

City of Glendale Council Workshop & Executive Session Agenda

October 30, 2012 – 1:30 p.m.

Workshop meetings are telecast live at 1:30 p.m. on the first and third Tuesday of the month. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.

Welcome!

We are glad you have chosen to attend this City Council workshop. We hope you enjoy listening to this informative discussion. At these “study” sessions, the Council has the opportunity to review and discuss important issues, staff projects and future Council meeting agenda items. Staff is present to answer Council questions.

Form of Government

Glendale follows a Council-Manager form of government. Legislative policy is set by the elected City 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 the six electoral districts and are elected by the voters of their respective districts (see map on back).

Workshop Schedule

Council workshops are held on the first and third Tuesday of each month at 1:30 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 W. Glendale Avenue, Room B-3, lower level. The exact dates of workshops are scheduled by the City Council at formal Council meetings. The workshop agenda is posted at least 24 hours in advance.

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.

Executive Session Schedule

Council may convene in “Executive Session” to receive legal advice and discuss land acquisitions, personnel issues, and appointments to boards and commissions. As provided by state statute, this session is closed to the public.

Questions or Comments

If you have any questions or comments about workshop agenda items or your city government, 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. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

Citizen Participation

The City Council does not take official action during workshop sessions. These meetings provide Council with an opportunity to hear a presentation by staff on topics that may come before Council at a voting meeting. There is no Citizen Comments portion on the workshop agenda.



**** 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 adminsitrador 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

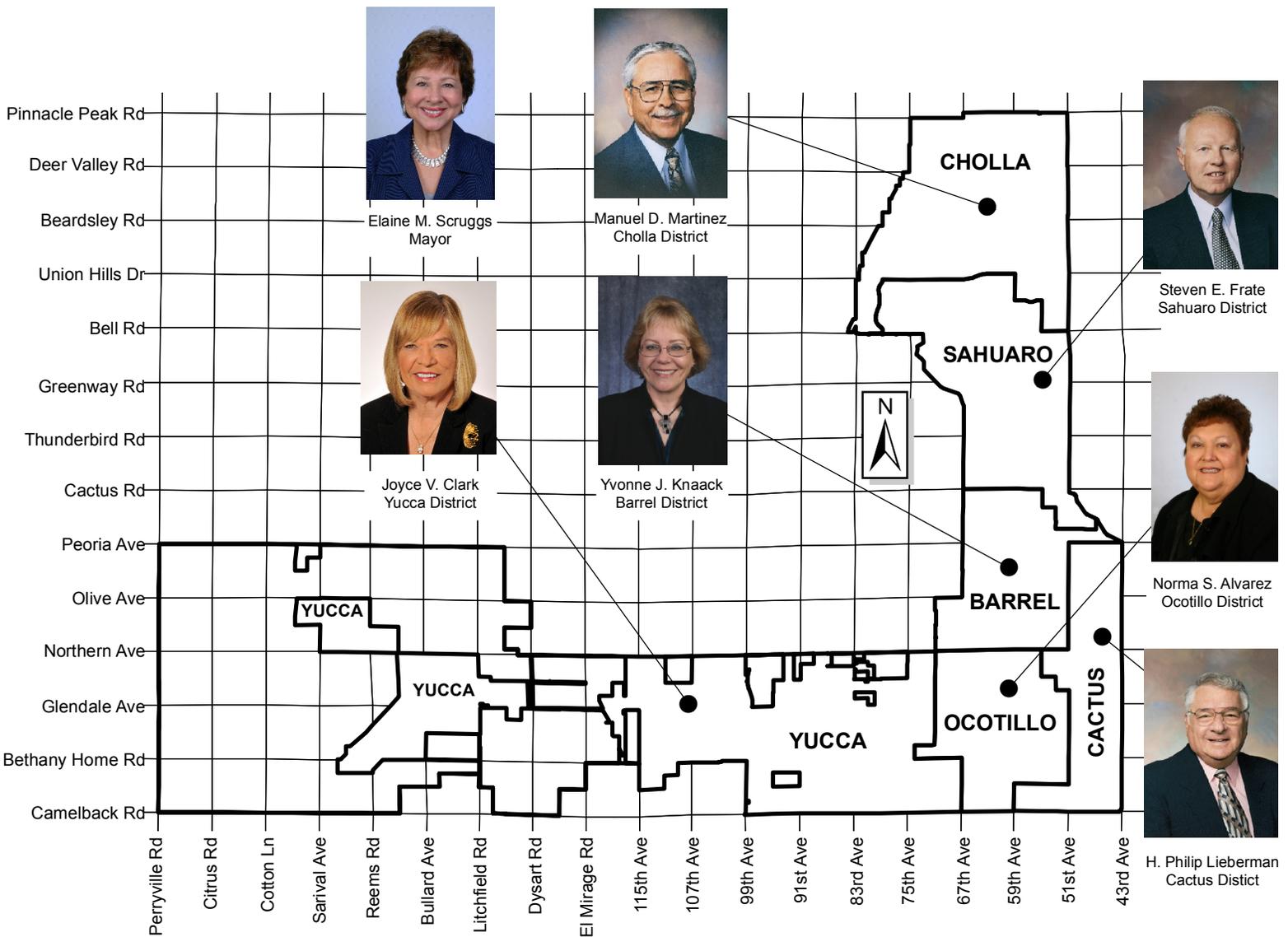
Vice Mayor Steven E. Frate - Sahuaro District

