WALKER
PARKING CONSULTANTS

PARKING SYSTEM MARKET AND
FINANCIAL ANALYSIS

JOBING.COM ARENA

GLENDALE, ARIZONA

Prepared for:
City of Glendale, AZ

November 2, 2010

Jobing.com ARENA
GLENDALE • ARIZONA

FINAL REPORT

WALKER PARKING CONSULTANTS

WALKER PARKING CONSULTANTS
5350 S. Roslyn Street, Suite 220
Greenwood Village, CO 80111

Voice: 303.694.6622
Fax: 303.694.6667
www.walkerparking.com

November 2, 2010

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

Re: *Parking System Market and Financial Analysis*
Jobing.Com Arena
Glendale, Arizona

Dear Mr. Beasley:

Walker Parking Consultants is pleased to submit the following *Parking System Market and Financial Analysis* for the Jobing.com Arena. This report contains our independent review of the existing parking system, the plan to implement pay parking, and the potential net operating income that may be generated from future parking revenues. Conclusions reached in this analysis are based on various assumptions. These assumptions and their limitations are presented in the attached report.

Once again, we appreciate the opportunity to be of service to you and the City of Glendale.

Sincerely,

WALKER PARKING CONSULTANTS

Jeremiah J. Simpson
Parking Consultant

John W. Dorsett, AICP, CPP
Senior Vice President

Enclosure

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EXECUTIVE SUMMARY

The City of Glendale recently hired Walker Parking Consultants to complete a *Parking System Market and Financial Analysis* for the Jobing.com Arena parking system. The official parking system for this study is defined as the 9,714 spaces located in the existing Arena parking lots, plus the existing Westgate City Center parking lots (see Figure 2, page 5). The Renaissance Hotel garage is not included in the official Arena parking System. Though the hotel garage is currently used for some event parking, it is considered a separate (and competing) entity for this analysis.

Before the end of the year, the City or parking management group intends to implement a pay parking program for the Arena parking System, beginning December 1, 2010. The managing entity for this pay parking program could be the City or an entity created by or contracted with the City. Once operational, parking revenues would be collected for all Arena events, with free parking available on days when no events were held at the Arena.

It is envisioned that the first two years of operations would consist of a "cigar box" operating plan which includes only staffing and cash collections. By September 2012, the "cigar box" operations would be replaced with a fully integrated Parking Access and Revenue Control System consisting of handheld units, vehicular counters at each lot entrance, a computerized accounting and management system, and wireless data communications. Arena patrons would then be able to pay for parking using cash, credit, or debit, and would also have the option of purchasing parking on-line.

Future parking operations at the Arena are expected to generate several million dollars per year in operating income. These revenues will be used to cover parking system operating expenses including labor, supplies, and debt service on any equipment purchased. The primary objective of this study is to project possible parking rates, possible operating income (based on those rates), and possible operating expenses. This study is also intended to evaluate possible risks to the System by evaluating other local and regional market factors. The overall work process for creating our financial analysis is shown on the right.

Summary Figure A: Summary of the Work Process

Source: Walker Parking Consultants, 2010

In addition to daily operations, the net revenues from the Arena parking System may be used (at some point) to secure financing to potentially purchase parking management rights from a future Arena owner. At this time, the details of this financing agreement are still being determined by the City and other

parties. The potential financing entity, structure, terms, and tax status of any sort of financing agreement are unknown. Based on conversations with the City, Walker understands that parking revenues from the Arena System may also be used to help secure financing, if a financing deal is pursued. Walker understands that this report may be included in an Official Statement (OS) to prospective investors. Walker's projection of parking System revenues is based on the information and assumptions available at the time of this report.

Various sections of this document are intended to address each piece of the work process shown on the previous page. Future demand for Arena parking (and corresponding parking revenues) is based heavily on future event projections provided to Walker by Convention Sports and Leisure (CSL) International. CSL is an outside consultant specializing in Arenas and other similar venues and was retained to study the Jobing.com Arena by one of the private groups seeking to purchase the Coyotes franchise. Other assumptions were provided for this report by the City of Glendale and other Sports & Entertainment District partners.

Parking rates for the new pay parking program have been recommended by Walker based on a review of the local market conditions, parking rates charged at other similar NHL venues, and rates charged in downtown Phoenix. The recent performance of the Coyotes hockey team was also taken into consideration for this discussion. (See page 55 of this report).

Other assumptions used in this analysis are presented throughout each section. We encourage the client and prospective investors to read each section of this report as the Executive Summary contains only a limited discussion of all the components that went into projecting the net parking revenues.

Projected Net Operating Income (Arena Parking System)

The following figure provides a breakdown of the net operating income projected for the Arena parking system for the first ten years. Two scenarios were evaluated for this report. The first "Base" scenario assumes that the Arena increases both attendance and total number of event dates over the next five years, per the assumptions provided by CSL International. The "Stagnant" scenario assumes that CSL-projected Coyote attendance for the 2010/2011 season remains flat throughout the projection period with other event types increasing as anticipated. This second scenario is shown to illustrate the importance of growth in Coyotes' attendance.

Summary Figure B: Projected Arena Parking System NOI

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Base Model [1]:	$ 2,156,000	$ 2,412,500	$ 3,280,300	$ 3,692,800	$ 3,810,200	$ 3,931,000	$ 4,055,700	$ 4,403,900	$ 4,536,000	$ 4,672,100
Stagnant Model [2]:	$ 2,156,000	$ 2,259,200	$ 2,889,200	$ 3,088,600	$ 3,187,700	$ 3,289,900	$ 3,395,300	$ 3,723,800	$ 3,835,400	$ 3,950,500

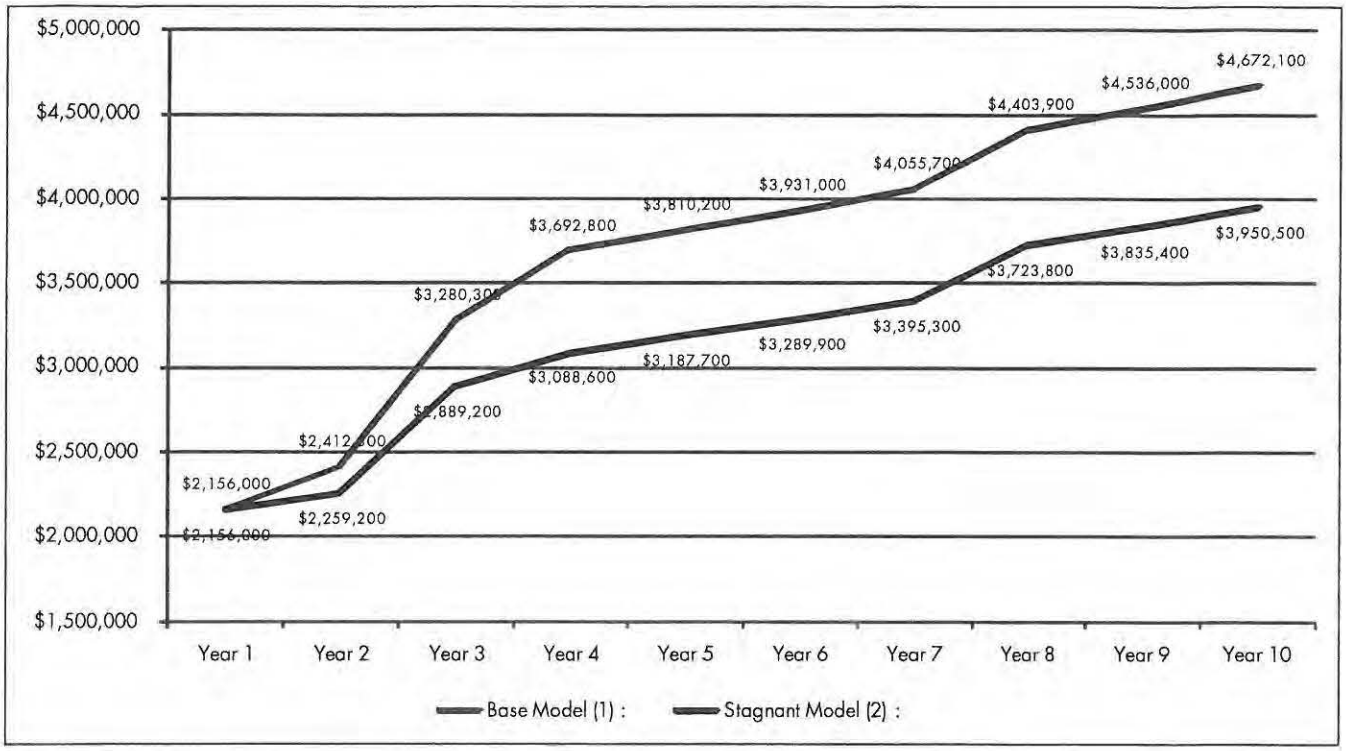
1. Base model using CSL International event projections. Rate schedule at $10/$13 for first two years and at $12/$15 starting in Year 3.
2. Stagnant model using CSL International event projections; but assuming Arena events do not recover from Year 1 projected attn levels. Rate schedule the same as base.
- Both scenarios assume the following: some revenue loss in yrs 1-2 for "cigar box" operations; payback of PARCS equipment in Years 3-8 (@ ~$220K/yr); some revenue loss to competing Hotel Garage.

Source: Walker Parking Consultants, 2010

The summary figure below shows the two net operating income projections in a side-by-side comparison. Please see the discussion under the "Financial Projections" section of this report (page 60) for further discussion on the assumptions - the net operating income is based on a number of variables including the projected ramp-

up in Arena events and attendance, the initial rates (Years 1-2) versus the stabilized rates (Years 3 - 25), and the amortization of the parking equipment in Years 3 through 8.

Summary Figure C: 10-Year Projected Arena Parking System NOI



Source: Walker Parking Consultants, 2010

The average annual projected net operating income ("NOI") for the first 10 years for the two scenarios is as follows:

- Base Model Average NOI for Years 1-10 = $3,695,050
- Stagnant Model Average NOI for Years 1-10 = $3,177,560

If the Coyotes and the Arena do increase attendance (based on CSL projections), than Walker anticipates that parking revenues will be closer to the base model scenario. The Stagnant model is shown mostly for the purposes of comparison.

On the other hand, if the Coyotes do not remain as the primary tenant at Jobing.com and the team is moved to another city, than parking revenues would likely decrease by as much as 60%.

The future performance of the Coyotes and the impact of the recent bankruptcy are identified in this report as the biggest potential risk factor to overall parking system performance.

Longer range projections for the System NOI can be seen in Appendix E.

INTRODUCTION

SUMMARY OF REPORT OBJECTIVES

Walker Parking Consultants ("Walker") has been hired by the City of Glendale (the "City") to complete a comprehensive financial analysis for the parking system for the Jobing.com Arena (the "Arena"). Currently, parking for the Arena is operated free of charge for event patrons.[1] However, it is the City's desire to institute a pay parking program for Arena lots beginning on or around December 1, 2010. Pay parking is the industry standard for most similar event venues and offers a number of advantages including the following:

- Better traffic and parking management controls;
- Potentially, a higher level of service for Arena patrons;
- Reduction in the amount of vehicular traffic to the site (due to carpooling and/or alternative transit use); and
- An added revenue stream for the venue ownership or future management group.

The Arena parking system could be managed and operated by the City, or by an entity created by or contracted with by the City.

Based on conversations with the City, Walker understands that parking revenues from the Arena System may also at some point be used to help secure financing in order to (outright) purchase the parking management rights from a future potential Arena owner. The final details of this arrangement are still being determined; the financing entity along with terms, structure, tax status, and other possible revenue streams are unknown. If a financing deal is pursued, Walker understands that this report may be included in an Official Statement ("OS") to prospective investors to demonstrate potential net revenues generated from the Arena parking System.

Regardless of the financing agreement, the primary objective of this report is to project the Arena parking system income and expenses. The following is a list of other main objectives of this analysis:

- Define the parking system being used to secure financing;
- Report on existing market conditions and highlight possible economic threats to the parking system performance;
- Evaluate the future event projections for the Arena;
- Evaluate the ability of the parking system to capture event parking revenues; and
- Provide 25-year projections of possible parking system revenues and operating expenses.

Walker's full scope of work for this project is included as Appendix A.

[1] The adjacent Renaissance Hotel garage does charge for parking. However, that garage is not specifically marketed for Arena patrons. Free parking currently exists in all other Arena surface lots. A facilities surcharge is also included in the price of event tickets at Jobing.com, though this charge is not designated or intended as a parking charge.

LIMITATIONS OF LIABILITY

Due to the risks assumed by Walker for this type of financial study, the following are assumed for this report:

1. Walker understands that this document may be shared with third parties (as part of the securities offering document); however, per Walker's agreement with the City, any third party usage will be at their (the third-parties') and the City's sole risk. Walker assumes no third party liability for this project.
2. This analysis is based heavily on materials and assumptions provided by the City, Convention Sports and Leisure International (CSL International), SRI Government Consultants, and the Glendale Sports & Entertainment District Partners. Walker assumes no liability for inaccurate information that is reported to us.
3. Walker's analysis assumes that the Arena is operated successfully with long-term commitments from the new Arena ownership, 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. One section of this report is devoted to assessing the risk that Arena events will not meet performance expectations.
4. Other terms and conditions will apply to this report per excerpts of our engagement letter which are included in Appendix A.

BACKGROUND

Jobing.com Arena is a multi-use sports and entertainment event venue located in Glendale Arizona off the Loop 101 Freeway at either W. Glendale Ave. or W. Maryland Ave. The Arena is located across the street from the University of Phoenix Stadium (the "Stadium"), home of the Arizona Cardinals, a franchise of the National Football League ("NFL"), and the Tostitos Fiesta Bowl. Figure 1 to the right shows the Arena and surrounding uses.

Figure 1: The Arena and Adjacent Land Uses

Source: City of Glendale, AZ

Construction on the Arena was completed in 2003 at a total cost of roughly $180 million. The Arena was originally home to the Phoenix Coyotes of the National Hockey League ("NHL") and also the - now defunct - Arizona Sting of the National Lacrosse League ("NLL").

For hockey, the Arena seats 17,125 including 3,075 club seats and 88 luxury suites. The Arena also hosts a number other non-hockey events each year including concerts, rodeo, boxing, and mixed martial arts. Seating capacity for these events can vary from roughly 7,600 to over 20,100 attendees. The total number of annual events in recent years has been roughly 100.

The Arena is part of a larger mixed-use project called the Westgate City Center ("Westgate"). Both projects are part of an even larger planning area called the Glendale Sports & Entertainment District.

The mixed-use Westgate project is envisioned as a major retail/entertainment hub for the region and has a total planned square footage of over 8.5 million square feet. To date, Phase 1 of the Westgate project has been constructed and currently includes roughly 614,000 square feet. Directly adjacent completed projects include loft and condo housing, restaurants, hotels, a conference center and media expo hall that total an additional 1,608,000 square feet.

Westgate is located just north of the Arena itself and is connected to the venue with pedestrian friendly elements to encourage cross-over business between the two. In terms of parking, there is some shared use (currently) of the parking lots that are nearest to both the Arena and Westgate. The parking management plan, described later in this report, assumes that the Westgate/Arena parking is operated as a single entity for event parking revenues. This arrangement is described in more detail on page 33.

Though not a part of the Westgate project, the 320-room Renaissance Hotel (the "Hotel"), plus the Glendale Conference and Media Center, and a supporting 910-space parking garage, are all located just west of the Arena. The Hotel developer (JQ Hammons) has an agreement with the City to manage the parking garage. This agreement states that 460 garage spaces are for hotel use at all times, but that the garage may provide as many as 450 spaces for event parking should Arena patrons choose to park there (usually at a premium rate). Walker understands that any event parking revenues generated by this garage are already obligated to the City to help retire debt on that structure. Therefore, these revenues are not available to the Arena parking system and are backed out of Walker's income analysis.

The University of Phoenix Stadium, though also close geographically, is separated from the Arena by W. Maryland Ave., a major street. The Stadium and its associated surface lots are referred to as Sportsman's Park. From a parking standpoint, the Arena and the Sportsman's Park operate mostly independent of each other. One exception to this is the NE Stadium lot which, in recent years, has been used to park up to 1,000 "grey" permit holders for Arena events (when not in use for the Stadium).[2] According to the City, these spaces may or may not be available to the Arena parking system in the future and are therefore not included in Walker's description of the system. If the NE Stadium Lot is used for Arena parking in the future, Walker understands that this lot would be used for pre-paid permit holders only. Parking revenues would still be collected for the Arena system.

Area-wide, the City believes that competition for Arena parking lots will be minimal. The City of Glendale and the Sports & Entertainment District have control over the city streets that surround each event venue. As a result, traffic for individual events is controlled and is directed to park in particular lots depending on which venue(s) are in use. Additional analysis of potential parking competition for the Arena is included later in this report.

Walker's History with the Project

Several years ago, the City of Glendale recognized a need to address parking and traffic concerns for the various event venues using a more comprehensive regional approach. The City, along with area

[2] In some cases, Arena parking lots are also used to park cars for larger Stadium events. However, all parking revenues for Stadium events are returned to the NFL or other Stadium tenant. These revenues are not included in Walker's income analysis.

stakeholders, formed the Glendale Sports & Entertainment District (the "District"). The District now encompasses roughly 8 square miles and approximately 35,000+ parking spaces. Additional parking and commercial projects are expected to be added to the District as the area develops.

In 2009, Walker was hired to complete a three part parking study to assess the options for implementing a possible pay parking system (or systems) within the District. The first task report addressed the current and long-term parking needs for the various District projects; the second report presented options and technologies available to manage the system(s) as pay parking; the third report provided a detailed implementation plan and a technical specification for the recommended pay parking option. This third task report, entitled "Task 3: PARCS Implementation Plan" will be referenced later in this document beginning on page 35. The Task 3 report had a detailed breakdown of the Parking Access and Revenue Control System ("PARCS") equipment, specifications, and operations plan. This material is included this report as an abbreviated discussion in order to describe the future operation of a pay parking system for the Arena. The more technical specification section from the task memo is not included.

The new pay parking system, as recommended, would include a series of arming loops and counters for all Westgate and City-owned surface lots. (Parking sensors are also being considered in lieu of ground loops). The system would initially serve the Jobing.com Arena and the Westgate mixed-use development. Patrons would be charged for parking on days when events were held at the Arena, while parking on non-event days would remain free of charge. Parking fees would be collected in cash, credit, or debit, or through the use of pre-paid parking reservations (mostly for season ticket holders or for on-line parking reservations). Since some installation is required for the recommended system, the first roughly two years of operation is assumed to be a more simplified "cigar box" version of the complete program.

The full parking system operations plan and assumptions are described on page 35 of this report.

The original pay parking system (as described) was intended to be scalable technology and possibly expanded at some point beyond just the Arena and Westgate usage. The scope of this financial analysis though, is limited to the Arena parking system itself. Other possible pay parking programs within the District would not be a part of the revenues and expenses analyzed in this document and would not be used as part of the bond financing.

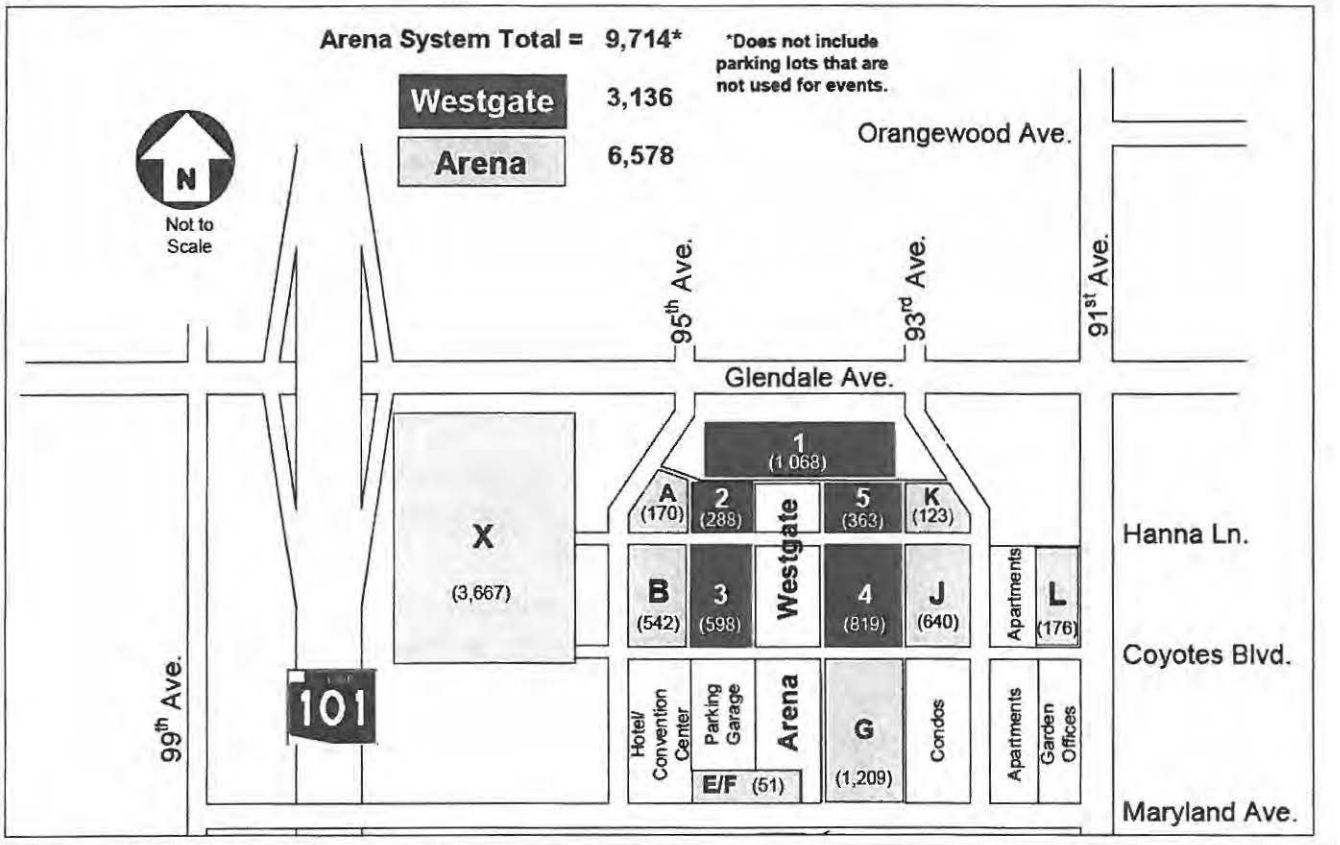
THE ARENA PARKING SYSTEM DEFINITION

As mentioned previously, the Arena parking system operates relatively independent of any other event venues within the District, but does share parking with the adjacent Westgate project. In terms of any future parking revenue bonds, the total Arena parking system (the "System") is officially defined to include only the spaces shown in Figure 2 on the next page. In total, the system includes 9,714 spaces located in 13 different lots.

- The Renaissance Hotel parking garage is not included in the System and for this report will be considered a competing facility (though parking rates for the Hotel garage will tend to be set at a premium price for event patrons).

- The Stadium Lot NE (in Sportsman's Park) is also not included in the System. If the Stadium Lot NE is used for Arena parking, then this lot will be used for permit holders only. Parking revenues would continue to be collected from permit holders (based on permit pre-sales) and would be returned to the System. This is the same as if these patrons were accommodated in one of the other lots.

Figure 2: The Arena Parking System



Source: City of Glendale, AZ

DEFINITION OF TERMS

The following is a list of terms that are used in this report and have a specific definition for the purposes of this analysis. The remainder of this document may refer to these items by their abbreviated name only.

