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OFFICE OF THE CITY CLERK

COUNCIL MINUTES

February 25, 2016

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on February 25, 2016 at 8:10 a.m.

COUNCIL PRESENT	COUNCIL ABSENT	OFFICERS PRESENT
John Giles	None	Christopher Brady
Alex Finter		Jim Smith
Christopher Glover		Dee Ann Mickelsen
Dennis Kavanaugh		
David Luna		
Dave Richins		
Kevin Thompson		

1-a. Hear a presentation, discuss, and provide direction on the proposed Youth & Amateur Sports Complex; and analysis of its economic and fiscal impact.

Marc Garcia, President and CEO of Visit Mesa, introduced Jill Welch, Chief Operating Officer and Danny Court, Senior Economist, of Elliott D. Pollack and Company, who were prepared to assist with the presentation.

Mr. Garcia stated that the purpose of today's presentation was to update the Council on the proposed Youth and Amateur Sports Complex. He reported that since the last presentation in December, Visit Mesa has hired Elliott Pollock & Company to provide the economic and fiscal impact of the feasibility study. He also recognized members of the team, who were present in the audience.

Mr. Court displayed a PowerPoint presentation **(See Attachment 1)** and provided an executive summary of the Mesa Youth & Amateur Sports Complex economic and fiscal impact. He also distributed a 12-year fiscal impact report. **(See Attachment 2)**

Mr. Court highlighted the proposed site plan that will be located adjacent to the Red Mountain Multigenerational Center on Brown Road and North 80th Street. (See Page 2 of Attachment 1) He said that the complex will include indoor and outdor soccer fields as well as an indoor field house.

Mr. Court stated that the three areas of economic and fiscal impacts examined were construction, operations and tourism, as well as the City's tax revenues.

Mr. Court indicated that most of the financial assumptions were based on the market feasibility and economic impact study prepared by the Nations Group. He stated that the estimated construction cost is $56.6 million, which is then added to the economic model that determines how many construction jobs can be generated.

Mr. Court displayed an operating expense budget and noted that he anticipates 17 positions at the sports complex. He added that the annual operating expenses are estimated at $2.6 million, which will then be compared to the expected tax revenues generated by the sports complex. (See Page 7 of Attachment 1) He also illustrated an operating revenue table and explained the enterprise revenue assumptions which includes field rentals and concession revenues. (See Page 8 of Attachment 1)

In response to a question from Vice Mayor Kavanaugh, Mr. Court responded that he wanted to provide a defendable approach that shows realistic revenue targets.

Mr. Court outlined revenue assumptions of tourism activity based on potential visitors per day (i.e., lodging, local spending). He added that assuming a 70% capture rate, the total lodging revenue could be approximately $23 million each year with a total spending capture rate of $91 million to $128 million. (See Page 9 of Attachment 1)

Mr. Court further reviewed the economic impact that includes 527 construction jobs; $34.3 million in wages and $89.2 million in economic activities; new jobs with a countywide impact; and that tourism related spending (i.e., retail, hotel, retaurants) could support approximately 1,700 to 2,400 jobs each year.

Mr. Court indicated that sales tax is included in the field rental and concession revenue estimates and expected to generate approximately $1.1 million to $1.5 million each year. He added that the total operations and tourism revenue is estimated at $3.2 million to $4.5 million. (See Page 11 of Attachment 1)

Mr. Court, in addition, displayed a chart that illustrated the potential capture rate of revenue to expenses at 70% and 50%. He stated that if a hotel is built as a result of the complex, that the City could receive approximately $687,780 in tax revenues each year. (See Page 12 of Attachment 1)

In response to a question from Councilmember Richins, Mr. Court stated that he could research analyses and audits of other sites that have been completed.

Mayor Giles commented that the Mayor of Frisco of Texas, invited the Mesa Council to visit their youth sports complex, which is also the new home of the Dallas Cowboys training facility. He noted that there are numerous sport complexes that could help deliver the economic benefits to the City.

Councilmember Thompson stated for the record, that he has never been opposed to the soccer complex. He remarked that his opposition has been about the cost and commented on the need to prioritize City projects before taking on more debt.

In response to a question from Councilmember Finter, Mr. Garcia responded that the private sector would not benefit from a sports complex and that the primary beneficiary of a project like this is the City. He stated that the City could use the revenues to offset the costs of covering other parks. He cited, for example, that the Frisco, Texas sports complex has a major league

soccer team that invests back into the complex. He added that unless the City has that type of investment, and he doesn't forsee a major league soccer franchise coming into the market any time soon, its really not the private sector who benefits, but the City itself.

Councilmember Finter remarked that Council will have numeruous items to consider (i.e. ASU campus, childhood education, public safety, sports complex, etc.) for placement on the ballot in the upcoming election. He expressed concern related to the number of projects being considered.

Councilmember Kavanaugh commented that he understands the competing proposals coming before Council such as public safety, education and a project today that promotes tourism. He concurred with Councilmember Finter relative to businesses benefiting from the tourism project and noted that the City directly benefits in terms of tax revenue. He noted that he will continue to evaluate the projects as discussions continue. He stated that the sports complex project is one of the most exciting projects that he has seen in terms of deliverables and impact. He commented that he hopes Council could come to a consensus when crafting quality of life improvements, both short-term and long-term.

In response to a question from Councilmember Richins, City Attorney Jim Smith responded that the Youth Sports Complex project would require voter approval under Section 613 of the City Charter.

In response to a question from Councilmember Richins relative to project financing, City Manager Christopher Brady stated that the City does not have the money at this time to direct a project from the front end. He noted that the sports complex would require debt capital financing or some type of secondary property tax or a quality of life sales tax. He stated that whether the source comes from sales tax or property tax, debt service on a 20 year note of $60 million dollars would be approximately $4.5 to $5 million dollars in annual bond debt payments.

In response to a question from Councilmember Richins, Mr. Brady responded that the report assumes a million dollars per year in new bed tax and suggested adding a greater contribution from the bed tax to the agreement that could help with operational costs. He added that the report captures all of the concession revenues, field rental revenues and bed and sales tax revenue that offsets the operational costs. He stated that any other financial capital would be in addition to the incremental revenues derived from this project, which would be above and beyond what has already been assumed in the report numbers.