Appointed City Staff

Horatio Skeete – Acting City Manager
Craig Tindall – City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge



Council District Boundaries





GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers - Workshop Room
5850 West Glendale Avenue
October 30, 2012
1:30 p.m.

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

WORKSHOP SESSION

1. GLENDALE LIGHT RAIL TRANSIT OPTIONS

PRESENTED BY: Jamsheed Mehta, AICP, Interim Assistant City Manager
Steve Banta, Chief Executive Officer, Valley Metro
Wulf Grote, Director, Planning and Development, Valley Metro

2. FISCAL YEAR 2013-14 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING PRIORITIES

PRESENTED BY: Sam McAllen, Interim Executive Director, Neighborhood & Human Services
Gilbert Lopez, Revitalization Administrator
Richard Schwartz, Chair, Community Development Advisory Committee (CDAC)

3. MUNICIPAL PROPERTY CORPORATION AND WESTERN LOOP 101 PUBLIC FACILITIES CORPORATION DEBT REFINANCING

PRESENTED BY: Diane Goke, Chief Financial Officer
Nancy Feldman, Managing Director - Public Finance Credit Strategies, Wells Fargo

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

EXECUTIVE SESSION

1. LEGAL MATTERS

- A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))

2. LEGAL MATTERS – PROPERTY & CONTRACTS

- A. Discussion and consultation with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale's position in connection with agreements associated with the Arena and the Hockey Team, which are the subject of negotiations. (A.R.S. § 38-431.03(A)(3)(4)(7))

3. PERSONNEL MATTERS

- A. Various terms have expired on boards, commissions and other bodies. The City Council will be discussing appointments involving the following boards, commissions and other bodies. (A.R.S. § 38-431.03(A)(1))

1. Arts Commission
2. Audit Committee
3. Aviation Advisory Commission
4. Board of Adjustment
5. Citizens Bicycle Advisory Committee
6. Citizen Task Force on Water and Sewer
7. Citizens Transportation Oversight Commission
8. Commission on Neighborhoods
9. Commission on Persons with Disabilities
10. Community Development Advisory Committee
11. Glendale Municipal Property Corporation
12. Historic Preservation Commission
13. Industrial Development Authority
14. Judicial Selection Advisory Board
15. Library Advisory Board
16. Parks and Recreation Advisory Commission
17. Personnel Board
18. Planning Commission
19. Public Safety Personnel Retirement Board/Fire
20. Public Safety Personnel Retirement Board/Police
21. Risk Management/Workers Compensation Trust Fund Board
22. Western Loop101 Public Facilities Corporation

