

Minutes of the Work Session held May 9, 2011 at 6:02 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Rogers and Council Members

Jim Buster

Stephanie Karlin
Frank Scott
Charles Vierhout
Ken Weise

ABSENT/EXCUSED

Jim McDonald, Vice Mayor

ALSO PRESENT

David Fitzhugh, Assistant City Manager
Rogene Hill, Assistant City Manager
Dan Davis, Economic Development Director
Chris Reams, Director of Recreation and Libraries
Pier Simeri, Community Relations and Public Affairs Director
Andrew McGuire, City Attorney
Carmen Martinez, City Clerk

1) ROLL CALL BY THE CITY CLERK

2) MARKET TRENDS FOR INDUSTRIAL AND FLEX COMMERCIAL PROPERTIES

An overview of the market trends for industrial and flex commercial properties in Avondale and the Phoenix Metropolitan area.

Mr. Mike Curley or Earl, Curley and Lagarde reported that industrial development was hit as hard as other sectors during the recession, but there has been an enormous amount of corporate and industrial activity in the past year. After the financial crisis, industrial vacancies grew to about 18%. That condition radically changed recently with 4.5 million square feet of industrial space having been absorbed in the last 15 months and the vacancy rate shrinking to 14%. A significant number of manufacturers are interested in leaving California and are considering Arizona for a number of reasons, including taxes, housing prices, and industrial lease rates. Avondale is also within the 11-hour commute shed for truck deliveries to southern California. The jobs that are coming in are quality jobs at companies in the sustainable energy, data center, health care, and internet fulfillment sectors.

Mr. Lydon said his firm, Jones Lang LaSalle, manages roughly 13 million square feet of industrial space in the Phoenix area, serving companies like Honeywell, Intel and Bank of America. The industrial market in western Maricopa County ranges from the small to midsize users, who remain largely paralyzed, to the large users, who have been more active. Metropolitan Phoenix enjoys some competitive advantages over other places in the country and had about 5 million square feet of net absorption in 2010, ranking in the top five among industrial marketplaces. Large employers like the labor situation in the Valley, the relatively low risk for disaster, its proximity to southern California, and the regional distribution network that has been established here. Sub-Zero is going to spend roughly \$77 million in equipment and furnishings for their new facility in Goodyear. They will employ 250 people locally at first and may grow to 400 if conditions warrant. They intend to manufacture 60% of their worldwide product in Arizona. Almost everything that is being

built today is designed and built for a specific corporate user. Large users are considering locations in a global context. In the southwest, the Phoenix area is competing against Salt Lake City, Austin, Las Vegas, Reno, Denver and southern California.

Mr. Lydon stated that 36 months ago, the area had 22 available buildings larger than 200,000 square feet. Based on recent activity, that number is now down to five or six buildings. The large corporate users are attracted to incentive programs such as the Foreign Trade Zone certification. Many of these users are energy-centric employers. The Avondale Commerce Park would be an excellent location for shovel-ready projects that are fully entitled for the corporate user. Corporate users dislike uncertainty, and when they approve a project, they want to know that there will be no surprises. He predicted that over the next three to five years, the corporate marketplace will be very robust, with a sustained level of design/build projects. His company is currently tracking 8 million square feet of corporate user activity, 75% of which is coming from out of market and the majority of which is new construction. By creating quality sites in the city, Avondale would be in a position to attract national companies that will be a credit to the city.

Council Member Buster inquired about the normal vacancy rate for industrial buildings in Phoenix. Mr. Lydon explained that a healthy vacancy rate is in the 11% to 13% range. There is a glut of smaller properties, but only a handful of large ones available.

Council Member Weise noted that Amazon is expanding its Phoenix fulfillment center. When call centers explore an area, among their considerations is the talent of the labor pool. He queried whether the West Valley had the labor pool necessary to fill call centers. Mr. Lydon felt that the labor pool is present, but there is a lack of available facilities at the moment. Council Member Weise inquired about the average time it takes most companies to go from an approved project to manufacturing start. Mr. Lydon said it generally takes 12 to 18 months. Council Member Weise inquired about the steps the City could take to help companies. Mr. Lydon suggested compressing the cycle time on entitlements, approving Foreign Trade Zone certification and entitlements, and easing construction taxes. Council Member Weise noted that Goodyear gave Sub-Zero incentives based on the number of Goodyear residents they hired initially. He questioned whether this was a typical strategy. Mr. Lydon said many cities provide corporate employers with job training support.