- City = the City of Glendale
- Arena = the Jobing.com Arena
- OS = Official Statement, issued to provide information to investors should a possible financing agreement be pursued
- Hotel = the Renaissance Hotel & Spa
- District = the Glendale Sports and Entertainment District

- The System = the Arena Parking System including 9,714 surface lot spaces as shown in Figure 2 and used for Arena event parking
- Coyotes = the Phoenix Coyotes, a professional hockey team playing within the National Hockey League ("NHL"); primary tenant for the Arena
- Cardinals = the Arizona Cardinals, a professional football team playing within the National Football League ("NFL")
- Stadium = the University of Phoenix Stadium where the Arizona Cardinals play
- Sportsman's Park = the Stadium and the parking lots immediately surrounding the Stadium
- PARCS = Parking access and revenue control systems; includes items such as automated gates, fee computers, loop detectors, handheld wireless units for collecting event parking fees, etc.
- MSA = Metropolitan Statistical Area; in this case, Phoenix and the surrounding cities (including Glendale)
- Cigar box = A method of operating a pay parking system using basic staffing and cash collection only; this is envisioned as the first phase of operations for the Arena System before full PARCS equipment can be installed
- Parking Demand Ratio = the number of parked vehicles that are generated per unit of a particular land use; for Arena events the Demand Ratio is typically expressed as cars per attendee; this ratio varies by event type but is always a value less than 1.00
- AMULA = the *Arena Management, Use and Lease Agreement*, previously between the City and various parties related to the previous Arena ownership, now in effect between the City and the NHL
- NOI = Net Operating Income; annual parking System revenues, less annual parking System direct costs, plus any assumptions regarding PARCS equipment payback and amortization

REPORT ORGANIZATION

The previous few pages of this document (under the "Introduction" heading) are intended to give the client and prospective bondholders a snapshot of the Arena Parking System, the plan to convert to pay parking, and a general description of the proposed parking revenue bonds.

The remaining sections of this report provide more detailed analysis of the System, local economy, and factors that may impact future System performance. Financial projections and the 25-year NOI are included on pages 67 through 69. The financial projections and other major sections within this report are organized as follows:

- Local and Regional Market Conditions: Contains a general description of Phoenix MSA including population, employment, leasing, and other economic statistics. These conditions will typically impact the long term viability of the Jobing.com Arena, the Coyotes, and the associated parking system.

- **Parking Industry Overview:** A brief look at parking industry within the U.S. including new technologies and event parking trends. The technology recommended for the Arena System will be discussed under the Implementation Plan.
- **Existing Parking System Description:** Describes the System in detail and discusses the relationship between the Arena, Westgate, the City, and other adjacent land uses. This section also discusses the potential for parking competition from adjacent resources.
- **Pay Parking System Implementation Plan:** A review of the plan to operate the System as pay parking including a discussion of methodology, staffing, and possible equipment costs.
- **Historical Jobing.com Performance:** Contains data from the City on past Arena attendance and parking usage. Parking Demand ratios and general trends are discussed.
- **Projected Future Parking Demand:** Reviews the projected Arena events and attendance figures provided by the outside event venue consultant (CSL International). This section also uses this data to project possible vehicular demand for the Arena parking System.
- **Arena Parking Rates:** Provides a rate survey of local and national comparable facilities and recommends appropriate rates for the Arena parking System. This section also discusses sensitivity of these rates and their impact on driving ratios.
- **Financial Projections:** Walker's full projected pro forma including income and expenses for the Arena parking System. Assumptions are discussed here along with risk factors.
- **Conclusions:** This section restates Walker's professional projection for the long-term performance and viability of the Arena System in order to support possible parking revenue bonds.
- **Statement of Limiting Conditions:** A list of conditions that are excluded from our analysis and limitations on how our report may be used.

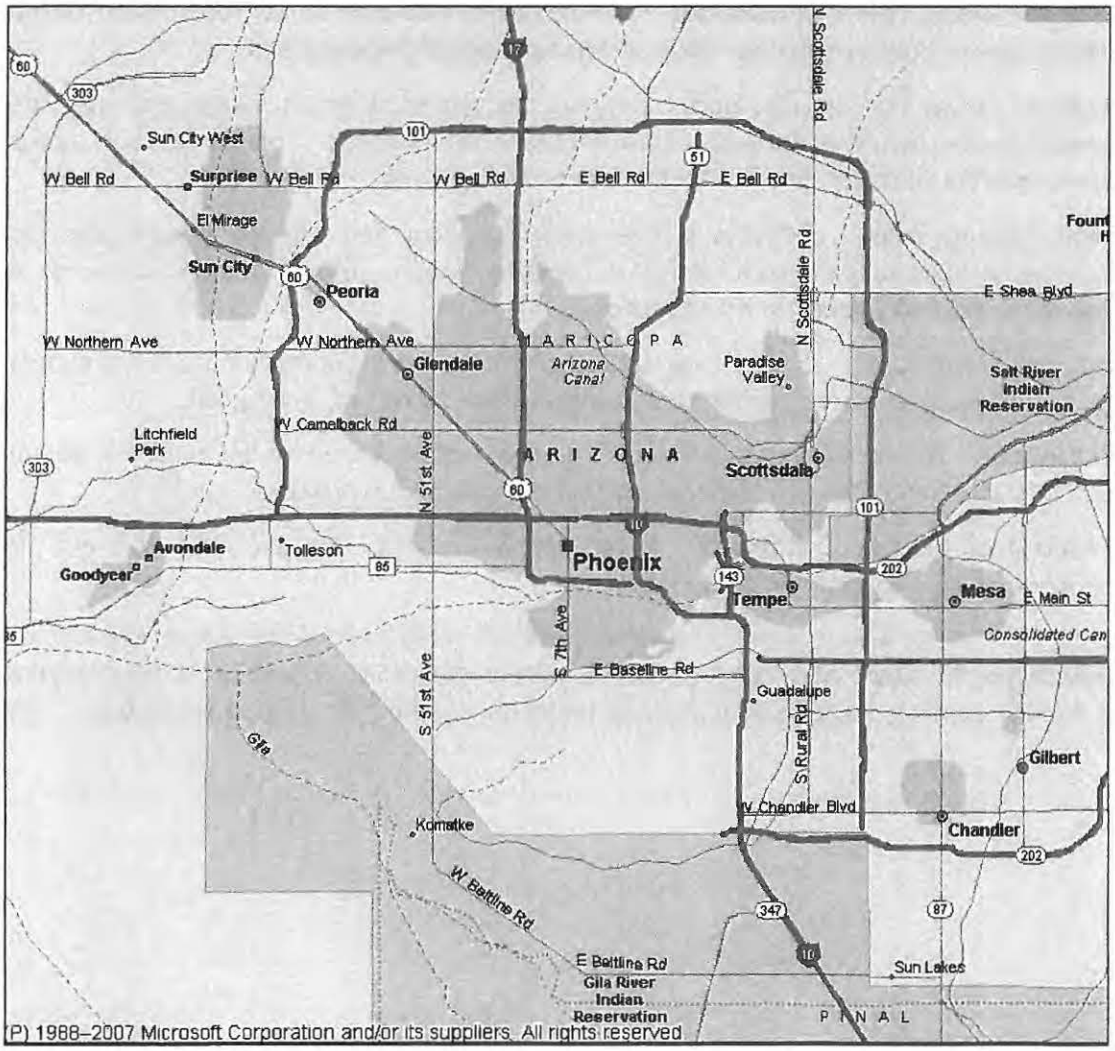
Walker encourages the client and other parties to review the entire document as each section provides information that is relevant to the long term financial performance of the Arena parking System.

LOCAL AND REGIONAL MARKET CONDITIONS

MARKET AREA OVERVIEW

The City of Glendale is located within the greater Phoenix metropolitan statistical area ("MSA"). Major municipalities within the Phoenix MSA include Avondale, Chandler, Gilbert, Goodyear, Mesa, Peoria, Scottsdale, Sun City, and Tempe. A location map of the greater Phoenix area is shown below.

Figure 3: Phoenix/Glendale Market Area Location Map



Source: Microsoft Streets & Trips

The City of Phoenix is the largest city in the MSA and was incorporated in 1881. Phoenix covers more than 519.6 square miles and has a population (as of Jan. 1, 2009) of 1,602,704 persons, ranking it the fifth largest city in the country and the largest state capital city in terms of population. Phoenix is a well known leisure destination, with an average annual temperature of 74.2 degrees. Greater Phoenix is the fifth youngest metro region in the country with a diverse, well-educated labor force of over 2 million people with an average age of 34.

Greater Phoenix is a $181 billion marketplace with a major focus on aerospace, high-technology, bioscience, advanced business services and sustainable technologies companies. Global companies such as Honeywell Aerospace, Freeport McMoran, Avnet, and Republic Services are based in Phoenix. Companies such as American Express, USAA, SUMCO Phoenix Corporation, Charles Schwab, and Mayo Clinic have major operations within the MSA. The U.S. Government has a significant military presence in Greater Phoenix.

Figure 4: Phoenix MSA Characteristics

Median Household Income	$47,223
Mean (average) Household Income	$64,923
Average annual temperature (Fahrenheit)	74.2
Average precipitation in inches	7.66
Average number of days of sunshine per year	334

Source: Phoenix Dept. of Economic Development

Greater Phoenix has consistently outpaced the U.S. population growth over the last 18 years. Projections show the region is expected to grow by nearly 60 percent by 2030, bringing the regional population to more than 6 million people.

Temperature, precipitation and days of sunshine are relevant factors for a city like Phoenix that depends on local weather to drive retirement and leisure and vacation travel for a significant percentage of its regional economy.

Phoenix is served by three airports that generate approximately 1 million takeoffs and landings in 2008 (includes general aviation), with a total of nearly 40 million passengers enplaned and deplaned. Phoenix Sky Harbor International Airport (PHX) is one of the top ten busiest in the nation for passengers and one of the top ten in the world for takeoffs and landings. Sky Harbor services approximately 84 domestic and 13 international cities with daily flights, most of them nonstop. International service includes direct flights to London, Toronto, San Jose, and multiple cities in Mexico.

Labor and Unemployment Data

Local area unemployment statistics are provided for the Phoenix-Mesa-Glendale, AZ Metropolitan Statistical Area for 2000 to 2010 year to date. These statistics are shown on the following Figure.

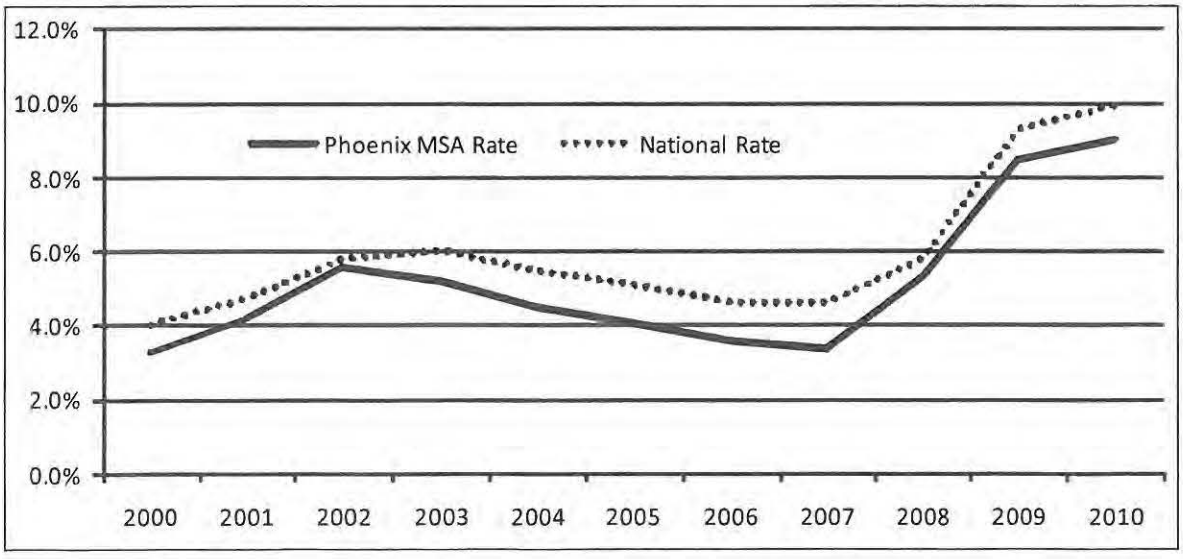
Figure 5: Phoenix-Mesa-Glendale Employment Statistics

Year	Period	Labor Force	Employment	Unemployment	Unemployment Rate
2000	Annual	1,664,777	1,609,059	55,718	3.3%
2001	Annual	1,720,926	1,648,613	72,313	4.2%
2002	Annual	1,787,287	1,686,637	100,650	5.6%
2003	Annual	1,822,888	1,727,319	95,569	5.2%
2004	Annual	1,866,354	1,783,115	83,239	4.5%
2005	Annual	1,926,264	1,846,925	79,339	4.1%
2006	Annual	2,003,723	1,931,155	72,568	3.6%
2007	Annual	2,048,714	1,979,226	69,488	3.4%
2008	Annual	2,100,642	1,990,232	110,410	5.3%
2009	Annual	2,103,327	1,925,266	178,061	8.5%
2010	Prelim., June				9.0%

Source: US Dept. of Labor

The Phoenix MSA unemployment rate for June 2010 was at 9.0% which is somewhat better than the national unemployment rate of 9.7%. The general unemployment trend over the most recent years has followed a similar pattern to the overall national trend with steep increases from 2007 through 2010. Though unemployment has increased, the Phoenix area does not appear to be suffering a greater unemployment rate than other US cities. In fact, the Phoenix MSA may be doing better than many other areas. Based on these trends, it would be logical to assume that Phoenix Area sports and entertainment attendance activity should typically follow or exceed the overall national trends.

Figure 6: Phoenix-Mesa-Glendale Unemployment Rate versus U.S. Unemployment Rate



Source: US Dept. of Labor

The following Figure shows projects and employers in the Glendale market that generated employment gains in 2008 through 2010.

Figure 7: New Glendale Employment FY 2008 - 2010

FY 2008	Name of Company	Jobs	Facility	New or Existing Building	SF	Council District
Nov-07	Killian	6	Office	Existing	1,000	Ocotillo
Feb-08	Soutwest Ambulance	40	Office	Existing	4,140	Ocotillo
Apr-08	Fresh & Easy - Olive & 59th Ave	20	Retail	Existing	14,610	Barrel
Apr-08	RSI	100	Office	Existing	16,700	Barrel
Apr-08	Fresh & Easy - Glendale & 51st Ave	20	Retail	Existing	16,000	Ocotillo
May-08	Blueprint Education	17	Office	Existing	8,000	Sahuaro
May-08	Advanced Healthcare	130	Medical Office	Existing	40,000	Sahuaro
May-08	VESystems	35	Office	Existing	relocated/counted in 2010	Yucca
Jul-08	Phoenix Heart (retention)	50	Medical Office	Existing	18,000	Sahuaro
Oct-08	Canyon State Bus Sales	30	Distribution	New	30,000	Ocotillo
Oct-08	SLT Express Way Group	400	Transportation	Existing	40,000	Yucca
Dec-08	USA Basketball	324	Sports/Tourism	New		Yucca
	New Locates	1,122			170,450	
	Retention/Expansion	50			18,000	
	Subtotal FY 2008 & 2009	1,172			188,450	

FY 2009	Name of Company	Jobs	Facility	New or Existing Building	SF	Council District
Aug-09	Arizona Pain Specialists	12	Medical	Existing	4,300	Cholla
Aug-09	Zumar Industries	15	Manufacturer	Existing	15,000	Yucca
Sep-09	Green Dining Oil	15	Processing	Existing	plans in process	Ocotillo
Sep-09	Total Medical Care	10	Medical	Existing	4,000	Cactus
Sep-09	Humana Healthcare	630	Office	Existing	112,000	Yucca
Sep-09	VESystems (14 add'l, 39 total)	14	Office	Existing	6,000	Yucca
Sep-09	Century 21	50	Office	Existing	4,000	Yucca
Nov-09	Conair	350	Manufacturer	Existing	619,000	Yucca
Nov-09	Magellan 21	10	Office/Medical	Existing	3,000	Saguaro
Dec-09	Master Solar Supply	10	Manufacturer	Existing	20,000	Ocotillo
Oct-09	Bedrock Stone Company	20	Distributor	Existing	2 acre site	Cactus
Dec-09	West-MEC Office	40	Education	Existing	38,000	Yucca
Dec-09	West-MEC Airport	TBD	Education	New	42,000	Yucca
Dec-09	Banner Thunderbird	225	Medical	New	328,000	Ocotillo
Feb-10	DeVry	80	Education	Existing	20,000	Yucca
Feb-10	Arizona School of Allied Health	10	Education	Existing	50,500	Yucca
Mar-10	Harbor Pointe Internal Medicine	32	Medical	Existing	4,000	Saguaro
May-10	Jumpstreet	50	Entertainment	Existing	26,000	Saguaro
Apr-10	Linamar Solar Systems	75	Manufacturer	Existing	80,000	Yucca
May-10	Brenbecke Flooring Company	3	Manufacturer	Existing	4,200	Yucca
*5/10/2010	La Dolce Vita Biscotti	50	Manufacturer	Existing	42,000	Yucca
May-10	Southwest Ambulance	75	Transportation	Existing	17,000	Ocotillo
	New Locates FY10	1,157			435,500	
	Retention/Expansion FY10	619			1,003,500	(plus 2 acre site)
	Subtotal FY10	1,776			1,439,000	(plus 2 acre site)

FY 2010	Name of Company	Jobs	Facility	New or Existing Building	SF*	Council District
Dec-10	Banner Thunderbird	400	Medical	New	already counted in FY 10	Ocotillo
	New Locates FY11	400				
	Retention/Expansion FY11	0				
	Subtotal FY11	400				
	Grand Total 2008 thru 2011 YTD	3,348			1,627,450	

Source: Phoenix Dept. of Economic Development

Public Transit

The City's light rail system, which opened in December 2008, offers a fast and convenient transportation link from the airport to downtown Phoenix, with stops at the convention center and several downtown hotels.

Figure 8: Public Transportation

Bus Fleet	525
Neighborhood Circulator Fleet	46
Bus and Circulator Service Miles Annually	17,339,500
Bus and Circulator Average Daily Ridership	153,913 Boardings
Light Rail Average Daily Ridership (Phoenix)	17,941 Boardings
Dial-a-Ride Vehicles	125
Dial-a-Ride Service Hours, Annual	357,050

Source: City of Phoenix

Phoenix Convention Center

The Phoenix Convention Center, located in downtown Phoenix's Copper Square, hosts international, national and regional conventions, trade shows, corporate meetings and consumer events for more than 1,050,000 guests annually. The convention center is within walking distance of the US Airways Center and Chase Field Ballpark, and is about seven miles from Phoenix Sky Harbor International Airport.

The Phoenix Convention Center owns and operates two performing arts facilities - Symphony Hall and Orpheum Theater. These venues are home to the Ballet Arizona, Phoenix Symphony and Arizona Opera. The Phoenix Convention Center recently underwent a $600 million expansion that tripled the size of available rentable space to nearly 900,000 square feet. As a result of the expansion, the Phoenix Convention Center is one of the top 20 convention centers in the United States in terms of size.

Figure 9: Phoenix Convention Center Capacities

Civic Plaza SF of Combined Exhibit and Meeting Space Pre-Expansion	302,000
Convention Center Expanded SF of Combined Exhibit and Meeting Space	880,000
Theater-style Seating in the South Ballroom	3,200
Theater-style Seating in the West Ballroom	4,500
Theater-style Seating in the North Ballroom	4,500
Seating Capacity in the Symphony Hall	2,387
Seating Capacity in the Orpheum Theatre	1,400

Source: Phoenix Convention and Visitors Bureau

Summary totals for the entire Phoenix area hospitality industry are shown below.

Figure 10: Phoenix Hospitality Industry Totals

Number of Hotel Rooms within Walking Distance of the Phoenix Convention Center	More than 2,700
Full Service Resorts (with more than 30 rooms)	More than 40
Hotels (with more than 30 rooms)	Nearly 500
Total of Resort/Hotel Rooms in Phoenix	59,000

Source: Phoenix Convention and Visitors Bureau

PHOENIX MARKET REPORTS

Snapshot of the Phoenix Office Market and Selected Valley Sub-Markets

The following are excerpts from the Colliers' International "2nd Quarter 2010 Metro Phoenix Office Report" (7/15/10) – this is a research and forecast report discussing office supply, absorption and vacancy rates.

According to Colliers' International, projections for the Phoenix Office Market midway through 2010 are still unclear (as they were three months ago). The market absorbed over a quarter million square feet of office space, and with that came a small drop in the vacancy rate, reversing a trend of the past two years. But despite this good news, rental rates are still down. The average 2Q rental rate Valley wide was $21.85, ranging from $16.10 for Class C to $24.86 for Class A.

The Valley-wide 2Q average office vacancy rate was 22.5%. Overall absorption tracked upward to 264,187 square feet. For the year, the office sector's absorption rate is at 78,971. This trend, although modest, reverses severe falling absorption over the past several quarters. The construction pipeline rose to 545,960 square feet, up from last quarter but a decline from the previous year.

Figure 11: Phoenix Area 2010 Office Vacancy Rates

Lowest 2Q Office Vacancy Rates:

12.8%; Phoenix Sky Harbor Airport Area;	1.12 MSF of total 8.75MSF;	average	rent	psf	$19.61
16.3%; Mesa East;	377,188 SF of total 2.32 MSF;	average	rent	psf	$19.90
16.7%; West I-10;	241,249 SF of total 1.44 MSP;	average	rate	psf	$24.52
16.9%; Piestewa Peak Corridor;	492,560 SF of total 2.91 MSF;	average	rent	psf	$18.37
18.0%; Midtown/Central Phoenix;	619,790 SF of total 3.45 MSF;	average	rent	psf	$17.44

Highest 2Q Office Vacancy Rates:

41.1%; Gateway Airport/Loop	202; 466,148 SF of total 1.13 MSF;	average	rent	psf	$24.05
39.0%; Loop 303/Surprise;	351,477 SF of total 1.03 MSF;	average	rent	psf	$25.86
37.1%; Glendale;	775,528 SF of total 2.08 MSF;	average	rent	psf	$26.04
28.4%; Camelback Corridor;	2.52 MSF of total 8.89 MSF;	average	rent	psf	$25.15
26.7%; South Tempe/Ahwatukee;	1.14 MSF of total 4.29 MSF;	average	rent	psf	$21.12

Source: Colliers' International

Between first and second quarter 2010, office vacancy rates dropped to 22.5 percent overall. Overall absorption tracked upward to 264,187 square feet. For the year, the office sector's absorption rate is at 78,971. There were no new office deliveries for the quarter, but 1,187,601 square feet for the year so far. The construction pipeline rose to 545,960 square feet, up from last quarter, but an overall decline over the past several years. Rental rates are down overall to $21.85 per square foot, down from to $22.50 per square foot last quarter. Rates are down across most sectors and classes. Concessions are still a big part of many lease transactions. Sales activity for arms-length market transactions increased substantially to $61.9 million. The average price was also up and calculated at $99.79 per square foot. A capitalization rate for these transactions was not available.

Snapshot of the Phoenix Retail Market

According to Colliers' International, 2010 began with an abundance of good news for retailers. Figures released by the Bureau of Economic Analysis (BEA) in January indicated strong GDP growth during the final quarter of last year. The final tally showed the United States economy expanded by 5.6% (annualized) during the fourth quarter of 2009. The economy also showed further growth during the first quarter of this year, expanding by 3.2%, marking the third consecutive quarter of growth. However, the optimism that took hold in March seems to have evaporated in more recent months. Same-store sales stalled as retailers such as JC Penney, Kohl's and Target, who had been recording positive comparables for the last few months, suddenly saw their figures back in the red. A number of chains that had seen double-digit improvement in March (BJ's Wholesale, Costco, Macy's, Saks) suddenly saw their same-store-sales drop to the low single digits. Meanwhile, stock market volatility returned in early May amid concerns over the European financial crisis. Expectations of future weak sales reports further dampened the mood. National retail vacancy was 12%.

Inventory	New supply	Under Construction	Absorption	Vacancy Rate	Quoted Rent	Change in Rent
99.574,00 SF	74,000 SF	294,000 SF	(669,000 SF)	14.9%	$16.00	($3.15)

Snapshot of the Phoenix Industrial Market

According to Colliers' International, total industrial vacancy for the second quarter declined to 17.7 percent, a decrease from last quarter's 18.1 percent. Absorption was up sharply this quarter to 2,107,386 square feet, reversing last quarter's negative 160,303 square feet. New supply is down for this quarter to only 466,500 square feet. This is nearly one-third the total in the fourth quarter 2009. Under construction activity remains suppressed at only 147,403 square feet compared to over 3 million square feet in the second quarter 2009. Rental rates are down again as average rates fell across all industrial categories to $0.64 per square foot/per month, down from an adjusted $0.67 per square foot/per month last quarter. Overall warehouse space is down at $0.42 per square foot/per month. Sales activity for the quarter was recorded at $59.3 million in arms-length market transactions and up substantially from last quarter's $34.1 million. The average price per square foot is down at $44.20. Capitalization rates this quarter rose significantly to 9.5 percent from last quarter's 8.0 percent.