Mr. Brady commented that while it looks good on an analysis, he has to guarantee operating costs and operating revenues when selling bonds, as well as showing another source of revenue that is pledged to cover the debt that is not related to this project.

In response to a question from Councilmember Richins regarding the 10-year projection that shows a drop of $1.3 million after the first three years, Mr. Court stated that the report provides a scenario of 70% capture for the first 3 years and 50% capture for the next 10 years. He added that this is just a scenario for Council to consider and to set a baseline for reference.

In response to a question from Councilmember Finter, Mr. Brady responded that the next bond election would include public safety and streets.

Councilmember Luna commented that he supports the youth sports complex and that it would be a great addition to District 5, which could provide additional revenue to his district and also to the City.

In response to a question from Councilmember Luna, Mr. Brady stated that the City could use a combination of the quality of life sales tax and the secondary property tax to fund the youth sports complex project. He added that both initiatives would have to be placed on the ballot and both would need to be approved.

In response to a question from Councilmember Luna, Mr. Garcia stated that Reach 11 Sports Complex was funded through a bond initiative. He added that he is currently researching other facilities financing structures.

Councilmember Thompson commented on a privately developed soccer complex in Baltimore, Maryland and stated that it would be interesting to learn how it was financed.

Mayor Giles commented that the complex will be located on a unique piece of property titled to the City by the Bureau of Reclamation and as a result the property can only be used for recreational purposes. He added that he is not sure to what extent someone other than the City would have the opportunity to take advantage of the property that sits by the freeway and next to existing Mesa soccer fields and the Multi-Generational Center.

Councilmember Glover commented that he is in support of the project and agreed that the complex is situated in a good location to capitalize on soccer, which has a growing influence in American culture. He noted that each Councilmember raised very valid points on ways to finance the project but it comes down to prioritization of projects. He added that the youth sports complex could build on the existing parks and the great foundation that the City has not only for baseball but also soccer.

Mayor Giles thanked staff for the presentation.

1-b. Hear a presentation, discuss, and provide direction on the conceptual development of approximately 25 acres of property located on the southwest corner of University Drive and Mesa Drive.

Development and Sustainability Project Manager Jeff McVay introduced Planner II Wahid Alam, who was prepared to assist with the presentation.

Mr. McVay displayed a PowerPoint presentation **(See Attachment 3)** and requested direction from the Council relative to the potential development concepts of the 25 acres of property located on the southwest corner of University Drive and Mesa Drive**.**

Mr. McVay announced that in preparation for today's presentation, staff worked with Planning Director John Wesley and his staff to come up with three very distinct concepts. He noted that the concepts represent trends in development patterns in urban downtowns.

Mr. McVay provided background and guiding principles reflective of the goals and visions of the Central Main Plan and the Downtown Vision Committee as follows:

- Provides a significant market-rate residential component (for sale and rental)
- Develops in an urban form

- Is sensitive to the Wilbur Historic District
- Provides a variety of building types and uses
- Provides high quality design and construction
- Activates and supports the downtown core
- Provides a connected pedestrian environment
- Provides neighborhood supporting non-residential uses that complement downtown core

Mr. McVay highlighted the first concept of a traditional neighborhood development that illustrated a variety of residential building types. (See Page 4 of Attachment 3) He added that the building would be 2 to 3 stories with streetscape adjacent to University Drive.

Mr. McVay illustrated various residential development options that included traditional, mixed-use and mid-rise designs. (See Pages 5 through 16 of Attachment 3) He stated that the Main Street mixed-use village building of 2-4 stories could be designed to allow a variety of uses depending on market demand. He noted that the mid-rise development concept has the highest density, which could accommodate buildings of 4-8 stories. He added that the building would include a signature office building to draw attention to the area as well as a shared parking structure.

Councilmember Glover commented that he is interested in all of the potential projects as presented but would like to focus on market-rate housing. He stated that he would like to see a "Gas Lamp" district similar to that in San Diego that connects pedestrian pathways while still allowing the Wilbur District to maintain its integrity.

Vice Mayor Kavanaugh commented that this property was vacated in 1990 and was originally a potential site for Hohokam Stadium. He expressed his appreciation to staff for their sensitivity to the Wilbur District neighborhood. He pointed out that he likes the row house concept, which seems to be trending across the country due to the fact that they are pedestrian friendly and are in close proximity to restaurants, entertainment, and mass transit.

Mayor Giles commented that competing projects in downtown shows that people want to come to downtown Mesa and build new and exciting projects. He added that this could be a great opportunity for neighborhood engagement and suggested an outreach plan to include the development community and the surrounding neighborhoods.

Councilmember Finter commented on expediting the planning process for this project.

Councilmember Luna concurred with Councilmember Glover and agreed on the importance of engaging the community.

Mayor Giles stated that he received speaker cards from several citizens and invited them to come forward and address the Council.

Priscilla Crosswhite, a Wilbur District resident, stated that she lives three houses down from the proposed property and stated that she is excited about the project. She thanked the Council and especially Councilmember Glover for their consideration. She added that she plans to attend the community meetings and outlined various characteristics she would like to see in the community (.i.e., historic looking homes, community garden, ASU campus dorms, farmers market, etc.) She added that her main concern is that it not add low income housing to the area.

Jeri Meeks, a Mesa resident, noted that she would like to see additional residential in the area

and agrees with the mixed use village concept but to limit the development to 4 stories. She added that she would like to take part in the neighborhood engagement discussions.

Janice Gennevois, a Mesa resident and property owner in the Wilbur District, stated that she has been a resident of the Wilbur District since its inception and stated that she is looking forward to working with the City. She reported that she has worked with the City in the past during the development of the Fire Department building and is confident that another beautiful property is going to be built.

Mr. Brady commented that staff will follow-up with the neighborhood and the development community to receive feedback.

Councilmember Richins asked for clarity on the RFP and explained that the City would benefit from a master developer that can oversee the process and serve as a consultant to the Council for this project.

In response to a question from Councilmember Richins, Mr. Brady concurred that having a master developer is important and would look into the matter.

Discussion ensued relative to meeting with a master plan developer, the City, and community stakeholders in order to develop an RFP.

Mayor Giles thanked staff for the presentation.

