

**\*PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**



**MINUTES OF THE  
GLENDALE CITY COUNCIL – SPECIAL MEETING  
WORKSHOP**

Glendale Civic Center  
5750 W. Glenn Drive  
Glendale, Arizona 85301

**December 07, 2011  
8:30 a.m.**

**PRESENT:** Mayor Elaine M. Scruggs, Vice Mayor Steven E. Frate and Councilmembers Norma S. Alvarez, Joyce V. Clark, Yvonne J. Knaack, H. Phillip Lieberman, and Manuel D. Martinez,

**ALSO PRESENT:** Ed Beasley, City Manager; Horatio Skeete, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

**FACILITATOR:** Dick Bowers, President of R.A. Bowers and Associates

**SPECIAL GUEST** Jim Rounds from Elliott D. Pollack and Company

**1. GOAL REVIEW AND STRATEGIC PLANNING RETREAT**

**OBJECTIVES**

- Revisit the broad common vision for the future of Glendale – “One Community”
- Review progress made on goals and objectives
- Identify key objectives for the coming year
- Strategic goals accomplishments 2011/12

Mr. Beasley stated that last year’s 2011 Council Retreat dealt with concepts and benefits brought forth by staff on innovation. They were very fortunate the Council embraced this concept and it now has become part of our culture that has resulted in cost savings and revenue generation. In, today’s retreat, they will be setting the stage for future discussions on how the city can successfully position itself for the future. This strategy will deal with the current economic reality which they face today, as well as the social changes that take place with that reality. In

order to serve the community, they must understand what makes up the community today and in the future. To establish the Council's goals and provide staff direction, they need to examine this as well as have an open discussion on projections for the future. They will be evaluating such factors as service levels, education, housing, and the needs for quality of life and economic opportunity.

Horatio Skeete, Assistant City Manager, stated he will provide a slide presentation of their goals and objectives. The Council has that summary in their packets. He said he took the liberty of rearranging those goals in different clusters, which deliver the highlights, and activities that cover all the different strategic goals and objectives the Council set last year. He reviewed the summary which was in no particular order.

### Serving Neighborhoods and Families

- All libraries offered job labs, workshops and one-on-one counseling to assist citizens in applying for jobs. Additionally, the public was invited to use available public computers for resumé preparation and job searching.
- The Historic Sahuaro Ranch received a \$10,000 grant from the Arizona Humanities Council to develop an interactive tour for "Smartphone" users at the Sahuaro Ranch Park Historic Area.
- Received \$50,000 in CDBG funds for the installation of new energy efficient windows, the resurfacing of the outdoor basketball court and the painting of the Glendale Community Center.
- Completed the \$3.2 million renovation of the Sahuaro Ranch Ball Fields. Improvements included new lighting, turf replacement, irrigation, drainage, spectator shade, ADA accessibility and pedestrian connectivity.
- In partnership with the Arizona Sports and Tourism Authority (AZSTA), Arizona Youth Football Federation – Pop Warner, and the Local Initiatives Support Corporation (LISC), approximately \$300,000 in improvements were completed to the O'Neil Park sports field.
- Community Revitalization has partnered with Code Compliance by funding the Clean and Lien program. This provides Code Compliance with necessary funds to continue a proactive approach in target neighborhoods, identifying problem abandoned properties to secure and clean up.
- The Community Housing Division assisted over 1,700 low income Glendale families with rental assistance, providing them with affordable housing.
- Assisted 141 homeowners (\$309,058) to restore habitability and conditions of low to moderate income homes via the Emergency Repair Program.
- Proactively opened 73% of all cases in Code Compliance to address code violations in neighborhoods. The city utilized the Clean and Lien Program to correct code violations at 71 properties at a cost of \$13,806 during the past 12 months. Program reimbursements totaled \$12,031.
- Acquired 29 previously foreclosed/abandoned homes that have been renovated and will house new families using \$2.89 million in Neighborhood Stabilization Funds.

### Developing and Improving Our Community

- The Planning Department led an interdepartmental team on reviewing several significant general plan amendments and rezoning requests for new mixed use projects which resulted in finalizing the entitlements that allows further expansion and investment in the Sports & Entertainment District. Centrada Norte and Bethany Home 101 are the latest mixed use projects that have been rezoned.
- Planning is working on a Zoning Text Amendment that will simplify wireless facilities and provide additional review of commercial buildings exterior paint schemes. This will help build complete wireless networks to improve wireless communication for Glendale residents and will improve the aesthetics of Glendale neighborhoods. In addition, the amendment provides for a review of building color choices.
- Planning continues to implement the Historic Preservation Plan. With the approval of a grant, an additional 45 bronze plaques were ordered, purchased and distributed to historic properties downtown. The department worked with property owners on having the plaques installed on the historic properties. A bronze interpretive plaque was also fabricated and installed at 58th Drive and Glendale Avenue to commemorate the importance of Grand Avenue as a transportation and employment corridor.
- A large foreclosed parcel at the Northwest corner of Royal Palm Road and 59th Avenue is being developed into a new Landmark senior housing complex. Glendale Enterprise Lofts on Glendale Avenue opened this past year. As part of the Neighborhood Stabilization Program (NSP) approved by Mayor and Council in December, 2008, the city conducted a Request for Proposal (RFP) process to identify developers interested in using NSP funds for senior only housing. This project will be utilizing \$1.6 million in NSP funds and \$295,000 in Home Investment Partnership Program funds.
- A 106,000 square foot manufacturing facility at 6112 North 56th Avenue was renovated to house American Park and Swap.
- In FY 2012 thus far, the city has assisted in the location or retention of 10 companies, resulting in 1,100 jobs to date.
- Economic Development partnered with the Small Business Development Center (SBDC) and Glendale Community College (GCC) in securing funding for Arizona's only Procurement Technical Assistance Center (PTAC) which will be headquartered at GCC and will assist small businesses looking to secure federal government contracts.
- In FY 2011, the Economic Development Department's Visual Improvement Program (VIP) completed five projects for a total of \$93,245.47 reinvested back into the community.
- Economic Development is coordinating city participation in the Arizona Science and Technology Festival. Staff has introduced Honeywell to the event which they will participate in and sponsor.
- Building Safety and the Planning Department partnered with the Police Department's Hot Shot Task Force to bring into compliance 15 properties that had a history of both criminal and safety issues.
- The Habitat for Humanity subdivision of 11 homes located at Palmaire Court will be certified LEED silver. Three townhomes are under construction and eight are occupied. These new homes integrate energy savings and green technology in an affordable housing option.