City of Glendale Industrial Market

Industrial property in Glendale is located within the Glendale Airpark, a high-end business park with landscaped common areas, four lakes, and picnic areas. Glendale Airpark totals approximately 416 acres

with 62 acres available. The development is zoned M-1 City of Glendale Zoning – Light Industrial. Total industrial space is 2,141,459 SF. There is only one building available with more than 22,000 SF. Current vacancy rate is 6.8% with 146,178 SF available.

Glendale industrial market overall:

- Total industrial space is 11,533, 734 SF
- Current vacancy rate is 9.6% with 1,108,300 SF available
- There are 7 buildings with more than 40,000 SF contiguous.
- There are 2 rail served buildings (5107, 5150) that are available
- In November, there will be only 1 available industrial building in Glendale of over 100,000 SF.

FEDERAL INVESTMENT IN THE PHOENIX AREA

In the ongoing effort to improve overall economic conditions, Phoenix is working aggressively to secure funding from the American Recovery and Reinvestment Act (ARRA) to create local jobs, to save existing jobs, and to stimulate the local economy into recovery. Phoenix reports having received approximately $423 million in ARRA funds as of the date of this report.

A breakdown of all Phoenix projects receiving ARRA funds is provided within the five categories below.

Figure 12: Breakdown of Phoenix ARRA funding

Source: City of Phoenix website http://www.ci.phoenix.az.us

Projects receiving recovery funds are identified by category as follows:

Bonds/Loans:
- Recovery Zone Facility Bonds
- Recovery Zone Economic Development Bonds
- Loans to Replace HOPE VI Water Mains

Housing/Social Services
- Adult Job Training
- Job Training for Dislocated Workers
- Job Training for Youth
- Improve Public Housing
- Lead Hazard Control Program
- Meals for Seniors
- Improve Head Start Programs
- Expand Head Start Programs
- Early Head Start
- Prevent Homelessness
- Community Development Block Grant
- Community Services Block Grant
- Healthy Homes Partnership
- Krohn West Hope VI Tax Credit Assistance
- Access Point System Building Grant
- Neighborhood Stabilization Program (NSP2)

Public Safety
- Fight Internet Crimes Against Children
- Fight Violent Crime
- Fight Neighborhood Crime & Blight
- Aid Victims of Crime
- On-Scene Crisis Response
- Develop Electronic Citations
- Upgrade Software
- Develop Software
- Organize Electronic Prosecutor Files

Transportation
- Phoenix Sky Harbor International Airport Taxiway C
- Street Pavement Preservation
- Bridge Rehab Program
- Improve 7th St. & McDowell Intersection
- Happy Valley/I-17 Park-and-Ride
- Baseline/27th Ave. Park-and-Ride
- Pecos/40th St. Park-and-Ride
- Central/Camelback Park-and-Ride
- Bus Stop Improvements
- Bell Rd./SR51 Bus Crossover Lane
- Regional Bus Stop Database
- Central Station Transit Center Improvements
- Light Rail Construction
- Park-and-Ride Shade Canopies

Transportation (continued):
- Public Transit Preventive Maintenance
- ADA Improvement Program
- Reflective Street Signs
- Street Signal Upgrades
- Phoenix Sky Harbor International Airport Explosive Detection Systems

Water/Environment/Energy
- Accelerate Wetlands Restoration
- Green-Retrofit City Buildings
- Weatherize Homes
- Green-Retrofit Public Housing
- Green-Retrofit Assisted Housing - Sunnyslope Manor
- Reduce Diesel Emissions
- Sewer Main Improvements
- Replace Sewer Mains
- Green Capacity Building Grant - Youthbuild
- Automatic Meter Reading Installation
- Local Energy Assurance Planning (LEAP)
- Energize Phoenix

The latest announcements of Phoenix ARRA funding include the following:

$25 Million Grant to "Energize Phoenix" – The City of Phoenix, in partnership with Arizona State University and Arizona Public Service, has been awarded a $25 million federal grant from the U.S. Department of Energy and the American Recovery and Reinvestment Act (ARRA) to launch a Green Rail Corridor project that will reduce electricity consumption, generate thousands of green jobs and transform neighborhoods

$60 Million Grant to Stabilize Neighborhoods – The City of Phoenix was awarded $60 million under the Neighborhood Stabilization Program (NSP2). The funds will help the Phoenix Neighborhood Services Department continue programs created last year to stabilize neighborhoods hardest hit by the foreclosure crisis.

$11.7 Million Sky Harbor Taxiway Project – The Department of Transportation Federal Aviation Administration was awarded $11.7 million in funding to rehabilitate Taxiway C at Phoenix Sky Harbor. Work is well underway on this project that will employ up to 300 people and is targeted for completion in March.

GLENDALE – THE IMMEDIATE MARKET AREA

Glendale, located in Maricopa County, Arizona, is located in the rapidly growing northwest part of the Phoenix metropolitan area (also known as the "Valley of the Sun"). Nearby Highways include HWYS I-10, I-17, US60 and Loop 101. Glendale is the fourth largest city in Arizona. City officials are committed to making Glendale the city of choice for those looking for the best place to live, work, learn and spend leisure time. There is a long-standing commitment to connecting business, government and community in a partnership that has sparked new development and generated a high quality of life for Glendale residents.

Historic Downtown Glendale (Myrtle to Glendale Ave; 55th Ave to 59th Ave) is a self-described "retro-chic" destination that incorporates two distinct neighborhoods, that are home to more than 90 specialty and antique shops featuring vintage clothing, turn-of-(last)-century furniture and pop-culture collectibles. Historic Downtown Glendale is just four miles east of Jobing.com Arena.

Glendale offers a unique "quality of life" that features more than 300 days of sunshine each year, a vibrant downtown, master planned communities, more than 180 area golf courses, 66 parks totaling almost 2,000 acres, and close proximity to Lake Pleasant, which offers a full range of water activities within a 20-minute drive. Key areas of interest in Glendale include the following:

Figure 13: Key Arenas of Interest in Glendale

- Historic Downtown Glendale
- Catlin Court Historic District
- Glendale Civic Center
- Jobing.com Arena
- University of Phoenix Stadium
- Camelback Ranch Glendale
- Westgate
- Luke Air Force Base
- Thunderbird School of International Management
- Talavi Business Park
- Arrowhead Towne Center (Regional Mall)
- Midwestern University (Arizona College of Osteopathic Medicine)

Source: Phoenix Convention and Visitors Bureau

Glendale transportation manages game day and event traffic remotely from Glendale's Traffic Management Center that houses the city's Intelligent Transportation System, where a 20-foot video wall provides transportation staff with real time information from 10 different locations within the vicinity of the University of Phoenix Stadium and Jobing.com Arena. With the use of fiber optic and wireless technology, transportation staff can remotely control traffic signals, monitor traffic flow, and quickly update and change LED message boards for motorists and parkers.

The Sports and Entertainment District

Of particular interest to this project is the Sports and Entertainment District, which includes the area from Camelback Ranch to Northern to 91st Avenue, and also includes the Airport and Glendale AirPark (just north of Glendale Avenue and the airport). Jobing.com Arena is located within the heart of this district. Jim Colson, Deputy City Manager for Community Development, and Brian Friedman, Glendale Economic Development Director, provided data related to citywide demographics and recent business developments (both Sports & Entertainment District and city-wide).

Area sports teams make a considerable contribution to Glendale.

Figure 14: Area Sports Teams

NFL:	Home to the Arizona Cardinals
NHL:	Home to the Phoenix Coyotes
MLB:	Spring Training Home of the Chicago White Sox, Los Angeles Dodgers, and Arizona Diamondbacks
NBA:	Phoenix Suns
NCAA:	Home of the Fiesta Bowl and BCS championship game (2007, 2011), and Arizona State University
WNBA:	Phoenix Mercury
AFL:	Arizona Rattlers

Source: Phoenix Convention and Visitors Bureau

Jobing.com Arena, the primary subject property generator, is home to the NHL Phoenix Coyotes. The arena is located within Westgate City Center and sits across the street from University of Phoenix Stadium. The arena has served as a catalyst for the development of Glendale's Sports & Entertainment District. The facility seats 17,125 for hockey and lacrosse (17,534 with standing room), up to roughly 20,000 for concerts, and approximately 18,300 for basketball. The arena contains 3,075 club seats and 88 luxury suites. The arena, completed in 2003 at a cost of $180 million, is utilized as a multi-purpose facility, and was voted in 2004 as the best new major concert venue in North America by Pollstar Magazine, a major concert industry publication. In 2006, local online company Jobing.com paid $30 million for naming rights for 10 years.

University of Phoenix Stadium, located immediately south of Jobing.com Arena, is a state-of-the-art multi-purpose sports complex that features a roll-out natural grass playing field, a retractable roof, and 88 luxury suites, and also serves as a multi-purpose venue. Usual capacity is 63,400 permanent seats; but can be modified to accommodate 72,000± for large-scale events. The stadium is home of the Arizona Cardinals and host of Super Bowl XLII, annual Fiesta Bowl, BCS Championship game once every four years, and numerous other events/shows.

This facility opened in August of 2006. The cost of the project was $455 million. As published at www.universityofphoenixstadium.com, the project cost total included $395.4 million for the stadium, $41.7 million for site improvements, and $17.8 million for the land. Contributors to the stadium included the Arizona Sports and Tourism Authority ($302.3 million), the Arizona Cardinals ($143.2 million), and the City of Glendale ($9.5 million).

Westgate City Center is an 8.5 million square foot, urban, mixed-use development that encompasses 225 acres and has become a super-regional destination, attracting 15-18 million visitors annually. Land uses include retail, entertainment, restaurants, office, residential, and hotels. The first phase of Westgate City Center encompassed 450,000 square feet of office, retail, restaurants and entertainment space. It includes a 20-screen, 4,000 seat cineplex, and an all-star lineup of cafes, bistros and full-service restaurants, as well as the Village Office Lofts development. Representative restaurants include Jimmy Buffet's Margaritaville, FOX Sports Grill, Saddleback Ranch and Yard House. Westgate City Center features a Las Vegas Bellagio-like 40-foot water feature with light show.

Camelback Ranch Glendale, a state-of-the-art baseball facility, is the spring training home of the Los Angeles Dodgers and the Chicago White Sox. Located on 125 acres at 111th Avenue and Camelback Road, the site crosses the Glendale and Phoenix city borders. The park offers top quality playing fields and facilities, walking trails, landscaped grounds and an orange grove. Landscaping features includes two ponds and a fully stocked lake between the Dodgers and White Sox facilities. This baseball facility includes more than 118,000 square feet of Major and Minor League clubhouse space, 13 full baseball fields and three half fields. It is also the largest ballpark in the Cactus League with a seating capacity of 13,000, which includes 3,000 lawn seats, 12 luxury suites and a party deck.

The Glendale Renaissance Hotel & Spa, built by John Q. Hammons Hotels, Inc. includes the Marriott Renaissance, Conference & Media Center, and Cable Studio at Westgate City Center. The 350,000 square foot, 4-diamond hotel has 320 rooms, an 80,000 square foot conference center, the 15,000 square foot cable studio, and a 5,000 square foot media center (expandable to 40,000 square feet). The Renaissance Hotel has served as the international broadcast headquarters for FOX Sports for the Fiesta Bowl and the Bowl Championship Series, National Championship Games.

Zanjero is a mixed-use development consisting of approximately 160 acres and includes a mixture of employment, retail and residential uses. Zanjero is located immediately north of Westgate City Center, at the northwest corner of Glendale and 91st avenues.

Cabela's, a 165,000 square foot destination retail development, is an outfitter of hunting, fishing & outdoor gear, and includes a restaurant, aquarium and conservation mountain. Cabela's is located within Zanjero, on the northeast corner of Glendale and 95th Avenues. Cabela's attracts over 4 million visitors annually and employs 400 employees, complementing the Sports and Entertainment District.

Glendale Municipal Airport (GEU) is a city-owned public-use airport serving the local corporate and personal aircraft market. It is located just west of Loop 101 about one mile west of the Jobing.com Arena, Westgate City Center, The Sports & Entertainment District and Zanjero, and about six miles west of the central business district of Glendale. The Glendale Airport's single 7,150' runway accommodates Lear Jets, Gulf Stream 5's, and Global Express aircraft. The airport also offers a full service fixed-base operator providing fuel,

maintenance and line service, a pilot lounge, restaurant and car rentals. Executive hangars are available for lease and land is available for development and airport expansion.

Glendale Airpark, located just north of the airport, offers office, commercial, retail and industrial sites. Located in an enterprise zone, the Glendale Airpark has infrastructure in place with underground utilities and fiber optics to each site. First-class amenities include over 27 acres of landscaped open space, including four lakes, walking trails, armadas and picnic areas. The Glendale Airpark is currently home to such corporate tenants as Arizona School Furnishings, Coca-Cola, Conair, Park Hannifin Serta Mattress and SLT Express Way.

LOCAL POPULATION AND EMPLOYMENT

The U.S. Census Bureau provides estimates for population statistics for the period ending July 1, 2008. The actual census only takes place every ten years, in dates ending in a zero, the next full census takes place in 2010, but has not yet been tabulated.

Figure 15: Local Population Trends

	1990	2000	2008	Est. 2010
Glendale	147,864	218,812	248,435	250,173
Maricopa County	2,122,101	3,072,149	3,987,942	
Arizona	3,665,228	5,130,632	6,629,455	

Sources: Arizona Department of Commerce and US Census Bureau

The Glendale population increased 69% since 1990, and approximately14% since the 2000 census. Maricopa County population increased 88% since 1990, and approximately30% since the 2000 census.

Figure 16: Maricopa County Employment in 2008

Trade, Transportation, and Utilities	372,500
Professional and Business Services	313,800
Government	220,800
Educational and Health Services	210,800
Leisure and Hospitality	183,100
Financial Activities	147,600
Mining and Construction	141,400
Manufacturing	131,100
Other Services	69,000
Information	29,900

Sources: Arizona Department of Commerce and US Census Bureau

Glendale, Arizona's fourth largest city is the commercial, industrial and educational hub of the northwest portion of the Phoenix metropolitan area. Glendale's diversified economic base includes manufacturing, services, aerospace, communications, precision metal working and casting, chemicals, electronics and warehousing industries.

Figure 17: Area Occupation Breakdown

Management	15.3%
Professional & Related	15.6%
Service	11.7%
Sales & Office	28.4%
Construction & Maintenance	13.8%
Production & Transportation	15.2%

Source: Arizona Department of Commerce

The following Figure shows major private employers in the City of Glendale. The Figure on the next page shows major public employers.

Figure 18: Major Private Employers in Glendale

Organization	Employees	Description
Banner Health System	2,866	General medical and surgical hospitals
Wal-Mart - 5 locations	2,025 (FT & PT)	Department stores
AAA Select Build	1,175	Auto services administrative office
Arrowhead Hospital	959	Health Services
Honeywell	800	Satellite and Space Systems mfg
Humana Healthcare	630	Healthcare
Ace Building Maintenance Co	600	Building and office cleaning services
Schuck & Sons	605	Mfg prefab wood trusses & pre-hung doors
Midwestern University	460	Educational Institution
Bechtel Corporation	430	Administrative Office
Sanderson Ford, Inc.	400	New and used car dealers
Corning Gilbert Engineering Co., Inc.	400	Electrical equipment and supplies
Thunderbird School of Global Mgmt.	300	Colleges and universities
Friendship Retirement Corp/Glencroft Care Center	345	General medical and surgical hospitals
Cabela's	308 (FT & PT)	Outdoor outfitters retail store
Conair Corporation	400	Consumer Products
Life Care Center of North Glendale	300	Medical/Long term care
Precision Research	285	Marketing Research office
Palo Verde Plastering Inc.	280	Plaster and drywall work
S C P Construction	275	Concrete work
Costco Wholesale	250	Department stores

Source: Arizona Department of Commerce

Figure 19: Major Public Employers in Glendale

Organization	Employees	Description
US Air Force - Luke AFB	6,000	F-16 training base
GU High School Dist. #205	2,008	Elementary and secondary schools
City of Glendale	1,972	General government
GE School District #40	1,684	Elementary and secondary schools
DVUSD #97	1,432	Elementary and secondary schools
Glendale Community College	1,220	Colleges and universities
USPS Encoding Center	588	United States Mail
United States Postal Service	387	3 branches - post offices

Source: Arizona Department of Commerce

The following indices are considered to be relative indicators of growth in the district. The impact of the current recession is seen in the recent decline in the number of new building permits and taxable sales.

Figure 20: Growth Indicators

	1990	2000	2008
New Bldg. Permits	1,590	3,766	475
Taxable Sales	$1.1 billion	$3.2 billion	$2.5 billion
Net Assessed Value	$557.4 million	$876.9 million	$2.2 billion

Sources: Arizona State Univ., AZ Dept. of Revenue, AZ Tax Research Assoc

The following shows the tax rates for the City of Glendale.

Figure 21: Glendale Tax Rates

Secondary Property Tax Rate	1990	2000	2008
Schools	$8.02	$10.75	$6.44
City/Fire District	$1.98	$1.72	$1.35
Countywide	$3.51	$3.35	$2.33
Totals	$13.51	$15.82	$10.12
Sales Tax			
City/Town			2.20%
County			0.70%
State			6.60%

Note: Tax rate per $100 assessed value

Sources: Arizona Department of Revenue

The Median Home Price in Glendale is reported as of 2009. This data is listed below along with the median household income:

New Home	*$192,760*
Resale	*$120,000*

Median Household Income in Glendale (2009) *$69,945*

Labor force data for the City is shown on the following Figure.

Figure 22: Glendale Labor Force Data

	1990	2000	2008
Civilian Labor Force	82,503	116,044	145,514
Unemployed	3,707	3,971	7,248
Unemployment Rate	4.5%	3.4%	5.0%

Source: Arizona Department of Commerce

The following new business was reported for the Glendale Sports and Entertainment District for FY 2008 through 2010 year to date.

Figure 23: New Business – Sports & Entertainment District

FYs 2008 & 2009

Date	Name of Company	Jobs	Facility	New or Existing Building	Square Footage	Council District
May-08	VESystems	35	Office	Existing	relocated/counted below	Yucca
Oct-08	SLT Express Way Group	400	Transportation	Existing	40,000	Yucca

FY10

Date	Name of Company	Jobs	Facility	New or Existing Building	Square Footage	Council District
Aug-09	Zumar Industries	15	Manufacturer	Existing	15,000	Yucca
Sep-09	Humana Healthcare	630	Office	Existing	112,000	Yucca
Sep-09	VESystems (14 add'l, 39 total)	14	Office	Existing	6,000	Yucca
Sep-09	Century 21	50	Office	Existing	4,000	Yucca
Nov-09	Conair	350	Manufacturer	Existing	619,000	Yucca
Dec-09	West-MEC Office	40	Education	Existing	38,000	Yucca
Dec-09	West-MEC Airport	20	Education	New	42,000	Yucca
Feb-10	DeVry	80	Education	Existing	20,000	Yucca
10-Jun	Linamar	75	Manufacturer	Existing	85,000	Yucca
		1,709			981,000	

Source: Arizona Department of Commerce

GLENDALE PARKING OVERVIEW

For City-operated parking, the City opened a 600-space multi-level downtown parking structure in 2009, The Promenade at Palmaire. The C-2 zoned, mixed use parking structure and retail development is located at 5835 W. Palmaire Dr., Glendale, at the corner of N. 59th Drive and Palmaire Avenue, and is looking for tenants to fill the ground-floor retail space. (Approximately 10,808 Total SF is available. Asking rent is $12/SF NNN.)

A more comprehensive list of parking (and proposed future parking) located in and near the Sports & Entertainment District is shown on the following two Figures. Some of these facilities were used for Super Bowl

parking in 2008; other facilities were identified as possible parking locations for large events at the University of Phoenix Stadium, should the City get another Super Bowl in coming years.

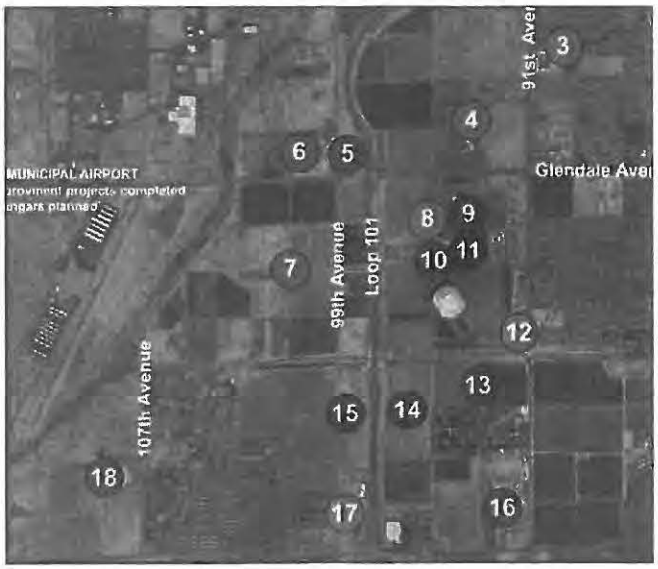
As stated earlier, most of these facilities are not considered to be competing resources for Jobing.com events as many of them are controlled by the City. Other private properties on the list are not necessarily available for District event parking except through special arrangements.

Figure 24: Possible Future Stadium Parking Options

#	Locations	Sq.Ft.	Rooms	Parking	Paved
1	Glendale Community College	-	-	3,000	3,000
2	Glendale Civic Center	31,608	-	600	600
3	Kellis High School	-	-	750	750
4	Zanjero: Marriot, Hyatt, Staybridge & Holiday Inn	3.8 M	584	3,500	750
5	Glendale Park & Ride	-	-	1,000	650
6	Gateway Center: Aloft & Radisson	99, 000	240 (Entitled)	327	0
7	Main Street	7 M	1,325 (Entitled)	7,250	1,000
8	Renaissance Hotel	330,000	320	450	450
9	Westgate City Center: Hampton Inn	5.3 M	249	3,500	3,500
10	Glendale Convention Center	416,000	-	907	907
11	Jobing.com Arena	604,000	-	7,500	7,500 (lots Garage)
12	Glendale Youth Sports Fields	-	-	1,150	0
13	Centrada	4.2 M	650 (Entitled)	3,675	0
14	CBD 101	4.6 M	500 (Entitled)	15,248	0
15	Bella Villagio	3.2 M	300 (Planned)	7,350	0
16	Copper Canyon High School	-	-	850	850
17	Cornerstone: Comfort Inn	236,000	100	713	400
18	Cactus League Training Facility (Club Houses)	120,750	-	4,058	2,000
19	Downtown Parking Garage			600	600
Total			4,284	62,428	23,015

Source: City of Glendale, AZ

Figure 25: Possible Stadium Parking Locations



Source: Source: Phoenix Convention and Visitors Bureau

LOCAL MARKET CONCLUSIONS

Without question, the overall sports, entertainment, and retail climate in the U.S. has suffered over the last few years due to one of the worst economic recessions in decades. Over the short range, the elevated unemployment figure, and the decrease in average household consumer discretionary spending, presents some challenges for the Jobing.com Arena and any prospective new Coyotes ownership.

On the bright side, the Greater Phoenix area appears to be one of the more solid major US markets in terms of long term growth potential. As stated earlier, projections show the region is expected to grow by nearly 60 percent by 2030, bringing the regional population to more than 6 million people. This combined with a young and educated population demographic would imply that a sporting franchise like the Coyotes could be highly successful long-term given the right marketing, local interest in hockey, and commitments from the ownership group to build a winning franchise.

It is Walker's assumption for this report, that the later happens and that both the Phoenix Coyotes and the Jobing.com Arena operate successfully over the long-term. Likewise, the parking revenues for the Jobing.com Arena System are expected to stabilize sometime after Year 4 in our revenue pro forma.

Walker is not an economic consultant nor an authority on sports franchises. We cannot comment for certain on the short- or long-range performance of the Phoenix Area economic system or the Phoenix Coyotes or the NHL. However, based on our review of the limited statistics presented in this section, we have no reason to question any specific assumptions provided by the City of Glendale or by the outside arena consultant (CSL International).

