



Legislation Text

File #: 16-529, **Version:** 1

AUTHORIZATION TO TERMINATE LITIGATION WITH GLENDALE AIRPORT PILOTS ASSOCIATION AND TO PAY ATTORNEYS' FEES AND COSTS

Staff Contact: Michael D. Bailey, City Attorney

Purpose and Recommended Action

This is a request for the City Council to authorize and direct the City Manager to terminate the ongoing litigation with the Glendale Airport Pilots Association ("GAPA"), and to pay GAPA's attorneys' fees and costs in the amount of \$77,330.15 (the "Fees"), which GAPA incurred and was awarded in a lawsuit captioned *Glendale Airport Pilots Association v. City of Glendale*, Maricopa County Superior Court Case No. CV2014-050163 (the "Lawsuit"). Taking the above-described action will bring about a full and final termination of the Lawsuit.

Background

On April 15, 2014, GAPA - an entity that purports to represent all Airport hangar owners - filed the Lawsuit, alleging that certain restrictions concerning the storage of non-aeronautical items in Airport hangars were unlawful. The complaint requested declaratory relief and monetary damages of approximately \$20 million.

On February 29, 2016, the court ruled that GAPA lacked standing to recover damages on behalf of its members. But the court also ruled that the Airport's restrictions on non-aeronautical storage in Airport hangars were unenforceable. The court held that the Airport had effectively "abandoned" these regulations by failing to enforce them for an extended period of time. Accordingly, the court concluded that hangar owners could store essentially anything in their structures "so long as [the hangars] also used for the storage of an aircraft."

On September 14, 2016, the Court granted GAPA's application for attorneys' fees and costs as the successful party in the litigation. The court then entered a judgment in favor of GAPA and against the City in the total amount of \$71,646.15, plus interest. Since GAPA filed its fee application, and since the entry of the judgment, GAPA has reportedly incurred additional fees and court costs. Interest has also accrued on the judgment. As a result, the total amount claimed by GAPA is \$77,330.15.

Analysis

In order to avoid the cost and uncertainty of continued litigation, and in the interest of preserving the City's relationship with GAPA and other Airport stakeholders, the City Manager recommends terminating the litigation and paying the Fees.

Budget and Financial Impacts

The Fees shall be paid out of the Airports Special Revenue Fund. Depending on the impact of this payment on the Fund, staff may request a fourth-quarter transfer to cover this payment.

Cost	Fund-Department-Account
\$77,330.15	Airports Special Revenue Fund

Capital Expense? No

Budgeted? No

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?