- The 40,000 square foot West-MEC School opened in May 2011 at the Glendale Municipal Airport, bringing new education opportunities and jobs for those entering into the air-frame-power maintenance program.
- Economic Development, Planning and Building Safety worked collectively to continue fulfilling Council's vision for the Centerline District. Signature properties include the historic Beet Sugar Factory and Gaslight Inn which are in the process of being revitalized. The new Glendale Centerline Overlay District was approved by Council and is now being marketed both locally and out of state through joint efforts with the Greater Phoenix Economic Council (GPEC). The city's marketing efforts include advertisements in the LA Times, AZ Business Magazine and Commercial Executive Magazine.
- The Thunderbird Control Tower at Thunderbird School for Global Management project was a complete renovation of the existing tower built in 1941 and is seeking LEED certification led by Planning and Building Safety.
- The city is observing a slight uptick of single family homes and work is increasing on several partially built subdivisions which include Tessera, Boardwalk Place, West Glen Villas, Cabrillo Point and The Reserve at Eagle Heights. Each subdivision is utilizing existing infrastructure.
- The city's only vacant big box store is currently under construction as a redevelopment project. Planning and Building Safety are working with the developer to open Winco at 59th Avenue and Bell, estimated to open in the third quarter, 2012.

#### Providing Public Works

- Completed all bicycle/pedestrian grade separation projects on Skunk Creek and constructed the bicycle/pedestrian bridge at 63rd Avenue over the Loop 101 using 100% federal funding.
- Secured federal funding to install pedestrian countdown signals for 130 of the city's 193 signalized intersections.
- Secured over \$1.5 million in Transit grant funds to offset revenue shortfalls for operational costs. Projects include: 50% reimbursement for the cost of operating GUS 1, 2 and 3 service, Route 60 – Bethany Home service, the Taxi Subsidy Program and the B.A.G.I.T. travel training program.
- Provided management and coordination in preparation for the first phase of construction for the Northern Parkway, between Sarival and Dysart Roads scheduled for early January 2012.
- Street Lighting Program continues to efficiently maintain 99.95% of the city's street lights in operation (most efficient municipal street lighting system nationwide).
- Secured federal and regional funding last year in the amount of \$10.5 million to complete several Transportation projects in the community. Projects include improvements on 51st Avenue at Northern and Camelback intersections; Pedestrian bicycle facilities along the Skunk Creek, Grand Canal, Maryland Avenue, and the New River; 63rd Avenue pedestrian bicycle bridge over Loop 101; Intelligent Transportation System enhancements including dynamic message signs near downtown Glendale; Transit vehicle replacement; and light rail planning study.
- The new Oasis Ground Water Treatment facility was completed. The addition of this 10 million gallon per day ground water treatment facility at the Oasis Water Campus enhances the supply of potable water by increasing the use of groundwater as an additional source of water supply to the existing surface water supplies.

- Completed major sewer rehabilitation project: 55 sewer manholes and 8,138 linear feet of sewer lines were replaced or repaired.
- Prepared the regional Glendale's Storm Water Management Plan in November 2011. The comprehensive plan guides the actions of multiple city departments to protect storm water quality and comply with federal and state environmental requirements.
- Constructed five miles of storm drain at Northern Avenue and Camelback Road.
- Updated the Glendale Water Supply and Production Plan using strategies to optimize water resources supply, water quality, and infrastructure to minimize costs while continuing to provide reliable and high quality drinking water to residents and businesses.
- Continued discussions with Luke Air Force Base representatives supporting their efforts to hire a consultant to study wastewater treatment options for the base. Provided input on the Scope of Services for consultant's use.
- Provided in-house design, construction administration and inspection services for CIP projects. This new method, financially, has reduced the total cost of the project providing an estimated 59% savings on construction inspection services for some of the capital projects such as the Sewer Line Replacement and Northern Avenue Overlay.
- Partnered with MCDOT and ADOT to provide over 1,008 hours of Engineering Construction Inspection Services at a rate that recovers the city's salary cost (Bell Road \$20,218; 51<sup>st</sup> Avenue and Northern Avenue \$30,025).
- Resurfaced three miles of arterial roadway funded by Federal Stimulus Funds, including 1.25 miles on Bell Road from 59th to 69th Avenues, and 1.75 miles on Glendale Avenue from 51st Avenue to 66th Drive.
- Completed construction of the Northern Avenue storm drain from 47th to 63 rd Avenues. The storm drain increased roadway safety and decreased flooding issues for properties adjacent to Northern Avenue.
- Consolidated Right-of-Way maintenance from Public Works into Parks and Recreation Department, reducing staff costs.
- Implemented an alternative solution for managing the disposal of liquid by-product waste generated by the landfill gas collection system which resulted in an annual cost savings of approximately \$50,000. This liquid by-product is not a gas contributing substance for the landfill gas-to-energy facility.
- Equipment Management identified 213 vehicles that were damaged in the October 2010 hail storm totaling over \$425,000 in repair costs. All hail damage repair costs were submitted for insurance reimbursement, and the city received the full reimbursement of the repair costs from the insurance companies. Four vehicles were removed from service; however, these vehicles were scheduled for replacement and were not repaired.
- The MRF began accepting plastics 37's (food packaging; margarine, sour cream and yogurt containers) ; This change to the curbside residential recycling program diverts approximately 85 tons of recyclable materials out of the landfill annually.
- Streets staff responded to 11,665 instances of graffiti last year.

#### Supporting Our Organization

- The city replaced a 20 year old sales tax and license system with a new technology application enhancing customer service by automating the processing of business licenses and sales tax returns and offering the option of filing tax returns online.

- Continued the Innovate Program to assess city business practices for process improvements to improve turnaround times and customer service. One example includes reducing the time to approve group homes by 66% from 3 days to less than 24 hours. In a second example, a savings of 800 staff hours related to vehicle tracking was saved by consolidating processes and coordinating information between departments.
- Upgraded the phone system to add features enhancing customer service. Some improvements include providing our customers with an estimated wait time that gives them the option to stay on the line or call back at a more convenient time and an outbound calling feature to inform customers of water service disconnection. The enhanced reporting tools in the system will provide management valuable information on call statistics.
- Developed a multiple week Supervisory Series designed to provide supervisors with training in areas including performance management, employee relations, risk management and safety. Enhancing the knowledge and skill sets of our supervisors better enables them to maximize workforce capacity.
- Posted quarterly administrative award reports on the Internet for citizens to view.
- Centralized materials management and materials control under one manager resulting in the elimination of one vacant manager position from the General Fund.
- Generated over \$750,000 revenue from the sale of surplus assets in FY 2011 and an additional \$250,000 for the first quarter of FY 2012.