Additional backup material related to local economic conditions is included in Appendix B

PARKING INDUSTRY OVERVIEW

Parking in the United States is a multi-billion dollar industry that has experienced continuous growth over the past decade. Forecasts of socioeconomic factors, such as population, employment, income, and household sizes, are generally used to assess the future growth of the parking industry. Predictions of trends based on technological innovation, social change, or legislative factors, however, are much more difficult to gauge, but may have an equally significant impact on local, regional or national parking characteristics. In recent years, the primary growth in the parking industry has been attributed to the increased demand for self-park and valet parking spaces generated by airports, commercial property owners, convention and sporting venues, cultural institutions, colleges and universities, governmental bodies, and healthcare institutions.

The following are five of the top industry trends:

1. An increasing use of automation in revenue collection driven by the desire for higher margins through enhanced financial accountability and reduced direct labor costs.
2. A focus on quality driven service that is becoming equal in importance when compared to location, safety and affordability.
3. An increase in environmental initiatives that seek to achieve long-term financial savings.
4. An influx of new parking investors who are likely to push technology innovations sooner than the public sector.
5. An increase in the use of wireless parking services that includes the use of the internet and cell phones to locate and pay for parking.

Many of the industry trends are focused on enhanced patron experience and maximizing financial performance. Design principles that once centered on utilitarian parking lots and structures have shifted to include a greater emphasis on architectural treatments and overall aesthetics. The quality of lighting, pedestrian walkways, graphics, exterior façade, landscaping and overall ambiance has become more important to many owners. In combination with changing deign objectives, advancements in technology have allowed owners to increase efficiencies and maximize revenue potential.

PARKING IS AN ELASTIC, PERISHABLE GOOD

A parking space that is available for use by the public for a fee is a highly perishable good. Essentially, time is sold and if it is not sold on any given day it cannot be replaced or sold later, and is therefore lost.

Parking supply is characterized as elastic. A parking space can be brought on-line very quickly by utilizing vacant land or the practice of "stacking" vehicles beyond the striped capacity in an existing parking facility. The cost to add or expand on-site surface parking is relatively low when compared to the potential revenue each additional space could generate. Parking demand is characterized as elastic. Airport parking patrons are sensitive to price and location and patrons desire highly convenient parking at the lowest possible rate.

INDUSTRY TRENDS IN REGULATIONS

Parking is often the direct or indirect target of social engineering. Local municipalities often implement demand management plans that focus on reducing a community's dependency on single occupant vehicles and increasing the use of public and other transportation modes (i.e. bus, train, bike, walk, and ride-share). Also, environmental legislation can impact a community's approach to public transportation initiatives. Environmental initiatives that address transportation modes are most often directed towards the reduction of single occupant vehicles, which reduces the demand for parking.

Parking Rates and Demand Management

In addition to being a source of revenue, increased parking rates are often seen as a parking demand management tool. The theory is that at higher parking rates, end users will have more incentive to walk, bicycle, rideshare, or utilize public transportation. For some downtown, retail, or mixed-use environments, adding pay parking (meters, multi-spaces meters, or graduated parking rates) is seen as a tool to keep long-term employees cars from parking in the most convenient or curbside parking and instead direct monthly and long-term users to more remote lots and garages. Some of the recent transportation research indicates that much of the traffic congestion experienced within a typical downtown is due to visitors looking for a place to park. Higher on-street parking rates have been proposed as a solution to insure that the availability of street parking and the demand for those spaces is balanced appropriately (based on market factors). That said, in most cases, there is a large amount of political sensitivity surrounding parking fees. The result is that 100% market based pricing solutions (based on supply and demand only) are rare.

EVENT PARKING

Event parking operations in the United States have proven to be significant profit centers and typically represent one quarter to one third of the some sports venues and university athletics operating revenues. The leading demand indicator for event parking operations is the originating event attendance. Industry statistics indicate that although event attendance has declined during the past two years, venues with reported stable or increasing attendance figures have shown a strong performance in parking revenues. This emphasizes the fact that the success of an event-driven parking operation is dependent upon the performance of the events and economic influences.

On-site parking operations typically operate in a business environment with limited supply and few direct competitors. The product offered by an event parking operation is unique and highly desired because of its location proximate to the venue. The market segments are clearly defined between convention and sports event, but share a common desire for the best service at the most convenient location, for the lowest price. Venues typically attempt to provide a diverse parking product mix so that patrons can choose a level of service, convenience and price that best meets their expectation. This ability to offer premium, market rate and economy parking on-site creates a strong competitive advantage over potential off-site parking providers. Event operating and maintenance costs can be lower than similar downtown, university, hospital, or airport parking operations because most spaces are on-site and easily walkable, and where shuttles are needed, shuttle routes tend to cover shorter distances than required by other shuttle operations.

Although on-site parking operations do have a competitive advantage, growing event attendance may create demand for off-site parking facilities in many primary, secondary, and tertiary locations. Off-site facilities typically are vacant facilities that are available on event days, weekends, or night-time. An off-site parking operations' success largely depends on proximity and access to the generator, effective marketing, excellent customer service and competitive rates.

Off-site operations are subject to risks that are not as prevalent in other segments of the parking industry. For example, the low cost of use may allow them to expand competing off-site parking facilities, often adding enough supply to satisfy demand for several years. This dilution of the market supply may force on-site facility owners to lower rates, decrease shuttle service, and reduce other service amenities to maintain profit. However, distance may make it more difficult to compete with on-site parking operations and cover the cost of the operating expenses associated with the fluctuating event demands. Another risk for off-site operators is their lack of ability to freely set rates; their maximum rates are usually dictated by the on-site system's lowest rates.

INDUSTRY TRENDS IN TECHNOLOGY

The parking industry has transitioned through a paradigm shift from "cigar box" operations to automated revenue control systems. This transition is the result of increasing pressure felt by owners and operators to remain competitive and maximize the financial performance of their assets. Parking software and access and revenue control vendors are developing products that increase accountability in a cash-based industry that has frequently experienced operational problems such as employee theft and inaccurate financial reporting.

Examples of technological advancements that have helped to improve operating practices and the financial performance of on-airport parking operations include the use of automated pay stations, real-time debit/credit card payment, system integrated accounting software, automated vehicle identification (AVI) systems, smart cards, billboard notification of available supply, automated guidance systems and on-line payment capabilities. The challenge faced by many owners and parking operators is justifying the initial capital cost of the software and equipment and ongoing training that is required to properly utilize the technology. Even though the initial capital cost may seem substantial, many of these technologies enable the operator to materially reduce operating expenses, such as direct labor, and gain efficiencies in areas such as revenue reporting and overall facility management.

PARKING ACCESS & REVENUE CONTROL SYSTEMS

When discussing event parking management, it is important to consider the design of a parking access and revenue control system (PARCS). The PARCS includes both physical barriers, such as gates, cones, etc. as well as the systems for allocating permits and collecting revenues.

Selecting an appropriate PARCS system for a professional venue typically requires assessment of a number of factors such as:

- What are the different parker groups or parking demographic that must be accommodated on-site?
- What are the main roadway arteries providing ingress and egress to and from the site?

- How does traffic circulate from these main arteries into the internal roadways?
- What is an appropriate parking loading configuration for the site?
- What are the individual parking facility capacities and entry/exit points?
- What entry/exit points can be closed to facilitate enhanced parking management and control?
- What design requirements, (i.e. channeling, or turn radii) should be considered?
- How many lanes of entry traffic can be adequately accommodated at the entry/exit points?
- What is the anticipated parking volume on event dates?
- What is the best method for issuing parking tickets and collecting revenue in a verifiable manner?
- What payment methods need to be accommodated?

The City has the primary responsibility to professionally manage parking and the fiduciary responsibility to secure parking revenue. Therefore, significant effort should be spent designing the components of how the parking access, revenue control, and transportation systems are to work together.

The purpose of PARCS is to provide adequate controls that limit parking to the appropriate users and ensure the collection of any applicable fees due for parking. In order to determine the most practical PARCS for a specific situation, it is critical to assess what is expected from the system.[3]

The following are some concerns and priorities related to a typical parking system and reasons why it is necessary to enhance control over a parking system:

- Detect employee theft or theft of service.
- Allow on-site and off-site monitoring by management.
- Detect customer fraud.
- Calculate and audit cash revenue collected.
- Maintain an accurate account of available spaces.
- Provide activity counts for auditing and traffic management purposes.
- Control contract/permit and transient parking customers.
- Minimize wait times and delays.
- Minimize labor costs.

Before discussing specific systems, it is helpful to differentiate between the various levels of revenue control utilized throughout the industry. The following table includes, but is not limited to, various "levels of revenue control"[4] that are used to control different types of parking applications throughout North America today.

[3] Parking Structures – 3rd Edition, 2001, "Planning, Design, Construction, Maintenance and Repair," Chrest, Smith, Bhuyan, Monahan, Iqbal.
[4] M.S. Smith and W.L. Surma, 1988 "The High Tech Approach to Parking Access and Revenue Control," Parking (submitted, July 1988)

Figure 26: Levels of Control for Typical PARCS Systems

Level	Example	Parking Applications
Zero – Hand	Cigar Box	Special Events
	Hand Issued Tickets	Small lots < 50 spaces
	Slot Boxes	Low fees
	Paper permits	Low turnover
	Decals	
One – Mechanical	Meter – mechanical	Small lots < 100 spaces
	Coin/token collector	Low fees
	Zero + mechanical counters	Low turnover
	Cash register/out clock	
	Non-programmable readers	
Two – Electronic	Fee computer	50 – 500 spaces
	Programmable readers	
	Electronic meters	
	Electronic multi-space meters	
Three – Full PARCS	Level Two Items +	> 300 spaces
	License plate inventories	Machine readable tickets
	Debit cards	
	Credit cards	
	Central cashiering	
	Pay on Foot	

Source: Walker Parking Consultants, 2010.

Recommended Arena System PARCS

The PARCS system that has been recommended by for the Jobing.com Arena would fall under the third level of controls shown above, less the license plate recognition option. The system is described beginning on page 35. Having a system with full controls and integration has a number of advantages that include the following:

- Increased level of service for Arena patrons by offering online reservations and on-line pre-sale of parking passes;
- Better traffic and parking controls with real-time information regarding lot capacities and the number of cars already parked;
- Fully auditable controls for tracking revenues collected, parking tickets issued, and a (non-resettable) count of cars entering and exiting the lots,
- A full range of payment options including cash debit, credit, and parking pass tracking for pre- pays, and
- Automated data to record historical usage with a better degree or accuracy.

Under the "cigar box" method of operation, Walker assumes some additional revenue loss factor due to theft and other variables. These revenue losses are accounted for under Walker's financial projections for years one and two of operation.

EXISTING PARKING SYSTEM DESCRIPTION

PARKING OWNERSHIP

The figure below shows an expanded view of the northeast portion of the Glendale Sports and Entertainment District and all existing land parcels within a (roughly) half mile radius of the Arena.

Figure 27: Arena plus Approximate Half-Mile Radius

Source: Google Maps 2010 (http://maps.google.com/maps). Half-mile radius and walking times by: Walker Parking Consultants, 2010.

Most parcels to the west of Loop 101, to the south of W. Bethany Rd., and to the north of W. Glendale Ave. are undeveloped. Streets to the east of W. 91st. Ave. are residential neighborhoods. One larger commercial parking lot exists to the north of W. Glendale Ave. This lot is owned by Cabela's (a large sporting goods/ outdoors store) and is used for retail customer parking.

Other parking lots in the vicinity of the Arena are shown on the next diagram. The majority of the existing parking lots around the Arena are operated by one of the following: the City of Glendale (Arena lots, plus Kellis, Brown, and Youth Sports Fields), the Westgate project, or the Arizona Cardinals. Kellis, Brown, and the Youth Sports Fields are used by the City for overflow Stadium parking for larger NFL and college football events. At other times these lots are closed off with parking gates so that they do not impact the Arena event parking system.

Figure 28: Arena Area Parking Ownership, 2010

Source: City of Glendale, AZ

CITY, ARENA AND WESTGATE RELATIONSHIP

As stated earlier, it is Walker's assumption for this analysis that the Westgate parking and the Arena parking systems are operated as a single entity for the purposes of collecting event parking revenues from the new Arena parking System. Under the current development agreement between the City and Westgate, all Westgate lots needed for Arena parking are available.

Lot Y is currently an unpaved dirt lot and is used for overflow parking only when there are multiple District events occurring at the same time. Lot Y is not included in the Arena System since this lot is slated for new development sometime in the near future.

Future Westgate Development

Other phases of the Westgate development may end up displacing surface parking at some point in the future in order to construct additional commercial mixed use buildings. For example, the initial phasing plan calls for the possible displacement of all of Lot 2 and part of Lot 3 during Phase II of the project. Phase III would displace most of Lots 4 and 5. As parking lots are displaced, they would be replaced with parking garages.

A separate shared-use parking needs analysis was completed by Walker (in 2008) to show the possible phasing plan for Westgate and any new garages added. At each phase, enough new parking will be added to meet the needs of the Westgate project and replace 100% of what is displaced from the previous Arena parking system.

Per an assumption from the City, Walker understands that any new garages added by Westgate would be operated in a way that no parking revenues are lost from the Arena Parking System. (Essentially, patrons would pay to park in one of the event garages in the same way that they previously paid to park in an event lot). All event parking revenues would be used for the purposes of paying off the parking revenue bonds. Any increase in system operating costs would be offset by either rate increases, or additional arrangements made between Westgate, the City, and/or an entity created, or contracted with, by the City to operate the Arena parking System..

Again, it is the assumption used in this analysis (and confirmed by the City), that any future Westgate phases will have no negative impact on parking revenues captured by the Arena parking System. At worst case, all net parking revenues will be the same regardless of if parking is provided in lots of garages.

OTHER COMPETING PARKING SUPPLIES

Adjustments have been made in Walker's parking revenue analysis to factor in potential lost event parking revenues due to competition from the exiting Hotel garage. The Financial Projections section of this report provides more detail.

Parking revenues lost to other competing parking supplies in the immediate area are expected to be minimal. Since the City controls the street system and also the majority of overflow Stadium parking, competition from

other existing event parking lots is expected to be non-existent. For the Stadium, and other more remote venues, arrangements are already in place so that these lots do not become competing resources for Arena events.

Long-term, it is the City's intention that the Sports & Entertainment District works in a cohesive fashion to provide appropriate parking and transportation for each venue. Outside developers, seeking to operate parking facilities for a profit, will typically not be allowed unless these facilities fit into the overall master plan. Future commercial development within the District and with private parking will be controlled (by the City) to ensure that the Arena system continues to operate with as much protection as possible.

As shown on Page 31, most Arena patrons arriving to the Arena and looking for convenient parking will opt for lots already in the system. Past one mile, the walking distances become too much of a disincentive. As with any market with pay parking, a small number of creative and price sensitive Arena patrons might find ways to park for free. (Vacant fields and/or streets several miles from the stadium are a remote possibility.) However, due to the walking distances involved and assuming that Arena parking rates are perceived as being reasonable by most Arena attendees, Walker does not believe that the potential parking revenue loss will be significant.

PAY PARKING SYSTEM IMPLEMENTATION PLAN

Walker's previous report ("Task 3: PARCS Implementation Plan") recommended a pay parking system consisting of ground loops (or alternative car counters), wireless handheld units, and an option for on-line parking pre- sales and/or reservations.

At this time, the full integrated PARCS system has not been put out to bid. We understand that it is the City's intention to have a pay system in place by December 1, 2010 or soon after the parking bonds are sold. (Pay parking will be necessary as soon as the bonds are sold so that revenues can be collected for bond repayment). This means that the initial pay parking program for the Arena will likely be rolled out in phases with the first few years of operation consisting of labor and cash collection only.

The following section outlines what Walker envisions as a two part rollout plan to the pay parking operations. The two phases are listed here and described in more detail on the following pages. For the purposes of the financial analysis, the City has provided the following dates as assumptions regarding the implementation timeline:

- Phase 1: "Cigar Box" Operation; beginning December 1, 2010
- Phase 2: Vehicle Ground Loops and Wireless Handheld Units; beginning September 2012 (NHL Pre-Season)

PHASE ONE: "CIGAR BOX" METHODOLOGY

In a "cigar box" or uncontrolled parking operation, detector or ground loops and PARCS equipment is not utilized to control the parking environment. Typically, cashiers are given a two-part ticket booklet that contains sequentially numbered tickets and stubs; each cashier is responsible for the number of tickets sold for the day. The number of tickets sold daily is reconciled based upon the numbers printed on the ticket booklets and distributed by the parking management team.

Theory of Operation

Cashiers, stationed at each control point within the lots, would utilize sequentially numbered two-part tickets to manage and collect fees from the various Arena user groups. Different color ticket stock would be used to differentiate lots and also be rotated for each event date. Using different color ticket stock (by event) assists the supervisors who are assigned to check the lots for unpaid vehicles and/or violators that may have not tendered the correct fee to enter a lot. As patrons enter the lots, the cashier greets each patron and requests payment of the designated parking fee due for the event. Once payment is tendered, the cashier places one-part of the two-part ticket on the vehicle dashboard and the second part of the ticket is retained in the booklet. How the various user groups are handled under the "cigar box" methodology is detailed as follows:

- *General Public - Cash Transactions*: The cashier issues a ticket to each patron entering the facility upon receipt of payment for the designated parking fee from each patron.
- *Prepaid Online Ticket Sales*: The "cigar box" methodology does not provide a means to accommodate parking for patrons that prepay for parking on-line. While a pre-paid ticket could

be printed on-line by patrons, there is no sure way to prevent more than one pass from being printed out and used on multiple occasions, since there is no communications of the specific pass identification numbers accepted on any given lot during the ingress period.

- *Permit Holders*: All permit holders (such as Coyotes Season Tickets holders) would be issued dated, pre-printed Event Day Passes when purchased. Printed permits typically contain the day and name of the event in an easily readable font size and some permits are constructed to hang from the rearview mirror for easy identification for sorting and parking. Printed instructions shown on each permit will instruct patrons to display their event day permit on the rear view mirror prior to entering the parking system.
- *Retail Patrons*: Patrons visiting the retail center would be directed to park in one of the retail parking lots closest to Westgate. Cashiers would be stationed at each ticket issuance point and issue a color-coded ticket to each retail patron upon receipt the event parking fee.

Once the lots are loaded and the event starting time nears, the lot supervisors are used to physically walk each lot and look at each vehicle parked to ascertain whether or not a ticket was issued to every vehicle parked on the lot. In addition to conducting lot checks, Supervisors are also responsible for collecting money drops from the cashiers and working with Lot Security to ensure the parking revenue is safely transported to the parking office or counting room within the Arena for counting, reconciliation, and depositing.

PHASE TWO: VEHICLE GROUND LOOPS, HANDHELD UNITS AND ONLINE SALES

Phase two assumes that ground loops (or alternative car counters) would be installed in all lots and utilized in conjunction with handheld units used by the cashiering staff to sell transient parking tickets and verify bar-coded parking permits issued by the Arena, as well as parking permits sold online through either the Arena's web-site and/or a web-site managed by a third-party vendor. To implement Phase Two, each of the cashier controlled points would require the following equipment:

- Ground loops[5], that facilitate the ability to track vehicle counts, would be saw-cut into the existing surface parking lots. Two loops are required in each entry lane for each count point; once installed, the loops would provide directional count information, as the loop leads are routed to a non-resettable count panel.
- One appropriately sized and lockable weatherproof enclosure would be installed in a landscaped buffer area adjacent to count control points. These enclosures would house non-resettable counters, wireless transmitters, and receivers.
- Communication would be routed from each count point to a system server via hardwire or wireless. A pole mounted transmitter may be required to provide sufficient height to allow the local wireless transmitters and receivers, located at each count point, to obtain a clear line of site to the transmitters and receivers, which communicate directly to the system server. In addition, wireless repeaters may also be needed to transmit around buildings to the system server.

[5] One alternative to ground loops would be wireless in-lane car sensors. This is a newer technology and has not been fully tested by Walker. Therefore our operation plan assumes more traditional ground loops; use of the car sensors would be up to the City or an entity created by or contracted with by the City, at their own risk.

Theory of Operation

Cashiers stationed at each control point within the lots would utilize hand-held units to manage and collect fees from each parker group, as follows:

- *General Public:* When payment is tendered, the cashier would press a cash sale button located on the handheld unit and the unit would issue a bar-coded ticket. A record of each ticket issued and the amount of the fee charged would be recorded and transmitted wirelessly to an access point for further wireless or hardwired communication with a system server.
- *Prepaid Online Ticket Sales:* Patrons that purchase parking online through Ticketmaster, the Jobing.com website, or another third-party website would print out a bar-coded parking permit. In conjunction with this process, a record of the Ticketmaster parking permits purchased online would be downloaded from the third-party server to an Event Parking server prior to the start of each event. A list of the authorized prepaid permits would in turn be uploaded to each hand-held unit for the event.

  Patrons with online permits would arrive at the parking lot of choice or as directed by the flaggers, and present the bar-coded permit to a cashier. The cashiers would simply scan the bar-coded permit with the handheld scanner and the system would verify the permit to ensure the permit was paid for online and that the permit had not been previously used to enter the lot. Once the bar-code is scanned, permit information is sent to the system server for distribution to all other hand-held units being used on that day, which ensures that permits cannot be re-used to enter and park more than one vehicle at a time.
- *Permit Holders:* When purchased, all eligible permit holders would be issued dated, bar-coded Event Day Permits. A database of the permits issued would be downloaded to the event parking server and uploaded to the handheld for the events. Cashiers would scan the bar-coded permits and once they were verified by the system, patrons would be allowed entry into the lot.

Figure 29: Handheld Units Examples

Source: Walker Parking Consultants, 2010

- *Retail Patrons:* Patrons that wanted to visit the retail only would be directed to park in the designated retail parking lots nearest to Westgate. The cashiers at the count control points within

the retail lots would issue a distinct bar-coded permit to these patrons upon receipt of the required parking fee. The ticket stock used to control retail parking could be pre-printed with parking fee rebate instructions (if applicable) and/or other information or directions for retail patrons to follow in order to receive a credit when visiting a Westgate retail establishment.

Each of the handheld units used on the lots would communicate via cellular service (purchased through a local cellular service provider) to a Facility Management System ("FMS") that could be located in a parking management or security office, within the Arena, and used to track revenue and equipment status throughout the load-in period. In addition, the occupancy at each facility could be monitored on a system server, which would provide valuable management information that could be used to direct or redirect arriving vehicles into lots will available space.

These types of event management systems provide for pre-programming of events and rates in advance, which minimizes the amount of data entry and preparation required on event dates. The pre-programming feature also allows for automatic activation on the day of the event without human intervention. Implementing a handheld event system would accommodate the following event payment methodologies: cash processing, credit card payments with major credit cards, online prepaid parking sales, third-party ticket agency prepaid sales, V.I.P. pre-arranged parking, and debit and discount cards.

In addition, hand-held units provide cashiers with programmable "Help Buttons" that could be used to request assistance and additional change, when required. The help buttons can also be programmed with codes that appear in pop-up displays on the system server monitor (i.e. "1" need change, "2" need relief, "3" need supervisor).

PARCS COST PROJECTION

Walker's opinion of probable costs for the PARCS options, with handheld scanners and detector loops installed in each entry lane, is projected to be approximately $575,000. This pricing estimate is based upon industry experience and should be used as a general guideline and not considered as an actual quotation for the specified items. Our probable cost projection is based on the estimated quantities of hardware and software required to implement the system. If a decision is made to add cashier booths, we assume that approximately $12,000 to $15,000 per booth should be budgeted in addition to the $575,000 estimate.

In addition to the equipment, the PARCS system shown on the following figure also includes an estimate for system design, installation, and infrastructure. A full set of design drawings have not yet been prepared. Therefore, the costs estimates provided (with contingency) for these items are subject to review and revision as the full system is designed and installed. Fully installed, Walker estimates that the full PARCS system may cost as much as roughly $999,000. It is our understanding that this cost would be included as a line item expense against the Arena parking System revenues and paid for out of operating revenues. For our pro forma the PARCS equipment and up-front costs are amortized over five years based on assumptions provided by the City. For this analysis, we assume that the full system would be installed and operational by beginning September 2012.