4. PERSONNEL/LEGAL ADVICE

- A. The City Council will meet to discuss the pending extended absence of a city judge and the ordinance pertaining to judicial salaries. (A.R.S. § 38-431.03(A)(1)(3))

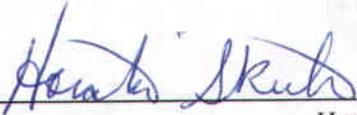
Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (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)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Horatio Skeete
Acting City Manager



CITY COUNCIL REPORT

Meeting Date: **10/30/2012**
Meeting Type: **Workshop**
Title: **GLENDALE LIGHT RAIL TRANSIT OPTIONS**
Staff Contact: **Jamsheed Mehta, AICP, Interim Assistant City Manager**

Purpose and Policy Guidance

Valley Metro Light Rail (METRO), in cooperation with the cities of Phoenix and Glendale, has completed a study of alternative light rail transit (LRT) corridors along Glendale Avenue (from 19th Avenue to Westgate) and along Loop 101 (from I-10 to Westgate). The study found that both corridors have merit; however, the Loop 101 corridor is a longer-term concept. It is recommended by METRO staff that the voter-approved light rail corridor from 19th Avenue to downtown Glendale be the first priority for Glendale light rail, and that the Loop 101 corridor be supported as a longer-term concept.

Staff is seeking guidance from Council to consider the study's recommendations and to endorse proceeding to the next step, which is to conduct an Alternatives Analysis for the Downtown Glendale Corridor. The purpose of the Alternatives Analysis is to develop a Locally Preferred Alternative that identifies a high-capacity transit system best suited for the corridor.

Background Summary

In 2001, Glendale voters approved funds for a Light Rail Corridor from 43rd Avenue to downtown Glendale. In 2004, regional voters approved funding for a Glendale Light Rail/High-Capacity Corridor extending from 19th Avenue to downtown Glendale.

Previous Related Council Action

In December 2008, the Glendale City Council, in workshop session, considered alternatives to the Glendale Corridor. The majority indicated direction for staff to begin working with the City of Phoenix to determine the Phoenix level of support for the I-10/Loop 101 Westgate light rail alignment or other possibilities.

Community Benefit/Public Involvement

Light rail provides a variety of community benefits, including transit options, environmental benefits and is a catalyst for economic redevelopment. The Alternatives Analysis will further define potential community benefits for the Glendale Avenue corridor.



CITY COUNCIL REPORT

The Alternatives Analysis process includes a public involvement component. Public input will be used to support the selection and implementation of a Locally Preferred Alternative through participation of citizens, businesses and community leaders. The community involvement required as part of the federal process will ensure that community concerns and issues are identified early and addressed in the planning, engineering, environmental, economic and financial efforts of the project.

Budget and Financial Impacts

It is anticipated that the Alternatives Analysis, which is the next step in the federal transit process, will be funded with 100% regional funding and will not impact the current Glendale budget.

Capital Expense? Yes No

Budgeted? Yes No

Requesting Budget or Appropriation Transfer? Yes No

If yes, where will the transfer be taken from?

Attachments

Staff Report



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Jamsheed Mehta, AICP, Interim Assistant City Manager**
Item Title: **GLENDALE LIGHT RAIL TRANSIT OPTIONS**
Requested Council Meeting Date: **10/30/2012**
Meeting Type: **Workshop**

PURPOSE

This report presents the results of a Valley Metro Light Rail (METRO) study, completed in cooperation with the cities of Phoenix and Glendale, which analyzes and compares two alternative light rail transit (LRT) corridors in Glendale. The purpose of this report is to request the City Manager forward this item to the City Council to consider the report's recommendations and to endorse proceeding to the next step, which is to complete an Alternatives Analysis for the Downtown Glendale Corridor.

Once the Alternatives Analysis is completed, it is anticipated that both the Glendale and Phoenix City Councils will formally accept the results. There will be additional opportunities to update the Council during the Analysis process.

