

# City of Glendale

5850 West Glendale Avenue  
Glendale, AZ 85301



## Meeting Minutes - Final

Tuesday, April 5, 2016

1:30 PM

Regular Workshop

Council Chambers

## City Council Workshop

*Mayor Jerry Weiers*

*Vice Mayor Ian Hugh*

*Councilmember Jamie Aldama*

*Councilmember Samuel Chavira*

*Councilmember Ray Malnar*

*Councilmember Lauren Tolmachoff*

*Councilmember Bart Turner*

**CALL TO ORDER**

**Present** 7 - Mayor Jerry Weiers, Vice Mayor Ian Hugh, Councilmember Jamie Aldama, Councilmember Samuel Chavira, Councilmember Ray Malnar, Councilmember Lauren Tolmachoff, and Councilmember Bart Turner

Also present were Kevin Phelps, City Manager; Michael Bailey, City Attorney; and Pamela Hanna, City Clerk.

**WORKSHOP SESSION**

Mayor Weiers announced that Item #3 had been pulled administratively.

**1. [16-133](#)**

**PRESENTATION ON WESTERN AREA BRANCH LIBRARY CONCEPT**  
Staff Contact and Presenter: Erik Strunk, Director, Community Services  
Staff Presenter: Michael Beck, Chief Librarian, Community Services  
Guest Presenter: Ms. Paula Wilson, Chairperson, Library Advisory Board  
Guest Presenter: Mr. Michael Schmitt, Principal Architect, Dick & Fritsche Design Group

Mr. Strunk said this item is a follow up on a request to discuss establishing a Western Area Branch Library at the Media Center, as well as reviewing other library concepts such as construction of a prefab building for a library at Heroes Park. Mr. Strunk introduced the Chairperson of the Library Advisory Board, Ms. Paula Wilson, and Chief Librarian, Michael Beck. Mr. Strunk also recognized Michael Schmitt, Principal Architect of Dick & Fritsche Design Group.

Mr. Strunk provided a timeline from 1998 to the present on the Western Area Library proposed in Heroes Park. The timeline included acquiring the land at Heroes Park and completion of Phase I and Phase II of Heroes Regional Park. Due to the economic downturn, construction of this project was completely removed from the CIP plan in 2013. He explained there weren't sufficient funds to construct the facility as designed and there were no funds for operating expenses. In 2015, the concept of a Western Area Branch Library was revisited and staff was directed to develop cost estimates and conceptual designs of a possible library.

Mr. Strunk explained the public outreach process was robust with a 7 week engagement process, a special website and a telephone hotline for public comment. He said staff also explored the option of using the third floor of the Media Center as a library. A cost comparison was made between using the third floor at the Media center as a library and using a prefab facility plus additional parking at Heroes Park. He said assumptions were made there were no operating funds for any facility, and the only funds available was about \$2.7 million in development impact fee money. The facility would have a 40 hour per week operation and would operate Monday through Saturday. He said staff envisioned a full service library, but on a smaller scale than what was originally envisioned at Heroes Park. The collection would consist of 25,000 items, which included books and other materials. He also said requested books would be available at either facility within 24 to 48 hours after request. This is the same service currently provided at all three Glendale branch libraries.

Mr. Beck provided information on the conceptual designs for both the Media Center and Heroes Park libraries. He went over the floor plan of the Media Center and provided pictures of the concept of a third floor library. This design included youth, teen and adult areas, as well as a multi-purpose room and staff work room. He explained there is an open area on the 4th floor, which would lend itself to library special events and programs. Mr. Beck provided a digital 360 degree tour of the Media Center library concept.

Mr. Beck provided information put together by the architect which came from public input. This library concept would leverage an existing city-owned facility, offered covered roof exterior areas, a lower initial cost than option 2, provides potential use of green screen area by library patrons, allows existing office space for library staff and is centrally located in the western service area. Areas of concern about utilizing this space for a library include forced closure during major Westgate events (approximately 70 events/days per year), insufficient parking immediately adjacent to the building, less than optimal access between the library and the parking garage, potential staff insufficiency associated with a split floor layout of staff offices and public space, primarily non-residential area, future expansion is not possible, smaller usable patron area, lack of bicycle and pedestrian accessibility, no location for drive-by book return, requires costly and temporarily disruptive structural changes to accommodate bookshelf areas.