Figure 30: Estimate of Probable Phase 2 PARCS Costs

Parking Access and Revenue Control System (PARCS) - Hardwired - Estimate of Conceptual Costs

Lane Equipment	Quantity
Handheld (HH) Event Ticketing Devices [1]	34
Printers for HH Units[2]	34
Count Boards	17
RF Communication Packages	17
Communication Converter	17
Vehicle Ground Loops for Counts	68
Dual Channel Directional Detector	34
NEMA Enclosure for Count Boards, Detectors etc.	17
Non-resettable Counters for Directional lane counts	68
Facility Management Server includes Credit Card Server	1
- Event Management Software	1
- Count Software	1
- Credit Card Processing	1
- Ticket Agency Interface	1
Workstations[3]	4
Spare Parts and Stock Components	
Installation[4]	
Training	
Conceptual System Equipment Costs and Installation	$575,000
Civil and Ancillary Work	
Electrical Infrastructure Work	
Power conduit and wire; communications & cabling[5]	$143,750
Design Fees[6]	$150,000
Contingency[7]	$130,313
Conceptual Total System Cost[9]	$999,063

Footnotes

1. Includes credit card reader, charging cradle, and spare battery.
2. Includes battery and charging cradle.
3. At following locations: GM Office, Asst. Mgr. Office, Auditor's Office and Supervisor's Control Room.
4. Bolt down, terminations and testing only.
5. Rough estimate for power conduit and wire at 25% of System cost.
6. Sign package design, PARCS design, specs, bidding, construction
7. Fifteen percent of total costs.
8. Cost estimate does not include any restriping, concrete work, delineator posts , licenses and permits.
9. Subject to review and revision once the system is fully designed

Annual Financing Cost Estimate (assumptions provided by City)

PARCS Financing Cost			
Amortization	5 Years		
Rate	4%		
PMT	Monthly	Annual Paymer	$220,791
		Rounded to:	$220,000

Source: Walker Parking Consultants, 2010

LABOR ESTIMATES

In any parking operation, staffing is a critical component required to project operating expenses, as payroll and benefit costs often account for a large majority of the total expenses associated with an operation. Descriptions of the various positions included in our staffing recommendations are listed below:

- A full-time General Manager would act as the on-site parking manager for all events, and act as the liaison between Jobing.com Arena, the Westgate retailers and the City of Glendale. This is a full-time position, working 2,080 hours annually.
- Manager(s) would assist the General Manager on-site daily and during all events. We assumed two full-time managers, each working 2,080 hours annually, would be required to assist the GM, facilitate the set-up for event parking, as well as manage the parking supervisors and staff and reconcile the parking revenue generated when A, B and C events occurred throughout the season[6].
- A total of ten Parking Supervisors would be required during A events, and reduced Supervisor staffing would be needed during B (eight) and C events (three). Supervisors would provide on-site supervision of individual lots (or a group of lots), monitor cashier activity, manage the traffic within the lots and provide customers assistance as required.
- Traffic Managers are provided in each staffing schedule for all events to facilitate the flow of traffic from the arterial roadways into and from the parking lots. (This would supplement the traffic management plan that is already in place for special events.)
- Cashier(s) are utilized to staff the entry cashier positions, collect parking revenue and provide customer service on all event dates. The Cashier staffing levels are determined by the type of event and volume of vehicles expected for the event date.
- Flaggers are needed on event dates to direct patrons into available spaces once patrons move into the parking areas and to facilitate the parking configuration required to maximize the number of parking spaces in each of the event parking lots.
- We assume that two Auditors will be needed to reconcile the cash and tickets collected for A and B events and that one Auditor is required to manage the reconciliation process for C events.
- A one or two man setup and tear down crew is assumed in our event staffing plan. This crew typically works a minimum of five hours prior to and after each event and are used to prearrange entry signs cone off restricted or inaccessible areas and for other general setup and tear down work required both before and after each event occurs.

A total staffing breakdown for the system is provided on Figure 31.

[6] The projected annual Arena events are separated into A, B, and C categories based on size and staffing needs. The projected events breakdown is provided in more detail in the financial analysis section of this report.

Figure 31: Estimate of Probable Event Parking System Staffing Needs

(A) Event Staffing	F/T or P/T	Total	Office	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5	Lot A	Lot B	Lot E	Lot F	Lot G	Lot J	Lot K	Lot L	Grey	Lot X
General Manager	F/TF	1	1															
Manager(s)	F/TS	2	2															
Supervisor(s)	P/T	10	0	1		1	1			1		1	1	1			1	2
Traffic Management	P/T	4	0							1			1	1				1
Command Center	P/T	0	0															
Auditor(s)	P/T	2	2															
Cashiers	P/T	24	0	2	1	1	2	1	1	2			2	2	1	1	2	6
Flaggers	P/T	31	0	2	2	2	2	2	2	2			4	2	2	1	2	6
Set Up - Tear Down	P/T	2	2															
Sub Total - (A) Events		76	7	5	3	4	5	3	3	6	0	1	8	6	3	2		15

(B) Event Staffing			Office	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5	Lot A	Lot B	Lot E	Lot F	Lot G	Lot J	Lot K	Lot L	Grey	Lot X
General Manager		1	1															
Manager(s)		1	1															
Supervisor(s)		8	0			1	1			1		1	1	1			1	1
Traffic Management		3	0										1	1				1
Command Center		0	0															
Auditor(s)		2	2															
Cashiers		17	0	1	1	1	1	1	1	1			2	1	1	1	1	4
Flaggers		18	0	1	1	1	1	1	1	1			2	1	1	1	2	4
Set Up - Tear Down		2	2															
Sub Total - (B) Events		52	6	2	2	3	3	2	2	3	0	1	6	4	2	2		10

(C) Event Staffing			Office	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5	Lot A	Lot B	Lot E	Lot F	Lot G	Lot J	Lot K	Lot L	Grey	Lot X
General Manager		1	1															
Manager(s)		1	1															
Supervisor(s)		3	0			1							1					1
Traffic Management		0	0															
Command Center		0	0															
Auditor(s)		1	1															
Cashiers		15	0	1	1	1	1	1	1	1		1	1	1	1	1		3
Flaggers		14	0	1	1	1	1	1	1	1			1	1	1	1		3
Set Up - Tear Down		1	1															
Sub Total - (C) Events		36	4	2	2	3	2	2	2	2	0	1	3	2	2	2		7

Source: Walker Parking Consultants, 2010

HISTORICAL JOBING.COM PERFORMANCE

The following section provides a brief snapshot of historical attendance and parking data for the Jobing.com Arena parking system. These figures will be revisited and updated for more forward-looking projections under the section entitled, "Projected Future Parking Demand". The tables that are provided here are mostly for the purposes of analyzing trends for each year, and parking and attendance as compared to Coyotes performance. The number of concerts and other events is also presented. A discussion on the impact of the Coyotes bankruptcy on event attendance is provided at the end of this section.

EVENT AND PARKING DATA 2004-2010

The City of Glendale provided Walker a list of past Arena events and car counts, from the Arena's opening in late 2003 through the current 2010 season. Data between 2004 and 2009 was analyzed based on calendar year; data for 2003 is not shown as the limited number of events held at the end of 2003 provide skewed statistics when compared to the full years. The one exception is Coyotes events. The hockey season runs from roughly mid-September through roughly mid-April and seasons are listed as 2003/2004, etc.[7] The event types for the Arena are sorted into the following categories - Coyotes events, concerts, non-hockey sporting events, and other miscellaneous events. The full historical Arena events info is included in Appendix C.

The City did provide historical vehicle parking counts which were collected by the Arena management team. The vehicle counts are of some value for this report but are presented only in a limited capacity. Because there was no pay parking, there was no effective way to determine which cars belonged to event patrons, which cars belonged to Westgate patrons, and which cars belonged to patrons visiting both venues. To estimate the total event cars, the Arena subtracted 2,000 vehicles from the total counts for Friday and Saturday events and 1,400 vehicles for Sunday through Thursday events. These subtractions were meant to approximate the patrons that were there just for Westgate. However, the resulting parking demand ratios end up substantially different than industry averages. In addition, vehicle counts for a total of 53 events are missing from data and it is somewhat unclear as to whether all season ticket permit holders were included in the data or not.

Due to the questions regarding vehicle counts, the following analysis will show the aggregate vehicle totals. However, for specific events and car counts by type, Walker has instead provided estimated totals based on industry standard driving ratios. These ratios have been substantiated for the local market based on "persons per car" counts that were provided by the Arena. Estimated vehicle counts for past Arena events are provided in Appendix C.

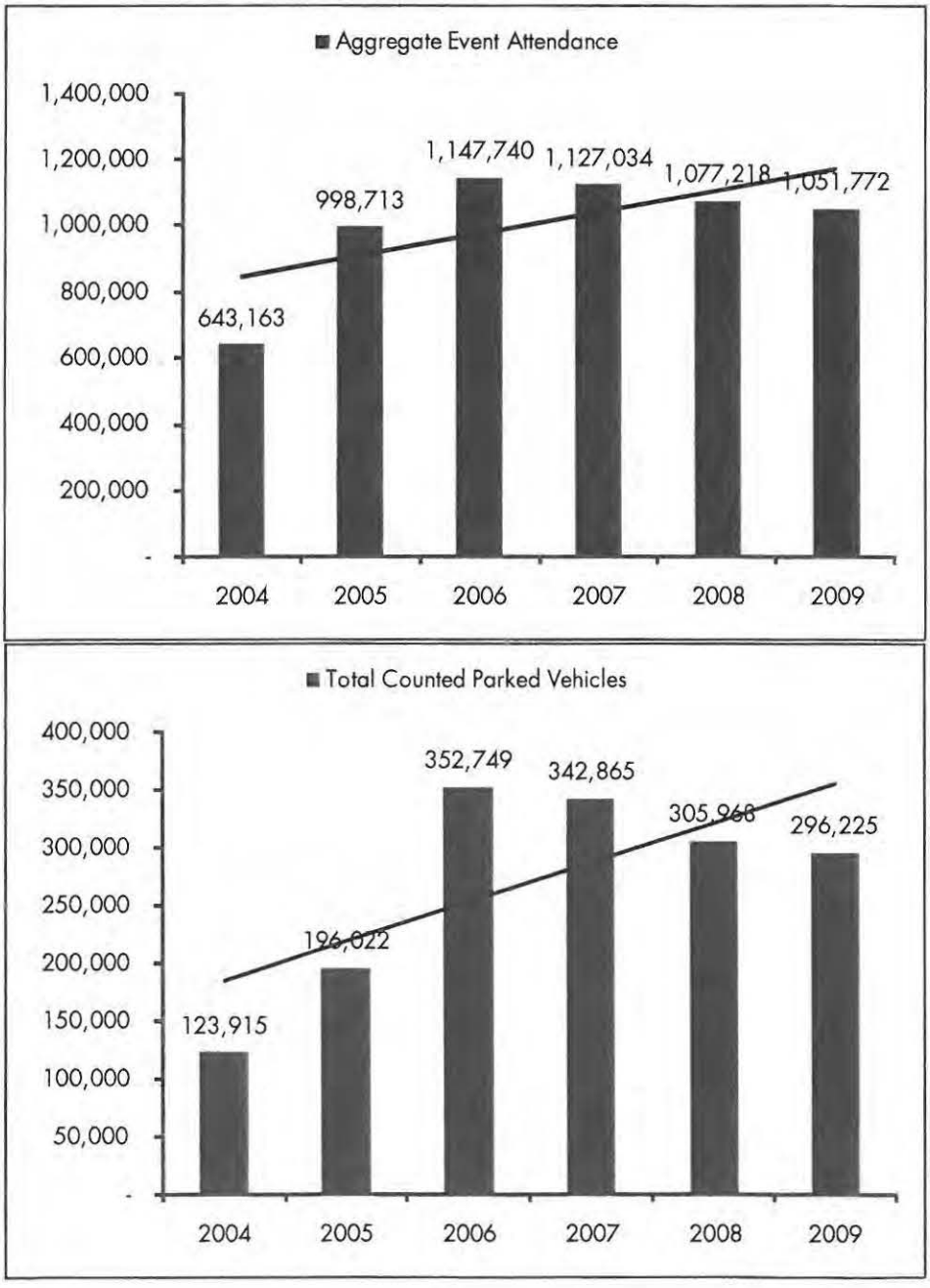
The figure on the following page shows aggregate attendance figures and aggregate car counts for the Arena from 2004-2009. The trends show a relatively close correlation between attendance and vehicle counts.

[7] For example, the Coyotes 2010-2011 season begins on Sept. 21 with pres-season games. The regular seasons runs from Oct. 9 through April 9. Post-season begins on April 14 if the team advances.

It should be noted that NHL players were on strike for the 2004/2005 season. The missing hockey games had a large impact on overall Arena attendance figures for both of these calendar years. With a full hockey season restored, the 2005 attendance data would have likely surpassed the 2006 annual totals.

In addition to the strike season, the Coyotes bankruptcy (made public in May 2009) likely had a negative impact on the 2009/2010 season attendance, particular for the first half of that season.

Figure 32: Historical Jobing.com Aggregate Attendance and Estimated Parking Counts

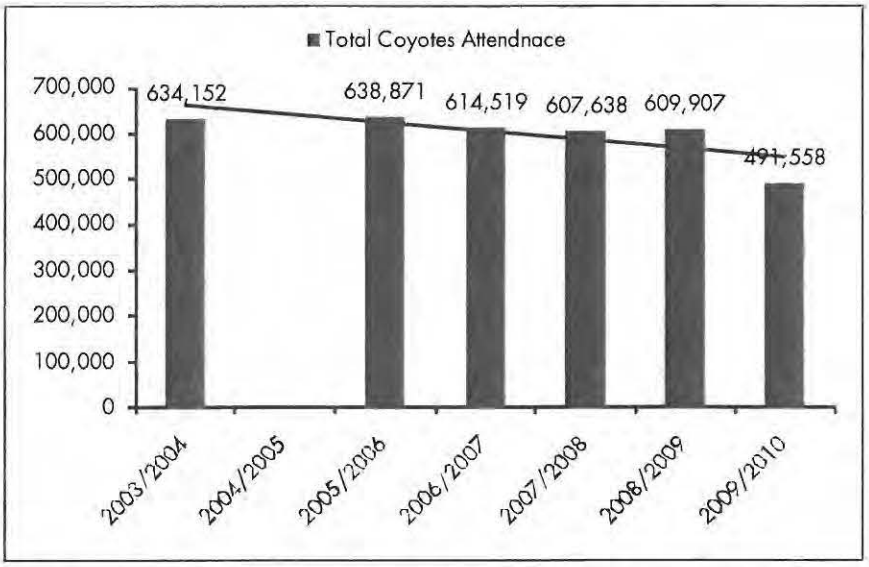


Source: City of Glendale, AZ

Coyotes Event Attendance

Since moving into the Jobing.com Arena in 2003 the total Coyotes home game attendance rates increased for 2004 and 2006, but then decreased per season through the 2009/2010 season. The total season attendance rates have decreased by a total of 29% over the team history at Jobbing.com as shown below. The strike season in 2004/2005 is excluded from this data. As mentioned previously, the bankruptcy of the team likely did impact the 2009/2010 season. However, the overall trend line through 2008/2009 (excluding 2009/2010) also shows a modest downward trend, indicating that future uncertainty surrounding the team was not the only factor impacting attendance.

Figure 33: Coyotes Attendance Statistics at Jobing.com

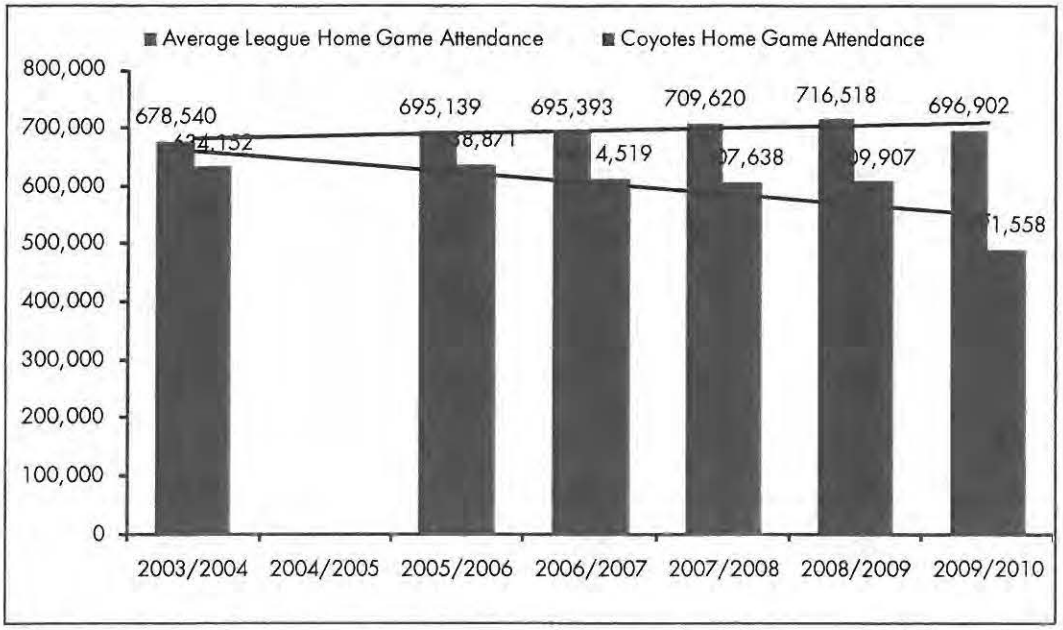


*2004/2005 is the NHL strike season; 2009/2010 may reflect somewhat lower attendance due Coyotes bankruptcy.

Source: ESPN Website (http//:www.espn.com)

To evaluate the downward trend, the average home game season attendance rates of the NHL were compared against the Coyotes' home attendance rates. Though the Coyotes home game total attendance rates have decreased, the average season home game attendance rates of the NHL shows a trend line increase over the last six seasons, by 2.7% as shown in the following figure. Of the 30 NHL teams in the league, the Coyotes have ranked in the lower 20% of attendance since 2003/2004 season.

Figure 34: Coyotes Attendance versus League Averages



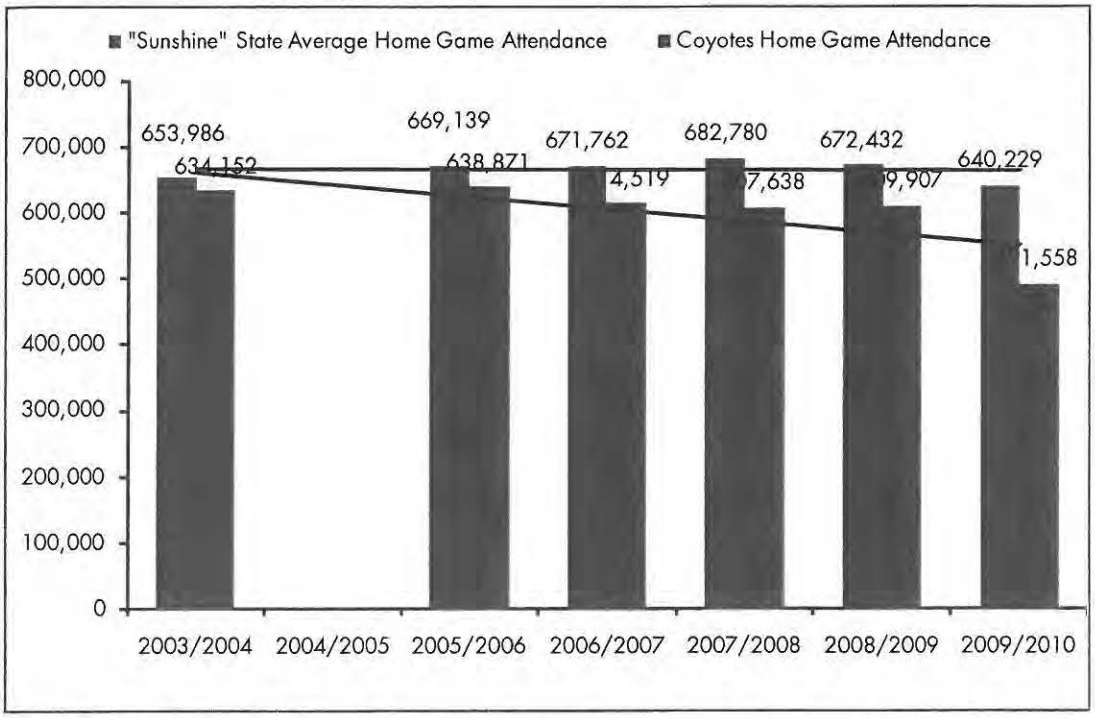
*2004/2005 is the NHL strike season; 2009/2010 may reflect somewhat lower attendance due Coyotes bankruptcy.

Source: ESPN Website (http//:www.espn.com)

Sometimes local market conditions can have an impact on NHL team preformance. Average home game attendance for teams that play in "Sunshine" states (states where it typically doesn't snow) traditionally have lower home game attendnace than areas in the U.S. and Canada where traditional winter seasons occur. For the purpose of this analysis we have considered the St. Louis Blues; San Jose Sharks; Los Angeles Kings; Dallas Stars; Tampa Bay Lightning; Carolina Hurricanes; Anaheim Ducks; Florida Panthers; Nashville Predators; Atlanta Thrashers; and Phoenix Coyotes to be "Sunshine" teams. The average home game attendance of the "Sunshine" state teams has remained relatively consistent as compared to the overall declining rate of the Coyotes home game attendance between the 2003/2004 season and the 2009/2010 season as shown in the following Figure.

Again, the impact of the Coyotes bankrupcy in 2009/2010 likely does have some impact on the following figure.

Figure 35: Coyotes Attendance versus "Sunshine" State Average Attendance



*2004/2005 is the NHL strike season; 2009/2010 may reflect somewhat lower attendance due Coyotes bankruptcy.

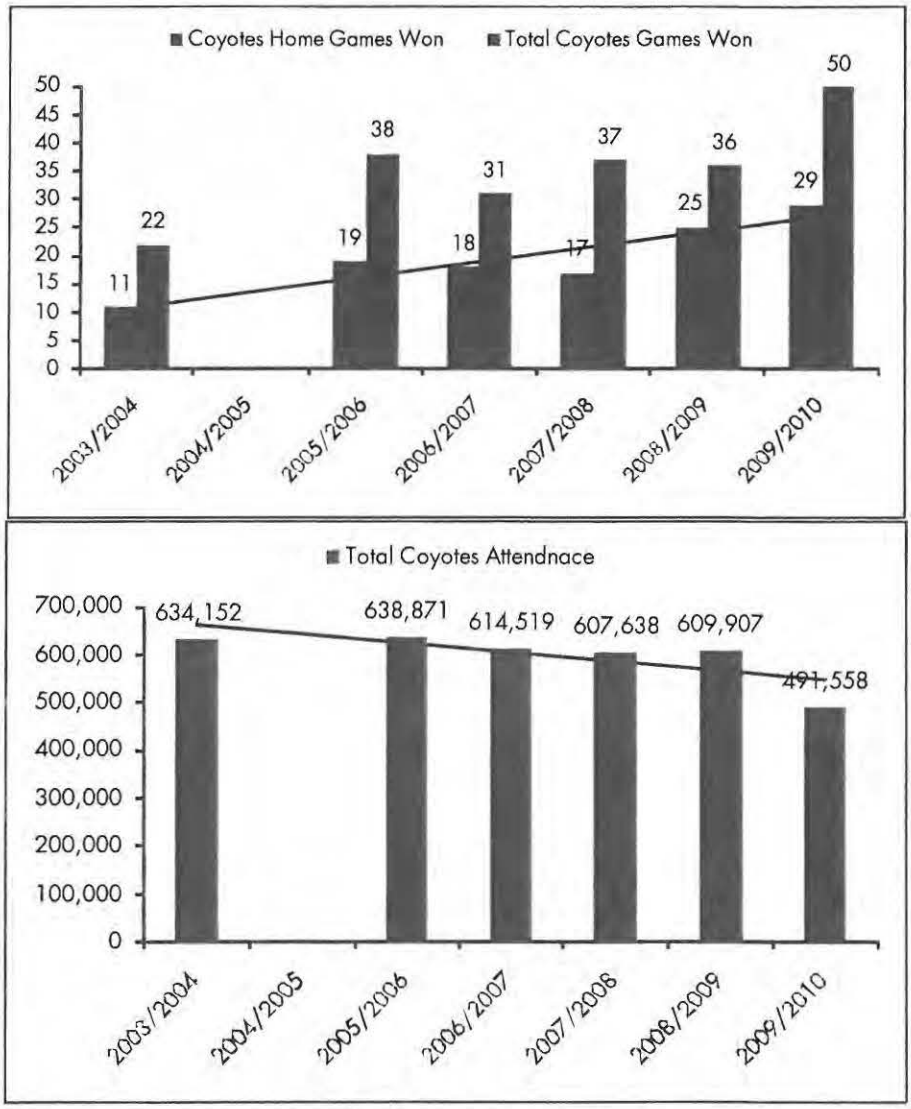
Source: ESPN Website (http//:www.espn.com)

Also of interest for Walker's analysis, is whether or not the attendance figures for Coyotes events are indirectly tied to the performance of the team. From the 2003/2004 season to the 2009/2010 season, the Coyotes win record has steadily grown. The 2003/2004 season ended with 11 (27% of home games) home wins and the 2009/2010 season ended with 29 (71% of home games) home game wins. Over the last six seasons, the Coyotes' home winning record increased by 62%. Their increasing win trend over the last six years is shown on the next page.