Council Member Vierhout inquired about recent trends in the mid-size user market. Mr. Lydon stated that early signs indicate that there is some movement in this area, but it has not been consistent.

Mayor Rogers said the City of Avondale is looking at ways to improve the processes necessary to attract new companies. Mr. Curley said companies are looking at different cities, comparing a number of factors, but in the end they move to the community that wants them the most. Cities have the power to attract these businesses. Companies do not have the time to go through the rezoning process, so cities need to have the zones available to even be considered.

Mr. Feeney stated that up until 2008, Phoenix had a net annual absorption of 6 million square feet every year for 20 years. The past three years have seen negative absorption, but the upward trend is recovering. Overall, it will take about three years to fill up the

existing stock of industrial space, but there are only 3 large buildings available. Users are attracted to the West Valley because they would be located about 30 minutes closer to southern California and within the 11-hour truck driver limit. Companies are looking to service the huge population base in southern California without locating there. Avondale is a relatively new city with good infrastructure. It is orderly, clean and affordable, which presents a good contrast with what is available in California. Power for manufacturing facilities is important and the cost here is much cheaper. The build-to-suit market will see a great deal of activity. He suggested that the City consider streamlining its permit process and costs, and any help in developing skilled labor.

Mr. Feeney said the immediate need is for 300,000 square-foot facilities. As these available spaces have been absorbed, rents have gone up a little, but not enough to warrant new construction. To do a spec building or a build-to-suit one, rates would have to go up higher. That will happen because of the lack of supply among all competing metro areas. Council Member Weise acknowledged that Council has been streamlining the permitting process recently, cutting off between 90 and 120 days on permits for new buildings.

3) GREATER PHOENIX ECONOMIC COUNCIL UPDATE

An update regarding the partnership and activities of the Greater Phoenix Economic Council.

Economic Development Director, Dan Davis said Avondale has been a GPEC member for over 12 years. The City took a leave of participation in 2004 to focus on retail development instead of the employment sector that GPEC focuses on. That decision paid off. Membership in GPEC is based upon Maricopa Association of Governments (MAG) population estimates. GPEC has made an effort in recent years to reduce fees for cities. The proposed contract amount for FY2011-2012 is estimated at \$25,328. Avondale works with GPEC to identify industries that fit its market needs and availability, such as renewable energy, advanced business services, biotech, healthcare, information technology, advanced manufacturing, sports recreation and tourism.

Mr. Davis said staff is active in GPEC activities, meetings and sales mission trips, with the goal of selling Avondale's specific story. As businesses approach GPEC, Avondale analyzes them to see whether they would fit within the community. If Avondale has sites that would fit the business, staff puts together all the information they need to determine why Avondale would be right for them. Avondale has no interaction with the businesses until they decide to shortlist the community. The city has submitted for 15 businesses this year, but no businesses have shortlisted Avondale for relocation yet. Staff provides companies with information on incentives to which they may be entitled.

Barry Broome, GPEC President and CEO said that GPEC recently made the largest renewable clean technology investment in U.S. history with First Solar in Mesa. At build out, it will be a 4.4 million square feet facility. The market has been named number one for renewable and solar by Business Facilities Magazine. This includes a number of successes in the West Valley. SunTech, a Chinese company, has sixteen different partners that will be coming into the Valley over the next five years. The real estate dilution has created an economic benefit. . All of the blue chip economists in Arizona say the





recession will last until 2014 or 2015. Arizona will recover later than every state except Michigan and Ohio, and the recovery here will be more dependent on housing, retail and construction.

Mr. Broome said GPEC designed most of H.B. 2001 and it would have provided significant tools to communities, allowing cities to use their discretion on incentives to attract major investments instead of having that decision made for them by the State. The Governor did not sign the bill, however.

Mr. Broome noted that besides attracting companies to the area, GPEC works on branding. From a tax position, Arizona is less favorable than California, but from a cost of doing business perspective the situation is much more favorable in Arizona. The real and personal property tax on industry is high. The biggest investments have all enjoyed some type of tax treatment in order to make them possible. They bring in high-paying jobs that are necessary to make the recovery sustainable and robust. GPEC gives legislators deep information so they can make informed decisions. The Arizona Commerce Authority is the keeper of the State philosophy of economic development.