1-c. Appointments to the Building Board of Appeals and the Transportation Advisory Board.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Glover, that the Council concur with the Mayor's recommendations and the appointments be confirmed.

Carried unanimously.

2. Information pertaining to the current Job Order Contracting project.

(This item was not discussed by the Council.)

3. Hear reports on meetings and/or conferences attended.

Vice Mayor Kavanaugh: Mesa Community College Art Gallery Space Dedication

Councilmember Richins: Vice Mayor Kavanaugh "Man of the Year" Award

4. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Saturday, February 27, 2016, 12:30 p.m. – Day at the Diamond

Saturday, February 27, 2016, 2:00 p.m. – Street Pianos of Mesa

Saturday, February 27, 2016, 6:00 p.m. – Pioneer Park Food Truck Court

Thursday, March 3, 2016, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 9:29 a.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 25th day of February, 2016. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

abg
(attachment – 3)

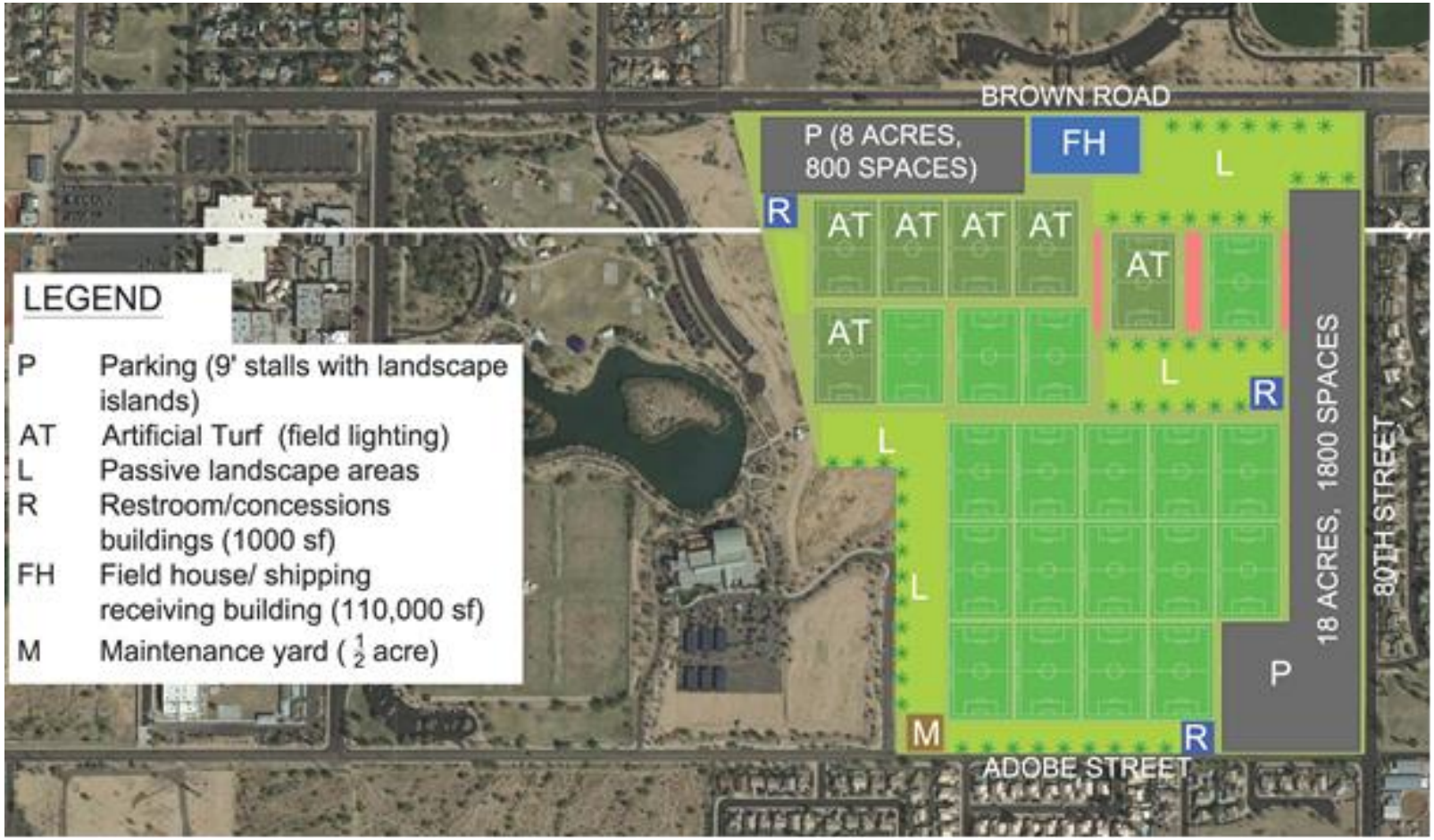
Economic and Fiscal Impact
Mesa Youth & Amateur Sports Complex

ASSUMPTIONS & FINDINGS

February 2016

Elliott D. Pollack & Company

Site Plan – Red Mountain



Economic & Fiscal Impacts

Types of Impacts

1) Construction Impact
2) Operations Impact
3) Tourism Impact

Multiplier Effects

1) Direct
2) Indirect
3) Induced

Fiscal Impact

Tax revenues generated such as:

- Sales Tax
- Bed Tax
- Use Tax
- Lease Tax
- Property Tax
- State shared revenues

Assumptions

Based on:

<u>Market Feasibility & Economic Impact Study</u>

Prepared by Nations Group &

Huddle Up Group

Construction Assumptions

Phase I - Acquistion, Pre-con, & Design	
Professional fees	$3,301,571
Site Work & Demolition	$106,620
Total	**$3,408,191**
Phase II - Construction	
Hard Construction Costs	$45,200,531
Professional fees	$2,645,451
FF&E	$1,273,080
Total	**$49,119,062**
Contingency	**$4,090,360**
Project total	**$56,617,613**

Source: Nations Group & Huddle Up Group: Market Feasibility & Economic Impact Study