BACKGROUND

In 2001, the voters of Glendale approved matching funds for a Light Rail Corridor from 43rd Avenue to downtown Glendale. The width of the corridor is between Northern Avenue and Bethany Home Road and it was noted that LRT in Glendale "will be based on arterial streets but will not be located on Glendale Avenue." In 2004, voters approved a regional transportation plan, which included funding for a Glendale Light Rail/High-Capacity Corridor extending from 19th Avenue to downtown Glendale. Funding for the project includes a combination of local, regional and federal sources. The most recent regional Transit Life Cycle program, approved by the METRO Board, includes funding to complete a high-capacity transit corridor in Glendale by 2026. The total cost for a five-mile corridor is estimated at \$550.7 million, of which Glendale's portion of the construction cost is approximately 13%, or \$70 million.

At the December 2, 2008 Workshop, Council considered alternatives to the Glendale Corridor, including a route on I-10/Loop 101 to Westgate. Council directed staff to begin working with the City of Phoenix to determine the Phoenix level of support for the I-10/Loop 101 Westgate light rail alignment or other possibilities.



STAFF REPORT

ANALYSIS

METRO, using 100% federal funding, hired a consultant to analyze the Glendale high-capacity transit corridors. The analysis was reviewed by staff from the City of Phoenix, the City of Glendale, Maricopa Association of Governments and METRO. The final report is entitled *Glendale High-Capacity Transit Corridor Alternatives Analysis Phase I*, and compares the two following corridors:

- Downtown Glendale Corridor: 19th Avenue to downtown Glendale. This analysis was based on an alignment along Glendale Avenue.
- Loop 101 Corridor: Various alignments were considered from 79th Avenue and I-10 along I-10 and Loop 101 to Glendale Avenue.

Evaluation criteria included boardings, travel times, access, capital and operating costs, cost per boarding, community/property impacts, potential for economic development and ability to implement. This analysis found the following:

Advantages to the Downtown Glendale Corridor

- Best candidate to qualify for federal funding
- Supports redevelopment
- Serves well-established transit markets
- Highest boardings
- Most cost-effective
- Approved in local and regional plans

Advantages to the Loop 101 Corridor

- Fastest travel times to central Phoenix if located adjacent to the freeway
- Supports new development in an emerging regional activity center
- Opportunity to serve commuters and major sporting/entertainment events

METRO staff concluded that both corridors have merit, but the Glendale Avenue corridor is determined to be the most feasible candidate for federal funding and is recommended for advancement to the next phase of an Alternatives Analysis. This conclusion is based on two primary considerations:

- High near-term ridership potential based on the existing population levels and characteristics in the corridor
- Inclusion in the fiscally constrained Regional Transit Plan

Also, it is recommended that the study area for subsequent Alternatives Analysis be broad enough to consider opportunities for future connections west of downtown Glendale. It is further recommended that the north-south connection between 79th Avenue and I-10, and the extension



STAFF REPORT

of the Glendale Avenue Corridor to Loop 101 be included as illustrative corridors in future regional planning efforts.

The next step in the process is to complete an Alternatives Analysis for the Downtown Glendale Corridor. This will give a better understanding of corridor issues, opportunities and prospects for federal funding. This Alternatives Analysis does not commit the city to build a light rail line; it is just another step in the process to determine the best corridor. It is also a step to help secure federal funding. The City Councils of both Glendale and Phoenix will be provided project updates during the Alternatives Analysis process. Final approval of the Locally Preferred Alternative will be determined by the Phoenix and Glendale City Councils.

FISCAL IMPACTS

It is anticipated that the Alternatives Analysis for the Downtown Glendale Corridor will be funded with 100% regional funding and will not impact the current Glendale budget.



CITY COUNCIL REPORT

Meeting Date: **10/30/2012**
Meeting Type: **Workshop**
Title: **FISCAL YEAR 2013-14 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING PRIORITIES**
Staff Contact: **Sam McAllen, Interim Executive Director, Neighborhood & Human Services
Gilbert Lopez, Revitalization Administrator**

Purpose and Policy Guidance

Staff is seeking guidance on the funding priorities for the FY 2013-14 Community Development Block Grant and other programs, as the Community Development Advisory Committee (CDAC) begins its annual grants process to formulate funding recommendations to the City Council.

