



# WORKSHOP COUNCIL REPORT

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Meeting Date: **12/17/2013**  
Meeting Type: **Workshop**  
Title: **COUNCIL ITEM OF SPECIAL INTEREST: MONTHLY ARENA REPORTS**  
Staff Contact: **TOM DUENSING, EXECUTIVE DIRECTOR, FINANCIAL SERVICES**

## **Purpose and Policy Guidance**

The purpose of this item is to provide Council with a detailed review of the Monthly Arena Revenues and Expenditures reports. This item was requested at the October 1 and November 5, 2013, City Council Workshops.

## **Background**

On July 2, 2013, an ordinance was approved for a Professional Management Services and Arena Lease Agreement with IceArizona Manager Co., LLC and IceArizona Hockey Co., LLC (Management Agreement) for the use of the City-owned Jobing.com Arena by the Phoenix Coyotes. As part of this agreement, payments from the Arena Manager are due to the City. Additionally, the agreement requires payments due to the Arena Manager from the City for arena management fees and capital improvement contributions.

### **Arena/Westgate**

The Management Agreement was approved subsequent to adoption of the FY 13-14 budget for financial activities within the Arena/Westgate area. Included in the FY 13-14 adopted budget are the Arena Events Operations (Fund 1282) which tracks the operating revenue and expenditures associated with not only arena management and capital replacement expenses, but also arena security, right-of-way maintenance, and transportation expenses. Also included in the FY 13-14 adopted budget is the Arena Special Revenue (Fund 1780) which tracks the revenue generated from Jobing.com and surrounding Westgate City Center.

The Management Agreement relates to the activity at Jobing.com, which lies within the Arena/Westgate area. Therefore, the financial activity related to the Management Agreement as reported in the Monthly Arena Reports is part of the budget for the entire Arena/Westgate area.

## **Analysis**

A monthly arena report has been prepared to report the status of payments due from the Arena Manager (revenues) and payments due to the Arena Manager (expenditures). This Monthly Arena Revenue and Expenditures report (Arena Report) details arena activities as it relates to the Management Agreement only. Activities outside the Management Agreement, such as sales tax revenue for Westgate and Tanger, debt service on the arena, etc., are not included in the report.



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The monthly arena report is separated by **Agreement Revenues** and **Agreement Expenditures**. **Revenues** are reported as payments are received. It is important to understand that certain payments are not due immediately. For example, parking revenue for both hockey and non-hockey events are due 15 days after the end of each quarter. **Expenditures** are reported when the amounts due under the agreement are actually paid. For example, the annual payment for the Arena Capital Improvements of \$450,685, representing the entire amount for the fiscal year, were due, paid, and reported in August 2013.

The monthly Arena Report includes footnotes summarizing payment due dates for the revenues and expenditures. Specific sections of the Management Contract and Safety and Security and Security Agreement (referenced in the Management Contract) are included in Appendix A for each of the revenue and expenditure line items.

Each month, staff will post a Monthly Arena Report for the prior months' activities to the Financial Services web page (<http://www.glendaleaz.com/finance/>). For example, the December 31, 2013, Monthly Arena Report will be posted by January 31, 2014.

## **Previous Related Council Action**

On July 2, 2013, Council approved the Professional Management Services and Arena Lease Agreement with IceArizona Manager Co., LLC and IceArizona Hockey Co., LLC.

## **Community Benefit/Public Involvement**

Staff will post a Monthly Arena Report for the prior months' activities to the Financial Services (<http://www.glendaleaz.com/finance/>).

## **Budget and Financial Impacts**

There are no budget and financial impacts related to this item.

## **Attachments**

Arena Reports for the Months Ending August 31 through November 30, 2013

Appendix A - Revenue & Expenditures Items Included in the Agreement