Operating Expenses

Employment	
Jobs	
Full time	7
Part time	10
Wages	**$640,640**
Services	
Annual Purchases/Payments	
Utility usage	$1,148,000
Local field operating supplies	$285,000
Local office supplies	$6,000
Equipment lease	$4,700
Other services	
Maintenance and repair	$197,000
Field marking	$34,000
Security / telecommunications	$25,000
Misc	$37,000
Marketing	$225,000
Sub-total	**1,961,700**
Total annual operating expenses	**$2,602,340**

Source: EDPCo; Visit Mesa; Nations Group; IMPLAN

Operating Revenue

Field Rental Revenue			
	Total	Capture Rates	
Outdoor Use	**Potential**	**70%**	**50%**
Usage days	480	336	240
Weighted average # fields per group	5.3	5.3	5.3
Rate per field per day	$200	$200	$200
Subtotal	**$512,000**	**$358,400**	**$256,000**
Indoor Use			
# Usage hours / week	97	68	49
# Weeks / year	37	37	37
Weighted average # fields per group	4.0	4.0	4.0
Rate per field per hour	$55	$55	$55
Subtotal	**$776,160**	**$543,312**	**$388,080**
Total Annual Field Revenue	**$1,288,160**	**$901,700**	**$644,100**

Concession Revenue			
	Total	Capture Rates	
	Potential	**70%**	**50%**
Outdoor visitors	311,078	217,754	155,538.75
Indoor visitors	90,690	63,483	45,345.00
Total visitors	401,768	281,237	200,884
Net concession profit per visitor	$2.00	$2.00	$2.00
Net concession revenue	**$803,500**	**$562,500**	**$401,800**

*Revenues do not include the tax collections nor the additional tourism spending or lodging impacts.

Source: Visit Mesa; Nations Group; Huddle Up Group

Visitor Assumptions

Revenue Assumptions	Outdoor	Indoor	Total Potential	Capture Rates 70%	Capture Rates 50%
Teams	8,340	2,510	**10,850**	7,595	5,425
Participants	147,698	43,235	**190,933**	133,653	95,466
Spectators	158,975	46,275	**205,250**	143,675	102,625
Administrators	4,405	1,180	**5,585**	3,910	2,793
Total visitors	**311,078**	**90,690**	**401,768**	**281,237**	**200,884**
Length of stay	3.7	2.1	**3.3**	3.3	3.3
Percent that stay in hotel	94.0%	97.0%	**94.7%**	94.7%	94.7%
Persons per room	3.4	3.0	**3.3**	3.3	3.3
Total room nights	218,249	31,347	**249,595**	174,717	124,798
Mesa capture rate	75%	75%	**75%**	75%	75%
Mesa room nights	163,686	23,510	**187,196**	131,037	93,598
Room rate	$125	$125	**$125**	$125	$125
Total Mesa lodging revenue	**$20,461,000**	**$2,939,000**	**$23,400,000**	**$16,380,000**	**$11,700,000**
Spending / person / day (local)	$50	$50	**$50**	$50	$50
Spending / person / day (regional)	$201	$201	**$201**	$201	$201
Mesa capture rate	80%	80%	**80%**	80%	80%
Total Mesa non-room spending	**$144,801,000**	**$15,104,000**	**$159,906,000**	**$111,934,000**	**$79,953,000**
Total Mesa spending including lodging	**$165,262,000**	**$18,043,000**	**$183,306,000**	**$128,314,000**	**$91,653,000**

Source: Nations Group & Huddle Up Group: Market Feasibility & Economic Impact Study; Smith Travel Research

Summary of Impacts

Economic Impact		
Construction		
Total jobs		527
Wages ($ mil)		$34,333,000
Economic activity ($ mil)		$89,241,000
Potential Capture Rate	**70%**	**50%**
Operations		
Direct jobs	17	17
Wages	640,600	640,600
Economic activity ($ mil)	$3,135,000	$3,135,000
Tourism		
Direct jobs	2,408	1,720
Wages ($ mil)	$89,622,000	$64,017,000
Economic activity ($ mil)	$255,735,000	$182,667,000

Sources: Elliott D. Pollack & Company; Nations Group; Huddle Up Group; ATRA; Implan

Summary of Impacts

Fiscal Impact		
Construction		
Total Tax Revenue		**$777,400**
Potential Capture Rate	**70%**	**50%**
Operations		
Tax revenue	$39,540	$39,540
Field rental revenue	$901,700	$644,100
Concession revenue	$562,500	$401,800
Total Revenue	**$1,503,740**	**$1,085,440**
Tourism		
Visitors	281,237	200,884
Total spending	$128,314,000	$91,653,000
Total Tax Revenue	**$2,996,420**	**$2,140,300**
Total Operations & Tourism Revenue*	**$4,500,160**	**$3,225,740**

*Excludes construction tax revenue

Sources: Elliott D. Pollack & Company; Nations Group; Huddle Up Group; ATRA; Implan

Summary of Impacts

Comparison of Operating Revenue to Expenses		
Potential Capture Rate	70%	50%
Operations and Tourism revenue*	$4,500,160	$3,225,740
Estimated operating expenses	($2,602,340)	($2,602,340)
Net Revenue	**$1,897,820**	**$623,400**
Potential New Hotel Development (as a result of the complex)		
Rooms	125	125
Room rate	$125	$125
Construction revenues	$199,000	$199,000
Revenues generated during operations	**$687,780**	**$687,780**