Mr. Beck next provided information about the potential library facility at Heroes Regional Park. This facility could be constructed in a manner to accommodate future expansion. The library would be located across the street from the current splash pad and X-court building and would have 53 parking spaces. This floor plan would also contain distinct, youth, teen and adult areas as well as a service desk, two study rooms, a multi-purpose room, staff work room areas, a drive up window and outdoor areas for special programming. Public input expressed a desire for music and performance programs. Mr. Beck showed a 3D video of a proposed facility at Heroes Regional Park. Some benefits of having a library at Heroes Park include the facility is adjacent to an existing public park, easy year-round accessibility, larger usable patron areas than in option 1, easily accommodates future expansion. Areas of concern include a higher initial cost, requires new construction in undeveloped park areas, and this location is not as centrally located in the western service area as option 1.

Ms. Wilson explained 51% of public input preferred a Heroes Park location. Regarding accessibility and location of the proposed site, the top three concerns were convenient and ample parking, safe routing access for pedestrians and bicyclists and ease of vehicle access. Ms. Wilson said respondents would like to check out books, movies and music, attend programming for children and teens and adult programming most often at the Western Area Branch Library. Respondents would most like to see music and performance programs, infant and toddler story times, and youth story times for ages 5-8 programs featured at the library. Ms. Wilson explained the Library Advisory Board and the Parks and Recreation Advisory Commission approved moving forward with the Heroes Park Library concept.

Mr. Strunk said based on all information provided and public input received, staff's recommendation is to move forward with the Heroes Park site. He said the cost is about \$2.7 million to build and furnish the library. He said operating costs would be approximately \$600,000 per year. Mr. Strunk said if Council approves this item, development impact fees would be used to fund this project. He explained design would take place in FY16-17 and construction would begin in FY17-18. Some operating funds would need to be available in FY17-18, with full operating expenses available in FY18-19.

Mayor Weiers asked about the conceptual design presentation which showed a coffee

bar. He said that was not part of Mr. Beck's presentation.

Mr. Beck said the area could be a café with bistro seating or stocked with café vending machines. He said this could include a coffee bar.

Mayor Weiers asked about the possibility of renting out the space to a small business that would provide a service to library patrons. He said there might be a potential partnership there.

Mr. Beck said an RFP could be done for that.

Councilmember Chavira said he is totally in favor with moving forward with this Heroes Park project. He also mentioned meetings were going to be held very soon with City staff and the County to help offset the cost of this Heroes Park Library. He said he likes the idea of a partnership with the County to complete this project. He spoke about the disparity of libraries in the West Valley.

Councilmember Aldama asked how the square footage of this library compared to other libraries.

Mr. Strunk said the Velma Teague Library is about 14,500 square feet, so the Western Area Branch Library would be about 7,500 to 8,000 square feet.

Councilmember Aldama asked if it would be the intent to build onto this facility in the future.

Mr. Strunk said they asked this project to be designed to allow future expansion and growth. The design will accommodate that growth. He explained the vision for this project is a 33,500 square foot library.

Councilmember Aldama asked if the initial project was considered Phase 1 and if a funding mechanism would be put in place to ensure completion of this project.

Mr. Strunk said he would await Council direction on that issue, but park facilities have been phased in before.

Councilmember Tolmachoff said she was glad they were discussing building a library while many cities were closing them. She was concerned that there is so much online content now and asked if a 33,000 square foot library is needed. She asked what percentage of library customers are using online content.

Mr. Beck said online circulation is about 10% of the collection, but it is growing. He said citizens like libraries as they offer programs for its residents and is a community gathering place. He also said the public meeting rooms are rented out and used extensively. He said technology is changing the way libraries work. Annual surveys are done to determine the needs of the residents served by the library.

