

City of Glendale Council Special Meeting Agenda

June 8, 2012 – 10:15 a.m.

Regularly scheduled City Council meetings are telecast live at 7:00 p.m. on the second and fourth Tuesday of the month. Repeat broadcasts are telecast the second and fourth week of the month – Wednesday at 2:30 p.m., Thursday at 8:00 a.m., Friday at 8:00 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 1:30 p.m. on Glendale Channel 11.

Welcome!

We are glad you have chosen to attend this City Council meeting. We welcome your interest and encourage you to attend again.

Form of Government

The City of Glendale has a Council-Manager form of government. Legislative policy is set by the elected Council and administered by the Council-appointed City Manager.

The City Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of six electoral districts and are elected by the voters of their respective districts (see map on back).

Council Meeting Schedule

The Mayor and City Council hold Council meetings to take official action two times each month. These meetings are held on the second and fourth Tuesday of the month at 7:00 p.m. Regular meetings are held in the Council Chambers, Glendale Municipal Office Complex, 5850 W. Glendale Avenue.

Agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting, at the City Clerk's Office in the Municipal Complex. The agenda and supporting documents are posted to the city's Internet web site, www.glendaleaz.com

Questions or Comments

If you have any questions about the agenda, please call the City Manager's Office at (623) 930-2870. If you have a concern you would like to discuss with your District Councilmember, please call (623) 930-2249, Monday - Friday, 8:00 a.m. – 5:00 p.m.

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

How to Participate

The Glendale City Council values citizen comments and input. If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a blue Citizen Comments Card located at the back of the Council Chambers and give it to the City Clerk before the meeting starts. The Mayor will call your name when the Citizen Comments portion of the agenda is reached. Because these matters are not listed on the posted agenda, the City Council may not act on the information during the meeting but may refer the matter to the City Manager for follow-up.

Public Hearings are also held on certain agenda items such as zoning cases, liquor license applications and use permits. If you wish to speak or provide written comments about a public hearing item on tonight's agenda, please fill out a gold Public Hearing Speakers Card located at the back of the Council Chambers and give it to the City Clerk before the meeting starts. The Mayor will call your name when the public hearing on the item has been opened.

When speaking at the Podium, please state your name and the city in which you reside. If you reside in the City of Glendale, please state the Council District you live in and present your comments in five minutes or less.



** For special accommodations or interpreter assistance, please contact the City Manager's Office at (623) 930- 2870 at least one business day prior to this meeting. TDD (623) 930-2197.

** Para acomodacion especial o traductor de español, por favor llame a la oficina del administrador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.

Councilmembers

Norma S. Alvarez - Ocotillo District
H. Philip Lieberman - Cactus District
Manuel D. Martinez - Cholla District
Joyce V. Clark - Yucca District
Yvonne J. Knaack – Barrel District



MAYOR ELAINE M. SCRUGGS

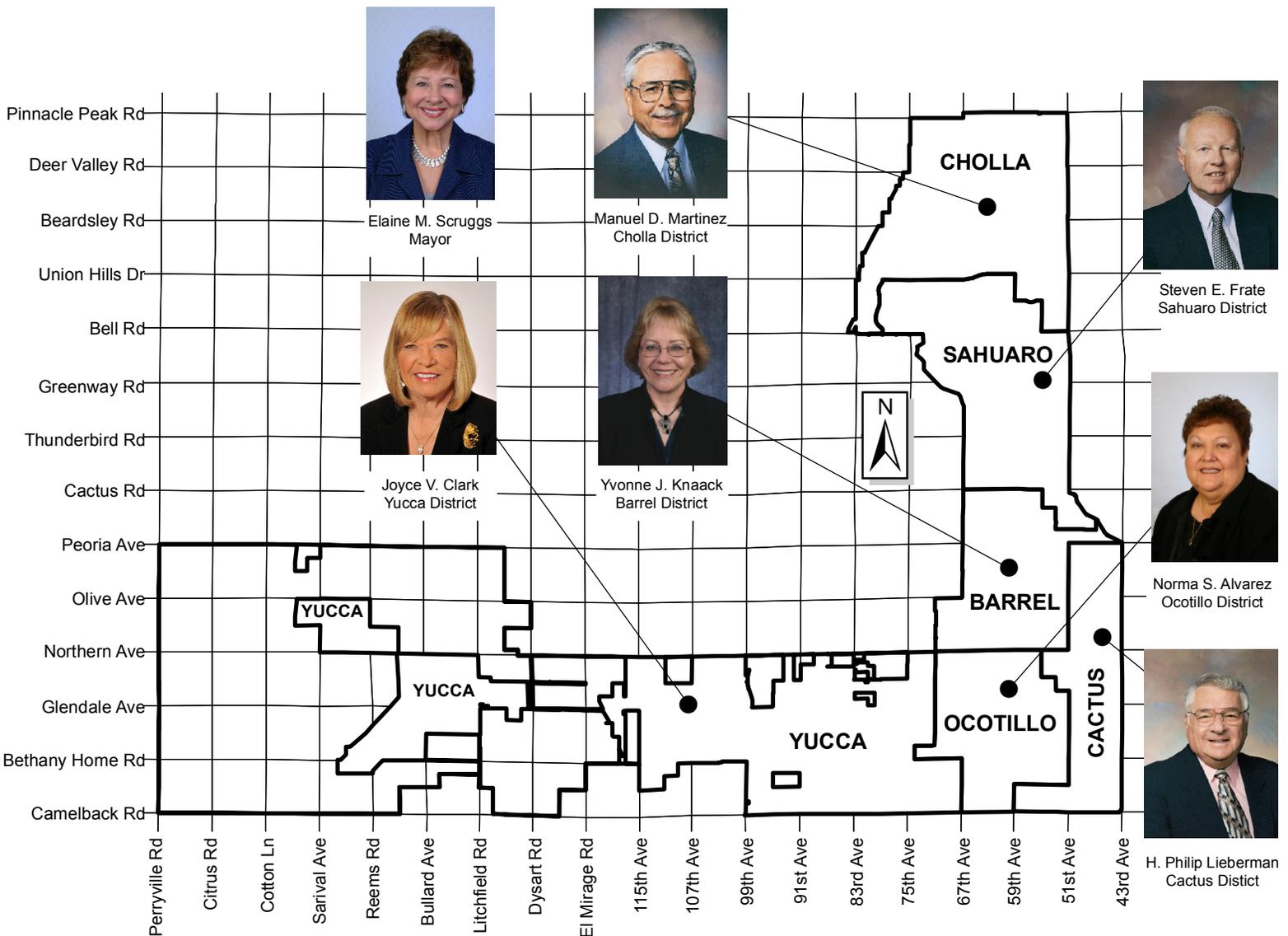
Vice Mayor Steven E. Frate - Sahuaro District