*Excludes construction tax revenue

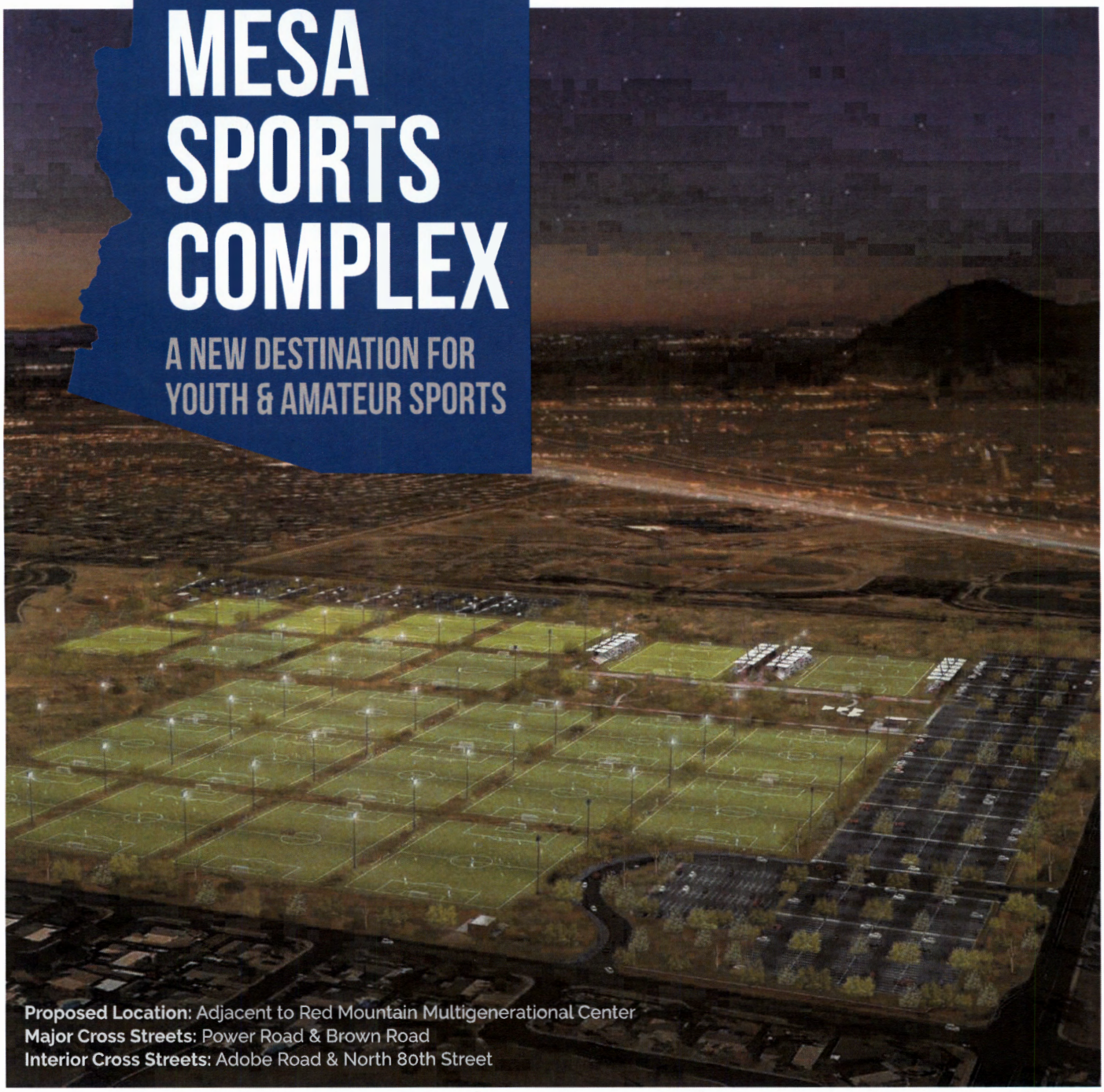
Sources: Elliott D. Pollack & Company; Nations Group; Huddle Up Group; ATRA; Implan

Twelve-Year Revenue Summary

	Construction Phase		Ongoing Operations										
	Year 1	Year 2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Operating Revenue													
Field rental revenues	--	--	$901,700	$901,700	$901,700	$644,100	$644,100	$644,100	$644,100	$644,100	$644,100	$644,100	$7,213,800
Net concession revenues	--	--	$562,500	$562,500	$562,500	$401,800	$401,800	$401,800	$401,800	$401,800	$401,800	$401,800	$4,500,100
Total operating revenues	--	--	**$1,464,200**	**$1,464,200**	**$1,464,200**	**$1,045,900**	**$1,045,900**	**$1,045,900**	**$1,045,900**	**$1,045,900**	**$1,045,900**	**$1,045,900**	**$11,713,900**
Tax Revenue													
Total Primary Operations Impact	$357,000	$357,000	$2,817,820	$2,817,820	$2,817,820	$2,026,500	$2,026,500	$2,026,500	$2,026,500	$2,026,500	$2,026,500	$2,026,500	$23,352,960
Sales tax	$277,750	$277,750	$1,603,700	$1,603,700	$1,603,700	$1,146,900	$1,146,900	$1,146,900	$1,146,900	$1,146,900	$1,146,900	$1,146,900	$13,394,900
Use tax	$11,150	$11,150	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$22,300
City impact fees	$62,500	$62,500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$125,000
Bed tax	N/A	N/A	$1,105,650	$1,105,650	$1,105,650	$789,750	$789,750	$789,750	$789,750	$789,750	$789,750	$789,750	$8,845,200
Utility tax	N/A	N/A	$20,100	$20,100	$20,100	$20,100	$20,100	$20,100	$20,100	$20,100	$20,100	$20,100	$201,000
Lease tax	N/A	N/A	$22,500	$22,500	$22,500	$22,500	$22,500	$22,500	$22,500	$22,500	$22,500	$22,500	$225,000
State shared revenue	$5,600	$5,600	$65,870	$65,870	$65,870	$47,250	$47,250	$47,250	$47,250	$47,250	$47,250	$47,250	$539,560
Secondary impact from DIRECT employees	$17,200	$17,200	$150,140	$150,140	$150,140	$107,700	$107,700	$107,700	$107,700	$107,700	$107,700	$107,700	$1,238,720
Employee spending sales tax	$8,800	$8,800	$64,980	$64,980	$64,980	$46,620	$46,620	$46,620	$46,620	$46,620	$46,620	$46,620	$538,880
Residents property tax	$3,550	$3,550	$45,670	$45,670	$45,670	$32,750	$32,750	$32,750	$32,750	$32,750	$32,750	$32,750	$373,360
State shared revenue	$4,850	$4,850	$39,490	$39,490	$39,490	$28,330	$28,330	$28,330	$28,330	$28,330	$28,330	$28,330	$326,480
Secondary impact from INDIRECT employees	$6,350	$6,350	$35,950	$35,950	$35,950	$25,810	$25,810	$25,810	$25,810	$25,810	$25,810	$25,810	$301,220
Employee spending sales tax	$3,100	$3,100	$17,440	$17,440	$17,440	$12,520	$12,520	$12,520	$12,520	$12,520	$12,520	$12,520	$146,160
Residents property tax	$1,450	$1,450	$8,370	$8,370	$8,370	$6,010	$6,010	$6,010	$6,010	$6,010	$6,010	$6,010	$70,080
State shared revenue	$1,800	$1,800	$10,140	$10,140	$10,140	$7,280	$7,280	$7,280	$7,280	$7,280	$7,280	$7,280	$84,980
Secondary impact from INDUCED employees	$8,150	$8,150	$43,300	$43,300	$43,300	$31,080	$31,080	$31,080	$31,080	$31,080	$31,080	$31,080	$363,760
Employee spending sales tax	$3,900	$3,900	$20,690	$20,690	$20,690	$14,850	$14,850	$14,850	$14,850	$14,850	$14,850	$14,850	$173,820
Residents property tax	$1,950	$1,950	$10,420	$10,420	$10,420	$7,480	$7,480	$7,480	$7,480	$7,480	$7,480	$7,480	$87,520
State shared revenue	$2,300	$2,300	$12,190	$12,190	$12,190	$8,750	$8,750	$8,750	$8,750	$8,750	$8,750	$8,750	$102,420
Total Secondary impact from operations employees	$31,700	$31,700	$229,390	$229,390	$229,390	$164,590	$164,590	$164,590	$164,590	$164,590	$164,590	$164,590	$1,903,700
Employee spending sales tax	$15,800	$15,800	$103,110	$103,110	$103,110	$73,990	$73,990	$73,990	$73,990	$73,990	$73,990	$73,990	$858,860
Residents property tax	$6,950	$6,950	$64,460	$64,460	$64,460	$46,240	$46,240	$46,240	$46,240	$46,240	$46,240	$46,240	$530,960
State shared revenue	$8,950	$8,950	$61,820	$61,820	$61,820	$44,360	$44,360	$44,360	$44,360	$44,360	$44,360	$44,360	$513,880
Total tax revenues	**$388,700**	**$388,700**	**$3,047,210**	**$3,047,210**	**$3,047,210**	**$2,191,090**	**$2,191,090**	**$2,191,090**	**$2,191,090**	**$2,191,090**	**$2,191,090**	**$2,191,090**	**$25,256,660**
Total City of Mesa Revenues	**$388,700**	**$388,700**	**$4,511,410**	**$4,511,410**	**$4,511,410**	**$3,236,990**	**$3,236,990**	**$3,236,990**	**$3,236,990**	**$3,236,990**	**$3,236,990**	**$3,236,990**	**$36,970,560**