Councilmember Tolmachoff asked where the 83 parking spaces would be placed and asked if the lighting and striping is all included.

Mr. Beck explained where the initial 53 parking spaces would be located and an additional 83 spaces would be added upon full completion of the project.

Councilmember Turner said this item first came up during discussions about selling the

Foothills Library, and he said the proposed concept for the high tech library caught his interest. He was glad funds were located to assist with building this library. He said the design concepts were going to work, especially for future expansion. He said they still need to find where the \$600,000 in operating costs was going to come from. He spoke about the public meetings and was disappointed only about 30 participants attended, and he was concerned and disappointed there wasn't more public interest. He asked if the concept showed the library at the site that had been pre-planned for the library.

Mr. Strunk explained where the pre-planned site was in relation to the conceptual drawings. He said the full service library, an aquatics center and a recreation center are proposed for this area.

Councilmember Turner asked about the relationship of the location of the aquatics center to the proposed library. He said co-locating those facilities would be beneficial.

Mr. Strunk said joint facilities are being built elsewhere in the country and this footprint would allow for this as well.

Mr. Beck said the General Plan called for a new library once the population reached 35,000 in a service area and they have gone beyond that now. Citing a prior West Area Regional Facility Master Plan, he said the public's number one choice for new facilities was a library. He said there is demand and support for this library.

Councilmember Turner said this is a viable project. He also liked the idea of potentially partnering with the County. He said there are many big questions that still need to be answered.

Councilmember Malnar said the surveys speak loud and clear on what citizens want. He asked what percentage of the public needs will this library provide.

Mr. Beck said the public wants youth and teen programming as there are many families in the area. Also, the public wants musical performances and similar programming. He continued the city does care what citizen's think and the library will do its best to stay relevant by eliciting feedback from residents.

Councilmember Malnar asked if the operating costs are feasible and asked if staff has worked with the Finance Department to evaluate those costs.

Mr. Strunk said these expenses are in the five year plan. Staff took into consideration the operating costs of the other three branch libraries and did a ratio analysis based on the proposed square footage. Staffing levels have been identified and the \$600,000 figure includes all operating expenses, book materials and programming.

Councilmember Malnar said the \$2.7 million was being taken away from providing additional services at other Glendale libraries. He asked if the city was losing more than they were gaining by using those funds to build another library.

Mr. Strunk said the \$2.7 million is development impact fee money was specifically collected for a library. They can be used to construct, equip, build and open a new library. They cannot be used for operating funds. He said they are allowed to use those for levels of service in the other existing libraries, but they haven't determined what improvements to those levels of service would be. If the Western Area Branch Library is not built, staff would assess what increased levels of service those funds could be used for in the other libraries.

Mayor Weiers asked if the city is meeting the requirements or expectations from the citizens on levels of service at the other three libraries. He said he has had people tell him they want more from the existing three libraries.

Mr. Strunk said there have been comments in surveys that request adding additional library hours, but this hasn't been sent to Council through a budget request. He said there is interest in expanding library hours at existing libraries.

Mayor Weiers asked if staff could provide the cost of adding additional hours to the three libraries. He also spoke about the outdoor activities and parking issues. He asked if the parking lot could be put on the west side of the building to allow parking and better access for residents who use Heroes Park. He also said they should look into establishing the extra parking immediately as that is a very big problem at that park. He would like staff to research the cost of that as well.

Mr. Strunk said he would follow up with that. He said in a recent presentation on Heroes Park, one of the issues addressed was parking. He said there was previous direction from Council to use some DIF money for parking north and east of the traffic circle. He said it was also intended to finish off 83rd Avenue and put in gutters and sidewalks to make it usable for residents.

Mayor Weiers said he would rather see the city putting the funds into permanent parking instead of temporary parking.

Councilmember Chavira said the current amenities utilize the parking and said the archery range will also create more parking issues. He asked how to temporarily fix the parking problem as it is a safety issue.

Mr. Strunk said staff is aware of the severe parking issues that park has and they are currently working on a resolution.

Councilmember Chavira said that does not even include parking for the ramadas as they are used throughout the year.