Mr. Broome said GPEC views the region as a business model. The solar renewable strategy is its primary focus. The U.S. economy needs 10 million jobs to recover, and about 3 million of them will come out of the renewable sector. Other sectors, like semiconductor manufacturing, are going down. GPEC also considers where capital is being invested and where it is migrating from. International companies have a growing presence in Arizona. GPEC is working on four aerospace companies. Over the next five years, aerospace will create about 25,000 jobs nationally. It is a shrinking sector. Aggressive states like Alabama, North Carolina, and Texas have built a reputation as being most effective at landing this sector. It is a capital and talent intensive industry that is also sensitive to the support of the federal government. Congressman Franks is the only Arizona representative that has advocated for the aerospace industry in Washington, D.C.

Mr. Broome said Arizona's strength is in advanced business services and bio science/healthcare. The State also does well in information/communication technology. Kiplinger rates Arizona well in renewables. The Corporation Commission has an energy policy that is well received in the industry. Gabrielle Giffords has advocated for the renewable sector and Arizona is among the first places where solar will become commercially viable. The intellectual leadership in solar is coming out of semiconductors. ASU is tops in sustainability. The State provides a tax credit against capital, provides benefits for jobs, and eliminates real and personal property taxes for ten years. Arizona needs industries of the future that will export products and technology and take the state to the next level.

Mr. Broome said that GPEC is focusing on bringing in jobs that average \$49,000 in compensation per year, when the State average is \$29,000 a year. The economists that work for GPEC know that this recovery will be more dependent upon simple economic indicators than in the past. If the SunTech base can be built out, Arizona will be one of the leading states in investment from China. GPEC works to get the region included in the top four or five spots chosen by site selectors for companies, and then approaches the companies to sell the strengths of the market. If the region cannot compete on the cost of

doing business, GPEC cannot get a chance to promote the other amenities of the community.

Mr. Broome stated that part of Arizona's deficit came from the tax cuts provided to individuals from 1990 to 2002, amounting to about \$2 billion per year. While this is popular, it does nothing for industry or jobs. H.B. 2001 avoided introducing big deficit creating tax cuts that would do little to help the economy. While the State cut individual income taxes, it did not have the ability to cut business taxes, which is where the competitive metrics come from. Since the income was lost, there was no money to invest in education, science, or technology, which would have raised the State's competitive position. Arizona has a chance to lead the world in solar renewable technology and a big part of that has to be the innovation base.

Mr. Broome said that GPEC has a \$1 million commitment from investors to start working on branding, especially in California. The national media generally has not been friendly to Arizona, especially in the wake of S.B. 1070. GPEC enjoyed its biggest year ever last year and is poised for an even bigger one this year. Arizona faces many challenges as a community and GPEC tries to work with legislators to find solutions. Mayor Rogers applauded GPEC's effort to develop Arizona's economy.

Council Member Weise said GPEC has done much for the region, but Avondale specifically needs more from GPEC. Mr. Broome said GPEC cannot afford to have any of its communities break down. What is good for the market is good for the communities within it. GPEC plans to sell the West Valley's Foreign Trade Zone very heavily, but very few companies qualify for it. The tools that are available locally are very important. He felt Avondale should focus on attracting a large scale, new-build project. Mesa obtained a renewable solar site because it had a 275-acre site primed and ready to go. Most of the renewable companies need in excess of one million square feet. All the remaining large scale sites are in the West Valley. Avondale is doing a good job and is poised to be successful. He recommended setting aside a pool of \$2 million to \$3 million to help offset costs. Avondale received 60 looks last year, which is quite high compared to many communities. The community is well-situated in an urban corridor. When Surprise landed Rio Glass, they were able to put \$1 million into infrastructure for them. As a result, three more companies will probably go to Surprise because they have major glassmaking capabilities. Avondale should focus on a large scale project that could create other capabilities around it.

Council Member Weise said Avondale worked hard on S.B. 1159 for three years, yet received no support from GPEC. The facility would have been huge for the West Valley, providing many good high-paying jobs. It would have been a buffer against the potential loss of the Phoenix Coyotes. He queried why GPEC failed to support it. Mr. Broome stated that Arizona is the only state in the nation without tax-increment financing, which is an important tool for development and redevelopment. Arizona also does not have a basic enterprise zone. The refundable tax credit on motion picture production is a five-year old issue. He indicated that at that time GPEC felt that with the scarce resources provided by the State, a \$75 million refundable credit would be better spent on research and development and new enterprises to elevate the knowledge sector in the economy. If the legislature was willing to provide tax credits to several industries at once, that would be

okay, but if it was only going to approve one credit, new technology should come first. The State has lacked the appetite to do something about the economy, lacks policy infrastructure, and relies on the belief that simply shrinking the government is enough to make things happen.