This data comparing wins, home wins, and total attendance is shown on the following page. The overall trend line is not well established since the Coyotes have only been at the Arena since the 2003/2004 season. Also, it is unknown how the bankruptcy proceedings for the previous ownership group may have impacted the attendance.

A more complete discussion of the Coyotes bankruptcy news is provided on page 50.

Figure 36: Coyotes Win Statistics versus Attendance



*2004/2005 is the NHL strike season; 2009/2010 may reflect somewhat lower attendance due Coyotes bankruptcy.

Source: ESPN Website (http//:www.espn.com)

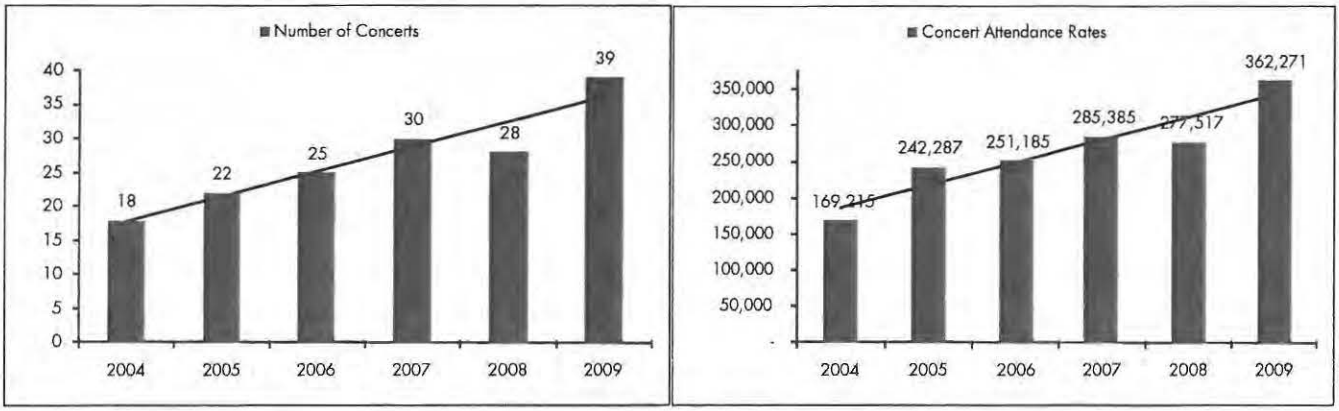
Concert Attendance

For all other non-Coyotes events, the attendance picture has been a mixed bag. One of the highpoints for the Arena has been the concert events. Since its opening, Jobing.com has seen a steady increase in both the number of concert dates and also the total annual concert attendance data. To some extent the increase in concert attendance has helped to smooth out the overall attendance line seen previously on Figure 32.

In 2004, the Arena has hosted some of the biggest names in entertainment including Andrea Bocelli, Bon Jovi, Bruce Springsteen, Christina Aguilera, The Eagles, Elton John, Faith Hill & Tim McGraw, Foo Fighters, Hannah Montana, Justin Timberlake, Madonna, Mannheim Steamroller, Paul McCartney, Red Hot Chili Peppers, The

Rolling Stones, Stevie Wonder, Tom Petty & the Heartbreakers, U2 and Van Halen. There are 87 Luxury Suites at Jobing.com Arena, which includes two Luxury Tower Suites and 12 Luxury Party Suites that can accommodate large groups of up to 50 people. In addition, the Comerica Bank Club (located on the Club Suites level) consists of approximately 400 upscale seats with unique club and dining opportunities. The number of concerts and concert attendance has steadily increased over the last six years as shown in the following Figure.

Figure 37: Concerts and Concert Attendance



Source: City of Glendale, AZ

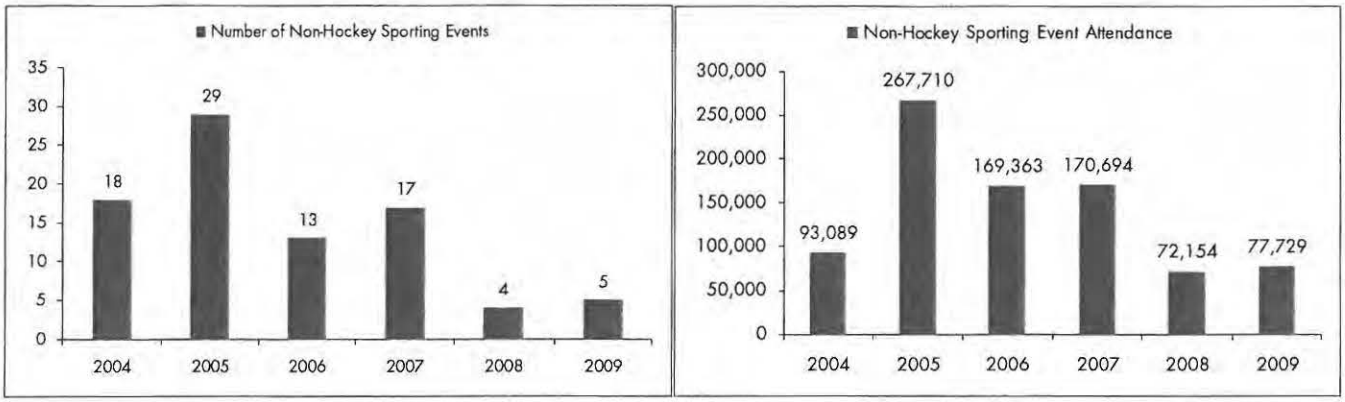
The average number of attendees for each concert event varies widely depending on which particular group is booked. The general trend in average attendance per concert date is shown here (though no overall trend is evident):

- 2004 18 events 9,401 avg./event
- 2005 22 events 11,013 avg./event
- 2006 25 events 10,047 avg./event
- 2007 30 events 9,513 avg./event
- 2008 28 events 9,911 avg./event
- 2009 39 events 9,280 avg./event

Non-Hockey Sporting Event Attendance

Sixty-six non hockey sporting events were recorded at the Jobing.com area between 2004 and 2009. The types of sporting events that have occurred at the Jobing.com Arena include Sting Lacrosse, cage fighting, motocross, monster trucks, bull riding/rodeos, ice skating, and miscellaneous AIA (high school sporting) events. Over the last six years, the number of events and corresponding attendance rates do not show a consistent trend. These events are shown on the next page.

Figure 38: Non-Hockey Sporting Event Attendance

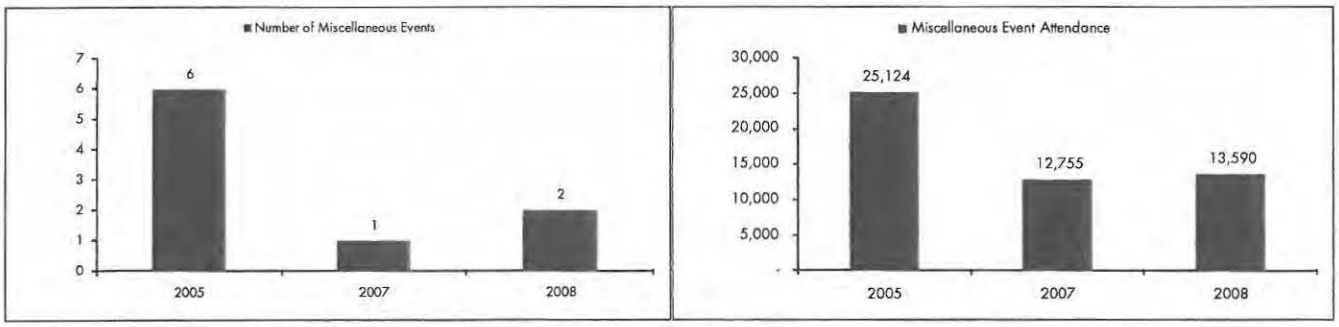


Source: City of Glendale, AZ

Miscellaneous Event Attendance

The following figure outlines the remaining miscellaneous events that have been held at the area since 2005. These types of events include the Circus and various professional events.

Figure 39: Miscellaneous Events

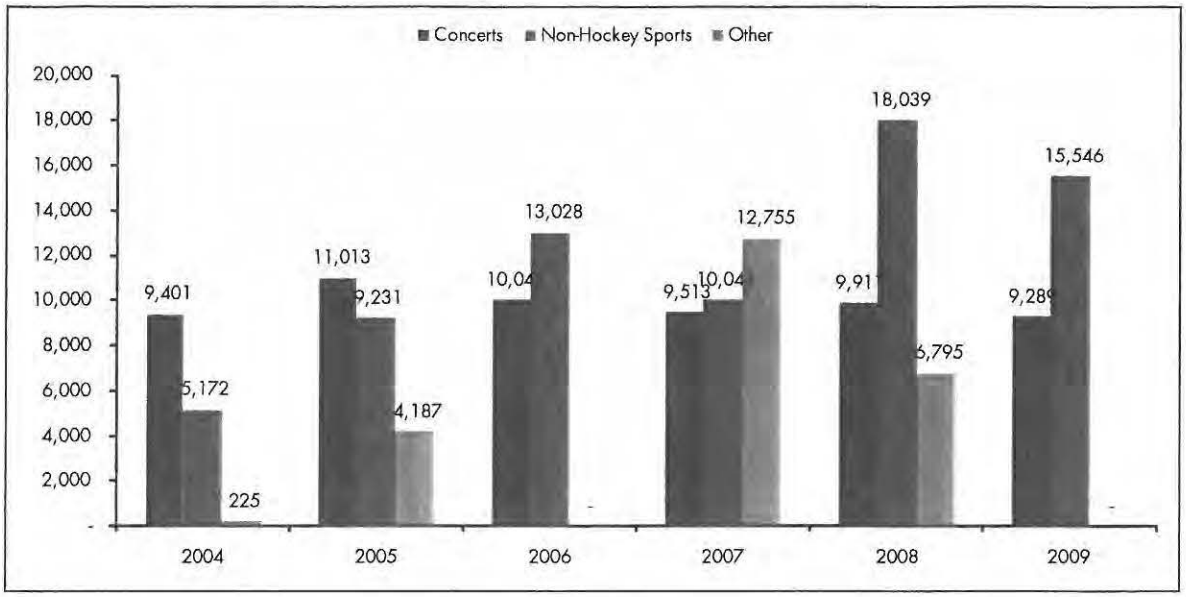


Source: City of Glendale, AZ

Historical Averages

The following bar chart shows historical average attendnace rates per year for all non-Coyotes events at the Arena. Keep in mind that for Miscellaneous events and Sporting events, the sample size is relativly small. No clear trends are evident from this table.

Figure 40: Total Non-Coyotes Event Attendance Averages (per event)



Source: City of Glendale, AZ

IMPACT OF COYOTES BANKRUPCY ON ATTENDANCE

In addition to the NHL strike season, the 2009 Arena statistics are also likely impacted by the bankruptcy and turmoil surrounding the Coyotes franchise heading into the 2009/2010 NHL season. The following list provides a limited timeline of events that transpired related to the Coyotes franchise:

- May 5, 2009: The Coyotes parent company (Coyotes Holdings LLC) files for protection under Chapter 11 of the U.S. Bankruptcy Code. According to court documents, the 2008/2009 operational losses totaled nearly $30 million. Jerry Moyes is the previous team owner.
- May, 2009: Prior to bankruptcy, Jerry Moyes reaches a tentative deal to sell the Coyotes to Canadian James Balsillie for $212.5 million. Mr. Balsillie has tried for several years to acquire an NHL franchise and relocate it to Ontario, Canada. The NHL currently opposes this move.
- May, 2009: The Coyotes have a 30-year lease at the Jobing.com Arena (per the AMULA) that includes a $700 million buyout for termination of the agreement. Because of this lease, the only way for the team to be moved is for Coyotes Holdings to file for bankruptcy, which nullifies all ongoing contracts including the lease.
- August 25, 2009: In order to keep the team in Glendale (and fulfill obligations to the publicly funded Arena), the NHL submits a bid to purchase the Coyotes out of Chapter 11 bankruptcy and run it during the 2009/2010 season. The NHL is awarded the team on September 10, 2009. During this time, the NHL and the City of Glendale continue to search for a new team buyer that will keep the team at Jobing.com.

- **May 25, 2010:** The National Hockey League sets a Dec. 31, 2010 deadline for the city of Glendale, to reach an agreement with new owners for the team. After that point, the NHL reserves the right to possibly authorize the franchise to move to another market.
- **May, 2010:** The City of Glendale reports that it has been negotiating a new Arena lease agreement with two potential owners. In an agreement with the NHL, Glendale pledges to pay the NHL up to $25 million to cover the Coyotes' "actual cash losses" that begin accumulating in July 2010. This ensures that the Coyotes will play out their 2010/2011 season in Glendale without risk of moving.
- **September 2010:** A new owner is still being sought for the team prior to the December 31, 2010 NHL deadline.

The turmoil surrounding the team heading into the 2009/2010 hockey season likely had a major impact on ticket sales as many fans were concerned that the team might be leaving the market. However, other factors such as the economic recession (and the departure of Wayne Gretsky as head coach) make it difficult to judge what the 2009/2010 season may have looked like with more stabilized team news.

Toward the end of the 2009/2010 season, attendance for the Coyotes home games began to increase as it bacame clear that the team would make the playoffs for the first time in franchise history. However, despite this uptick in attendance, some recent news reports suggest that season ticket sales and box seat sales heading into the 2010/2011 season are still well below historical averages. (The Arena declined to provide priopriatary season ticket information for this report).

Based on the data received, Walker has not made any adjustements to the historical parking demand figures for Coyotes events. For future events, the CSL International projections do assume that the team stays in Glendale and that ticket slaes recover over the next three seasons.

JOBING.COM PARKING DEMAND RATIOS

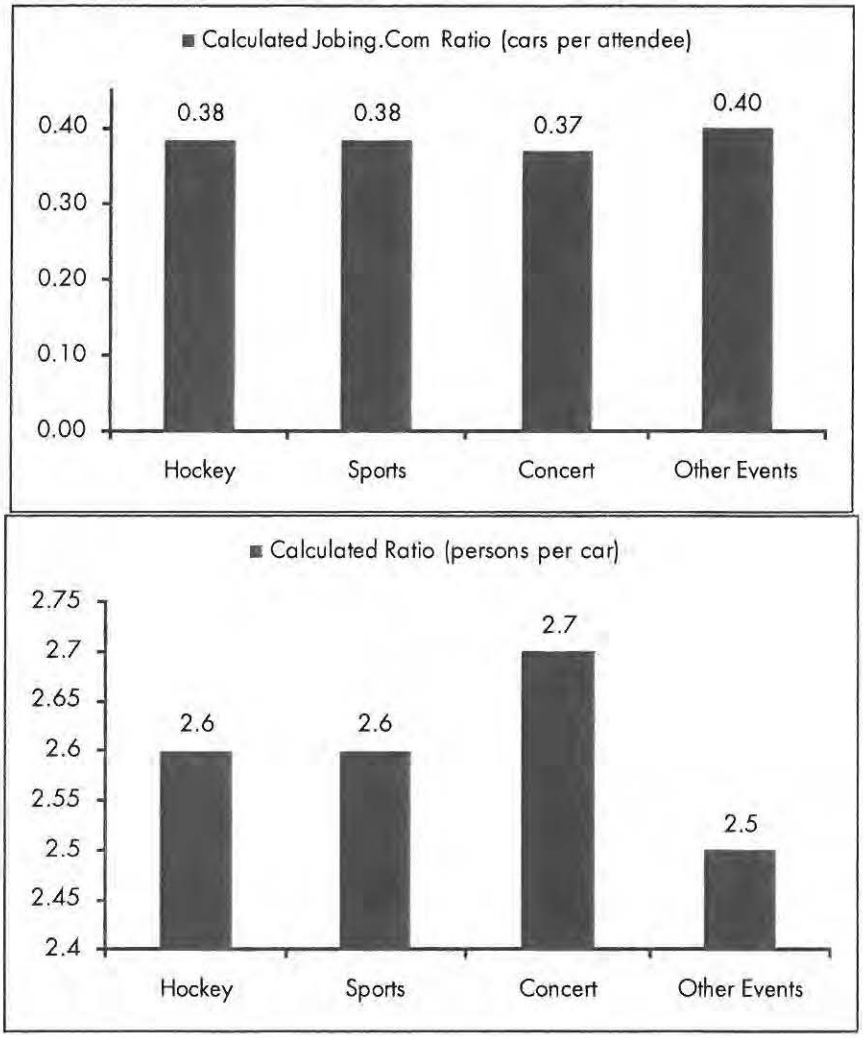
For our financial model, correlations will be drawn between the parking demand and the trends in Arena attendance. Logically, parking counts tend to be related directly to the event attendance with "x" number of cars per attendee. This value is always less than 1.00.

Within the parking industry it is also understood that different event types will generate cars at a slightly different rate. For example, sporting events typically have 2.5 to 3.0 people arriving per vehicle. This equates to a ***Demand Ratio*** of roughly 0.33 to 0.4 cars per attendee, assuming that transit usage is minimal.[8] Family shows on the other hand may have more people per car on average. The "Projected Future Parking Demand" section later in this report will look at both the projected event attendance figures and the expected cars/attendee. The Arena Parking Demand Ratios for this analysis are based on standard industry ratios that have been verified by Walker research into similar NHL venues (with pay parking) and also some local data provided by the Arena and the City.

[8] In areas with high transit usage, the Demand Ratio of cars per attendee is much lower since many people may arrive to the site via non-vehicular modes. Though there is some bus service within the Sports & Entertainment District, and possibly a small amount of walk-in patronage, Walker assumes that the vast majority of Arena patrons still drive to events. The one change that is expected when converting to pay parking is that some percentage of people that were previously driving multiple vehicles may now opt to ride in one car to the event.

The following Figure shows the projected Parking Demand Ratios that are assumed for the Arena after the System converst to pay parking. Additional notes are cited below the chart.

Figure 41: Projected Typical Parking Demand Ratios for Jobing.com Events



Notes on the Demand Ratios:

Persons per Car Ratio: Persons per car ratio assumes minimal mass transit usage for Jobing.com events

Hockey & Sports: Ratios are based on an internal Walker survey (2000) for selected NHL Teams (Philadelphia Flyers, Colorado Avalanche, Los Angeles Kings, and the Washington Capitals). The previous parking demand ratio of 0.41 parking spaces has been adjusted downward slightly to 0.38 based on persons per car data provided by Arena staff, and assumptions regarding the impact of pay parking.

Concerts: Persons per car survey data provided by Jobing.com Arena staff (2008); this data is in line with Institute of Traffic Engineers findings (*Parking Generation, 3rd Edition*, 2004).

Other Events: Based on persons per car data provided by Jobing.com Arena staff (2008)

Source: Walker Parking Consultants, 2010

PROJECTED FUTURE PARKING DEMAND

CSL PROJECTED EVENTS

Future Arena event projections and assumptions were provided for this report by CSL International (Convention Sports and Leisure, International). CSL was retained to study the Jobing.com Arena and project future performance by one of the groups seeking to purchase the Coyotes.

Based on historical attendance records, the Arena had its best year (in terms of total attendance) in 2005 at roughly 1.15 million attendees and 95 events. The CSL projections show the Arena recovering back to that attendance number by 2012/2013, with a roughly three year recovery period from the low point in 2010. The CSL projections continue to grow with stabilization at 1.24 million attendees.

These event assumptions are presented below and discussed on the following pages.

Figure 42: CSL Arena Event Projections, 2010 - 2015

	2010-11			2011-12			2012-13		
Event Type	Events	Avg. Att	Total Att.	Events	Avg. Att	Total Att.	Events	Avg. Att	Total Att.
Coyotes Pre-Season	3	7,500	22,500	4	8,000	32,000	4	8,000	32,000
Coyotes Regular Season	41	11,500	471,500	41	12,500	512,500	41	13,500	553,500
Concerts	32	9,800	313,600	32	9,800	313,600	33	9,800	323,400
Family Events/Shows	1	3,500	3,500	4	3,500	14,000	4	3,500	14,000
Other Sports	11	7,000	77,000	12	7,000	84,000	12	7,000	84,000
Other Ticketed Events	2	6,000	12,000	4	6,000	24,000	6	6,000	36,000
Other Non-Ticketed Events	2	14,500	29,000	4	14,500	58,000	6	14,500	87,000
	92		929,100	101		1,038,100	106		1,129,900

	2013-14			2014-15		
Event Type	Events	Avg. Att	Total Att.	Events	Avg. Att	Total Att.
Coyotes Pre-Season	4	8,000	32,000	4	8,000	32,000
Coyotes Regular Season	41	14,500	594,500	41	14,500	594,500
Concerts	33	9,800	323,400	33	9,800	323,400
Family Events/Shows	24	3,500	84,000	24	3,500	84,000
Other Sports	12	7,000	84,000	12	7,000	84,000
Other Ticketed Events	6	6,000	36,000	6	6,000	36,000
Other Non-Ticketed Events	6	14,500	87,000	6	14,500	87,000
	126		1,240,900	126		1,240,900

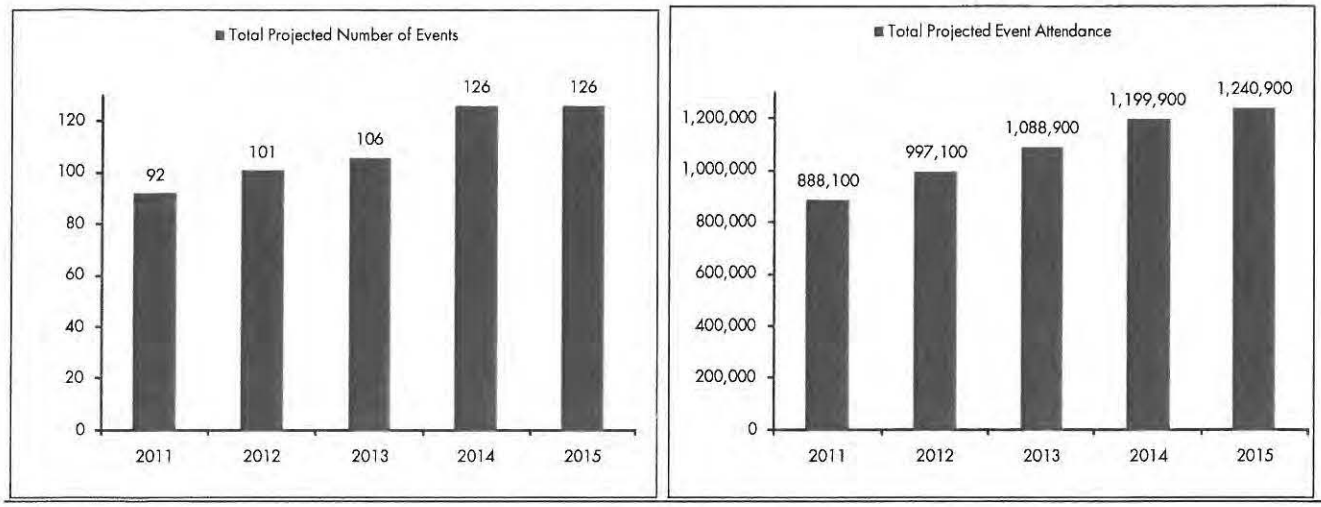
Note: Annual Event Number and Average Attendance is assumed to be flat for modeling purposes after 2014-15

Source: CSL, 2010

ANALYSIS

Over the next five years CSL projects attendance rates will increase from the current 2009 figures though the total aggregate attendance over the next five years will remain about the same as the past five years of approximately 5.4 million. CSL also projects the total number of events at the areas will also increase from the past five year's performance at the arena. The Figure below outlines both of these projections.