Councilmember Aldama agreed with Councilmember Turner that not many people attended the public meetings about the proposed library. He spoke about the number of surveys received from the Ocotillo and Yucca District citizens. He asked if the residents are truly being served by the Velma Teague Library. He wondered why so many Ocotillo residents were interested in the new library and asked staff for input on that issue.

Councilmember Tolmachoff said she calculated the per hour rate to keep the new library open and asked if the highest part of that cost was staffing.

Mr. Beck said about \$450,000 of the \$600,000 of the cost annually is staffing.

Councilmember Tolmachoff asked how many volunteers are serving the library right now.

Mr. Beck said about 500 volunteers contribute approximately 15,000 volunteer service hours per year.

Councilmember Tolmachoff asked about exploring the possibility of internships with various colleges in the area, to provide increased service to residents.

Mr. Strunk said staff has not looked at that specifically, and they will work with any

educational facility or any student who is interested. He said the \$600,000 cost is for the basic core staff to run the library, including supervise and operate the front desk. He said volunteers don't always show up regularly and when planning for these services, they need to take that into consideration. He said they have been very successful using volunteers within the city.

Mayor Weiers said there is a consensus to continue on with this project.

Mr. Strunk asked if consensus meant to commence design work on the Heroes Park concept.

Mayor Weiers said that is the next step.

2. [16-130](#)

### PAVEMENT MANAGEMENT PROGRAM PRESENTATION

Staff Contact and Presenter: Jack Friedline, Director, Public Works

Staff Presenter: Vicki Rios, Interim Director, Finance and Technology

Staff Presenter: David Beard, City Engineer

Staff Presenter: Max Morales, Streets Superintendent

Mr. Friedline introduced David Beard, City Engineer, Vicki Rios, Interim Finance Director and Max Morales, Streets Maintenance Superintendent. He said the pavement management program is a five year program with estimates for funding to bring streets back to their previous condition. He discussed the way the streets were evaluated and the process to repair the streets. He explained the five year funding plan has a \$77 million budget. About \$45 million is available and budgeted through HURF and GO funds. He explained \$6 million is budgeted and available to do in house maintenance and repairs. He said there is a request for \$26 million in General Obligation Bonds funding specific for street reconstruction. The pavement management program keeps the streets in good condition, ensures maintenance of the streets are accomplished in the most effective and efficient manner possible. Mr. Friedline went on to describe the Glendale roadway network, which is a functional classification distribution by length.

Mr. Beard discussed the pavement life cycle and how pavement degrades over time. He provided information on the three types of treatments used to repair streets. Those include slurry, mill and overlay and reconstruction and rehabilitation. He explained that making repairs early will save eight times the cost at a later date. He provided information on the pavement condition index as well as the treatment used to preserve the pavement over time. Mr. Beard provided photos of several streets and their PCI rating. He also provided information on the average PCI for city streets.

Mr. Friedline said the average PCI for Glendale streets is 65.5. He provided a graph showing the various street work that has been done since 2014. He said there will be an \$8 million contract coming forward in June for mill and overlay work for streets south of Peoria Avenue. There will also be a \$2 million contract brought forward in August for slurry sealing citywide. Mr. Friedline provided a representation showing spending history and proposed funding by fiscal year. He also provided further information on a plan breakdown by street segment and the type of treatment for FY 2017-2021. He also explained the level of funding each year for pavement management and how it relates to an average PCI within the system. He explained the level of marginal and poor streets continues to increase. He said staff is recommending \$15.5 million a year which will level off the PCI and will increase it from 65.5 to about 70. He explained 60 miles of the roadways require no rehabilitation and are in great shape. Mr. Friedline said FY17-21

addresses 511 miles of roadway and FY22-23 addresses 134 miles of streets. He said 700 miles of streets will be addressed within 10 years.

