals and ideas. He stated it was very important that the Council took this opportunity to keep the team in Glendale. He supports Glendale Hockey, LLC's recommendation and hopes both MOUs go to the NHL. He thanked staff and the applicants for all their work on this item.

Councilmember Frate stated there were four points the Council wanted to address while looking at these agreements. He explained keeping the team in Glendale was the utmost priority. Another was to share in any new revenues streams and not adversely affect the current revenue streams and debt structure. He noted that Glendale Hockey LLC meets all those requirements and he will support their recommendation.

Councilmember Knaack stated she did not want to reiterate everything already said tonight, however, agrees with Councilmember Clark's comments regarding the CFD and AMULA questions. She thanked staff for the hundreds of hours spent working on this project. She stated that it was truly appreciated. She understands these MOUs are not perfect; however, this was not a binding contract, but only the first phase. She too spent many hours going over these MOUs and as a result, will support Glendale Hockey, LLC's recommendation.

Vice Mayor Martinez read from a prepared statement provided by Mayor Scruggs in her absence. He noted she was in Washington representing the City of Glendale.

Mayor Scruggs' statement: "Last year when the former owner of the Coyotes placed the team into bankruptcy, the City of Glendale was faced with a very difficult situation. This evening they have the opportunity to change that situation and move forward in a very positive manner, to ensure that the Coyotes remain in Glendale for the long term. The team and fans have proven that NHL hockey is viable in Glendale, with good management. This evening, they have the opportunity to take action that will provide their best hope, to continue in a manner that is beneficial to Glendale citizens and Arizona hockey fans." End statement.

Vice Mayor Martinez thanked everyone here tonight supporting this issue. He thanked Councilmember Clark for clarifying the CFD and AMULA issues for the public. He noted that if anyone still had questions regarding these issues to contact staff for answers. He said these were very difficult times facing the city. He explained that negotiations had been going on for many months and even if Council was not part of those negotiations, they were part of setting the parameters. He added it was made clear to the team negotiators that no tax payer dollars would be used and no debt structure would be compromised. He stated that Glendale Hockey, LLC had met those parameters. He noted that Ice Edge, LLC had also provided a viable option, however, did not adhere to the parameters set. Consequently, the city could not be put in a position of possibly losing the team or burdening the tax payers with debt that they could not afford. He supports Glendale Hockey, LLC's recommendation and hopes his support helps expedite the situation.

Resolution No. 4365 New Series was read by number and title only, it being A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, SUPPORTING THE BID OF ICE EDGE TEAM, LLC FOR THE ACQUISITION OF THE PHOENIX COYOTES FROM THE NATIONAL HOCKEY LEAGUE; AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING.

Vice Mayor Martinez asked for any comments.

Councilmember Clark stated this MOU was a bit tougher to support. She explained that in their proposal under section 3.1.8, it states that Glendale will pay to the GFD a fee for managing the public parking area. She indicated that one of the parameters expressly states they would not be using Glendale funds. She noted she appreciates them changing their mind on this issue, however, at this late date; she will have to stick to what their MOU states. She added that she was pleased with much of what was in their MOU, however, that section was the deal breaker for her. Vice Mayor Martinez stated he agreed with Councilmember Clark's assessment.

It was moved by Knaack, and seconded by Lieberman, to pass, adopt and approve Resolution No. 4365 New Series. Lieberman vote aye. Clark, Goulet, Martinez, Frate and Knaack voted nay. The motion did not carry.

MOTION TO EXCUSE MAYOR SCRUGGS

It was moved by Lieberman, and seconded by Knaack, to excuse Mayor Scruggs from tonight's Council meeting. The motion carried unanimously.

REQUEST FOR FUTURE WORKSHOP AND EXECUTIVE SESSION

It was moved by Lieberman, and seconded by Frate, to hold a City Council Workshop at 1:30 p.m. in Room B-3 of the City Council Chambers on Tuesday, April 20, 2010, to be followed by an Executive Session pursuant to A.R.S. 38-431.03. The motion carried unanimously.

CITIZEN COMMENTS

Ms. Margie Ferrucci, a Glendale resident, stated she was the state's vice president for ABATE of Arizona, a non-profit organization. She said it stood for "A Brotherhood Aimed Towards Education". They help promote rider education for all riders and motorcycle awareness for all vehicle drivers. She reminded everyone that May was designated as motorcycle awareness month. She asked the Council to support proclaiming May motorcycle awareness month in the City of Glendale. She discussed the many dangers riders encounter on the roads.

COUNCIL COMMENTS AND SUGGESTIONS

Councilmember Clark commented that she was disappointed the Mayor, in her prepared statement, did not support either of the MOUs. She noted this was a very important issue and would have liked to have seen Mayor Scruggs support or comment on both or one of the MOUs. She stated this seems to be becoming a pattern for the Mayor. She explained that often of late, the Mayor has been away taking care of other responsibilities when major decisions have to be made in Glendale.

Councilmember Goulet encouraged everyone to attend the Jazz and Blues Festivals this weekend.

Councilmember Lieberman also encouraged everyone to attend the Jazz and Blues Festival this Saturday and Sunday. The event starts at noon both days and promises to be a great time for all.

Councilmember Knaack stated she will be speaking for Councilmember Frate since he was battling allergies this evening. She stated that unfortunately, there had been another drowning in the valley within the last week. She reminded everyone to please watch children around water. She also invited everyone to attend the festival this weekend and enjoy the atmosphere and great music.

Vice-Mayor Martinez thanked everyone who attended tonight's meeting. He stated that this has been one of the best audiences he has seen in many years. He added he was dismayed to hear Councilmember Clark's comments regarding Mayor Scruggs' absence tonight. He explained that Mayor Scruggs' plans had been set as far back as January when she had sent a memo explaining her intent. He added in January, no one could have known they would be having a meeting on this issue tonight. Her prepared statement was focused on the main intent of keeping the Coyotes in Glendale since at the last minute, new information was brought forward concerning the MOUs and she would not be part of the discussions tonight. Vice Mayor Martinez commented Councilmember Clark, I think that was a very cheap shot.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:50 p.m.

Pamela Hanna

Pamela Hanna - City Clerk