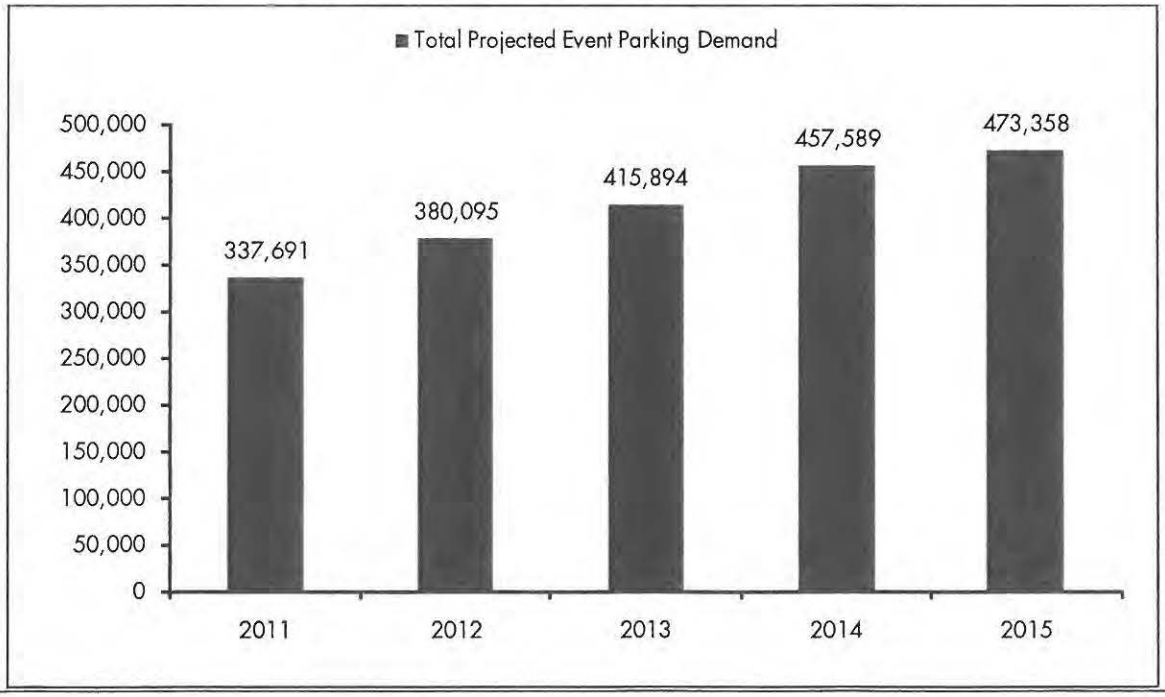
Figure 43: Total Projected Number of Events & Attendance, 2011-2015



Source: CSL, 2010

The associated projected parking demand over the next five years is projected to increase from 2009, though its ramp-up period is conservative. The following table was created by multiplying CSL total event attendance projections for each event category by the parking demand ratios presented by Walker on page 50 (figure 41).

Figure 44: Total Projected Parking Demand, 2011-2015



Source: Walker Parking Consultants, 2010

ARENA PARKING RATES

RATE SURVEY

Walker collected comparable parking rates for other NHL arenas across the country as a baseline for the financial projections. The parking rates in the following Figure vary for each arena as multiple parking rates are charged depending on various locations in and around the venue. Only the average rate and the median rate for "general admission" parking are shown here. The full rate survey data is provided in Appendix D.

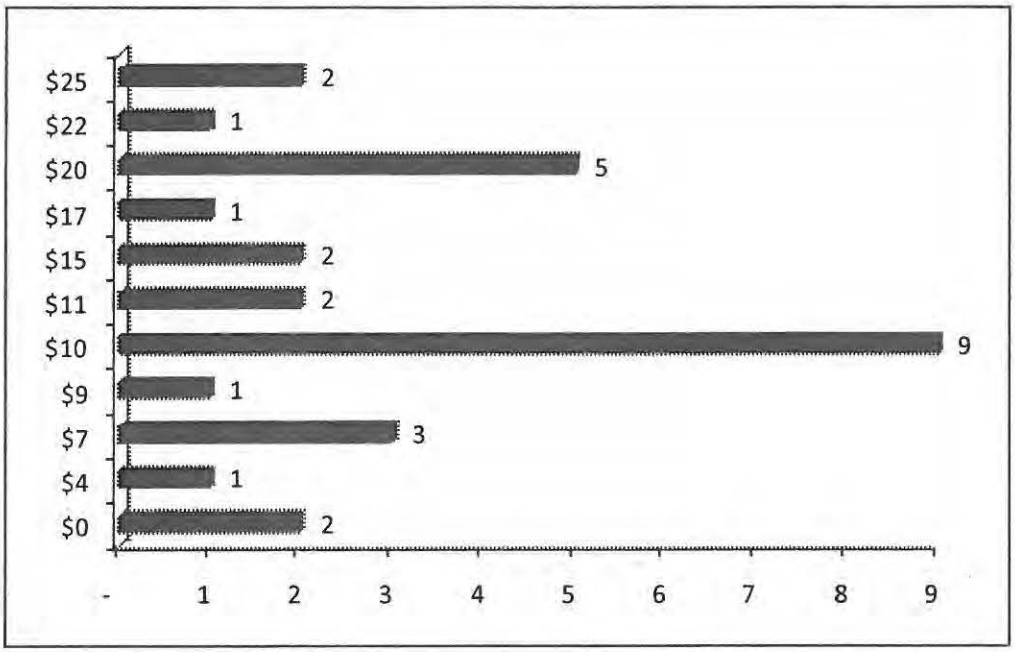
Figure 45: NHL Arena Parking Rates

Team	Venue	City	Location / Area	Price Range per Event [1]		
				Lowest Rate	Mid Rate	Highest Rate
New Jersey Devils	Prudential Center	Newark, NJ	Downtown, CBD	$20	$25	$30
New York Islanders	Nassau Veterans Memorial Coli	Nassau, NY	Urban, non-CBD	$7	-	-
New York Rangers	Madison Square Garden	New York, NY	Downtown, CBD	$20	$25	-
Philadelphia Flyers	Wachovia Center	Philadelphia, PA	Downtown, CBD	$10	$20	-
Pittsburgh Penguins	Mellon Arena	Pittsburgh, PA	Urban, non-CBD	$9	$11	$14
Boston Bruins	TD Banknorth Garden	Boston, MA	Downtown, CBD	$25	$30	-
Buffalo Sabres	HSBC Arena	Buffalo, NY	Urban, non-CBD	$11	$12	$15
Montreal Canadiens	Centre Bell	Montreal, QC	Urban, non-CBD	$20	-	-
Ottawa Senators	Scotiabank Place	Kanata, ON	Suburban	$10	-	-
Toronto Maple Leafs	Air Canada Centre	Toronto, ON	Downtown, CBD	$15	$20	-
Atlanta Thrashers	Philips Arena	Atlanta, GA	Downtown, CBD	$11	-	-
Carolina Hurricanes	RBC Center	Raleigh, NC	Urban, non-CBD	$10	-	-
Florida Panthers	BankAtlantic Center	Sunrise, FL	Suburban	$0	-	-
Tampa Bay Lightning	St. Pete Times Forum	Tampa, FL	Urban, non-CBD	$7	$10	-
Washington Capitals	Verizon Center	Washington, DC	Urban, non-CBD	$25	-	-
Chicago Blackhawks	United Center	Chicago, IL	Urban, non-CBD	$20	$25	-
Columbus Blue Jackets	Nationwide Arena	Columbus, OH	Urban, non-CBD	$7	$10	$15
Detroit Red Wings	Joe Louis Arena	Detroit, MI	Urban, non-CBD	$10	$15	$20
Nashville Predators	Sommet Center	Nashville, TN	Urban, non-CBD	$4	$5	$10
St Louis Blues	Scottrade Center	St. Louis, MO	Downtown, CBD	$10	$15	-
Calgary Flames	Pengrowth Saddledome	Calgary, Alberta	Urban, non-CBD	$10	-	-
Colorado Avalanche	Pepsi Center	Denver, CO	Urban, non-CBD	$10	$25	-
Edmonton Oilers	Rexall Place	Edmonton, Alberta	Urban, non-CBD	$0	-	-
Minnesota Wild	Xcel Energy Center	St. Paul, MN	Downtown, CBD	$10	$15	-
Vancouver Canucks	General Motors Place	Vancouver, BC	Urban, non-CBD	$10	$20	-
Anaheim Ducks	Honda Center	Anaheim, CA	Suburban	$15	$20	$25
Dallas Stars	American Airlines Center	Dallas, TX	Downtown, CBD	$17	$22	$33
Los Angeles Kings	STAPLES Center	Los Angeles, CA	Downtown, CBD	$20	$25	-
Phoenix Coyotes	Jobing.com Arena	Glendale, AZ	Suburban	$10	-	-
San Jose Sharks	HP Pavilion at San Jose	San Jose, CA	Downtown, CBD	$10	$20	-

Source: Walker Parking Consultants, 2010

The histogram below illustrates starting parking rates for the 29 NHL franchises that compete with the Coyotes. Sixteen of these franchises operate in settings where NHL game day parking rates begin at $10 or less. The $10 price point is the most common beginning parking rate for NHL arenas. The higher $20-$25 starting parking rates can be commanded only in large metropolitan markets that tend to be located on the East or West Coasts.

Figure 46: Starting Parking Rates for 29 Other NHL Hockey Teams



Source: Walker Parking Consultants, 2010

Local sporting venue parking rates for professional teams playing in the Phoenix area were also collected and shown for comparison to the parking rates of the NHL. Parking rates in downtown Phoenix around the US Airways Center (home of the Phoenix Suns) and Chase Field (home of the Arena Diamondbacks) are included below.

Figure 47: Downtown Phoenix Parking Rates

Facility	Owner	Spaces	Daily Rate	Sporting Event Rate	Concert Rate	Notes
Jefferson Street Garage 333 E. Jefferson St.	Suns / D-Backs	1,456	$10.00	$12.00	$10 - $15	*Suns / D-Backs season tck holders are charge $12 (included with tck price); general parking is also available at $12 unless the garage is already filled with season ticket holders; this happens if multiple events are held at the same time.
US Airways Center Garage 201 E. Jefferson St.	Suns / D-Backs	770	$7.00	$15.00	$20.00	Suns game day parking is typically $15.
Chase Field Garage 401 E. Jefferson St.	Suns / D-Backs	1,500	$10.00	$12.00	$10 - $15	Chase Field, US Airways Center, and Jefferson Garages are all owned by Suns/D-Backs
Convention Ctr. East Garage 601 E. Washington St	City of Phoenix	2,800	$12.00	$12.00	$12.00	City owned garages have the option to charge more for some special events; however, most special event pricing is typically the same as daily max rate
Hyatt Regency Garage 40 N. 2nd Street	City of Phoenix	522	$12.00	$12.00	$12.00	
Heritage Park Garage 123 N. 5th Street	City of Phoenix	701	$12.00	$12.00	$12.00	Arizona Center also offers a $3 event parking rate with restaurant visit
Collier Center Tower Garage 201 E. Washington St.	Private Garage	1,488	$15.00	$14.00	$10 - $20	+$5 for valet parking; event rates will vary [1]
Collier Center II 125 E. Washington St.	Private Garage	366	$15.00	$14.00	$10 - $20	Event rates will vary [1]
US Airway Center Vicinity (various lots)	Private Lots	varies	n/a	$10 - $20	n/a	Typical event rate listed; concert and playoff event rates may be higher [2]
North of E. Fillmore St. (various lots)	Private Lots	varies	n/a	$5.00	n/a	Event rates starting at $5. However, requires 6+ block walk to event venue or use of light rail.

From phone interview with Downtown Phoenix Partnership:

1. City-owned facilities tend to keep their rates the same for special events; However, most of the private parking facilities change their event rate frequently depending on proximity to US Airways Center /Chase Field and the anticipated size of the event.

2. Many small surface lots exist within 2-4 blocks of US Airways Center (roughly 20-200 spaces on average). Rates begin at around $10 (or $20 for the most convenient lots) and increase up until game time. After the event starts the price may drop to as low as $5. Parking rates for playoff games are as high as $50+

Garage Location Information: http://en.parkopedia.com/parking/garage/us_airways_center_garage/phoenix/
Updated Pricing Information: Downtown Phoenix Partnership (DPP); AmpCo System Parking; US Airways Center

Source: Walker Parking Consultants, 2010

Parking in the Phoenix Metropolitan Area has historically been provided to consumers at a lower cost than many other U.S. cities. Colliers International's 2010 North American Central Business District Parking Rate Survey reports that the typical daily parking rate in Phoenix is $12, compared to a national average of $25.01. A $12 special event rate is the typical charge for parking facilities that serve U.S. Airways Arena, home of the National Basketball Association's Phoenix Suns, and Chase Field Ballpark, home of Major League Baseball's Arizona Diamondbacks, franchises that enjoy historically higher attendance figures and in the case of the Suns, much higher ticket prices. Twenty-nine NHL hockey arenas were surveyed to identify NHL hockey game parking rates and these rates ranged from free parking at Rexall Place in Edmonton to $33 for premium parking at American Airlines Center in Dallas.

DISCUSSION ON PARKING RATES

The following factors were considered when determining the assumed parking rate schedule for the Jobing.com Arena parking System:

- Many of the other NHL Arenas across the country are charging median rates in the $10 to $20 range for regular season hockey events.
- Rates for downtown Phoenix venues were similar, with event rates typically in the $10 to $12 range (and $15 - $20 for key games, concerts, and other popular events).
- Parking was previously free at Jobing.com Arena. Charging any sort of parking rates could be viewed as a possible disincentive to some percentage of fans trying to decide between several different sports and entertainment options.
- The Coyotes are currently in the bottom 20% of the league in terms of total home attendance. Walker assumes that the new ownership group will be most concerned with increasing overall attendance rates rather than trying to maximize potential revenues for the parking system.

The financial model developed for this analysis assumes a 30% / 70% split between premium parking spaces and standard parking spaces. Premium parking spaces are located within closer proximity to the Arena and therefore command a higher rate; these spaces are offered to Coyote season ticket holders. The basis for this assumption is based on industry experience and conversations with a representative of the Coyotes.

Note that this discussion is of particular importance for the financial projections in this report; besides total demand parking, rates are the next largest single factor in the projections that impact the bottom line net income for the System. The pro forma does assume that parking rates increase over time at an average annual inflation rate of 3%. Likely rates would be increased every few years in logical increments; however, these rate increases would not likely outpace the standard inflation rate.

PROJECTED / PROPOSED ARENA PARKING RATES

The parking rate scheme used for Walker's income model was developed considering the following:

- Current parking rates in the Phoenix metropolitan area, with special attention paid to event parking rates charged at and near U.S. Airways Arena and Chase Field Ballpark, both venues that are located in downtown Phoenix;
- Parking rates charged at and near other NHL arenas;
- Historical precedence of free parking at the Arena;
- Historical and current practices relating to pay parking in Glendale; and
- A surplus of available parking capacity.

The figure on the following page shows the rate schemes assumed for both financial models presented in this report. The assumed "Initial Rates" are set slightly below market so that Jobing.com event patrons can become accustomed to paying for event parking. These rates would be in place for the 2010/2011 and 2011/2012 Coyotes' seasons while the "cigar box" method of operation is in use. Most season ticket holders would prepay their parking rate (at $12 per car); the $10 rate per car for general parking would

make cash transaction easier for event staffing. The breakdown for events is assumed to be roughly 30% paying the premium rate and 70% paying the general rate.

Once the fully integrated parking equipment is installed, Walker assumes that the Arena would have more flexibility in its ability to set rates to odd dollar amounts. For typical Coyotes events the standard rate would be $12 / $15. This rate would be instituted prior to the 2012/2013 Coyotes season. From there, rates would increase in logical increments at an average annual inflation of 3%.

Under all scenarios, concert parking rates are assumed to be roughly equivalent to what is charged for typical Coyotes parking. We understand that certain concert dates (along with NHL playoffs) may command a "plus premium" rate such as $15 - $20 or more per car. However, over the 25-year range of our financial projections, it is impossible to predict just how many event dates would warrant the premium parking fees. Therefore, it is assumed that the annual average of concert parking is set at the same rate as hockey events. This would like include an average of several of the "premium" parking dates each year and a number of lower fee concert events as well.

The same 70% / 30% split is assumed for concert dates with the lots immediately adjacent to Jobing.com charging a higher rate than more remote lots.

Figure 48: Jobing.Com Parking Rates for Financial Model

		Initial Rates		Stabilized Rates	
Type	Event Type	General Parking Rate	Premium Parking Rate	General Parking Rate	Premium Parking Rate
C	Coyotes Pre-Season	$10.00	$13.00	$12.00	$15.00
A	Coyotes Regular Season	$10.00	$13.00	$12.00	$15.00
B	Concerts	$10.00	$13.00	$12.00	$15.00
C	Family Events/Shows	$5.00		$5.00	
C	Other Sports	$5.00		$5.00	
C	Other Ticketed Events	$5.00		$5.00	
A	Other Non-Ticketed Events	$5.00		$5.00	

Source: Walker Parking Consultants, 2010

FINANCIAL PROJECTIONS

SUMMARY OF THE WORK PROCESS

The Figure below describes the general work process that has gone into creating this *Parking System Market and Financial Analysis* for the Jobing.com Arena parking System.

Figure 49: Summary of the Work Process

Source: Walker Parking Consultants, 2010

Items shown on this Figure have been addressed throughout this document in various sections. The following provides a brief overview:

- The ***Supply & Demand Analysis*** is based on Walker's earlier description of the Arena parking System plus our analysis of past events and parking ratios. To create revenue projections, Walker has relied on projected future events data supplied by CSL International. These events were multiplied times the parking demand ratios to determine the projected future demand.
- The ***Competitive Analysis*** is based on the previous discussion looking at specific properties located near the Jobing.com Arena. The overall analysis of the Phoenix MSA market area also may have some impact on long term competition. For our analysis, Walker assumes that competition for event parking is minimal except for the adjacent Hotel garage.

- The ***Market Rate Analysis*** includes a snapshot of rates charges at other NHL Arenas and at downtown Phoenix event venues. The projected rate schedule for Jobing.com was presented and discussed under the previous section.
- The ***Revenue and Capital Expenditure Analysis*** is based on the information contained under the PARCS implementation plan section plus projected operating expenses and projected parking System income. On the next few pages Walker will discuss these projections.
- The full ***Financial Pro Forma*** for the System is included in Appendix E and is discussed on the following pages.

CRITICAL ASSUMPTIONS FOR THE FINANCIAL MODEL

The following is a list of critical assumptions that have been used to create financial projections for the Arena parking System; these assumptions have been verified by the City of Glendale:

1. The System includes 9,714 parking spaces located in the surface lots shown on Figure 2, page 5 (Lots 1-5, A, B, E/F, G, J, K, L, and X). The entity managing the Arena Parking System will receive all Jobing.com Arena event parking revenues generated from these 9,714 space and will not receive any parking revenues associated with University of Phoenix Stadium events or Stadium attendees who may use the Arena lots. The Stadium Lot NE may or may not be used for Arena events for Arena pre-paid parking pass holders. If it is, this revenue will be returned to the Arena parking system.
2. Any Arena event parking displaced by future development at Wastage would be replaced with parking garages. The parking revenues will not be impacted negatively as any event parking revenues will still be returned to the Arena parking system.
3. The Arena parking system will receive no revenues from the Hotel parking garage. Arena event patrons will be allowed to park in 540 of the garage spaces if they wish to pay the posted garage rates (typically set at a premium). The remaining 440 garage spaces will not be available to Arena event patrons.
4. The pay parking program will be effective on or before December 1, 2010. The program will initially consist of a "cigar box" method of operation consisting of staffing (for all System lots), barriers for any lots not in use, and cash collection.
5. The full parking system PARCS equipment (per Figure 30) will be installed and operational by September 2012 in time for the 2012/2013 Coyotes season. If a full PARCS system is not installed, parking revenues are likely to suffer due to the increased potential for theft, accounting errors, and other variables.
6. Walker's 25-year projection of System NOI will run from December 1, 2010 through December 1, 2035. Three different scenarios are presented in this report.
7. The parking revenue bonds will be funded primarily through parking System revenues. However, other revenue streams may also be pledged (including a possible surcharge levied for select businesses within the District or at Westgate). This secondary revenue stream is not included in Walker's analysis.

8. Area performance projections are provided by CSL International and include a five year ramp-up period through the 2014/2015 Coyotes season. After that, arena event attendance and number of event dates is expected to be stable.
9. Vehicular parking demand, generated by Arena events is projected by Walker based on the ratios shown on Figure 42. The projected event attendance, times these ratios, equals the total projected vehicular demand for each event type. As stated earlier, some revenue loss is expected based on competition from the Hotel garage. Some additional revenue loss is also factored in based on industry norms; however, this rate of revenue loss is expected to be greater for the "cigar box" method of operation.

PROJECTED OPERATING EXPENSES

Walker prepared a projection of annual operating expenses for the Arena pay parking System using our past experience with parking operations and historical data in Walker's database of parking facility operating expenses. The expenses for the initial year of operating the Arena system are shown in the figures on the following pages. These expenses assume the general operations concept as described starting on page 35 of this report. The on-going costs for supplies are based in the projected equipment per Figure 30.

We assume that all expenses incurred to operate and manage a pay parking program at Jobing.com will borne by the entity managing the Arena parking system and paid for out of System revenues. The projected labor costs are based on the proposed staffing plans shown in Figure 31. Figure 50 shows a breakdown of direct labor costs and the miscellaneous staffing schedule for items like security and custodial (this data was not shown previously). It should be noted that the staffing plan will vary by event type and the magnitude of ticket sales per event. This breakdown is indicated on the following figure.

Figure 50: Projected Arena Parking System Staff Costs (incl. Miscellaneous Labor)

Position	F/T or P/T	A Events	B Events	C Events	Hrs./(A) Event	Hrs./(B) Event	Hrs./(C) Event	$/A Event	$/B Event	$/C Event	A Total	B Total	C Total	Rate	Total
Number of Events		43	32	17											
General Manager	F/TF	1	1	1	8	8	8							$75,000	$75,000
Manager(s)	F/TS	2	1	1	8	8	8							$45,000	$90,000
Supervisor(s)	P/T	10	8	3	6	5	5	$90	$75	$75	$3,870	$2,400	$1,275	$15.00	$7,500
Traffic Management	P/T	4	3	0	6	5	5	$90	$75	$75	$3,870	$2,400	$1,275	$15.00	$7,500
Command Center	P/T	0	0	0	5	4	4	$75	$60	$60	$3,225	$1,920	$1,020	$15.00	$6,200
Auditor(s)	P/T	2	2	1	2	2	2	$30	$30	$30	$1,290	$960	$510	$15.00	$2,800
Cashiers	P/T	24	17	15	5	4	3	$45	$36	$27	$1,935	$1,152	$459	$9.00	$3,500
Flaggers	P/T	31	18	14	5	4	3	$43	$34	$26	$1,828	$1,088	$434	$8.50	$3,300
Set Up - Tear Down	P/T	2	2	1	5	5	5	$43	$43	$43	$1,828	$1,360	$723	$8.50	$3,900
Sub Total - Salaries & Wages [1]		76	52	36							$17,845	$11,280	$5,695		$199,700

[1] Rounded

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Payroll Tax			Rate	Total
FICA			7.65%	$15,300
Federal Unemployment			0.80%	$1,600
State Unemployment			2.60%	$5,200
Sub Total - Payroll Tax & Fringe [1]				$22,100
Health Insurance & 401K	**Hours**	**No.**	**Rate/Hour**	**Total**
Full Time - Family = (F/TF)	2,080	1	$6.01	$12,500
Full Time - Single = (F/TS)	4,160	2	$2.64	$11,000
Part Time		73	$0.00	$0
				$23,500
	Total [1]			$245,300

Miscellaneous Staffing:

Security Schedule

	Officers	Total	Hrs/Event	Annual
A Event	4	172	6	1,032
B Event	2	64	5	320
C Event	1	17	4	68
				1,420

Custodial Schedule

Custodians	Total	Hrs/Event	Annual
10	430	5	2,150
7	224	4	896
4	68	3	204
			3,250

Source: Walker Parking Consultants, 2010

In addition to payroll expenses, operating expenses include health, welfare and pension costs; uniforms, signage, routine repair and maintenance, service vehicles, supplies, insurance, printing, license fees and permits, and contracted services including management fees.