#### Providing Public Outreach and Safety

- Grant funding was approved to continue the Smart Policing Initiative for two more years; one of only two agencies in the U.S. to receive a second round of funding, which will allow the Police Department to expand efforts.
- The average number of false alarms per month has declined 10% since March 2011 resulting in a savings of over 3,100 officer hours allowing these officers to focus on crime reduction and prevention efforts in our neighborhoods.
- Created a new design for marked vehicles incorporating retro-reflective features, including at least four times more reflective material and is more cost effective than the current design. This generates a savings of \$124 per car, or a savings of \$21,204 to mark the entire fleet of 171 marked vehicles.
- The Criminal Investigations Division (CID) has expanded external partnerships by joining the new United States Marshal's West Valley Task Force, the United States Secret Service Electronic Crimes Task Force and the FBI's Mortgage Fraud Task Force. These new partnerships serve as a "force multiplier" by providing the department with direct access to federal law enforcement resources.
- A reserve pumper is deployed from Luke Air Force Base (LAFB), co-staffed with LAFB and the Glendale Fire Department for a six month pilot program. The truck responds from a station on base, delivering additional fire and paramedic coverage to West Glendale and LAFB.
- Joint training exercises with LAFB firefighters, including a large scale Hazardous Material drill, enhanced skills and demonstrated to national evaluators, our commitment and cooperative relationship with LAFB.
- Department paramedics participated in three national and university led medical studies to evaluate certain patient treatment protocols and the effect of heat on medications. Four department members were appointed to state and regional EMS committees.

- Since January 2011, the Glendale Fire Department reached out to the community providing 144 classes on CCC/CPR, taught 3,896 students and 756 adults to help save more lives from sudden cardiac arrest. A slight modification has been made to this training to include the proper use of defibrillators.
- The public safety training center hosted a variety of conferences and events that drew an estimated 1,000 people to Glendale.
- Eighteen specially trained Glendale firefighters served over 100 days on national incident management teams at seven, large scale wildfires in Arizona and New Mexico, gaining insight applicable to brush fires in Glendale.
- A new International Festival and Events Association (IFEA) economic impact study shows Glendale's festivals positively impact the local economy by generating spending in shops, restaurants and hotels. Conducted on site during the 2010 Glendale Glitters Spectacular Weekend and the 2011 Chocolate Affaire, the study showed the economic impact to the City of Glendale for the Glitters event and the chocolate festival is \$3.1 million annually in total economic impact. IFEA is the largest professional event association in the world.
- Glendale's Civic Center had an 8% increase in event days, a 5% increase in revenue recovery, a 9% increase in room rental and a 28% increase in wedding revenues compared to FY 2010.
- City festivals act as a sales tool for Economic Development, spurring new spending in the area, as well as new business opportunities in the city. A recent highlight was the purchase of the Gaslight Inn, made possible by a visit to Glendale Glitters.
- The Glendale Convention & Visitors Bureau held its first ever annual member meeting that was attended by 170 people. The bureau currently has 90 members representing hospitality related businesses in Glendale and throughout the West Valley.
- The city has enhanced partnerships with downtown merchants through the support of downtown shopping promotions. More than 1,400 people attended *Christmas in July*, 19% were first time visitors and nearly 70% were non-Glendale residents. *Dog Days of Summer* saw a 500% increase in visitors compared to last year. The P.R. team coordinated publicity for these events resulting in an increase in attendance for downtown merchants, with one downtown merchant reporting a 20% increase in business on those days.

#### City Of Glendale and Department Awards

- The city was recognized as an employer that embraces diversity and is certified as an Arizona Mature Worker Friendly Employer. The city is also the recipient of the American Association of Retired Persons (AARP) Best Employer for Workers Over 50 in the United States. The AARP award is the second time Glendale has been recognized. These recognitions demonstrate the city's efforts to embrace diversity in the workplace by providing meaningful employment, professional development opportunities, and competitive pay and benefits. The community benefits from a diverse workforce that brings a variety of knowledge and skills in providing quality customer service.
- The Glendale Civic Center again ranked in the top 5 by The Arizona Business Magazine poll in their Ranking Arizona 2011 publication and was awarded 2011 Bride's Choice Award by Wedding Wire Website ranking us in the top 5% of Wedding Venues in the Valley.

- The Government Finance Officers Association recognized excellence in Glendale’s budget and financial reporting with its annual Distinguished Budget and Distinguished Comprehensive Annual Financial Report awards.
- On October 28, 2011, the Economic Development Department received the Excellence in Economic Development Award at the Governor’s Statewide Development Conference in the category of Metro Business Retention and Expansion for the innovative partnership with Glendale Community College, ASU West and the Glendale Chamber. Significant regional projects were Bechtel, Honeywell, Southwest Ambulance and Midwestern University.
- Glendale’s Conservation and Sustainable Living (CSL) program was awarded the Crescordia Award for Environmental Excellence from Valley Forward and was one of 24 city programs from across the nation to be recognized as a “Showcase City” in the League of Town and Cities national conference.
- The Pedestrian/Bicycle Bridge at 63rd Avenue crossing the Loop 101 is the first cable stay bridge in Arizona. This structure provides regional connectivity to the Valley’s multiuse pathway system from Thunderbird Conservation Park in north Glendale to Papago Park in Phoenix and beyond. Unique and eye catching, the bridge alleviates the need for pedestrians and cyclists to share travel lanes with motorized vehicles on major roadways to cross over the Loop 101 freeway. This project strengthens the cultural, aesthetic and environmental value of Glendale’s transportation system by providing a safe and accessible multimodal option for pedestrians and bicyclists. The Pedestrian/Bicycle Bridge has received the following awards: Award of Merit from Valley Forward’s Environmental Excellence Program, Grand Award from the American Council of Engineering Consultants and Maricopa Association of Governments (MAG) Livable Communities Award/Clean Air Campaign Organization.
- On November 3, 2011, the City of Glendale was awarded the prestigious WESTMARC – Best of the West Award for Excellence in Innovation for the Oasis Groundwater Treatment Plant. This state of the art facility provides quality safe drinking water to Glendale residents and will benefit the citizens and businesses within the city by enhancing the overall reliability of Glendale’s water services while supporting economic and community growth. This project has also received the American Council of Engineering Companies (ACEC) Honor Excellence Award for 2011.
- Special Events won two awards from the International Festival and Events Association (IFEA)...A Gold Pinnacle Award for Best TV Promotion for the Jazz& Blues Festival and a Bronze Pinnacle Award for Best TV Program also for the Jazz & Blues Festival.
- Glendale 11 received a Rocky Mountain Emmy nomination from the National Academy of Television Arts and Sciences for Special Event Coverage of Glendale’s signature festivals.
- Special Events/Creative Design won three awards from the Arizona Talent in Event Concepts (AzTEC) competition which is the state industry for event industry professionals: a Silver Award for Best Festival Program for the Glendale Chocolate Affaire, Best TV Spot for the Jazz & Blues Festival and Best Artistic Poster award for the Jazz & Blues Festival.
- Creative Design won the Silver Award for Best Commemorative Poster for the Jazz & Blues Festival from the International Festivals and Events Association (IFEA).
- Lesa Holstine, Library Manager for the Velma Teague Branch of the Glendale Public Library, won the Arizona Library Association’s “Outstanding Library Service Award.”

