



May 12, 2016

Kevin Phelps
City Manager
City of Glendale
5850 W. Glendale Avenue
Glendale, AZ 85301

Dear Kevin:

While your letter to Phoenix City Manager Ed Zuercher dated April 26, 2016 wasn't technically addressed to me, or to my fellow owners of the Arizona Coyotes, or to the hockey team's fans, players and employees, the contents of the letter certainly addressed us and our team's search for a new home in metropolitan Phoenix. Given how much we have at stake in that process – and the absolute necessity that neighboring cities and the taxpaying public have accurate information – I want to take a few minutes to address some of the inaccuracies in your letter to Mr. Zuercher.

Let me begin by making myself perfectly clear on what appears to be a point of some disconnect between the two of us. In your April 26th letter, you allude to a breakfast we had some weeks ago and our conversation that day. You suggest to Mr. Zuercher that the City of Glendale is "engaged in the Coyotes situation" in a way that might leave the impression that there exists some ongoing dialogue meant to keep the team playing in Glendale for the long-term. As you know, there is no such dialogue. A dialogue is a two-sided process, an "engagement" between two parties attempting to discuss a situation, usually with the goal of finding common ground and solutions. That is not the case here.

Simply put, the Arizona Coyotes have every intention of leaving Glendale as soon as practicable. As I explained in our breakfast, our team has little choice in the matter because of the actions of your bosses on the Glendale City Council. By unilaterally breaking a 15-year signed management agreement with the team – a contract the Coyotes would have honored for the length of its term – the Council effectively evicted us from our home. While you claim that the Council has had a change of heart, we have not. As a business responsible for hundreds of employees, and a team, that relies on the support of hundreds of thousands of fans statewide, we simply cannot afford to do business with partners who do not keep their word, or honor their contracts.

Your letter to Mr. Zuercher framed the Coyotes impending departure as "less about the arena and more about the economics of the situation." To borrow another quote from your letter – "nothing could be farther from the truth."

To recap history accurately, the early years of our ownership group's tenure were an economic success by any accounting, with the team earning record revenues, attendance trending upward and the number of non-hockey events held at the arena consistently rising under our management. Those positive trends were undermined not by economics, but by the Glendale City Council and city management's decision to break a contract and create a huge amount of turbulence for our business. As I'm sure you realize, every business requires certainty to thrive, just as businesses require



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partners who abide by their promises. For our business to continue to rely on the whims of a majority of seven elected Council members would be irresponsible of me to the point of risking financial ruin and the alienation of our most important assets – Arizona Coyotes fans and our sponsors. While we did not cause the current situation, it is up to us to solve it. Our fans and business partners have demanded that of us. So does common sense. Hence, our very active discussions with the City of Phoenix and other potential arena partners.

Your letter also cites the City of Glendale's new contract with AEG as a move toward keeping the team in Glendale. As you explain it, "the selection of AEG was driven in large part by our belief that AEG can provide the Coyotes with the type of support to assist the team to be a financially viable franchise."

While AEG is a fine company – one we know well given their ownership of the Los Angeles Kings hockey team – I'm hard-pressed to understand how the economically disadvantageous contract recently approved by your City Council might conceivably help our team. Numbers rarely lie. This new contract puts Glendale at a \$1 million annual net loss compared to the current arena management agreement with the Coyotes. Additionally, the new AEG contract guarantees no events at all, as compared to the 41 hockey games each year guaranteed by the contract with the Coyotes. Couple that with the "out clause" given to AEG should the Coyotes leave Glendale and you have a scenario that makes no sense economically, no sense in terms of business and no sense for city taxpayers.

In sum, Kevin, a bad deal is a bad deal. Spinning it as a benevolent act meant to help our team is a rationalization so far-fetched it can't be allowed to stand.

For the sake of our ongoing relationship, let me end here on a note of agreement. You indicated that "team ownership has acknowledged to me that the team needs to improve the quality of their product. I believe they are working hard to do such ... and we are optimistic that the team will accomplish this goal in the near future."

Thank you for those kind words. All of us who work within the Coyotes organization share your optimism. As a team, we believe that hard work does pay off and that organizations committed to excellence can and will improve in direct proportion to their efforts, their vision and their passion for winning.

I do hope you will continue to support our team as a fan as we build toward that success. And I hope that sometime in the future, you and the next Glendale City Council will come to a game as my guest. It would be my pleasure.

Best,

A handwritten signature in blue ink, appearing to read 'Anthony LeBlanc', with a stylized flourish extending to the right.

Anthony LeBlanc
President & CEO
Arizona Coyotes