Appointed City Staff

Ed Beasley – City Manager
Craig Tindall – City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge



Council District Boundaries





GLENDALE CITY COUNCIL SPECIAL MEETING
Council Chambers
5850 West Glendale Avenue
June 8, 2012
10:15 a.m.

One or more members of the City Council may be unable to attend the Special Council Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

ORDINANCES

1. [ARENA LEASE AND MANAGEMENT AGREEMENT WITH ARIZONA HOCKEY ARENA PARTNERS, LLC AND ARIZONA HOCKEY PARTNERS, LLC \(ORDINANCE\)](#)

PRESENTED BY: Ed Beasley, City Manager
ORDINANCE: 2804

RESOLUTIONS

2. [ARENA LEASE AND MANAGEMENT AGREEMENT AND NONCOMPETITION AND NON-RELOCATION AGREEMENT WITH ARIZONA HOCKEY ARENA PARTNERS, LLC AND ARIZONA HOCKEY PARTNERS, LLC \(RESOLUTION\)](#)

PRESENTED BY: Ed Beasley, City Manager
RESOLUTION: 4578

CITIZEN COMMENTS

If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a Citizen Comments Card located in the back of the Council Chambers and give it to the City Clerk before the meeting starts. The City Council can only act on matters that are on the printed agenda, but may refer the matter to the City Manager for follow up. Once your name is called by the Mayor, proceed to the podium, state your name and address for the record and limit your comments to a period of five minutes or less.

COUNCIL COMMENTS AND SUGGESTIONS

ADJOURNMENT

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03 (A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).



Business-Voting Agenda

06/08/2012

TO: Honorable Mayor and City Council
FROM: Ed Beasley, City Manager
PRESENTED BY: Ed Beasley, City Manager

SUBJECT: [ARENA LEASE AND MANAGEMENT AGREEMENT WITH ARIZONA HOCKEY ARENA PARTNERS, LLC AND ARIZONA HOCKEY PARTNERS, LLC \(ORDINANCE\)](#)

Purpose

This is a request for City Council to vote upon an ordinance authorizing the City Manager to enter into an Arena Lease and Management Agreement with Arizona Hockey Arena Partners, LLC and Arizona Hockey Partners, LLC for the use of the city-owned Jobing.com Arena by the Phoenix Coyotes.

Background

In 2001, the City of Glendale entered into an Arena Development Agreement, an Arena Management and Use Agreement (AMULA), and a Mixed-Use Development Agreement (MUDA) with Arena Management Group, LLC, Coyotes Hockey, LLC, Glendale 101 Development, LLC, and Coyote Center Development, LLC. The purpose of these actions was to create a high-quality major economic center in Glendale, consisting of offices, hotels, entertainment, retail and restaurants.

Unexpectedly, in May of 2009, the former team owner Coyotes Hockey, LLC and its affiliated entity, Arena Management Group, LLC (collectively referred to as the “Coyotes”) filed for federal bankruptcy protection. The city’s investment was meeting financial projections and attracting economic development to the area until the Coyotes were thrust into bankruptcy. During the bankruptcy proceedings, the National Hockey League (NHL) purchased the assets of the Coyotes but did not assume the Arena Management, Use and Lease Agreement.