- The rose garden at Sahuaro Ranch Park received the 2011 best “Medium Garden Award” from the American Rose Society, for the Pacific Southwest District (the largest district in the United States).
- The \$3.2 million Sahuaro Ranch Park renovation project received from the American Council of Engineering Companies of Arizona “Grand Award.”
- The “Green Crusaders” program won the “Outstanding Educational Program” and the “Glendale Folk and Heritage Festival” won the “Outstanding Community/Neighborhood Special Event for Populations Over 100,000” from the Arizona Parks and Recreation Association.
- The Glendale Community Center received a certificate of special congressional recognition by Congressman Ed Pastor for “Outstanding and Invaluable Service to the Community” in July 2011.

Councilmember Martinez remarked it was really outstanding that Glendale’s police department was only one of two agencies in the United States to receive additional funding to extend their efforts. He added this was exceptional and spoke very well for the police department. He was also pleased with the 3,100 officer hours saved from the reduction in false alarms.

Councilmember Knaack inquired if staff had found any errors in the new digital tax system. She received a credit on her account which was incorrect and brought it to the Finance Department’s attention. She understood that the scanning was being done without an actual person reviewing. She was told that the system read the form incorrectly.

Mr. Skeete explained those were some of the issues they were now working through. However, the number of discrepancies has lowered dramatically and things are getting better.

Mayor Scruggs stated Mr. Skeete and Mr. Beasley, what she’d like to do is take a moment to highlight, congratulate and recognized all these tremendous accomplishments and achievements. Some are really big, some are small, but all of them go into making us, the city of Glendale, better for both our residents to live in and our businesses to do business in. We recently had a conversation amongst ourselves about not really getting information out to the public that they need to know about what goes on in the city. If the average person relied on newspapers, they would think that everybody in this room and everybody that’s not in this room devoted all their time 100% to two issues. When in reality and I don’t know what the work force is now – a thousand? eleven hundred? – I don’t know what it is, but all these people in this room who direct all the other wonderful people that do these things – this is what makes living in the city of Glendale important for everybody that’s here. She asked that they pass along her appreciation and her congratulations.

Mayor Scruggs said when she read this over the weekend; she couldn’t help but think that this was a huge number of individual’s specific actions that took time to think about, to plan, and to implement in 12 months. She didn’t know if it was already planned, that this information should be accessible to everybody who visits the city of Glendale’s website but she suggested it be on the website. She believed that would build a greater respect, a greater appreciation, and a greater acknowledgement for the people who work for this city. Employees who work for governments have been taking a lot of knocks lately. They have taken a lot of rude comments and one thing

or another and somehow an impression has been created on a micro scale – she was talking about now – that somehow the people that work for governments are less than ethical, honest, and get more in benefits than they are supposed to have. And she thought it was time for the city to take control of this situation and to let not just our residents and businesses know – because so many more go to our website – to let them know what goes on here. These are people; real live people working day in and day out on projects, some of these we are hearing about for the first time through this report. But she thought everybody should know about it. Everybody should know what people that work here for the city of Glendale do. They do numerous things, in a variety of diverse areas. So it may have been planned already but she would like staff to think about some way to make it easy for people to recognize the content of this report and to cause them to read it. There is a lot of innovation, there is a tremendous amount of cost savings to read about and there is a tremendous amount of recognition that comes from outside the city even through folks get beat up inside our city. There is recognition from organizations and people in other areas and I think it's time to tell a good story of the city of Glendale employees.

Mr. Beasley thanked Mayor Scruggs for her comments. He stated staff was already looking at what the best strategy was to get this information out to the public. He noted that at times things happen so quickly that trying to provide information the traditional way does not work well. He explained social media was going to be a big part of the new strategy. The goal is to get the information out with greater detail, while making it easy to read and easily accessible.

Mayor Scruggs said she appreciated staff's efforts. She wasn't a fan of Facebook or Twitter but she was a huge fan of the city's website. And what is it we get? Over a million hits, maybe a million a month? She didn't know – we get so many visits to that website where people can actually spend time – it's not something that bombards them in the middle of their business day that they have to read in a small number of characters, but something that they can really take time to understand and maybe link to other websites – she just hoped we include our website and we can still do social media.

Mr. Beasley asked Julie Frisoni to speak more on the website issue.

Ms. Frisoni explained that staff had recently done some revamps to the city's website. The website receives close to three million visitors a year. The city has three separate websites, Visit Glendale, Glendale's Got Game and Glendale AZ. She stated they were always looking for opportunities to use the website to send information out in conjunction with Facebook and Twitter. She noted that close to nine thousand people a month visit the website solely to look at agenda information.

Councilmember Knaack stated this was also good information for employees to be aware of. She noted that many times employees weren't aware of the many great things happening in their city and need to be better informed.

Mayor Scruggs agreed, when the employees go through Glendale University, their eyes are opened; they hear things they did not know what's going on in other departments. Which she hoped, speaking of Glendale University that someone comes up with some way to put that program back in front of people. She didn't how the train fell off the tracks, but what happened

this past session was really unacceptable and that needs to be corrected. That's another way to build understanding of what makes the city – not just a couple of hot button things, but what really goes into making the city.

Vice Mayor Frate commented on the outreach effort the city has made with Luke Air Force Base. He noted that not everyone might know that the Naval Operation Center in Phoenix has moved to Luke. Base employment has grown by about 1,000 Army and Marine Reservists that will be working every month at Luke. Equally amazing for Economic Department, was that there were no empty big box stores in the city of Glendale. He also mentioned the new revenue coming from the improvements at Sahuaro Ranch ball fields. He recently was asked to serve on the President's Circle at Glendale Community College (GCC). This will enable the school to become a new resource for the city's Economic Development Department and develop into a greater partnership. He thanked staff for their hard work this past year.