Ms. Rios showed information on the city's debt service on the General Obligation Bonds. She said about \$20 million in revenue is received by the city from the secondary property tax levy each year. She said debt service payments remain high until about FY21-22 and drop off after that. She provided further information about adding the funds to complete the street improvements to the city's current debt. This included debt for the improvements for land for parking in Lots P1 and P2 which are being issued this week. Series 2018 is a proposed bond issue for \$10 million in the CIP as a placeholder for additional improvements to the P2 lot at Westgate. Series 2019 debt is the first of two bond issues, totaling \$10.6 million, which is the first of two years of the pavement management system. The last bond issue is Series 2021 which is the last bond issue for the pavement management. This is three years of \$5.3 million per year. She said utilizing this option would give the city very little additional opportunity to use General Obligation Bonds for anything else until at least FY22-23.

Mr. Friedline said the \$26.5 million will address street sections that cannot be addressed any other way, and he showed an arterial reconstruction and rehabilitation plan and a collector reconstruction and rehabilitation plan.

Mayor Weiers asked if the Glendale is 100% responsible for Camelback Road as it is the City's border with Phoenix.

Mr. Friedline said since Glendale is on the north side of this arterial street, Glendale maintains the entire street. He provided a graph showing street reconstruction and rehabilitation for each fiscal year through FY2021. He explained the in-house work is a \$6 million project over the next five years.

Mr. Morales provided an overview of the street maintenance perspective. He explained over the years, streets maintenance staff has been reduced to 4 employees and 8 pieces of equipment, but they do pothole repair, localized asphalt repair and concrete repairs. They also use contracted repairs to supplement their efforts. He said staff is primarily reactive and respond to inquiries from residents and staff. They are on track to complete over 11,000 repairs. He explained pothole repairs are temporary in nature, but staff is working on long term repairs.

Mr. Friedline said there is a supplemental budget item for increased staffing in this section with some equipment that supplants the contract work. It will save at least 50% in costs. For the same amount of money, staff will be able to do about two to three times the amount of square footage work of localized asphalt repairs as they could by contract.

Councilmember Malnar asked how they are getting from \$10 million a year to \$26 million a year.

Mr. Friedline said the \$26 million is the amount of money suggested by the consultant that needed to be spent to get a PCI over 72.

Ms. Rios said the \$26.5 million is the aggregate effect of adding \$5.3 million for each of five years. She said it is just coincidental that it equals the other \$26 million mentioned on the slide. She said it is the difference between what the city currently has in funding which is \$10.2, increasing that to \$15.5, and to do that, the city would have to borrow \$5.3 million a year for each of five years. Instead of borrowing \$5.3 each year, the city would issue bonds for \$10.5 and then several years later, issue bonds for \$15 million and

that equals the \$26 million.

Councilmember Turner asked if the city had \$23 million in HURF money in the bank now, and if the city anticipates about \$14 million in HURF money annually.

Mr. Friedline said there are a lot of HURF dollars that are allocated to other parts of the Public Works Department and Transportation. He said the funds they are talking about today just represent the streets maintenance section.

Councilmember Turner asked if there was any way to do more of this work earlier and less of it later to get ahead of the deterioration.

Mr. Friedline said they can and Mr. Beard is working on a more streamlined process to contract services. He said he hopes to develop a contract that can be renewed so the work can proceed expeditiously. He said they have blocked this out over five years, but if there is a way to get it done fast, they will absolutely do that. He discussed the mill and overlay and how staff works with Councilmembers when working in their districts to see if there are any issues on any of the streets that need work.

Councilmember Turner asked if the project could be expedited if the city were to receive more HURF funds.

Mr. Friedline said the program could do front end funding and they could easily do 25% more, although they might need more staffing to do that.

Councilmember Turner asked if the worst streets would be addressed first.

Mr. Friedline said the worst streets need to be reconstructed. Since the city does not have bonding capacity the first year, reconstruction work would not be done. If the streets get too bad before they can be fixed, the city would do some slurry to temporarily correct the problems until the streets could be fixed permanently.

Councilmember Turner sent his compliments to the streets department staff for doing work at half the cost to contract it out. He asked about entering into partnerships with other cities to utilize idle equipment instead of increasing staffing levels.