For the past three years, under the direction of Council, the city has been actively working with the NHL and potential buyers of the Coyotes to structure a deal that would keep the team in Glendale.

Council established criteria for negotiations with potential buyers of the Phoenix Coyotes including:

- Keep team in Glendale for the full length of lease
- Keep current arena revenues in tact
- Provide opportunity to share in revenue streams, when feasible

The NHL has established the value of the team at \$170 million. The current selling price of the team is a result of existing issues beyond the city's control.

According to a study conducted by ESI Corporation in 2008, the annual regional economic impact of the Coyotes and Jobing.com Arena is substantial:

- 750 jobs in Maricopa County and \$20 million in wages
- \$4.5 million generated in indirect business taxes for Glendale, Maricopa County and the state

The loss of the team as an anchor tenant would result in a loss of at least 43 major events per year at the arena. In addition, it is highly unlikely that the arena would be able to generate the same number and quality of replacement events. Analysis conducted by independent outside experts concludes that the financial position of the city with the team will be better than managing the arena without the team.

A summary of the main points from the draft arena agreement include:

- The NHL team stays in Glendale for 20 years, the same amount of time remaining on the original bonds for the arena.
- The city receives 15% of the naming rights revenue for the arena, estimated between \$4 million and \$10 million over the life of the agreement.
- The city does not issue any new debt.
- The city pays an average arena management fee of \$15 million per year.
- Analysis conducted by independent outside experts concludes that, in their opinion, the deal:
 - Meets the constitutional test against gifting by the city.
 - The financial position for the city with the team in place will be better than managing the arena without the team.
 - This conclusion was arrived at without the inclusion of any revenue from the Westgate development, which is expected to at least double over the life of the team's stay.

Mr. Greg Jamison of Arizona Hockey Partners, LLC has reached an agreement with the city and is seeking direction to move forward to finalize documents. Mr. Jamison will move forward with the NHL to finalize the sale. Mr. Jamison has demonstrated success as an investor and business owner and has a high level of familiarity with hockey.

Previous Council/Staff Actions

On May 10, 2011, Council adopted a resolution extending the management agreement between the City of Glendale and the NHL, to satisfy the NHL's requirements in order for the NHL Phoenix Coyotes to remain in Glendale during the NHL 2011-12 hockey season.

On December 14, 2010, staff brought forward an Arena Lease and Management Agreement and a Use and Non-Relocation Agreement with Arizona Hockey Arena Holdings, LLC and Coyotes Newco, LLC. The potential buyer did not move forward with plans to purchase the team.

Staff brought forward an MOU to Council for potential buyers of the Phoenix Coyotes on April 13, 2010 and June 8, 2010. Neither potential buyer moved forward with viable plans to purchase the team. Thus, on May 11, 2010, Council authorized an agreement with the NHL to retain the team in Glendale for the 2010-11 season while city staff completed the necessary negotiations with potential new owners.

Recommendation

Have read in full before the ordinance authorizing and directing the execution and delivery of the leasehold interest within the Arena Lease and Management Agreement and, thereafter, adopt an ordinance with an emergency clause, authorizing and directing the execution and delivery of the ordinance with Arizona Hockey Arena Partners, LLC and Arizona Hockey Partners, LLC.



CITY OF GLENDALE

Council Communication

Business-Voting Agenda

06/08/2012

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Ed Beasley, City Manager

SUBJECT: [**ARENA LEASE AND MANAGEMENT AGREEMENT AND NONCOMPETITION AND NON-RELOCATION AGREEMENT WITH ARIZONA HOCKEY ARENA PARTNERS, LLC AND ARIZONA HOCKEY PARTNERS, LLC \(RESOLUTION\)**](#)

Purpose

This is a request for City Council to adopt a resolution authorizing the entering into of the following agreements with Arizona Hockey Arena Partners, LLC and Arizona Hockey Partners, LLC for the use of the city-owned Jobing.com Arena by the Phoenix Coyotes: (1) Arena Lease and Management Agreement and (2) Noncompetition and Non-Relocation Agreement.

Background

In 2001, the City of Glendale entered into an Arena Development Agreement, an Arena Management and Use Agreement (AMULA), and a Mixed-Use Development Agreement (MUDA) with Arena Management Group, LLC, Coyotes Hockey, LLC, Glendale 101 Development, LLC, and Coyote Center Development, LLC. The purpose of these actions was to create a high-quality major economic center in Glendale, consisting of offices, hotels, entertainment, retail and restaurants.

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Recommendation

Have read in full before the resolution authorizing and directing the execution and delivery of the following two agreements: (1) Arena Lease and Management Agreement; and (2) Noncompetition and Non-Relocation Agreement for management and use of the city-owned Jobing.com Arena by the Phoenix Coyotes and, thereafter, adopt a resolution authorizing and directing the execution and delivery of the following two agreements with Arizona Hockey Arena Partners, LLC and Arizona Hockey Partners, LLC: (1) Arena Lease and Management Agreement and (2) Noncompetition and Non-relocation Agreement.