Mr. Dick Bowers, President of R.A. Bowers and Associates, acknowledged the great accomplishments the city achieved this past year and provided a brief summary of last year's retreat objectives, as well as the objectives for the future. He noted that as was discussed in their 101 interviews, the intent this year was less a matter of going back and rewriting goals, but more of looking forward to the future. He noted that Mr. Jim Rounds from Elliott D. Pollack and Company will be their guest speaker to guide them in two very specific areas. They will look at the social demographic shift and the changes occurring, as well as key policy initiatives that will help shape the future. The city will continue to recognize the economic challenges all communities are facing and how they impact the city in some manner. He shared the summary of some of the key observations that came out of the interviews with the council. These points had some element of consensus as well as some of the outcomes expected for the future. He summarized saying this will be a fast-paced morning and encouraged them to interpose in any area to add points or to make a notation they should include in the report. He introduced Mr. Rounds.

#### Guidelines

- Stay at the policy level
- Discuss the tough issues, but don't bog down
- Respect differing viewpoints
- Agree on the vital few key policy items
- Set detailed items aside for later
- Enjoy the day!

#### Interviews

- Grass roots strength emerging, changing
- Many good things happening in the City
- Need to fully understand debt related issues
- Update on last year's strategic goals
- Early engagement in budget valuable
- Review, prioritize, budget services and events
- Simplify citizen-city interaction where possible

## Outcomes

- Affirm/critique attention to current goals
- Consider socio-economic factors
- Focus policy on future
- Discuss expectations for results
- Provide policy formation direction as needed

Mr. Jim Rounds, Elliott D. Pollack and Company, provided a slide presentation on Economic Reality and Setting the Stage for the Future. Mr. Rounds stated his presentation would be in two parts. The first will be to update them on the reality since there was a lot of bad economic news out there and inaccurate information in terms of the risk moving forward. These issues will have direct implications on their strategic planning for the next several years. He believes there is a lot of sociology going on in what's happening in the economy right now. And in fact, a lot of people are making decisions not necessarily based on economic facts, but on inaccurate information that is currently circulating. He indicated that even high level economists were missing the main points. He stated the shock opportunity to throw us into a double dip recession does not exist as of now. However, he always quantifies everything by saying everything in his presentation could be wrong. But so far, they have been on point with what has been happening because they are looking at the fundamentals and basic things. He added things were getting political and believes there was really nothing the federal government could do in terms of a stimulus package that will help the economy move forward. The only thing the federal government can do was to demonstrate some competency in implementing a plan to help balance the budget over the next decade or so. This would have the biggest positive impact on the stock market and the economy as a whole more than anything else by far. He added that many were only guessing at this point and were not looking at the right numbers and just speculating. He explained how the employment numbers look better, but it was only because most have dropped out of the work force. This happens when you have a long and deep recession; however, you start to see people come back in only after you see more consistent positive news. He noted the unemployment rate was actually 13% or 14% if you include the disenfranchised people, not 9%.

Some of the signs of a double dip decline in these main economic categories are: Real GDP, Real Income, Employment, Industrial Production and Wholesale/Retail Sales. He noted there were signs that these categories were moving up; however, slowly. He noted the federal government was already borrowing and spending too much and the "stimulus" has also been inefficient. He added the legislature was being very conservative with their estimates. However, their estimate was that the state will generate 2.2 billion dollars more than what the state was currently forecasting. He stated it was essential the city had a plan for the excess income coming in. They should not see this as excess dollars. It should be set aside to pay down debt or for infrastructure projects on economic development that were postponed or used for one-time programs. Interest rates are low and little borrowing and lending are taking place and monetary policy is now of limited benefit as well.

Mr. Rounds explained the city's focus during the coming years should be in jobs, population and establishing an economic base. He indicated that Arizona's current conditions summary was believed to have weak population numbers, as well as weak employment numbers for now. However, he believes those numbers have not been updated. He believes the numbers will

continue to be better every year across the board for the Greater Phoenix area. He speculated the improvement would be apparent in commercial real-estate vacancy rates by about 2014 for industrial and 2015 for the rest of the categories. However, because of the excess office space in North Phoenix it will be closer to 2017 for this category. He explained that each city in different areas will have a different back-to-normal date, but over all we are still looking at mid-decade. He noted that corporate profit was at an all-time high, but unfortunately it has been riddled with CEO's doing illegal activity. He did not agree with all the bailout money the government used for these companies in default.

Mr. Round said in addition, consumer activity shows that jobs are being created, but not quickly enough. Those people that have jobs are spending a little more, but are remaining cautious. Most of those that don't have jobs probably won't anytime soon. He added that wealth levels are improving, but people still feel poor. He explained that business activity profits are high; however, business spending will be slow for now, but getting closer to seeing some limited investment. Hiring will still be relatively slow, but more pressure to hire soon since lots of money is sitting on the sidelines. He stated that consumers and businesses were worried, thus, they are saving more and trying to get out of debt. Therefore, spending is less than normal, which means less demand for products and services, less demand for labor and capital, and falling profits and more worry for the employed. He noted he did not believe the initial numbers that Arizona was growing at 1%. He explained that one of the biggest messages to take home was that the economy isn't that different than what it was before. Things have changed, but those same things have been changing and building over decades. He recommends the city become more creative with their incentives to lure companies in from the outside. He stated they should be the smart state when it comes to the incentives given to companies so they could be a partner not a hostage taker.

Mr. Rounds stated that across the country, there has been steady population growth. Therefore all of the homes that were built above what the population demanded was the excess and under production has been occurring. He indicated that was why people across the country were in better shape financially and with their homes than here. He explained the state started producing very few homes, but the population growth declined at the same rate; therefore it wasn't until this last year that they started working through the excess. Unfortunately, if the population growth was zero, they have been adding to the excess for the last couple of years, which was not a good thing. The good news was that people were positioning themselves to buy once the time was right. He added they will see additional production even before they work through the excess. He explained the housing market still had flat prices and regrettably, when the economy picks up; additional investor homes will come back on the market when they still have relatively weak population growth. This means that prices are going to be suppressed when they normally would have gone back up because there was too much supply. He believes the housing market will be flat for the next couple of years since it will take awhile to get back to that long term trend.

Another big factor has been the negative equity in homes that affects the ability to sell or buy. He stated that 50% of homes with mortgages in Arizona have negative equity. The national average is 25%. He remarked that most are still making their payments; however, he was worried about those who paid \$400,000 for a \$200,000 home that is now worth \$130,000. Those

people will not be out until about 2030 unless they do something drastic. He stated there were some economists that say the jobs will be back sometime in 2025/2030. However, he does not agree just by doing the simple math and believes it could not be that far away. He noted that if they grow by 1% or 4%, they get all the jobs back by 2015. He added they will start seeing improvement slowly, but steadily based on the numbers. He believes they will lead the country and be in the top five once things start moving more rapidly; however, full recovery is still a ways away.

