

**MINUTES OF THE  
MUNICIPAL PROPERTY CORPORATION SPECIAL MEETING  
CONFERENCE ROOM B-2  
DECEMBER 13, 2010  
1:00 p.m.**

**Item 1 – Call to Order**

At 1:00 p.m. the Municipal Property Corporation (MPC) board of director's special meeting was called to order by Leland Peterson, President of the MPC. There was a quorum with the following additional board members present: Roger Schwierjohn, Ron Cantrell, and Donald Knafels. One member was absent: Art Dobbelaere.

Also present were Horatio Skeete, Assistant City Manager; John Overdorff, Bond Counsel, Greenberg Traurig, LLP; Art Lynch, Consultant, SRJ Government Consultants, LLC; Craig Tindall, City Attorney; Deborah Robberson, Deputy City Attorney; Julie Frisoni, Marketing Communications Director; Susan Matousek, Revenue Administrator; and Mary Willmon, Office Support Supervisor.

**Item 2 – Administer Oath of Office and Election of Officers**

Mr. Peterson administered the Oath of Office to Roger Schwierjohn and Donald Knafels. Mr. Peterson also distributed the single-page "City of Glendale Boards and Commissions Loyalty Oath" to the remaining members. Oaths were signed and returned for filing with the City Council office.

It was moved by Mr. Schwierjohn, and seconded by Mr. Cantrell, to reinstate Mr. Peterson as chairman and president. Motion carried unanimously.

It was moved by Mr. Cantrell, and seconded by Mr. Knafels, to reinstate Mr. Dobbelaere as vice president and secretary, subject to Mr. Dobbelaere's acceptance; and Mr. Schwierjohn's reinstatement as treasurer. Motion carried unanimously.

**Item 3 – Municipal Financing**

Horatio Skeete presented information to board members regarding the resolution to authorize the issuance of up to \$125 million excise tax revenue bonds.

- Two elements that are not within the city's control were:
  - The price of the team which was set by the NHL at \$170 million; and,
  - The actions of the previous owner who lead the team into bankruptcy, which created a negative impact on arena profitability.
- Terms of lease – 30 years – maximum maturity 2041
- City will purchase parking rights and revenues from the team for \$100 million payable at closing tentatively scheduled for December 31, 2010.
- City will pay to operate the parking and receive all parking revenues.
- Parking revenue bonds will be issued with the backing of sales tax on a subordinate basis to the Senior MPC Bonds (to cover the gap and until we have a parking revenue history).

- Team will manage the arena starting with a 5-year contract. Payment for managing the arena will be:
  - \$10 million for the rest of this year
  - \$20 million for the next two years
  - \$17 million for third year
  - \$15 million for fourth and fifth years
- If the consolidated team and arena management show a profit, then the city will share in that profit.
- Capital expenditures in the first 5 years will be according to the current renewal and replacement schedule.
  - If extra-ordinary expenditures are needed, team will pay and be reimbursed later.
- All current revenues items from the arena will continue to come to the city as scheduled.
  - Surcharge per qualifying ticket
  - Base rent \$42,000 per month
  - Arena recovery fee per old agreement
- Should the city try to sell the arena, the team has the right of first refusal.
- At any time after the 5<sup>th</sup> year, the team has an option to buy the arena for market value amount of the outstanding bonds or \$130 million.
- At the end of the lease, the city has a “put” on the arena of \$40 million and parking rights.
- This agreement will not impact the current revenue streams dedicated towards the original arena debt.
- The agreement positions us to host the NHL All Star Game in 2013 with an estimated additional economic impact of \$10-30 million to the region.
- The economic value of the arena to the City is estimated to be in excess of \$500 million over the next 25 years.
- City and regional economic impact of the team:
  - 750 jobs in Maricopa County, \$20 million in wages and \$4.5 million in indirect business taxes for Glendale, the county, and the state.

Page 11 of the resolution was updated with Section 20 and replaced by John Overdorff. Art Lynch, Mr. Skeete, and Mr. Overdorff answered questions from board members.

Mr. Peterson stated that the documents noted in the resolution were not presented to the members. Mr. Overdorff explained that the underlying structure is the same as all the previous MPC bonds; the resolution states they will be substantially in the form used in the 2008 MPC Bonds; and this is what binds everything together.

Mr. Overdorff will make the minor administrative corrections to the resolution as discussed.

It was moved by Mr. Schwierjohn, and seconded by Mr. Cantrell, to approve the resolution with the material presented on the table today. Motion carried unanimously.

#### **Item 4 – Adjournment**

There being no further business, the meeting was adjourned at 2:16 p.m.  
Mary Willmon - Office Support Supervisor