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CITY CLERK
ORIGINAL

WALKER
PARKING CONSULTANTS

WALKER PARKING CONSULTANTS
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August 24, 2010

Mr. Ed Beasley
City Manager
City of Glendale
5850 W. Glendale Ave., 4th Floor, Suite 431
Glendale, AZ 85301

Re: *Proposal for a Parking Financial Study*
Jobing.Com Arena – Parking Revenue Bond Disclosure Document
Glendale, Arizona

Dear Mr. Beasley:

Walker Parking Consultants is pleased to submit the following proposal to complete a parking financial study for the Jobing.com Arena ("Arena") parking system. This study would be used to secure bond financing for (potentially) $60 to $70 million in parking revenue bonds, paid for out of the system's future net parking revenues.

PROJECT UNDERSTANDING

In 2009, Walker Parking Consultants ("Walker") completed a three part parking study to assess the options for implementing paid parking within Glendale's Sports & Entertainment District. The new paid parking system would initially serve the Jobing.com Arena and the Westgate mixed-use development. Walker recommended a system of loops and counters for all Westgate and City owned surface lots. This equipment would then be integrated with wireless handheld units and used to collect parking fees (or pre-paid parking passes) for dates when events were held at the Arena. Assuming that the Arena was operating successfully and at stabilized attendance, the initial analysis estimated that the system could generate between $2.8 million and $5.8 million per year in net revenues. No cost estimates for the system equipment or installation were included in the initial analysis.

At this time, the City of Glendale is interested in retaining Walker to prepare a full parking financial study to assess the complete revenue potential of such a system. Walker's report would be used to secure financing for up to $70 million in parking revenue bonds.

The financing entity in this arrangement would be the Community Facilities District ("CFD"), an independent statutory bond issuer, separate from the City of Glendale. The CFD would use the bond proceeds to purchase arena and parking management 25-year rights from a future potential Arena owner or management group. The bonds would then be repaid over a period of 25 years using (primarily) proceeds from the new paid parking system.

Due to the risks assumed by Walker for this type of financial study, the following clarifying items are assumed in our proposal:

1. The final Walker report will contain a statement which allows our findings to be shared with third parties at their sole risk and limits Walker's direct liability for any information in the report.

2. Walker's analysis will be based heavily on materials and assumptions provided by the City, CFD, and Sports & Entertainment District Partners; these materials are listed under our scope of work. Walker assumes no liability for inaccurate information that is reported to us.

3. Walker's analysis will assume that the Arena is operated successfully with long-term commitments from the NHL, the Phoenix Coyotes, and possibly other tenants. If these long-term commitments fail to materialize, then resultant parking revenues are likely to suffer.

4. Other terms and conditions will apply to this contract per the attracted *General Conditions of Agreement for Financial Consulting Services.*

SCHEDULE

We understand that the City, or an entity related to the City, plans to issue an Official Statement to prospective bondholders on November 15, 2010. As a result, Walker has agreed to meet a highly accelerated project deadline which includes a draft report by 5 PM MST on September 1 and a final report within ten business days of the draft, assuming receipt of final comments from the City. Both deadlines assume that all critical materials are provided to Walker immediately (within 1 day) upon request.

Both deadlines also assume that a signed contract is received by Walker no later than noon (MST) on Monday, August 24.

Based on our understanding of the project, Walker proposes the following scope of services:

SCOPE OF SERVICES

1. Participate in a kick-off teleconference call with the City of Glendale, and pertinent Partners and third parties to clarify any requested data. Walker requests that the following items be provided:
    a. Historical event schedule, attendance, and parking counts (if available) for the past five years for Phoenix Coyotes events
    b. Historical event schedule, attendance, and parking counts (if available) for the past five years for other Jobing.com Arena events

c. Projections of any planned future Arena events
d. Existing contracts between the Arena and any existing and future event tenants
e. Existing contracts between the Arena and the Coyotes franchise and the NHL
f. Population growth projections for the City of Glendale
g. Pertinent projections of economic activity for the City and region including office building vacancies, retail activity, housing sales, etc.
h. Clarification of any state or local taxes that may apply to parking revenues including tax filing status for the CFD
i. Clarification of ownership rights and agreements between various pieces of the existing parking including the City, Arena , Westgate, and the Renaissance Hotel garage
j. Update on area development plans
k. List of major developments or employers being added to the region or departing from the area
l. Detailed description of the financing agreement (to be provided by the City and included in Walker's study).