Mayor Scruggs asked Mr. Rounds to talk to us a bit about the new housing market. From some of his remarks, she got the impression that bringing back a flurry of new housing construction was not good because we have such an inventory of homes that have no people to live in them. But then other times, she thought he'd said that getting back to employment requires us to go into new home building. Mayor Scruggs said the general feeling of her peers in other cities is that given an opportunity to vote on a rezoning for residential, they would vote it down because of things the Home Builders Association has caused the legislature to believe is the right thing. The Home Builders Association has caused the legislature to believe that in order to have a bunch more home construction, they need to take away impact fees and do this and that. So that leaves the cities to take care of the people who are here right now and, of course with the economy, that's quite a challenge. So the idea of bringing in more people when there are empty homes over here and bringing in more people in new homes, many of my colleagues say "I'm not interested in that at all". Mayor Scruggs asked Mr. Rounds if he could tell her if he saw returning to frantic home or robust home building construction as part of our economy coming back?

Mr. Rounds stated he did not disagree with her. He believes housing is a spin-off benefit and not a base industry. He added that in fact, over-reliance on local market industry was what got them to this point over a two decade period. He noted he got in trouble with the impact fee issue with the home builders. This is a public policy question because the reason there was home building is because they were able to get very affordable land. And now they were competing with the excess. As far as new construction, it depends on the city's strategic planning, their needs, as well as how tight they want to be with limiting development that might bring jobs to the community.

Mayor Scruggs said the construction jobs are just very temporary jobs, and they're gone, okay. But the product, the house, is something that as a city has to service. Now does the city do that on the backs of the people who live here already because the resources aren't there anymore to provide the infrastructure and the services to the new people. Another interesting part is colleagues have told her that the developers of the existing projects are encouraging them not to approve new projects because they've got their nice projects over here with the granite counter tops and then they don't want next door to them, back to the kinds of housing we saw a decade ago because that diminishes their value. So now within the industry they're competing. But what the bottom line is, what we need is, jobs for people who are going to live in the houses, not temporary jobs for people with hammers, etc. What do we do to take care of those people that buy into those very inexpensive homes while we're still trying to service existing residents with simple things like water and sewer? They are paying the and in some communities – not Glendale – there has been a 30% loss in customers. The cities still have to pay for their

infrastructure and all of that other stuff. She gets confused when this state – and she listens to our legislature and hears “yeah lets go bring back the carpenters and the plumbers and the electricians because there will be jobs” when the jobs are really just temporary – just a band-aid for a short time.

Mr. Rounds explained he understood her comments; therefore he must have not been very clear. He stated he was for base industry development and not for any kind of incentives for homebuilding or retail or anything like that. In fact, that is what got them into this mess. He added that home building and retail was a spin-off of getting the base jobs. However, economics were going to still dictate that there will be some home development between now and then. He noted they really cannot have a recovery without the housing development, but that should not be the focus of policy and should only happen because of other good developments.

Councilmember Clark asked what he considers the base industries in Arizona. Mr. Rounds replied that they were the aerospace industry, tourism, biotech and possibly higher education services. He noted that base industries were different at a state level than at the city level. However, everyone should stick to the fundamentals of what brings in money to the city. He remarked that every city has their unique opportunities. Councilmember Clark noted that it seemed that many cities did not have base industries. He agreed and added that they used to do a better job of expanding these industries; however, the bigger ones are now retail such as Wal-Mart. He explained he wanted the congressional delegation to remember where they are and make sure they do not lose any more aerospace and should possibly expand it.

Councilmember Lieberman commented that at one time, they had the “five C’s”; however, they do not count on them anymore. He added that the housing market was one of the largest industries they had here and when the bottom dropped off, so did the jobs. He discussed the tourism industry also taking a hit. Mr. Rounds agreed and remarked on how incentives have gotten out of hand and hurt more than helped.

Councilmember Clark asked to discuss the tourism aspect further since Mr. Rounds had stated it was a base industry for Arizona. She asked if he had any data on other cities such as Orlando or Anaheim and how they weathered the economic recession and how quickly they are recovering. Mr. Rounds stated other cities were doing better in tourism because they continued their investment. He stated that Arizona does not heavily invest in tourism and provided some examples.

Mayor Scruggs said tourism is another subject Council had been having some conversations about but because we have that distraction with the Coyotes right now and...well, she didn't know what to call it. Some of her favorite comments come from people who say “Oh what do you think is so great when they play some Canadian team?” “All these people from Canada or the people from Detroit or the people from Chicago here isn't that the basic idea of why the city built a center like that?” The city wants their own folks here yes, you want the Coyotes to have their fan base, but really as a city, we kind of want those people from Canada and Detroit and Chicago coming. She'd been at Westgate coming out of a restaurant, meeting people that are here from those states and are staying right there in the hotels, right there. They are eating at the restaurants right there to me that's tourism and the city has a leg up on the whole tourism market.

Mr. Rounds agreed and stated they should stay with the fundamentals and bring money from the outside. He remarked that it's fine to take money away from the city of Phoenix to help the city's finances. In addition, he believes this time around, the city will do much better with their return investment with the Super Bowl. He stated Glendale was in the top three or four in terms of cities that have good economic development plans and just need more coordination.

Mayor Scruggs said she didn't know what all these meetings are that we are not at and all these site selections things? She didn't know they existed or she would be there, if she felt welcomed to be there. So that is something that we can do. But she'd like to go over two things that Mr. Rounds talked about because she'd like to present the other side of the story. The thing about incentivizing retail; there was a time, in this city, where the incentive was to move a project forward - three, four, five years. So in other words, it wasn't a choice between is it going to be Glendale or is it going to be somewhere else. But it was getting the project in the ground, getting it built, getting it up because the residential was catching up to one thing or another. So there were times, and it's not just Glendale, but in other cities where it made sense. So not all incentives are wars to steal from another city even though that's what's often portrayed. It really isn't. It might be just getting that project there two years earlier and you know, our folks work out the numbers and what can work out in the city's favor, that's number one.

Mayor Scruggs said the Super Bowl discussion, Council has traveled as a group to so many Super Bowls – we went ahead of time because we were supposed to learn what was expected of us and how things should be done and so forth. One of the things she learned, and she thought her colleagues would probably agree, is if you're capturing the corporate Super Bowl attendee, the one who comes on a package, your city is really not having the same opportunity to generate new revenue as if you're competing for the folks who just want to be near the action and they don't have everything paid for them. Council went to Super Bowl after Super Bowl ourselves, you know, go here, here is the buffet, here's the morning breakfast, here's your lunch, they don't go out and buy anything, their corporation has become a sponsor or they won a contest or something and there're just moved around from place to place. That's really not who the city is competing for and that's what's talked about all the time, the big groups that are staying here and the city is competing for regular folks who are here excited with their families and they're staying in our hotels - every single hotel in Glendale was full with real people. And this is vacation and their spending real money, there're not there opening an envelope saying "Now where is my ticket for the next meal" that somebody else paid for them. There are different types of Super Bowl attendees and for whatever reason, that's not usually identified. So when you do your studies, you're probably looking at the other group, the one that we are really competing for, is the real tourists.