MESA SPORTS COMPLEX

A NEW DESTINATION FOR YOUTH & AMATEUR SPORTS



Proposed Location: Adjacent to Red Mountain Multigenerational Center
Major Cross Streets: Power Road & Brown Road
Interior Cross Streets: Adobe Road & North 80th Street

"THERE IS A HUGE DEMAND FOR FIELDS IN MARICOPA COUNTY FOR OUR YOUTH. SHOULD A LARGE ENOUGH PARK BE CONSTRUCTED IN MESA, AYSA WOULD COMMIT TO SECURE ALL, IF NOT MANY OF OUR EVENTS AT THIS FACILITY."

-Mark Thede, Immediate Past President
Arizona Youth Soccer Association

A DYNAMIC POINT OF PRIDE FOR MESA RESIDENTS

INSIDE: ELLIOTT D. POLLACK MARKET FEASIBILITY & ECONOMIC IMPACT STUDY

- 24 Multi-Purpose Fields
- Dual Stadium Concept with Clubhouses
- Seating for up to 4,000 per stadium
- Indoor Fieldhouse (110,000 square feet)
- Operations Center
- 2,600 Parking Spaces, Restrooms & Amenities
- Destination Driver
- Facility could bring over 400K visitors to Mesa every year at full potential

THE FUTURE OF SPORTS IN MESA

BASED ON THE ASSUMPTIONS OF THE MARKET FEASIBILITY AND ECONOMIC IMPACT STUDY, ONGOING ANNUAL REVENUES CREATED BY THE MESA YOUTH & AMATEUR SPORTS COMPLEX ARE FORECASTED TO EXCEED THE EXPECTED ANNUAL OPERATING EXPENSES OF THE FACILITY.*

*Elliott D. Pollack & Company, *Economic and Fiscal Impact Study*

CITY OF MESA OFFICIALS are currently reviewing a proposed Mesa Youth & Amateur Sports Complex. This 24-field, multi-purpose sports complex which includes a 110,000-square-foot indoor field house and numerous fields for resident use, has been identified for the vacant land adjacent to Red Mountain Multigenerational Center located in east Mesa. According to Elliott D. Pollack & Company, leaders in economic analysis, this new development would generate significant benefits to the City of Mesa during every stage – from construction, daily operations and the anticipated future spending of visitors attending tournaments year-round. As designed, the Mesa Youth & Amateur Sports Complex is expected to be a travel destination for youth leagues and elite athletes across the U.S. and represents a unique opportunity for our community. A venue of this quality would position the City of Mesa as a superior sports destination and create a competitive advantage in attracting more events, vistors and their dollars. These visitors will spend their disposable incomes in the area and help stimulate economic development. The following data estimates the economic and fiscal impacts of the proposed complex.

Indoor Fieldhouse rendering

CONSTRUCTION PHASE SPRING 2017 WINTER 2018

$56.6M PROJECTED CONSTRUCTION COST

FACILITY IMPACTS

- **17** direct full and part-time employees
- **9** indirect and induced jobs
- **$1.1M** annual wages
- **$3.1M** total annual economic activity
- **$50,790** city tax collections annually

FISCAL IMPACTS

- **$1.5M** operating revenues (field rentals, concessions)
- **$4.3M** net visitor spending tax revenues
- **$4.5M** net annual revenues to city during first 3 years
- **$3.2M** net annual revenues to city after year 3 (based on 50% of total booking potential, which is is extremely conservative)

TOTAL CITY OF MESA NET

$388K	$388K	$4.5M	$4.5M	$4.5M	$3.2M	$3.2
CONSTRUCTION PHASE YEAR 1	CONSTRUCTION PHASE YEAR 2	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5

City of Mesa Revenues: Comprised of facility rental fees, concessions, operational revenues plus visitor tax revenues. All figures are intended only as a general guideline as to how the City of Mesa could be impacted by the project and assumes no incentives or exemptions are provided.