Background Summary

The City of Glendale receives annual allocations of federal funds from the U.S. Department of Housing and Urban Development (HUD), to address critical community needs. These include the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME) program, and the Emergency Solutions Grants (ESG) program. These funds currently total over \$2.58 million and must be used for community development activities that provide quality housing, fund critical infrastructure improvements, address blighting conditions, and provide a wide variety of public services. These programs assist low-to-moderate income citizens or fund projects that address identified needs in low-to-moderate income areas within our community.

To assist the city in allocating these funds, Council established the CDAC to consider all grant applications and formulate funding recommendations. The CDAC annually reviews over 52 applications from non-profits, city departments, and other government agencies, in formulating their recommendations.

Previous Related Council Action

In September of 2010, Mayor and Council provided the CDAC Chair with direction on funding priorities based on the economic challenges facing our citizens.

Based on the continued economic challenges facing our community, the CDAC has relied on the same funding priorities, which are as follows:

- Keeping people in their homes
- Keeping neighborhoods stabilized



CITY COUNCIL REPORT

- Providing emergency home repairs
- Assistance with core needs such as food, utilities, and shelter

Past priorities that are relevant and support the above priorities include:

- Housing rehabilitation programs
- Programs that prevent homelessness
- Clearance and demolition of blighting conditions
- Programs or projects that help revitalization efforts throughout Glendale, with an emphasis in the Centerline/Redevelopment Area

Community Benefit/Public Involvement

These programs help the city address urgent needs in the community by conducting an extensive public input process that identifies needs and helps prioritize resources.

In June of 2010, after an extensive public process, Council approved the city's Five-Year Consolidated Plan. This strategic plan identifies objectives that are achieved through targeted efforts utilizing federal funds, and other leveraged resources, over the five-year planning period.

The CDAC annually conducts public hearings to hear applicant presentations and to ask questions about their proposals. This is followed by a 30 day public comment period, to allow the public an opportunity to review the funding recommendations and comment before Council takes formal action.

Attachments

Staff Report



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
Sam McAllen, Interim Executive Director, Neighborhood & Human Services

From: **Gilbert Lopez, Revitalization Administrator**

Item Title: **FISCAL YEAR 2013-14 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING PRIORITIES**

Requested Council Meeting Date: **10/30/2012**

Meeting Type: **Workshop**

PURPOSE

This is a request for City Council to review the Community Development Block Grant and other related funding priorities for FY 2013-14, and to provide feedback to staff and members of the Community Development Advisory Committee (CDAC).

BACKGROUND

The City of Glendale receives annual allocations of federal funds from the U.S. Department of Housing and Urban Development (HUD), to address critical community needs. These include the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME) program, and the Emergency Solutions Grants (ESG) program. These funds currently total over \$2.58 million and must be used for community development activities that provide quality housing and expand economic opportunities, primarily for low-to-moderate income citizens or low-to-moderate income areas within our community. To assist the city in allocating these funds, Council established the CDAC to consider all grant applications and formulate funding recommendations.

In order to receive these funds, entitlement communities are required to undertake a public process to solicit public input and formulate the city's Five-Year Consolidated Plan and Annual Action Plan. This is a community-based strategic plan identifying housing and community development priorities, goals, and strategies for Glendale residents. In general terms, it outlines what can be funded and guides the allocation process throughout the life of the plan. The plan is designed to work with and complement other approved plans, such as the city's General Plan, the Centerline Initiative and the Strategic Housing Plan. Council has also provided additional guidance to the CDAC to help focus on specific priorities within the broad scope of the Five-Year Consolidated Plan.

In September of 2010, Mayor and Council provided the CDAC chair with direction on funding priorities based on the economic challenges facing our citizens. Based on the current calls for assistance and existing economic situation throughout Arizona, the critical needs established last year as priorities will help CDAC direct services to help our citizens address some of the most pressing challenges they currently face.