Mr. Broome clarified that when the film tax credit re-emerged recently, he did not speak out against the bill and he did lobby the House and Senate to get the issue heard. He spent a year and a half working with developers in the West Valley on film studios, but never obtained answers that made him comfortable with the financeability of the deals. Film productions would come and go without creating any permanent jobs in the community and the production houses would not be bankable. If the State is to have a film tax credit, he felt it should be used to support a strategy that builds the industry's presence and not just targets individual productions. The financial analysis on the film tax credit in the past turned out to be very poor for Arizona. Another problem with the film tax credit was that it had a \$75 million fiscal note and a 30 to 40 year horizon. On the other hand, Invest Arizona had a \$5.6 million fiscal note over five years, and the revenue model showed the State making \$213 million because of it. Film incentives without a coherent strategy would essentially just be a giveaway. Mr. Broome offered to put together a broad based film strategy for Avondale.

Mayor Rogers disagreed with Mr. Broome's statements, saying that Avondale did have a strategy and the financials. She clarified that Mr. Broome was looking at the old strategy while the City was pushing a new one, and the two never met.

Council Member Karlin said branding is about leveraging strengths. She queried how GPEC goes about recruiting businesses for a particular city. Mr. Broome explained that GPEC recruits to the region. Once the investment is made, GPEC tracks how communities benefit from that. GPEC looks at industries that are moving in the right direction. The semi-conductor sector is contracting and moving to China. Solar renewables is an energy sector revolution. As it matures, the industry will settle in a few states, based upon their ability to deliver talent, dynamism, and manage costs.

Council Member Karlin noted that each city pays into GPEC individually. Mr. Broome responded that people in Avondale do not just work in Avondale, they work in the region. Avondale's economic vitality is based upon the ability of its residents to make and spend money. Glendale's largest employer is actually in Phoenix. GPEC does not run a 20-city program, it runs one regional program. Renewable companies are interested in the engineering talent that comes out of local universities. Showcasing the achievements of ASU is an important branding exercise. The City of Phoenix was named by Kiplinger as an up and coming city for landing First Solar, which is actually in Mesa.

Council Member Karlin said companies are interested in work force development and education. How can Arizona compete for higher paying jobs when it has one of the lowest performing educational systems? Mr. Broome said Arizona's business leadership is letting the community down because they are the only ones that can create some type of neutralizing force to the politics in the state. GPEC has been selling Arizona based on the cost of doing business and the loose talent available from the semiconductor sector, not new talent. Community colleges are an important workforce tool, but overall the

educational attainment issues that Arizona faces are troubling. Every state expresses concern about the condition of their educational systems, which makes it easier to hide the problems Arizona faces. He said he has never had a major company relocate to Arizona without later expressing disappointment in the state of the school system. GPEC is trying to fix the problems that it can fix while working with business leaders to encourage a change in the philosophy of the political leadership who think that educational cuts do not matter. GPEC does not have the expertise to speak authoritatively on education, but it is concerned.

Council Member Vierhout suggested that GPEC talk to businesses during the recruiting process to encourage them to drive home the point with the legislature that they need an educated workforce. Mr. Broome said GPEC has examined what a tax increase could look like. It would not be the end of the world to stop the bleeding of revenue at the state level. Cities have approved simple tax increases to stabilize their budgets and services, and citizens like the opportunity to invest in libraries, schools and recreation for their families. Council Member Vierhout stated that the \$9 billion in State tax exemptions should be reevaluated.

Council Member Buster said he shared similar concerns about legislation from the past session. The City Council felt that S.B. 1159 would have been a big job creator and would have helped the studios that are already here. The City had a strategy, but now it is probably too late to save it. Avondale has paid GPEC dues for roughly a dozen years, but he cannot recall any business that has relocated to Avondale. The city does benefit from regional job creation, but in terms of the tax base, it makes sense for some of the facilities to be located here.