A complete line item breakdown of annual operating expenses (stabilized, in 2010 dollars) is provided in Figure 51. It is assumed that all standard operating expenses will increase at a rate of 3% per year over the span of the 25 year pro forma.

Figure 51: Projected Arena Stabilized Operating Expenses (per year, in 2010 dollars)

Operating Expenses

Category	Events/No.	Rate	Sub-Total	Total
Salaries and Wages [2]				$199,800
General Manager			75,000	
Managers			90,000	
"A" Events			17,845	
"B" Events			11,280	
"C" Events			5,695	
Payroll Taxes				32,090
FICA			15,300	
Federal Unemployment			1,600	
State Unemployment			5,200	
Workers Compensation		5%	9,990	
Health, Welfare & Pension				23,500
Full Time - Family = (F/TF)			12,500	
Full Time - Single = (F/TS)			11,000	
Part Time			0	
Uniforms				9,100
Special Event Uniforms (annual)	76	$100.00	7,600	
Rain Gear (annual)	76	$20.00	1,520	
Signs/Electronic Boards				$22,200
"A" Events (per event)	43	$400.00	$17,200	
Miscellaneous Signage (annual)			$5,000	
R & M Revenue Control				$12,500
Radio Maint/Repairs/Purchases (annual)	10	$250.00	$2,500	
Parking Equip./Maintenance (annual)			$10,000	
Service Vehicles				$14,800
Golf Cart Repairs (annual)	2	$1,000.00	$2,000	
Golf Cart Lease ($175/mo.)	2	$2,100.00	$4,200	
Service Vehicle Maint. (annual)	1	$2,000.00	$2,000	
Service Vehicle/Lease ($500/mo.)	1	$6,000.00	$6,000	
Fuel (annual)	1	$600.00	$600	
Repairs & Maintenance (Routine)				$22,500
Pavement Repairs (annual)	1	$2,500.00	$2,500	
Line Striping (per stall - 50% per year)	3,500	$5.00	$17,500	
Misc. Repairs & Maintenance (annual)	1	$2,500.00	$2,500	
Supplies				$23,500
Misc. Supplies (annual cost)	1	$2,500.00	$2,500	
Traffic Cones (annual cost)	2,500	$5.00	$12,500	
Parking Tickets (cost per 000)	298,663	$20.00	$5,973	
Office Supplies (annual cost)	1	$1,500.00	$1,500	
Computer Equip./Repairs (annual)	1	$1,000.00	$1,000	

Table continued:

Insurance - GL/GKLL				$146,700
Garage Liability (= $ / space)	7,000	$20.00	$140,000	
G.K.L.L. (= $ / valet space)	100	$40.00	$4,000	
Auto - Passenger (cost/vehicle/year)	1	$1,200.00	$1,200	
Golf Carts (non-licensed, cost/veh./yr.)	2	$750.00	$1,500	
Printing				$12,500
Event Permits (per book)	900	$10.00	$9,000	
Forms & Coupons (annual cost)	1	3500	$3,500	
License Fees & Permits				$600
License Fee - Garage (cost / year)	1	$450.00	$450	
License Fee - Valet (annual expense)	1	$125.00	$125	
Driveway Permits (annual cost / driveway)	0	$75.00	$0	
Sign Permits (annual cost / sign)	0	$100.00	$0	
Contracted Services				$79,700
Security - Unarmed (rate/hr. x annual hours)	$18.00	1,420	$25,560	
Custodial Service (rate/hr. x annual hours)	$15.00	3,250	$48,750	
Dumpsters (annual)	4	$600.00	$2,400	
Lot Sweeping (annual)	6	$500.00	$3,000	
General Expense				$81,200
Payroll processing (annual)	26	$100.00	$2,600	
Bank Service Charges (cost / month)	12	$150.00	$1,800	
Management Fee (cost per event)	92	$600.00	$55,200	
Marketing (cost/year)	1	$10,000.00	$10,000	
Auto Damages (valet locations only - cost/ye	10	$500.00	$5,000	
Armored Car Service (cost / month)	12	$450.00	$5,400	
Armored Car - Coin Service (cost / month)	12	$100.00	$1,200	
Sub Total - Operating Expenses [1]				$680,700

Source: Walker Parking Consultants, 2010

PROJECTED OPERATING INCOME

For the purposes of projecting System parking revenues, two models were developed showing two different attendance scenarios. These two scenarios are based on the following inputs and the proposed set of assumed parking rates:

- Base Model Scenario. The model uses CSL event and attendance projections for 2010-2015 and assumed parking rates.
- Stagnant Model Scenario. The model uses CSL event and attendance projections for 2010-2015 and assumed parking rates, with the exception of holding Coyote attendance at CSL-projected 2010-2011 figures. The model shows the effects of stagnant Coyote attendance on System parking revenues, underscoring the importance of a successful Coyotes' franchise and how this franchise drives parking revenues.

Projected System parking income was based directly on the Arena growth assumptions provided by CSL. The Coyotes base scenario utilizes the projections of (1) numbers of events by type and (2) average attendance per event for the multi-purpose venue. The CSL International projection of the number and type of events and average attendance are summarized in the following table. (These were presented earlier in the report and are shown again here for reference).

Figure 52: CSL International Event Projections

	2010-11			2011-12			2012-13			2013-14			2014-15		
Event Type	Events	Avg. Att	Total Att.	Events	Avg. Att	Total Att.	Events	Avg. Att	Total Att.	Events	Avg. Att	Total Att.	Events	Avg. Att	Total Att.
Coyotes Pre-Season	3	7,500	22,500	4	8,000	32,000	4	8,000	32,000	4	8,000	32,000	4	8,000	32,000
Coyotes Regular Season	41	11,500	471,500	41	12,500	512,500	41	13,500	553,500	41	14,500	594,500	41	14,500	594,500
Concerts	32	9,800	313,600	32	9,800	313,600	33	9,800	323,400	33	9,800	323,400	33	9,800	323,400
Family Events/Shows	1	3,500	3,500	4	3,500	14,000	4	3,500	14,000	24	3,500	84,000	24	3,500	84,000
Other Sports	11	7,000	77,000	12	7,000	84,000	12	7,000	84,000	12	7,000	84,000	12	7,000	84,000
Other Ticketed Events	2	6,000	12,000	4	6,000	24,000	6	6,000	36,000	6	6,000	36,000	6	6,000	36,000
Other Non-Ticketed Events	2	14,500	29,000	4	14,500	58,000	6	14,500	87,000	6	14,500	87,000	6	14,500	87,000
	92		929,100	101		1,038,100	106		1,129,900	126		1,240,900	126		1,240,900

Note: Annual Event Number and Average Attendance is assumed to be flat for modeling purposes after 2014-15

Source: CSL International

Conventions, Sports & Leisure International (CSL), is a leading advisory and planning firm specializing in providing consulting services to the convention, sport, entertainment and visitor industries. CSL was established for the specific purpose of providing a source of focused research and expertise in these industries. Additional information regarding SCL may be accessed at http://www.cslintl.com. Based on CSL's expertise, these figures are accepted as reasonable. (Walker cannot comment on these projections as our expertise is limited to parking systems).

The following data points are projected based on the CSL projections:

- Attendance per Year: Events per year are multiplied by the projected attendance per event to derive the projected attendance per year.
- Vehicle Occupancy Ratio: The attendance per year per event is multiplied by the vehicle occupancy ratio to determine the overall vehicle demand per event type. Event types are differentiated in the following manner:

Figure 53: Event Types

"A" events are assumed to generate more than	4,001 vehicles per event	2.6 occupants per vehicle
"B" events are assumed to generate more than	3,001 vehicles per event	2.7 occupants per vehicle
"C" events are assumed to generate less than	2,001 vehicles per event	2.5 occupants per vehicle

Source: The number of patrons per vehicle, provided by Jobing.com Arena management team

Other assumptions for the Income Model:

- Hotel Garage Adjustment: Parking vehicle demand is adjusted by the assumed number of parking spaces in the Marriott Renaissance Hotel Garage that are used for Arena events. This is estimated at 450 spaces for "A" and "B" events, and 225 spaces for "C" events.

- The financial model developed for this analysis assumes a 30%/70% split between premium parking spaces and standard parking spaces. Premium parking spaces are located within closer proximity to the Arena and therefore command a higher rate; these spaces are offered to Coyote season ticket

holders. This assumption is based on industry experience and conversations with a representative of the Coyotes.

- Trend Rate: Parking rates are trended at 3% per year to approximate expected increases in future rates.

Based on the CSL projections, the following table is offered as an example of the revenue calculation for the first annual period in the Base Scenario. This calculation is the same in the Status Quo Scenario.

Figure 54: Base Scenario 2010-2011 Revenue Calculation

Type	Jobing Arena	Per Year	(A) Events [1]	(B) Events [2]	(C) Events [3]	Att/Event	Att./Year	Drive Ratio [4]	Veh./Event	Less: Hotel Garage	Veh./Year	% of Total	2010 Rate	% of Total	2010 Rate
C	Coyotes Pre-Season	3	0	0	3	7,500	22,500	2.6	2,885	225	7,979	70%	$10.00	30%	$13.00
A	Coyotes Regular Season	41	41	0	0	11,500	471,500	2.6	4,423	450	162,896	70%	$10.00	30%	$13.00
B	Concerts	32	0	32	0	9,800	313,600	2.7	3,630	450	101,748	70%	$10.00	30%	$13.00
C	Family Events/Shows	1	0	0	1	3,500	3,500	2.7	1,296	225	1,071	100%	$5.00	0%	$0.00
C	Other Sports	11	0	0	11	7,000	77,000	2.7	2,593	225	26,044	100%	$5.00	0%	$0.00
C	Other Ticketed Events	2	0	0	2	6,000	12,000	2.7	2,222	225	3,994	100%	$5.00	0%	$0.00
A	Other Non-Ticketed Events	2	2	0	0	14,500	29,000	2.5	5,800	450	10,700	100%	$5.00	0%	$0.00
	Total Events/Year	92	43	32	17		929,100				314,432				

Source: Walker Parking Consultants

Potential gross revenue is further reduced by credit card fees and PARCS and a general collection loss allowance to derive Potential Gross Income (PGI). Credit cards are expected to account for approximately 30% of transactions with a 3% processing fee. The use of a manual "cigar box" operation and general collection loss is projected at 10% for the first two years, declining to 3% after installation of appropriate PARCS.

25 YEAR NOI PRO FORMA

Net Operating Income is Potential Gross Income (PGI) less Operating Expenses. As previously mentioned, two scenarios are developed through this model:

1. Base Scenario – using CSL event and attendance projections for 2010-2015 and market parking rates.
2. Status Quo Scenario - holding CSL event and attendance projections static for the entire 2010-2015 projection period, but using the previously developed market parking rates. The second scenario underscores the importance of a successful Coyotes' franchise and how this franchise drives parking revenues.

A five-year excerpt of each scenario is shown on the following pages. The entire 25-year pro formas are reproduced in Appendix E of this report.

Figure 55: Base Scenario 5-Year Pro Forma

		Year 1	Year 2	Year 3	Year 4	Year 5
Annual Period Beginning		1-Dec-10	1-Dec-11	1-Dec-12	1-Dec-13	1-Dec-14
Annual Period Ending		30-Nov-11	30-Nov-12	30-Nov-13	30-Nov-14	30-Nov-15
Revenue						
CSL Volume at Ticket Fee Trend of	3%					
A Events		$1,829,100	$2,054,500	$2,668,700	$2,958,300	$3,047,100
B Events		1,109,100	1,233,400	1,500,800	1,545,800	1,592,100
C Events		242,600	203,400	223,400	340,400	350,700
Sub-Total (Potential Revenue)		3,180,800	3,491,300	4,392,900	4,844,500	4,989,900
less Credit Card Fees						
Percent of Credit Card Use	30%					
Processing Fees	-3%	(28,627)	(31,422)	(39,536)	(43,601)	(44,909)
Sub-Total (Adjusted Potential Revenue)		$3,152,200	$3,459,900	$4,353,400	$4,800,900	$4,945,000
PARCS and General Collection Loss		-10%	-10%	-3%	-3%	-3%
Potential Gross Income		$2,836,980	$3,113,910	$4,222,798	$4,656,873	$4,796,650
Expenses						
Annual Trend Rate	3%					
Salaries & Wages		199,800	205,794	211,968	218,327	224,877
Payroll Tax, Workers Compensation		32,090	33,053	34,044	35,066	36,118
Health, Welfare, Pension		23,500	24,205	24,931	25,679	26,449
Uniforms		9,100	9,373	9,654	9,944	10,242
Signs/Electronic Boards		22,200	22,866	23,552	24,259	24,986
Routine Maintenance (PARCS)		12,500	12,875	13,261	13,659	14,069
Service Vehicles		14,800	15,244	15,701	16,172	16,658
Repairs & Maintenance (Routine)		22,500	23,175	23,870	24,586	25,324
Supplies		23,800	24,514	25,249	26,007	26,787
PARCS Financing Cost		0	0	220,000	220,000	220,000
Insurance (Liability, GKLL, Auto, Crime)		146,700	151,101	155,634	160,303	165,112
Printing		12,500	12,875	13,261	13,659	14,069
License, Fees, Permits		600	618	637	656	675
Contracted Services		79,700	82,091	84,554	87,090	89,703
Management Fee and General Expenses		81,200	83,636	86,145	88,729	91,391
Sub Total (Expenses)		$681,000	$701,400	$942,500	$964,100	$986,500
Net Operating Income (Rounded)		$2,156,000	$2,412,500	$3,280,300	$3,692,800	$3,810,200

Source: Walker Parking Consultants, 2010

Figure 56: Stagnant Model 5-Year Pro Forma

		Year 1	Year 2	Year 3	Year 4	Year 5
Annual Period Beginning		1-Dec-10	1-Dec-11	1-Dec-12	1-Dec-13	1-Dec-14
Annual Period Ending		30-Nov-11	30-Nov-12	30-Nov-13	30-Nov-14	30-Nov-15
Revenue						
CSL Volume at Ticket Fee Trend of	3%					
A Events		$1,829,100	$1,882,600	$2,261,900	$2,329,700	$2,399,600
B Events		1,109,100	1,233,400	1,500,800	1,545,800	1,592,100
C Events		242,600	203,400	223,400	340,400	350,700
Sub-Total (Potential Revenue)		3,180,800	3,319,400	3,986,100	4,215,900	4,342,400
less Credit Card Fees						
Percent of Credit Card Use	30%					
Processing Fees	-3%	(28,627)	(29,875)	(35,875)	(37,943)	(39,082)
Sub-Total (Adjusted Potential Revenue)		$3,152,200	$3,289,500	$3,950,200	$4,178,000	$4,303,300
PARCS and General Collection Loss		-10%	-10%	-3%	-3%	-3%
Potential Gross Income		$2,836,980	$2,960,550	$3,831,694	$4,052,660	$4,174,201
Expenses						
Annual Trend Rate	3%					
Salaries & Wages		199,800	205,794	211,968	218,327	224,877
Payroll Tax, Workers Compensation		32,090	33,053	34,044	35,066	36,118
Health, Welfare, Pension		23,500	24,205	24,931	25,679	26,449
Uniforms		9,100	9,373	9,654	9,944	10,242
Signs/Electronic Boards		22,200	22,866	23,552	24,259	24,986
Routine Maintenance (PARCS)		12,500	12,875	13,261	13,659	14,069
Service Vehicles		14,800	15,244	15,701	16,172	16,658
Repairs & Maintenance (Routine)		22,500	23,175	23,870	24,586	25,324
Supplies		23,800	24,514	25,249	26,007	26,787
PARCS Financing Cost		0	0	220,000	220,000	220,000
Insurance (Liability, GKLL, Auto, Crime)		146,700	151,101	155,634	160,303	165,112
Printing		12,500	12,875	13,261	13,659	14,069
License, Fees, Permits		600	618	637	656	675
Contracted Services		79,700	82,091	84,554	87,090	89,703
Management Fee and General Expenses		81,200	83,636	86,145	88,729	91,391
Sub Total (Expenses)		$681,000	$701,400	$942,500	$964,100	$986,500
Net Operating Income (Rounded)		$2,156,000	$2,259,200	$2,889,200	$3,088,600	$3,187,700

Source: Walker Parking Consultants, 2010

CONCLUSIONS

Based on our analysis of the Jobing.com Arena parking System, Walker concludes that instituting a pay parking program for events is a logical next step. Pay parking has a number of advantages such as creating a new revenue stream for a (potential) future Arena owner or management group, reducing vehicular traffic to the site, and allowing for better management control over valuable parking resources. In addition, improvements in parking technology potentially add a number of useful benefits to Arena patrons such as the ability to purchase parking on-line or make parking reservations ahead of time. (Within the next 5- 10-years the ability to access real time parking information on mobile devices may also be a side benefit to installing an integrated pay parking system).

After reviewing the Arena parking System, the Arena historical performance, the Arena projected performance, and the local and regional market, Walker provided the following event parking rate schedule for use in our financial model. The table assumes an initial rate of $10/$13 for Coyotes events while the parking system is operated using the "cigar box" style of cash collection. Once a fully integrated parking control system is installed, the rates would increase to $12/$15. The revenue projections assume that the rates stabilize in Year 3 and would increase from there at an average annual inflation rate equal to roughly 3%.

Figure 57: Review of the System Parking Rates

		Initial Rates		Stabilized Rates	
Type	Event Type	General Parking Rate	Premium Parking Rate	General Parking Rate	Premium Parking Rate
C	Coyotes Pre-Season	$10.00	$13.00	$12.00	$15.00
A	Coyotes Regular Season	$10.00	$13.00	$12.00	$15.00
B	Concerts	$10.00	$13.00	$12.00	$15.00
C	Family Events/Shows	$5.00		$5.00	
C	Other Sports	$5.00		$5.00	
C	Other Ticketed Events	$5.00		$5.00	
A	Other Non-Ticketed Events	$5.00		$5.00	

Source: Walker Parking Consultants, 2010

Based on these rates, and the CSL International event projections, this report projects the following NOI conclusions:

Base Model

- Year 1: Net Operating Income of roughly 2.156 million, assuming a "cigar box" pay parking operation
- Year 3: Net Operating Income of roughly 3.280 million, including roughly $220,000/year in additional expenses to amortize PARCS equipment costs, and a rate increase up to $12/$15.
- Year 5: Net Operating Income of roughly 3.810 million, including PARCS equipment costs, but after Arena event attendance has stabilized.

- Year 8: Net Operating Income of roughly **4.404 million**, with stabilized Arena events and attendance; PARCS equipment is full paid off.

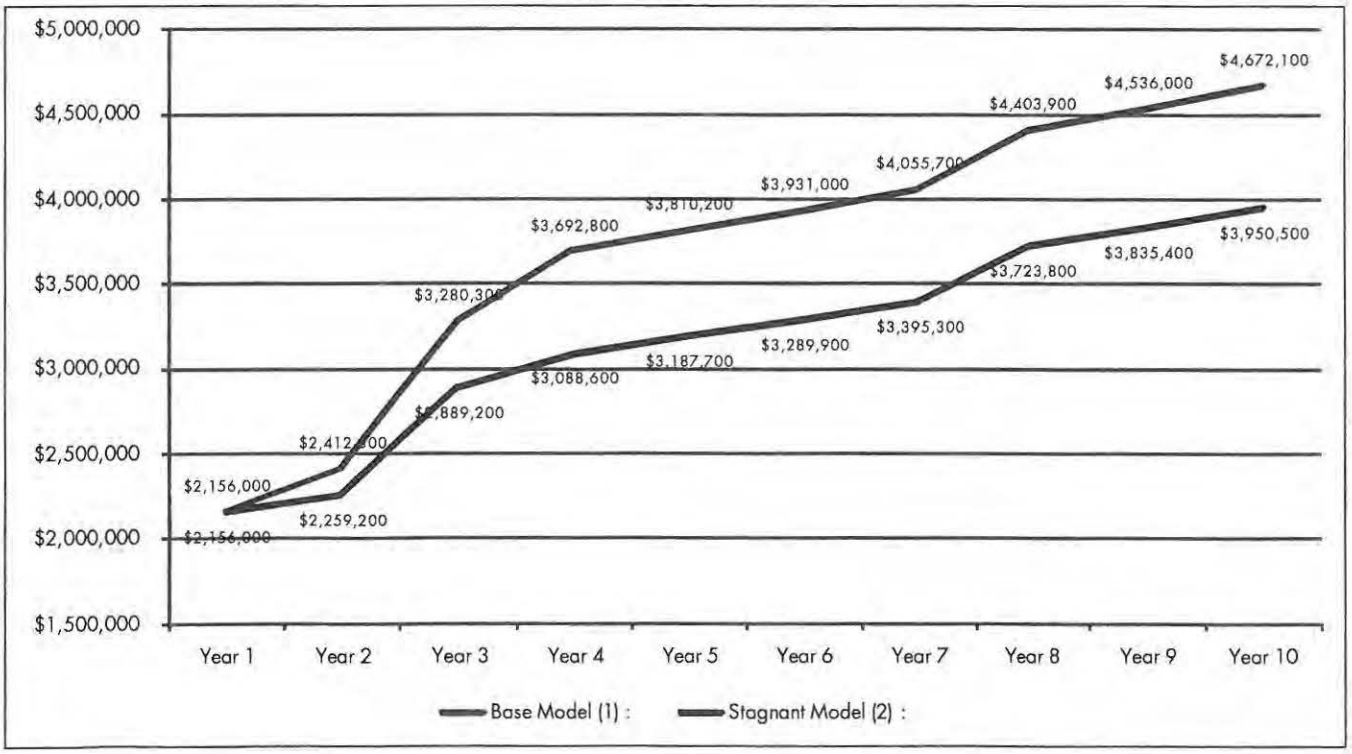
The NOI projections also include data for a Stagnant Model scenario where the Arena fails to meet the performance expectations outlined by CSL International, and Coyotes events continue to draw attendance at the 2010/2011 projected levels.

Stagnant Model

- Year 1: Net Operating Income of roughly **2.156 million**, assuming a "cigar box" pay parking operation.
- Year 3: Net Operating Income of roughly **2.889 million**, including roughly $220,000/year in additional expenses to amortize PARCS equipment costs, and a rate increase up to $12/$15.
- Year 5: Net Operating Income of roughly **3.188 million**, including PARCS equipment costs, but after Arena event attendance has stabilized.
- Year 8: Net Operating Income of roughly **3.724 million**, with stabilized Arena events and attendance; PARCS equipment is full paid off.

The Figure below shows a summary of the projected System NOI for the first ten years of operations. Both scenarios are included on this Figure.

Figure 58: 10-Year Arena Parking System NOI Summary



Source: Walker Parking Consultants, 2010

STATEMENT OF LIMITING CONDITIONS

1. This report is to be used in whole and not in part.
2. Walker's report and recommendations are based on certain assumptions pertaining to the future performance of the local economy and other factors typically related to individual user characteristics that are either outside Walker's control or that of the client. To the best of Walker's ability we analyzed available information that was incorporated in projecting future performance of the proposed subject site.
3. Financial projections presented in this report are conceptual estimates in nature. The projections in this report will differ from actual results.
4. We have not considered the presence of potentially hazardous materials on the proposed site, such as asbestos, formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyl, pesticides, or lead-based paints. The consultants are not qualified to detect hazardous substances, and we urge the client to retain an expert in this field if desired.
5. Sketches, photographs, maps and other exhibits are included to assist the reader in visualizing the property. It is assumed that the use of the land and improvements is within the boundaries of the property described, and that there is no encroachment or trespass unless noted.
6. All information, estimates, and opinions obtained from parties not employed by Walker Parking Consultants are assumed to be true and correct. We can assume no liability resulting from misinformation.
7. Unless noted, we assume that there are no encroachments, zoning, violations, or building violations encumbering the subject property.
8. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
9. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.
10. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per diem fees and travel costs are paid prior to the appearance.
11. We take no responsibility for any events or circumstances that take place subsequent to the date of our field inspections.
12. The quality of a parking facility's on-site management has a direct effect on a property's economic viability. The financial projections presented in the analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.
13. This report was prepared by Walker Parking Consultants. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of Walker Parking Consultants as employees, rather than as individuals.