Mr. Friedline said the streets maintenance department does many specialized or localized repairs. He said when doing miles of slurry seal or miles of overlay, it is best to go to the open market and bid it out. He said in house help who are trained in this type of work help out greatly in reviewing contracts to make sure the city gets its money's worth.

Mayor Weiers asked what the temperature needs to be to do this type of streets maintenance work.

Mr. Beard said they like to wait until the Fall or Spring to do slurry seal. He said when it is very hot; mill and overlay will take a little longer to cure. The temperature does not hold up the work.

Mayor Weiers asked about rain.

Mr. Beard said they cannot work when the pavement is wet.

Mayor Weiers and Mr. Beard had further discussion about the pavement and base being

wet and drying it out before any repair work can be done.

Councilmember Aldama asked where 71st Avenue between Myrtle and Orangewood are in the plan.

Mr. Friedline said that is in the CIP under a specialized program called Scalloped Streets.

Councilmember Aldama said many people have inquired about that road and he wanted the audience to know about that project.

Councilmember Tolmachoff asked about the \$23 million in HURF funds.

Mr. Friedline said the \$23 million he was addressing was the HURF fund balance, and they are planning on spending that down over the 7 year period.

Councilmember Tolmachoff asked if they were going to bond over a period of time and not go out and bond for the entire project all at once.

Ms. Rios said there are different uses for the different types of funds. She said they would not recommend issuing bond funds for regular maintenance, so bond funds can only be used for the major construction projects. She said they are looking at using the HURF money and the other transportation money to do the roads that are in the earlier stages before they need major reconstruction. She said there is a plan to spend down the fund balances. She said there is about \$14 million coming in per year from HURF and about \$7 million of it that goes to other operations. That frees up about \$7 million to be used for these projects, and that will spend down the \$23 million in fund balance, but it will not address the major reconstruction work that needs to be done. Those funds are appropriate for the other type of work. The bonds will be issued for the reconstruction work.

Councilmember Tolmachoff asked if the \$14 million in HURF funds the city gets is a conservative projection and if it is what the city is getting now from the state.

Ms. Rios said that is correct.

Councilmember Tolmachoff said she does not want to box the city into a corner by maxing out on general obligation debt.

Ms. Rios said today staff is looking for some direction, but at a point in time before those reconstructions begin, staff would come back to Council with a notice of intent to issue those bonds. Once the city starts spending those funds with the intent to reimburse the city, they would be locked into issuing those GO bonds. They do not have to do that today.

Councilmember Tolmachoff said every extra million received in HURF funds from the state would be that much less the city would have to borrow.

Ms. Rios said that is correct.

Mayor Weiers said the intent is to leave HURF alone and possibly getting more funds.

Mr. Stoddard said they are starting to get some high level information from the Legislature. He said that information does not list any type of HURF restoration and it

calls for an increase in staffing and raises for DPS. He said the HURF funds have continually been used to fund DPS in the past. He said it appears they may continue to take in the \$90 million range of HURF.

Mayor Weiers asked if there was the potential for a slight increase in HURF funds because the economy is doing better.

Mr. Stoddard said they have held the level consistent and haven't increased what the state takes; there may be a slight increase to the city's portion of the funds.

Councilmember Turner asked for a brief history of HURF funds.

Mr. Stoddard provided a history of HURF funds and where those funds come from. He said these funds are only for transportation projects in the state. He described how the state swept monies from HURF for the last several years. The state has used these funds for Motor Vehicle Department and DPS. He said this has taken its toll on cities and towns throughout the state.

Councilmember Turner asked how much of the monies swept over the last few years might have come to Glendale.

Mr. Stoddard said the formula is complicated and changes each year and staff has not run the analysis to see what the number is.

Councilmember Malnar said he is in favor of moving this forward but has concerns about where the money is coming from. He asked staff to put together a spreadsheet to show where the money is coming from each year, whether it is from bonds, GO or anywhere else.

Mr. Friedline said one of the charts provided in the Council packets shows the GO bonds and said everything else is HURF money.

Councilmember Malnar said he would like that in a spreadsheet.