12-YEAR FISCAL IM

VISITOR INDUSTRY IMPACTS

DIRECT VISITOR SPENDING & ECONOMIC IMPACT

$183.3M ANNUAL VISITOR SPENDING

$208.3M ANNUAL REGIONAL TOTAL SPENDING

3,441 REGIONAL JOBS SUPPORTED

401,900 ANNUAL VISITORS

$365.3M ANNUAL TOTAL ECONOMIC OUTPUT AT FULL BOOKING POTENTIAL

$128M WAGES REPRESENTED IN JOBS SUPPORTED

70% BOOKING POTENTIAL	281,260 ANNUAL VISITORS	$128.3M ANNUAL VISITOR SPENDING	2,408 REGIONAL JOBS SUPPORTED	$255.7M ANNUAL TOTAL ECONOMIC IMPACT
50% BOOKING POTENTIAL	200,000 ANNUAL VISITORS	$91.7M ANNUAL VISITOR SPENDING	1,720 REGIONAL JOBS SUPPORTED	$182.7M ANNUAL TOTAL ECONOMIC IMPACT

VISITOR ASSUMPTIONS

REVENUE BASED ON TOTAL POTENTIAL

This complex will be a catalyst for additional economic development projects including hotel(s), retail and nearby dining and entertainment.

3.3 NIGHTS LENGTH OF STAY

3.3 PERSONS PER ROOM

249.5K TOTAL ROOM NIGHTS

187.2K MESA-ONLY ROOM NIGHTS

$50 SPENDING PER PERSON, PER DAY-LOCAL

$201 SPENDING PER PERSON, PER DAY-OVERNIGHT VISITOR

$23.4M TOTAL MESA LODGING REVENUE

$159.9M TOTAL MESA NON-ROOM SPENDING*

Spending assumptions include Lodging (10.5%), Food & Beverage (39.5%), Entertainment (19.5%), Transportation (16.5%), Retail (14%)

T REVENUE PER YEAR

.M 5	$3.2M YEAR 6	$3.2M YEAR 7	$3.2M YEAR 8	$3.2M YEAR 9	$3.2M YEAR 10	$36.9M TOTAL

IPACT SUMMARY

A WIN FOR MESA: ELEVATING OUR NATIONAL PROFILE WHILE KEEPING RESIDENT TAXES LOWER

We all know that Mesa is a great place to live, work and play; and is recognized as having a strong family friendly tradition. We also know that to continue to be great we must have the vision and foresight to invest in our future. Creating and improving quality of life for our residents and visitors is an endeavor we work at daily.

One way we can enhance the quality of life is by creating a multi-purpose youth and amateur sports facility right here in Mesa. This facility will allow youth and amateur athletes and their teams to play; soccer, football, lacrosse, rugby as well as other field sports, on multiple fields while bringing in additional tax dollars and new visitors to our area.

Sports tourism is a fast growing, nearly recession-proof marketplace with Mesa ideally suited to attract these sporting events due to our affordability, air access and preferred weather.

According to the Wall Street Journal, youth participation in soccer alone is double that of tackle football, and larger than youth baseball by about 1 million participants, which is the equivalent of an average 20,000 more kids playing youth soccer than youth baseball per state.

Mesa has a rich sports tradition as the spring home of the Chicago Cubs and Oakland A's which brings civic pride, many visitors and new tax revenue. However, the economic and visitor impacts to the community of spring training baseball is felt annually for only a six-week period, or less than a 1/8th of the year. Imagine a premier sport facility that would be used year round, attracting youth and amateur sports tournaments and events from around the country, bringing in visitors with new dollars to the local economy through spending on retail, restaurants, hotels, rental cars and entertainment... supporting Mesa businesses.

The indoor fieldhouse provides for great summer programming of indoor sports and related activity. Mesa families will enjoy using the indoor fieldhouse during our summer months for a wide variety of sports related activities such as: volleyball, basketball, gymnastics, and wrestling, along with dance, jazz, and yoga programming, to name a few. And the great thing is that all of this will be in our backyard, eliminating some costs and the hassle of cross valley transport to other venues.

Building the facility would cost less than a half-gallon of milk, all for $1.67 a month per Mesa household, while becoming a major catalyst for a wide variety of additional economic development projects that will further enhance our great city.

A premier multi-purpose sports venue enhances the brand of our destination and elevates our reputation nationally.