In keeping with previous Council direction, the CDAC used the same funding priorities established by Mayor and Council for the previous CDBG/HOME funding cycle. These priorities are as follows:

- Keeping people in their homes
- Keeping neighborhoods stabilized
- Providing emergency home repairs
- Assistance with core needs such as food, utilities, and shelter

Past priorities that are relevant and support the above priorities include:

- Housing rehabilitation programs
- Programs that prevent homelessness
- Clearance and demolition of blighting conditions
- Programs or projects that help revitalization efforts throughout Glendale, with an emphasis in the Centerline/redevelopment area

ANALYSIS

These federal funds are provided to allow entitlement cities the ability to meet community needs in a wide variety of areas. The program regulations help direct the use of funds, which target families and individuals who are low-to-moderate income. The program has some built-in parameters that allow a percentage of the funds to be used to address specific needs. The most competitive area is under the category of public services, where the funding is limited to 15% of the CDBG grant. This category includes after school programs, food boxes, legal services, domestic violence assistance, etc.

There are two options available with regards to the existing priorities. The first is to make some adjustments to the priorities that reflect changes in Council direction and priorities within the funding parameters of the programs. The second option is to keep the priorities as they currently exist, recognizing that current economic conditions still warrant the focus on core needs and keeping families in their homes.

Staff has been reviewing calls for service provided by Community Information and Referral Service and other available economic data, to support our assumptions. Because of the existing and ongoing economic challenges, the needs of the people served have increased. The most pressure seems to be in the area of basic needs. For example, items such as food and shelter are in high demand. The number of individuals served by the St. Mary's Emergency Food Box Program climbed from 13,295 individuals served in FY 2010-11 to 27,086 individuals served in FY 2011-12; an increase of over 100%. Calls to the Community Information and Referral CONTACTS shelter hotline increased from 2,727 to 3,255 during the same timeframe. Because these priorities were based on the current economic climate, staff recommends that CDAC continue to utilize them as a guide to formulate their funding recommendations to Council.

The CDAC will be receiving their binders with all the grant applications for review in mid-November and will conduct their public hearings in January. This will allow the grant applicants the opportunity to present to the committee and answer questions.

FISCAL IMPACTS

The federal HUD funds are received by Glendale as an entitlement and are budgeted annually through the city's budget process. The amount the city receives is based on the amount of congressional funding allocated and a formula that HUD applies using a variety of factors that include population, housing conditions, and others such as foreclosure rates. The city does provide some General Fund match in the form of direct funding and some salary funding. The city allocates \$25,000 annually to help match and leverage federal HOME funds, which is the only source of funding for new construction. Non-profit agencies provide their own match when utilizing HOME funds.

Last year, Glendale expended over \$2.5 million in federal grant funding to help more than 40,000 people access public service programs, such as the provision of food/meals, homeless prevention and shelter, as well as programs for seniors, youth, domestic violence victims, and other services to those in need. Physical improvement projects are the "bricks and mortar" part of the program and provide funding for a variety of projects that help revitalize the downtown by replacing infrastructure and removing blighted structures. Over 200 Glendale households were assisted through programs that provide emergency repairs and housing rehabilitation, which provide much needed repairs to roofs, heating and cooling systems, electrical and plumbing components, and other critical needs.



CITY COUNCIL REPORT

Meeting Date: **10/30/2012**
Meeting Type: **Workshop**
Title: **MUNICIPAL PROPERTY CORPORATION AND WESTERN LOOP 101 PUBLIC FACILITIES CORPORATION DEBT REFINANCING**
Staff Contact: **Diane Goke, Chief Financial Officer**

Purpose and Policy Guidance

As part of the city's efforts to refinance existing debt for interest savings, staff has identified outstanding bonds which may be refinanced to achieve short-term and long-term debt service savings goals. The bonds to be refinanced were issued by the Municipal Property Corporation (MPC) and Western Loop 101 Public Facilities Corporation (PFC) of the city. This presentation will outline the bonds to be refinanced, along with the anticipated savings to the city. The proposed refunding will not extend the repayment term of the existing debt. No new capital projects are included in this proposal.