Mr. Broome responded that economic development is a return driven exercise. The State's economy has run amok because there has been no leadership on the economy for the last 25 years. The State will never succeed until they have a team of people that talk to them professionally the way the City's professionals talk to the Council. The Arizona Commerce Authority may or may not be the answer. The economic crisis is happening at the State level. Avondale's investment in GPEC has to focus on building the market. That does not mean GPEC cannot help cities with specific objectives, but if the market is not built properly, it will be much harder for Avondale to enjoy direct impacts. He estimated that Avondale is enjoying about \$25 for every dollar it has invested. The region has a surplus of 84 million square feet of unused space. Avondale has to create a unique piece of infrastructure in order to land a significant investment. The West Valley has been the primary beneficiary of the renewable and solar clusters, and as the market recovers, Avondale will have a success story.

Mr. Broome apologized for making any comment in front of the Senate that negatively impacted the film tax credit bill. At the minimum, the City should reasonably expect that GPEC not say anything harmful about a bill they are running. If he had known his comment would have reverberated as it did, he would not have made it.

Council Member Scott said the City is like a client to GPEC and should have received GPEC's help on the film bill. It is his job as a Council Member to look out for Avondale and \$25,000 is a great deal of money. He questioned whether helping the region be a priority

when the City's budget is so tight and commented that companies complain about the education system, yet still ask for tax incentives and deferrals. Cities have to give a little in order to create new jobs, but companies have a civic duty as well.

Mayor Rogers expressed her disappointment and explained that for the Council the region starts in Avondale, and needs to feel important to GPEC. Mr. Broome responded that it is part of his mission to convince businesses of the importance of helping cities. He said nobody asked for GPEC's formal help on the film bill. GPEC is a very talented organization and Arizona lacks institutions that can provide that kind of expertise to cities.

Mayor Rogers said the City Council believes that GPEC's job is to help Avondale, but GPEC failed to help with the film bill, even though she personally requested their help. She expressed the desire to work with GPEC to make something happen in the future.

4) AMERICAN SPORTS CENTER – AVONDALE @ THE RANDALL MCDANIEL SPORTS CENTER UPDATE

An update regarding the operations at the American Sports Center-Avondale.

Mr. John Shields, General Manager of the American Sports Center-Avondale reviewed the first six months of business at ASC Avondale. Business started off great and has grown rapidly. Initial projections have either been met or exceeded in nearly every case. Adult turf sports have 56 teams instead of the 46 predicted. Adult basketball has 32 instead of 24 teams. There has been at least one weekend tournament on all but three weekends since opening. Each tournament day grosses at least \$5,000, and there have been 8.5 tournament days per month on average. The biggest challenge comes in programming weekday time. ASC has to strike a balance between rentals and the adult leagues that drive business year round. Leagues make up 40% of ASC's business.

Mr. Shields said that interest has increased among athletes at all levels. Basketball league participants have said ASC is their favorite place to play in Arizona. Adult soccer leagues have been the most popular so far, with 52 teams currently divided in seven leagues. There is still room to grow, as leagues are added on more nights. Many participants feel ASC is the best indoor soccer facility they have ever played in. Flag football doubled in size in its second season. No other indoor facility in the Valley offers flag football.

Mr. Shields identified that weekend tournaments have included the Club Arrowhead Holiday Volleyball Tournament, the Southwest Showcase Basketball Combine, and the Southwest Cactus Slam, which boasted over 140 teams including many from out of state. The Live Life Expo expects to draw more than 10,000 participants over three days. Concession sales have been strong so far, feedback is positive and revenue is on an upward swing. Food and beverage sales will continue to grow as catering becomes more prominent. Staff has ideas for new leagues and events to drive more business into the center.

Council Member Scott commented that the ASC has turned out better than imagined. Staff demonstrates their willingness to listen to new ideas. Council Member Weise said he visits ASC often with his family and frequently hears positive feedback from the community. This says much about Council's vision for the City Center. Council can help ASC by

encouraging more businesses and residents in the area. In response to a question from Council Member Weise, Mr. Shields indicated there are no plans to get a PA system at this time. Council Member Weise encouraged plans to add wheelchair basketball.

Council Member Karlin said the ASC has added nothing but positive energy to the community. Word is spreading that Avondale has such a great facility and people are spending more money in the community. In response to a question from Council Member Vierhout, Mr. Shields said EMCC uses the facility for basketball, soccer and volleyball classes. Mayor Rogers commented the catering service provides wonderful food. Council Member Buster inquired about volleyball adult leagues. Mr. Shields explained that volleyball adult leagues have not been as successful, but staff is trying to grow the interest through blind draw matches. Volleyball youth leagues, tournaments and rentals, however, are very big. Council Member Buster inquired about out of town tournaments. Mr. Shields said they are growing in number as word begins to spread about the facility.