Councilmember Tolmachoff asked about the sweep of the HURF funds and the amount the city has lost due to the sweeps, and amount it will cost taxpayers due to the sweeps of those monies.

Mr. Friedline said the price tag is \$26.5 million in GO bonds.

Ms. Rios said she can provide the numbers.

Councilmember Chavira asked about the city's financial bandwidth with the bonding process. He asked if there is any way they can maximize the bandwidth.

Councilmember Aldama said this would be the time to get this in place and get the streets repaired.

Councilmember Chavira said he would like to complete this project, but wanted to do it in a prudent manner that will not impede any other projects.

Mayor Weiers said there was consensus to move forward with this.

3. [16-123](#) COUNCIL ITEM OF SPECIAL INTEREST – BOARDS AND COMMISSIONS  
Staff Contact and Presenter: Michael D. Bailey, City Attorney

This item was administratively pulled from the agenda.

4. [16-153](#) OVERVIEW OF AEG FACILITIES' ARENA MANAGEMENT  
Staff Contact: Tom Duensing, Assistant City Manager  
Guest Presenter: Mr. Chuck Steedman, AEG Facilities, Chief Operating Officer  
Guest Presenter: Mr. Matt Bettenhausen, AEG Facilities, Chief Security Officer  
Guest Presenter: Mr. Eric Bresler, AEG Facilities, Vice President, Content Development

Mr. Duensing said the current arena management agreement expires June 30, 2017, and the city has the right to change who the manager is effective July 1, 2016. An RFP was issued and AEG Facilities was awarded the bid. Staff is currently in contract negotiations with AEG Facilities. Mr. Duensing introduced Chuck Steedman, Chief Operating Office, AEG Facilities, Matt Bettenhausen, Chief Security Officer, AEG Facilities, and Eric Bresler, Vice President, Content Development, AEG Facilities.

Mr. Steedman said he has developed a tremendous working relationship with executive city staff and have worked to streamline the negotiation process. He provided a brief history of his company and played a short video about the company. He explained AEG intends to form a partnership with the city, and said they are the world's second largest concert promoter, the largest owner of sports teams in the world and the number one manager, owner and operator of venues around the globe. They operate on five continents. AEG develops real estate and invests in the areas surrounding their facilities. He provided information on the venues they manage around the world and in the United States. Mr. Steedman said they run their business on a guest first approach to make sure the guest has the best experience possible.

Mr. Bettenhausen provided a short background on his experience in the security industry. He said safety and security for guests is a priority. He said they partnered with the Disney Institute to create the AEG Encore Program. He said they want to make sure the guests have a good time. AEG offers a SAFE program which focuses on counterterrorism. AEG partners with security agencies around the world, including the FBI and Interpol. They work with the NHL not only as a team owner, but within their security standards to make sure they have all the best practices.

Mr. Steedman said safety and security is a critical aspect of the services they provide. AEG also has corporate sponsorships group which exists within AEG. He said they solely exist to generate revenue for the venues within the AEG family. He said there is nothing more important than content. He said AEG has global impact on driving content. He said they work with many of the leading facilities in the world and have the ability to impact how music tours at its source. He said AEG is headquartered in Los Angeles and so are the music industry and this partnership works perfectly, giving AEG a dominant position in the entertainment world.

Mr. Bresler said their commitment to content is what AEG is all about. AEG has direct contact with agents, promoters and managers and works with all of them in terms of content for their venues. He said their goal is to get the show. Event Connect is their

program for content development. He said their goal is to have events come to Glendale to play at Gila River Arena, and conversations have already commenced to have events come to Glendale. He said AEG has relationships with many influential show promoters to secure events.

Mr. Steedman said his staff will do whatever it takes to drive content to Gila River Arena. He said they also work on promoting many sports events from UFC, professional bull riding and basketball. AEG wants to work with Westgate and understands the importance of a vibrant entertainment center, and will work to create events for the whole area. He said everything they do is to create a financial return. He said they will be open and transparent with the city regarding venue operation. He closed with another short video about their company. He said they are proud to work with Glendale.

Councilmember Malnar said he has heard from constituents that concerts are on a decline and wanted that issued addressed.