2. Prepare an introductory report section discussing the operations of a pay parking system at Jobing.com Arena and Westgate, including a detailed breakdown of the necessary equipment and the probable operating costs.
3. Prepare a summary of the economic outlook for the City of Glendale, the general region, and the future prospects for the Arena.
4. Provide a detailed parking income projection showing projected parking system revenues to be generated from future Arena events (using assumptions provided by the City and Partners).
5. Provide a detailed pro forma showing parking income and expenses, and annual net parking revenue projections over a 25-year period.
6. Prepare a statement assessing future risks and conditions that could impact the parking system revenues.
7. Submit a draft report electronically detailing our findings. Incorporate one set of consolidated comments from the City and issue a final report. A reproducible PDF will be submitted. All deliverables will be provided within the accelerated schedule specified earlier.

FEES AND EXPENSES

Walker agrees to perform the above referenced services for a lump sum fee equal to Forty Nine Thousand Nine Hundred Dollars ($49,900), including all reasonable reimbursable expenses such as reprographics, telephone, etc. No trips or presentations are included in this fee budget.

Additional services requested by the client in writing, such as additional planning meetings or presentations, will be billed at Walker's consulting hourly rates or under the terms of a separate contract. Other terms and conditions will be in accordance with attached General Conditions of Agreement for Financial Consulting Services.

Please call if we can clarify any of the above for you. We look forward to working with you on this exciting project.

Sincerely,

WALKER PARKING CONSULTANTS

Jeremiah J. Simpson
Parking Consultant

John W. Dorsett, AICP, CPP
Senior Vice President

Enclosures: General Conditions of Agreement for Financial Consulting Services

AUTHORIZATION

Trusting the above meets with your approval, please sign and return one copy of this proposal as our written authorization and notice to proceed.

CITY OF GLENDALE, ARIZONA

Approved by: Horatio Skeete

Title: Interim Asst city manager

Date: 8-24-10

GENERAL CONDITIONS OF AGREEMENT

FOR FINANCIAL CONSULTING SERVICES

WALKER
PARKING CONSULTANTS

SERVICES - Walker Parking Consultants/Engineers, Inc. ("WALKER") will provide CLIENT limited professional services described in the attached Scope of Services letter [the "Services"]. WALKER's instruments of service may include reports, analyses, critiques or prospective financial statements and financial forecasts ("Projections"). All deliverable are hereinafter termed "Documents". The Services are provided solely in accordance with written information and documents supplied by CLIENT and are limited to and furnished solely for CLIENT's specific use disclosed to WALKER in writing. Any additional services requested will be provided on a time and material basis or for a mutually agreeable lump sum fee.

PAYMENT FOR SERVICES - Prior to commencement of the Services, CLIENT agrees to make an initial Payment to WALKER in an amount equal to 20% of the total fee which will be credited to the last invoice sent to CLIENT. WALKER will submit monthly invoices based on work completed plus reimbursable expenses. Reimbursable expenses will be billed at 1.15 times the cost of travel and living expenses, rental of specialized equipment, photographs and renderings, document reproduction, postage and delivery costs, telephone and facsimile charges, additional service consultants, and other project related expenses. Payment is due upon receipt of invoice. If for any reason CLIENT does not pay WALKER within thirty (30) days of date of invoice, CLIENT agrees to pay WALKER a late charge of one and one half percent (1½%) per month of any unpaid balance of the invoice plus attorney's fees and other costs incurred to collect the unpaid sum.