Staff is seeking Council direction to move forward with the MPC and PFC debt refinancing.

Background Summary

Municipalities routinely utilize excise tax bonds in order to finance projects and facilities for their communities. The City of Glendale has used MPC excise tax bonds to finance many Council-approved projects including: City Hall, Glendale Regional Public Safety Training Facility, Jobing.com Arena, the conference and media center, and the parking garage at Westgate City Center. In addition, the city has issued PFC excise tax bonds for Camelback Ranch Stadium. The total amount of outstanding MPC debt is \$273 million and the total amount of outstanding PFC debt is \$199 million. In its Debt Management Plan, the city has outlined conditions for the consideration of refinancing outstanding bonds.

Community Benefit/Public Involvement

The existing MPC and PFC bonds are paid from excise tax revenues that accrue to the city's General Fund. The refinancing of the existing obligations is expected to produce significant cash flow benefits to the General Fund over the life of the transaction. Revenues not expended on debt service payments may be used to fund city operations at the direction of the Council.



CITY COUNCIL REPORT

Budget and Financial Impacts

It is estimated that the net present value savings to the city from the refinancing of outstanding MPC and PFC bonds will exceed \$28 million over the life of the bonds.

Attachments

Staff Report



STAFF REPORT

To: **Horatio Skeete, Acting City Manager**
From: **Diane Goke, Chief Financial Officer**
Item Title: **MUNICIPAL PROPERTY CORPORATION AND WESTERN LOOP 101
PUBLIC FACILITIES CORPORATION DEBT REFINANCING**
Requested Council Meeting Date: **10/30/2012**
Meeting Type: **Workshop**

PURPOSE

This report contains information about the refinancing of a portion of the debt related to the Municipal Property Corporation (MPC), and the Western Loop 101 Public Facilities Corporation (PFC).

BACKGROUND

Municipalities routinely utilize excise tax bonds in order to finance projects and facilities for their communities. The City of Glendale has used MPC excise tax bonds to finance many Council-approved projects including: City Hall, Glendale Regional Public Safety Training Facility, Jobing.com Arena, the conference and media center, and the parking garage at Westgate City Center. In addition, the city has issued PFC excise tax bonds for Camelback Ranch Stadium. The total amount of outstanding MPC debt is \$273 million, and the total amount of outstanding PFC debt is \$199 million.

ANALYSIS

The Financial Services Department, along with the city's financial advisors and bond counsel, are continuously analyzing the debt of the organization and identifying refinancing/refunding opportunities that are fiscally prudent for Council consideration. The proposed refinancing meets and/or exceeds the criteria outlined in the City's Debt Management Plan.

The MPC has issued several bonds over the last ten years for several projects. The bonds being proposed for refinancing include all or portions of the 2003 bonds issued to finance the Jobing.com Arena, the 2004 bonds issued to refinance outstanding City of Glendale special improvement district bonds, the 2006 bonds issued to finance the public safety training facility and improvements around Zanjero, and the 2008 bonds issued to finance the expo center, media center, and parking garage at Westgate. The bonds were issued over a multi-year period and currently bear interest at an average of 5.1%. Current market rates are estimated at 4.1%. It is recommended that the city refinance these bonds for interest savings.



STAFF REPORT

The PFC issued excise tax bonds in October, 2008, in the amount of \$199.8 million to fund the construction of the Camelback Ranch Glendale, the spring training home of the Los Angeles Dodgers and the Chicago White Sox. The bonds carry an average interest rate of 6.6% and mature over the next 26 years. Current market rates are estimated at 4.5% for these bonds. It is recommended to refinance all of these bonds for interest savings.

The proposed refinancing of the existing debt will not extend the life of the debt beyond the term currently in place.

FISCAL IMPACTS

Upon Council approval, it is estimated that the net present value savings will be exceed \$28 million. In addition, there is an expected cash flow savings to the General Fund of approximately \$35 million over the next five years.