Mr. Steedman said the live music industry is cyclical, but that is based on an annual calendar, not long term downturns in the industry. He said artists make money from touring, rather than putting out records. He said although there has been a small downturn at the beginning of this year, there are a number of acts that will be touring later in the year. Those include older acts as well as emerging artists.

Mr. Bresler said there are many venues artists have to choose from. They start off in rooms or clubs, but eventually end up in the arenas. He said the business has never been stronger, and some acts will take time to get to play in an arena setting. The business is thriving and people still enjoy going to see live music.

Mr. Steedman said AEG is committed to driving content and finding acts to fill the venues.

Mr. Bresler said they are also seeing more festivals as well as stadium tours.

Councilmember Turner said this is a major issue for the City and citizens will be well-served by bringing in a world class business. He said sports are significant, but entertainment is where the future is.

Mr. Bresler said he has been here before and knows the passion the Councilmembers have for the community.

Councilmember Aldama asked how AEG secures the acts to appear at their venues.

Mr. Steedman said promoters make deals with bands for national, multi-national or global touring rights. He said AEG's content development team works directly with managers and agents to determine how tours are routed. He said they will work with all the promoters and don't rely solely on one promoter to obtain entertainment.

Councilmember Tolmachoff asked what potential AEG sees in the Gila River Arena.

Mr. Steedman said his first goal is to get the Arena back on the entertainment map and to move it up to the most sought after venue. He said they have to let the world know that Glendale is open for business. He said the Arena provides an opportunity to deliver a large gross. He said their marketing team help the promoter sell tickets.

Councilmember Tolmachoff said artists have been doing multiple performances at one

venue and asks how that would work with the Arena.

Mr. Steedman said artists will do whatever the market dictates. He said this is somewhat demand driven and if the artist thinks they can do multiple shows at a venue, they will do it.

Councilmember Chavira asked what attracted AEG to Glendale and Gila River Arena.

Mr. Steedman said AEG has already been in Glendale to provide non-sports content to the building. He said it is a big, really nice building. He said the Valley is a great market. He said acts want to play here and sponsors want to work here.

Councilmember Chavira spoke about boxing events and asked if there was resurgence in boxing.

Mr. Steedman said that there has been an upswing in interest in boxing, which initially started by riding the coattails of UFC. He said there has also been a resurgence of boxing on the local level.

Councilmember Chavira asked if they see boxing taking off in Glendale with the relationships built by AEG.

Mr. Steedman said it is content and having the doors open, lights on and seats filled is the best thing for the Arena.

Councilmember Chavira and Mr. Steedman had further conversation about boxing.

Mayor Weiers said they were going into Executive Session and AEG would be meeting with Council in the Executive Session.

Mr. Phelps said AEG will not be meeting with them in the Executive Session. He said two consultants with Beacon will be there. He said he sat through the interviews with the three firms and hoped the Councilmembers saw how clear a decision it was to choose AEG. He said the Arena has never had the quality of management that AEG can bring to the table. He explained their commitment, resources and track record are beyond what Glendale has ever seen.

Mayor Weiers thanked AEG for their presentation

## **CITY MANAGER'S REPORT**

City Manager Phelps had nothing to report.

## **CITY ATTORNEY'S REPORT**

City Attorney Bailey had nothing to report.

## **COUNCIL ITEMS OF SPECIAL INTEREST**

Councilmember Chavira called for staff to put together a workshop about the city's travel policies, and how it compares to other cities. He thanked his wife for all she does. He encouraged everyone to be nice.

**EXECUTIVE SESSION**

The City Council entered into Executive Session at 4:54 p.m.

**A motion was made by Councilmember Aldama, seconded by Councilmember Tolmachoff, to enter into Executive Session. The motion carried by the following vote:**

**Aye:** 7 - Mayor Weiers, Vice Mayor Hugh, Councilmember Aldama, Councilmember Chavira, Councilmember Malnar, Councilmember Tolmachoff, and Councilmember Turner

**ADJOURNMENT**

The City Council adjourned at 6:24 p.m.