Gary B. Bettman | Commissioner

March 7, 2017

The Honorable Steve Yarbrough
Senate President
Arizona State Senate
1700 W. Washington Street
Phoenix, AZ 85007

The Honorable J.D. Mesnard
Speaker of the House of Representatives
Arizona State House of Representatives
1700 W. Washington Street
Phoenix, AZ 85007

Dear President Yarbrough and Speaker Mesnard:

As Commissioner of the National Hockey League, I have been following with great interest the legislative activity regarding Senate Bill 1149. I am writing to you today to make sure that you hear directly from me about the NHL's commitment to keeping the Arizona Coyotes in the Greater Phoenix market and to clarify the economic realities associated with accomplishing that goal.

The Greater Phoenix region represents a strong hockey market which we are proud to have included in the NHL. With that said, let me be abundantly clear: the Coyotes' current location in Glendale at Gila River Arena is not economically capable of supporting a successful NHL franchise. For the past 15 years, a succession of ownership groups and the League have tried everything imaginable to make the Glendale location financially sustainable. Our combined efforts all have yielded the same result – a consistent economic loss.

The simple truth? The Arizona Coyotes must have a new arena location to succeed. The Coyotes cannot and will not remain in Glendale.

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SB 1149 creates a path to success for the team, Coyotes fans, the state of Arizona and Arizona taxpayers. The public-private partnership enabled by this legislation creates absolutely no financial risk or debt for the state, nor will it make use of any existing state tax dollars. The building of this facility will create new jobs and new economic activity, while at the same time ensuring on a going-forward basis the more than 300 jobs and $75 million in annual payroll the Arizona Coyotes' organization currently provides for the state.

According to an economic impact study developed by Elliott D. Pollack & Company, the new arena project made possible by SB 1149 will create more than 2,500 new construction jobs over the anticipated two years of arena construction, and more than 3,600 direct and indirect jobs resulting from the arena's operation. The economic impact will be more than $600 million – meaning that a new arena in the East Valley or downtown Phoenix would nearly double the current positive impact that the team already brings to Arizona. And the new taxes retained by the State will exceed current tax dollars.

Locating this new facility in a more advantageous location – nearer to the team's established fan base and corporate sponsors – would guarantee the continued growth of hockey in Arizona. The team's internal research makes clear that the majority of Coyotes' premium ticket holders and corporate sponsors live and do business on the Valley's east side. The overwhelming number of hockey players and ice rinks are in the East Valley. This economic research demonstrates conclusively that the team's revenues – and thus the tax revenue created for the state, county and municipalities – would be significantly greater if the team were to play in the East Valley or downtown Phoenix.

I urge you to support SB 1149. While representatives of the Coyotes last week met once again with the City of Glendale, nothing offered in that meeting changed the fact that Glendale will not work for the team or for the NHL. While the Coyotes ownership has consistently promised to explore every possible option to keep the franchise in Arizona, no business can afford to be in financial and marketing limbo. And, please remember it was the City of Glendale -- not the Coyotes -- that terminated the long-term agreement it had with the Coyotes.

In the final analysis, SB 1149 is a practical solution to keeping the Coyotes in this market.

SB 1149 will create a true win-win for the team, the state and the community – a victory that will generate new tax revenue capable of funding Arizona priorities like education and public safety. The bill will create jobs and sustainable growth while ensuring that NHL hockey remains a strong and vibrant tourism and entertainment alternative for the 6 million residents of Arizona.

Thank you for your time and your support. We respectfully request your support for SB 1149.

Sincerely,

Gary B. Bettman
Commissioner

cc: Members of the Arizona State Senate
Members of the Arizona State House of Representatives