Mr. Rounds agreed with Mayor Scruggs comments but that if you do not have enough retail because of the demand for the product, there was going to be leakage and he really does not see a problem with that.

Mayor Scruggs said she came on the Council in 1990. Between 1990 and 2000, not only was there nothing in Glendale but nothing for those that lived west of Glendale Avenue. She remembered back in 1991 – a K-Mart built at the corner of 67<sup>th</sup> and Bell was a big deal to

Glendale. At that time Bell Road - there was nothing there, just dirt, nothing. So bringing any kind of economic activity not only served our population, but the people to the west of us. Arrowhead Towne Center – what did we steal from anybody? There was nothing out there, but it became services for everybody. So maybe she was going back too far in time. She was just saying, there are situations where a community and surrounding communities have nothing and they can move forward a project and it can be good. For us, in Glendale, we had Metro Center but for Peoria, for Avondale it just wasn't cutting it. So she agreed with Mr. Rounds, we're past that whole thing of competing to get something that another city is trying to get, we don't have those situations anymore, those are east of us. But there is a place, and I think some of our west valley cities probably have areas where if they can help advance a project, it's good and they're not taking somebody else's money.

Mr. Rounds stated cities that have become aggressive with their economic development programs had specific economic concepts that their councils followed and had previously approved. Therefore, the economic development group could work within those guidelines to complete high level projects. All of the major cities had specific goals to work with that were reviewed by subcommittees already involved in the project. He indicated that by previously having laid out the fundamentals and having board or council approval, kept it in front of everyone's mind. He added that having that set up ahead of time was really helpful to everyone.

Councilmember Martinez commented on Senate Bill 1070 and asked for their thoughts on the matter since everyone had a different opinion of the end result.

Mr. Rounds replied their firm had done that report and concluded it did not have a statewide impact worth noting. However, it did have an impact on tourism. The reason it has not had an economic impact was because they have not needed that labor. He noted that aspect had gone into the recession in 2007, but a lot of those workers left before that time. However, they might have a slight inflation in housing once the housing market picks up since they will have to pay more for labor.

Mayor Scruggs called for a short break. After 10 minutes, the meeting was called back to order.

Mr. Bowers stated they will now go into the second part of the presentation.

Mr. Rounds continued his slide presentation. He restated this was not a multi-decade recovery. There will be full recovery for most in 2015, but growth before then. The biggest change was that the older forecasts had dramatic population growth through the next 50 years. However, others say there has been a lost decade and they are not going anywhere. He believes they are somewhere in the middle. He recommends focusing on quality more than just incentivizing or focusing on developing their economy based on weakening their particular position and putting additional tax burden on current residents. Economic development summary still suggests they will continue to grow faster than the rest of the country over the long run. He believes full recovery was still 2015/16, which means fully recovered in terms of Housing Oversupply, Commercial Vacancy Rates, Retail Sales Activity, Employment Levels and possibly Tax Revenues. He explained that in planning for the future, something still needs to be done about statewide tourism. He noted that promotion revenues are likely to exceed the forecast, which was true for everybody. Therefore, the city should budget conservatively and make a plan for

the excess that will arise. He indicated that last minute revenue surprises often translate into last minute appropriations and lack of discussion. He asked them to figure out where the city stands in terms of full recovery dates that concern tax revenue, employment, population, commercial absorption, etc. Figure out what they do well and market their strengths and then figure out what kinds of businesses fall into that category and not just throw money everywhere. Additionally, don't spend a lot of money trying to create 23 jobs because the economy will take care of those. He encouraged Council to go after the big projects.

Councilmember Alvarez remarked it wasn't that she did not support economic development; however, her main concern was her district. She stated her district was poor and spending any money that does not help them directly was only taking away critical services. She commented on the employee furlough situation and decreases in city services.

Mr. Rounds noted that her concerns should already be a key component to any plan. He stated they should never give away more than they get in return. He explained that many other cities were going through similar situations. He explained there should be balances that enable the city to receive back more than was utilized for any project.

Mayor Scruggs addressed Mr. Rounds saying that you can't just go on the value of the jobs created, okay. The biggest single investment of incentives that the city of Glendale has ever made – and she didn't have this in numbers, but it could be put together – is right here in our downtown, which is Councilmember Alvarez's district, which is the poorest area of our city. But while the jobs created are nowhere near \$200,000 a year, what did happen was an area of our city that had no productivity at all, and, in fact, people at one time did not even want to come here for various reasons was improved and now is known nationally as a tourist spot. The city invests in its festivals that bring people here. There was a time when people who might be looking to bring a quality business to Glendale didn't really want to come to city hall because of what was going on right around here.

Mr. Rounds stated this was exactly the point. This was the higher level discussions that all cities need to have and it was not just about jobs. He remarked that the extra activity in the downtown area translated into capital investment, which provided the city with money and the city received the extra benefit without having to impact the current tax payers.

Mayor Scruggs said it was because Council's policy decision was not to have one part of our city substandard; Council did not want a cancer in the body of our entire city. And so, tremendous resources had to be put into overcoming a decade of, she didn't want to say neglect, but just change based on - there was no economic base in the city to do anything with since attention was going elsewhere. And that's a huge reinvestment and she didn't think the city can ever quantify totally what that means when – for example Glendale Glitters weekend – 80,000 people were here. 80,000 people came to our downtown in two nights and they went into stores that didn't even exist maybe 10 years ago and they ate at restaurants that didn't exist and they thought this was a wonderful place and then they'll come back with their families. So it's, anyway, she was not arguing with him, but it's just not all about high paying jobs.

Mr. Rounds agreed with Mayor Scruggs and added he would not live in a city that did not have parks or great amenities. He noted those things have a lot of value to the community.

Mayor Scruggs said the Council had to take care of the social aspects first to prepare the city for where we are now – which is to go for the better jobs in the same area in what we call our Glendale Centerline. We had to attack it a different way.

Councilmember Clark stated that, respectfully, she has to disagree with Mayor Scruggs' remarks, which was nothing new. She noted their focus on investment in the downtown area does not necessarily improve quality of life for the existing residents in or around the downtown area; the Barrio is still the Barrio. The Barrio has not changed and has not seen its quality of life improve because whatever revenues accrued from that development was not targeted on the area from which they came. She discussed the tremendous investments done in Arrowhead and how they received incredible revenues that went back to Arrowhead in terms of many types of amenities. However, that same equation does not seem to apply to the rest of Glendale.