STANDARD OF CARE - WALKER will perform the Services consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. No other warranty, express or implied, is made.

PERIOD OF SERVICE - Services shall be deemed complete the earlier of: (1) the date when Documents are accepted by CLIENT or (2) thirty (30) days after Documents are delivered to CLIENT.

RELIANCE ON INFORMATION PROVIDED BY OTHERS - Any estimates or projections provided by WALKER will be premised upon assumptions provided by CLIENT. As used herein, an "assumption" is an axiom or proposition which is included in an analysis to project future performance or events and is not a guarantee of performance, or representation of a fact which will eventually exist or be attained or reached. CLIENT fully understands that WALKER must utilize such "assumptions" in order to perform feasibility or other analyses. Furthermore, CLIENT fully understands that WALKER is not an auditor and will not independently review or investigate misrepresentations, fraud, misappropriation, completeness or accuracy of the information or assumptions provided by CLIENT, its agents, representatives or others supplying information or data to WALKER for its use in performance of the Services. To the extent that conflicts may materialize as a result of different parties supplying information to be used, WALKER will discuss assumptions provided by the CLIENT and/or other third parties, and make an effort to resolve the conflicting information WALKER may draw certain assumptions from its past work on other projects of similar or like nature, and will do so in a manner consistent with the standard of care within the profession. CLIENT fully understands that, because of the inherent uncertainty and probable variation of the assumptions, actual results will vary from estimated or projected results and such variations may be material. As such, WALKER makes no warranty or representation, express or implied, as to the accuracy of the estimates or projections.

FINANCIAL PROJECTIONS - WALKER may compile, from information and assumption provided by CLIENT, the projections and related prospective statements of income, expenses and cash flow. CLIENT is

responsible for representation about its plans and expectations and for disclosure of significant information that might affect the Services. WALKER is not CLIENT's investment advisor or advocate. The actual results achieved will vary from the projections and variations may be material.

CHANGES IN ASSUMPTIONS AFTER COMPLETION OF SERVICES – Unforeseen and changed laws, technologies, events or circumstances may occur after the course of this engagement and completion of Services which may render the Documents obsolete. WALKER has no responsibility to inform CLIENT about changed circumstance impacting projections and does not have any responsibility to update Documents for events and circumstances occurring after delivery of Documents to CLIENT.

CONSEQUENTIAL DAMAGES – To the fullest extent permitted by law, neither the client nor WALKER, shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the services or projections provided under this agreement. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation and any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty.

NO THIRD-PARTY BENEFICIARY –CLIENT understands that the Documents are prepared for CLIENT's internal management use and for inclusion in an official Bond Statement, however, that Documents are for CLIENT's benefit and no third-party beneficiary is implied. If CLIENT distributes a copy of the Documents to any person or entity other than its internal management, CLIENT fully understands that it does so at its own risk, and WALKER assumes no liability or responsibility therefor or the consequences thereof and CLIENT hereby agrees to indemnify and hold harmless from and against any and all claims or causes of actions for damages or loss against WALKER by such person or entity as a result of said person's alleged reliance on the Documents.

USE OF DOCUMENTS - CLIENT understands that WALKER's financial projections contained in the Documents rely on certain macro-economic assumptions that are beyond WALKER's control. WALKER assumes no responsibility for CLIENT's or third parties' actions in its use of the documents in financial transactions. Further, any use of documents for modifications or extensions of the services, new projects, or completion of this project by others, without WALKER'S specific written consent, will be at CLIENT's and third parties' sole risk.

STATUTE OF LIMITATION – Parties agree that all legal action by one party against the other arising out of this Agreement or connected with the Services shall be barred and no such claim shall be initiated by either party after four (4) years have passed from the date the Documents were delivered to the CLIENT, unless applicable statute of limitation sets a shorter period.

LIMITATION OF REMEDIES - WALKER'S liability to CLIENT as a result of acts, errors or omissions of WALKER shall be limited in the aggregate to $50,000 or the fee, whichever is greater.

MEDIATION – If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.