



Arena investment catalyst for growth

Carrie Watters

The Arizona Republic

May. 5, 2007 12:00 AM

Jobing.com Arena and the development ushered in as part of the deal that brought the hockey arena to Glendale isn't quite covering the city's \$8.2 million annual debt to pay for the venue. But city officials say that's no surprise.

Before Glendale took a gamble on sinking \$180 million into the arena, the city signed a deal with the Phoenix Coyotes' owners to redevelop a dilapidated strip mall on Northern Avenue and to build Westgate City Center as a high-end shopping and entertainment district next to the arena.

The plan was that sales taxes from the private development would help pay off the city's investment and encourage more growth.

The Coyotes' move from Phoenix was a major boost to west Glendale, which at the time was largely agricultural.

The privately owned hockey team has struggled to balance its own budget, but city officials call its home venue a catalyst for growth.

"Without the arena, there most likely wouldn't have been a Cabela's, a Zanjero or a (football) stadium," city spokeswoman Julie Frisoni said.

Building the arena, which has emerged as a major concert venue, provided fertile ground for the shopping, restaurants and high-end condos that have sprouted nearby, along with University of Phoenix Stadium. Those changes are transforming the city into a sporting and entertainment destination, with the Fiesta Bowl each January and Super Bowl XLII in 2008.

Still, the city must pay its yearly debt on the arena, just like a homeowner pays a mortgage. It was an \$8.2 million payment this fiscal year.

The arena and two shopping areas developed as part of the deal added more than \$6.5 million to the city's coffers in 2006. To cover the \$1.6 million on the debt, the city looked to its tax collections from other new developments in the sporting and entertainment district such as the Cabela's outdoor mega-store.