5) CENTENNIAL FESTIVAL AND PARADE UPDATE

An update and provide feedback to staff regarding the Avondale celebration events for the State's 2012 Centennial.

Mr. Reams acknowledged that February 14, 2012 will be the State Centennial. Events are planned throughout the State. Avondale sees this as a great opportunity to tell its story. On April 11, Council approved \$73,000 for a series of events related to the Centennial. Staff is looking to recover as many costs as possible. Avondale is looking to highlight its contributions to the State's history, display exhibits throughout the year, a parade, and a festival. Smaller events will be held throughout the year to make it a complete celebration. The Avondale Centennial Committee has identified two historic projects for the Centennial: the opening of the Monument Hill trail and programs to enhance awareness of the historic Goodyear Farms Cemetery. The community will be invited to participate in the process whenever possible.

Mr. Reams reported that the economic downturn had an effect on events. Most have been suspended. Staff only pursued events that were cost recoverable, or as directed by Council. Council requested that the Billy Moore Parade return in 2012, which led to combining it with a Centennial parade. Staff has discussed the possibility of doing a joint parade with Goodyear. Part of the budget includes paying for an event planner. A joint parade would go through both cities, reducing costs, staff time, and marketing costs. A joint parade could also attract more sponsorships and participants, and highlight the assets of the area.

Mr. Reams said Billy Moore has traditionally been an October event; however the joint parade would work better closer to the Centennial. The proposed new date is February 4, making it one of the first large Centennial events in the state. The spirit of Billy Moore could be incorporated through special floats and parade entries that focus on the past, present and future. Two potential routes have been proposed: Thomas Road and Western Avenue. Van Buren was eliminated because of the lack of good staging and de-staging areas. The Thomas Road route would go from Dysart to Litchfield Road, starting at EMCC, and ending at Goodyear Park. The Western Avenue route is the more traditional one, going from Dysart to Litchfield Road. The Thomas Road route is the staff preferred route

because of good staging and de-staging opportunities. It is a scenic route and there are opportunities for post-parade activities in either direction. There would be minimal impact on traffic and ample parking is available. Properties along the route have good ingress/egress which would minimize disruption. The Western Avenue route is the historical Billy Moore route with a great deal of sentimental value and commented that staging and de-staging is acceptable but support from local businesses has been mixed. Mr. Reams requested feedback on the proposed parade routes and date.

Council Member Karlin suggested two other route possibilities: Avondale Boulevard to 107th Avenue on Van Buren, or Van Buren from Avondale Boulevard to Dysart. Of the two staff presented routes, she favored the Western Avenue one because of tradition. The City does many new activities in the newer areas of town. Holding the parade in Old Town honors the past, which is what the Centennial celebration is all about. She questioned whether Avondale needed to participate with Goodyear. Mr. Reams responded that a regional event would likely draw more people from a larger surrounding area. Joint hosting would also save money.

Council Member Karlin suggested that an Indian School route could also involve Litchfield Park, with the staging area at EMCC. The parade is exciting because involvement by local schools and organizations brings back the types of festivities enjoyed in small towns. She inquired about Goodyear's Centennial activities. Pier Simeri, Community Relations and Public Affairs Director responded that Goodyear is trying to raise funds for their train depot, so many of their activities are centered on that goal. Mr. Reams said all the routes are about a mile in length, but the Thomas Road route would have about half of the parade equally in each city. There would be roughly a 50% partnership in terms of police, barricades, and street closures. Mayor Rogers noted that Western also runs through Goodyear.

Council Member Weise said he likes the Thomas Road idea. The Western Avenue route is wonderful, but it does impact the businesses there. The Thomas Road option provides the chance to experiment with another route to see whether it enhances the parade experience. There are several churches along the route that would probably like to be involved. EMCC is a natural area for the nighttime fair. The February 4th date is fine. He suggested that in order to recognize the past, the City could rename Avondale Boulevard to Coldwater for one day. He commented that based on recent efforts by both cities to reach out to one another he would support a joint parade. The Thomas route has the potential to reach out to more people and make it a large regional parade and festival.