Mayor Scruggs said respectfully, she disagreed, and this is not the conversation we should be having here. There was a time in the mid 1990's/late 90's when 35% of all revenue in the city came from Bell Road. That is what enabled the city to do revitalization in other parts of our city. It did not go back up there, and if we are going to talk about a library or whatever, that was years later. No, it came – that's what we could do, that's what started our neighborhood improvement program and so forth. She thought the benefits for the downtown area – and she had been asking for a report for months now, we can't seem to get it, because we need to know where this money is actually spent. Where the parks were built – you know – how about Habitat for Humanity – there are so many programs, but that's not really what you're focusing on here today and until we have accurate numbers from staff, we're just going to argue back and forth. There was a conscious decision made – actually it started in the 80's when city hall was sited in downtown verses moving it further up north, so you know there is a lot of data and until we get that actual data we're just all arguing from our own personal opinions.

Councilmember Lieberman commented on the sources of revenue for the city in 1992. He stated that a lot of revenue came from auto dealerships on Glendale Avenue. He wondered if the city would have taken some of that money back then and reinvested in the dealerships on Glendale, possibly they would not have the problem they have today with vacant lots where the dealerships used to be as well as the unfinished courthouse.

Councilmember Alvarez noted that quality of life was mentioned earlier and would like to make a few comments on that subject. She remarked on the many amenities that other districts have versus the lack in others. She would like the city to take care of these issues first before they start giving incentives to companies when that money should be used in the communities that were in need first. She stated the northern parts of the city continue to receive most of the benefits. She mentioned the pool situation, as well as amenities such as the library. She reiterated that her concerns were specific to those areas and her district with the lack of amenities in the poorest areas in Glendale.

Mr. Rounds noted that if the city does the incentive policies properly, they will not be giving away money that will normally go to a pool. They are only incentivizing something that is adding to the general fund so everyone can benefit. He added that those were fundamentals council can approve based on facts and how the economy works.

Councilmember Martinez indicated it was not true that the northern part receives most of the benefits, specifically mentioned was the Foothills Aquatic Center. He explained the city had a process they go through every year with the budget and the capital improvement plan that every Councilmember was aware of and approves. He explained that cuts are made, but they are not made targeting a specific area. He noted that many of the projects in motion today were made a decade ago by others on the Council on a 10 year plan. He noted all this talk about one area being favored over another was not right. He understands Councilmember Alvarez's concerns regarding her district; however he grew up in that district and has a nephew that still lives there. He explained what has happened in that district was that the younger people have moved out and what remained are older folks. He has tried, as the city has, to do something with the deteriorated properties in that district. However, the city has a process they must adhere to and believes they are all working hard for all of Glendale's residents. He believes this has happened in some areas possibly because of the economy, but does not think it was a result of bad decision making from the Councils, both earlier and present.

Mr. Rounds stated that the beauty of economics was when you have a sound foundation and a good plan for developing your base industry - when you focus on how the economy works - some of the problems take care of themselves. Subsequently, you can identify those areas that are not taking care of themselves and figure where more direct public policy can matter.

Councilmember Martinez stated he forgot to mention that the Foothills Aquatic Center never would have been built if it were not for staff coming up with a plan. Staff came up with a plan that would pay for 74% of it through user fees. Therefore, this was not a total subsidy from the general fund.

Mayor Scruggs said it's the only facility in the entire city where the users have to pay to use it.

Vice Mayor Frate stated the city of Glendale had a vision and it included the Sports and Entertainment District. He noted that in Mr. Rounds' presentation, tourism was very important; therefore having the Westgate areas continues to be a positive resource. He noted the Westgate area had been lobbied heavy by the homebuilders to develop that whole area from Camelback to Northern to be housing. However, the majority of the Council at the time, did not agree, and preferred jobs. Because of the downturn in the economy, staff has creatively made adjustments to the plans in progress and has prepared for when the recovery of the economy begins. He wondered how economists viewed the issue with the Coyotes and the economic impact if they end up leaving. He mentioned all the financial adversity that has happened to the city and around the country; however, he was pleased to announce that the city of Glendale was still paying their bills, still moving forward and people are still investing in Glendale.

Mr. Rounds responded that he believes the Coyotes' activity was the anchor to the area. He noted he does not believe, as others do, that it will be easy to replace that revenue should the Coyotes leave the area. He thinks the Coyotes need to stay. However, he does not know the particulars or the math, but still thinks it should remain since it was the anchor tenant in the Westgate area.

Vice Mayor Frate agreed and added that having these anchors was the reason the NFL chose Glendale for the Super Bowl because they see what is built and more is going to be added by 2015. He believes that area will continue to prosper and grow. He stated they would not be having this discussion if the economy had remained on track. He added this has been one of the worst recessions he can remember.

Mr. Rounds stated the city's issues became more complicated for the same reasons that even small economic deals do. He noted that was when a company says they will leave if they don't get a big incentive. He remarked that was when the math and common sense matters come in. He summarized in closing that the job growth will be with the usual suspects. It will also occur in those regions that were previously targeted, as will absorption. Again, the key is to figure out the timing of each component of the forecast. Overall, back to normal by 2015, but could vary from item to item.

Councilmember Clark remarked that the projection for Phoenix to recover was 2017, but asked if he had a similar projection for Glendale. She asked if Glendale should be looking at an earlier date than Phoenix. Mr. Rounds stated Phoenix was 2017 for office and 2015 for excess housing, 2014 for industrial and 2015 multi-family. He recommends the city look at this pattern when making their projections. He believes full recovery was still 2015/16, which means fully recovered in terms of Housing Oversupply, Commercial Vacancy Rates, Retail Sales Activity, Employment Levels and possibly Tax Revenues. He reiterated things were more positive than what everyone was reading and things are not as terrible. He asked them to be patient, but seize this time to start that legacy and put those plans in place for when things come back and all the decision making will be in place.

Mr. Bowers thanked the Council for a great meeting today; however, it was now after noon. He suggested possibly a follow-up meeting. Councilmember Clark agreed and stated it should be as soon as possible.

Mayor Scruggs stated they would have to look at their schedules to see when would be a good time.

Councilmember Clark asked to have a copy of the presentations made today.

Mayor Scruggs said the direction then is, we are going to try and figure out a time when we can get back together again to try and finish the part of the retreat that we did not get to which is called Identify Related Policy Objectives for 2012. Thank you, thank you very much and that is it, the meeting is adjourned.

As there was no further discussion, Mayor Scruggs adjourned the meeting.

ADJOURNMENT

The meeting was adjourned at 12:16 p.m.