Council Member Scott inquired about Goodyear's preferred route. Mr. Reams said their staff prefers the Thomas Road route. Council Member Scott said the Thomas route would be the most practical one because it has the features necessary to stage an event before, during, and after the parade. The Western route, however, has a long tradition behind it. It would be hard to imagine the parade anywhere else. The Western Avenue businesses either love the parade or hate it, but he would be willing to support this route despite opposition. The Lockheed parking lot and Coldwater Springs would make good staging and de-staging areas. The Thomas Road route would be better if the parade is to be held every year, but Avondale might not be able to do another one for several years. A one-

year parade should focus on tradition. The old territorial map refers to the area as Coldwater, so the temporary renaming idea has merit.

Council Member Vierhout liked the joint partnership idea, as it would keep costs down. He is comfortable with a spring date. The route should be longer than one mile. He suggested that the Western Avenue route could be extended along Avondale in front of City Hall. There could be a reviewing stand where the bands would perform and a trophy awarded to the best one. The de-staging area is very important and the parade should end at a festival. He questioned whether the circulator would be available to transport people. Mr. Reams said staff is considering that option. In response to an inquiry from Mayor Rogers, Ms. Simeri confirmed that the NASCAR race would not conflict with the February parade date.

Council Member Buster felt Thomas Road was a good option. Western is the traditional route, but it makes financial sense to collaborate with Goodyear and would be a good experiment to see how well the cities work together in a positive experience. Council Member Weise agreed that a band competition in the spring time would be a good idea. With the cutbacks in budgets, schools are looking for ways to cover transportation to and from parades. The City could assist six to ten bands to participate and enhance the quality of the event.

Mayor Rogers said the February date was fine. She noted that New Orleans, Chicago, and San Antonio think nothing of closing down their entire downtowns to hold large festivals. Avondale should not be afraid to close down one street. She felt taking the parade away from Western Avenue would disappoint many people. If the route is changed, the City will have to make a considerable effort to get the word out. The Western Avenue route would bring new people to the heart of Old Town. At a recent planning session for the area, many citizens shared their concern that too much is being taken away from them. Parades build community. Goodyear and Avondale have been divided for a long time, and it would be nice to bring the communities together.

Ms. Hill suggested that the City could do both events. The parade could be a big Centennial event between the two communities and located on Thomas Road. Meanwhile, Western Avenue could host another less disruptive event like a fair. The people in the area are mainly interested in having some sort of community event, not necessarily a parade. Both events do not need to happen simultaneously. Mr. Reams said the Centennial is a year-long event and Avondale intends to do a series of events all through the year. Mayor Rogers questioned whether \$75,000 would be enough to pay for all the events. Mr. Reams responded that staff is progressing with a cost recovery model.

Council Member Vierhout approved of the idea of a festival event on Western Avenue. A joint partnership with Goodyear would save money and the savings could be put towards a secondary event. Council Member Weise said Old Town Avondale is one of the unique neighborhoods in the West Valley. It is a beautiful area at night. The City could do something that the neighborhood would be proud of. Western Avenue is a vital part of the city. A food festival or art walk would highlight it. Goodyear is also trying to revitalize their portion of Western Avenue. He suggested that the Billy Moore festival be held in Old

Town. Mr. Reams responded that it would be difficult to hold a carnival there, but there are opportunities to do something without rides.

Mayor Rogers noted that the parade once extended up 5th Street to Agua Fria, where a festival was held. Ms. Simeri responded that Agua Fria is very interested in bringing events to their campus. Mayor Rogers requested input from the Centennial Committee. Ms. Hohman said a good many businesses feel the Western route is too disruptive. Thomas offers great staging opportunities at both ends. Goodyear always participated in the Billy Moore Days parade, so a rekindled partnership would be a good thing.

Mayor Rogers summarized that the Council consensus was for a one year experiment on a Thomas Road route, along with a possible event on Western Avenue. Mr. Fitzhugh added that Council also agreed with the February date. Staff would explore the option of renaming Avondale Boulevard as Coldwater for one day.

6) ADJOURNMENT

With no further business before the Council, Council Member Weise moved to adjourn the work session. Council Member Council Member Vierhout seconded the motion. The motion carried unanimously.

Meeting adjourned at 9:10 p.m.


Marie Lopez Rogers
Mayor Rogers


Carmen Martinez, CMC
City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the Council of the City of Avondale held on the 9th day of May 2011. I further certify that the meeting was duly called and held and that the quorum was present.


Carmen Martinez, City Clerk