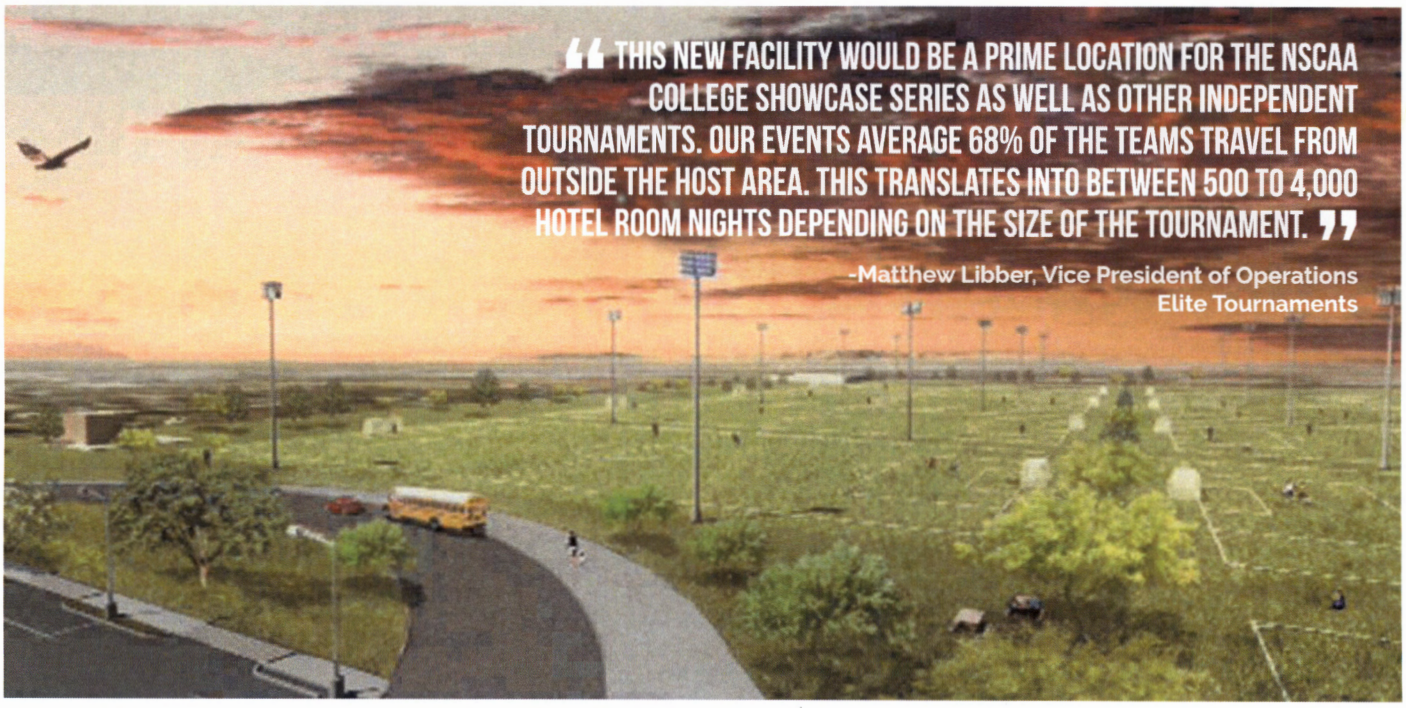
We fully support the efforts to bring this important facility to life, and trust that when you know all the facts, you will too.

- Board of Directors
Visit Mesa

"SPORTS TOURISM IS A FAST GROWING, NEARLY RECESSION-PROOF MARKETPLACE WITH MESA IDEALLY SUITED TO ATTRACT THESE SPORTING EVENTS DUE TO OUR AFFORDABILITY, AIR ACCESS AND PREFERRED WEATHER."

Net revenues collected by the City of Mesa over the first 10 years of operation are equivalent to 572 NEW Police and Fire jobs or $36.9 million*

*Data based on entry-level salaries with full benefits. Source: City of Mesa



UNIVERSITY AND MESA DRIVE DEVELOPMENT CONCEPTS

City Council Study Session - 2/25/2016

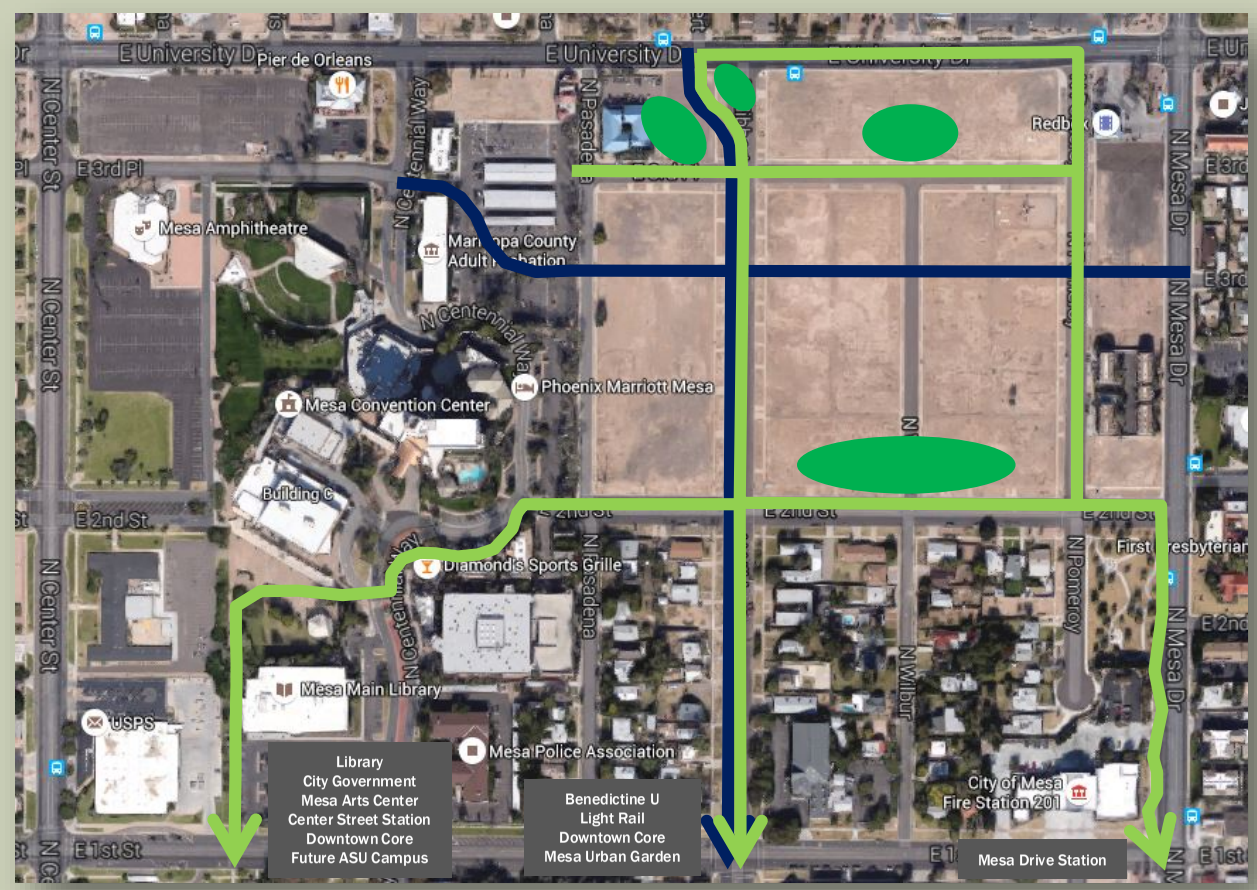
Jeffrey McVay, AICP
Manager of Downtown Transformation
Wahid Alam, AICP
Planner II

BACKGROUND AND GUIDING PRINCIPLES

Future development of University Drive and Mesa Drive:

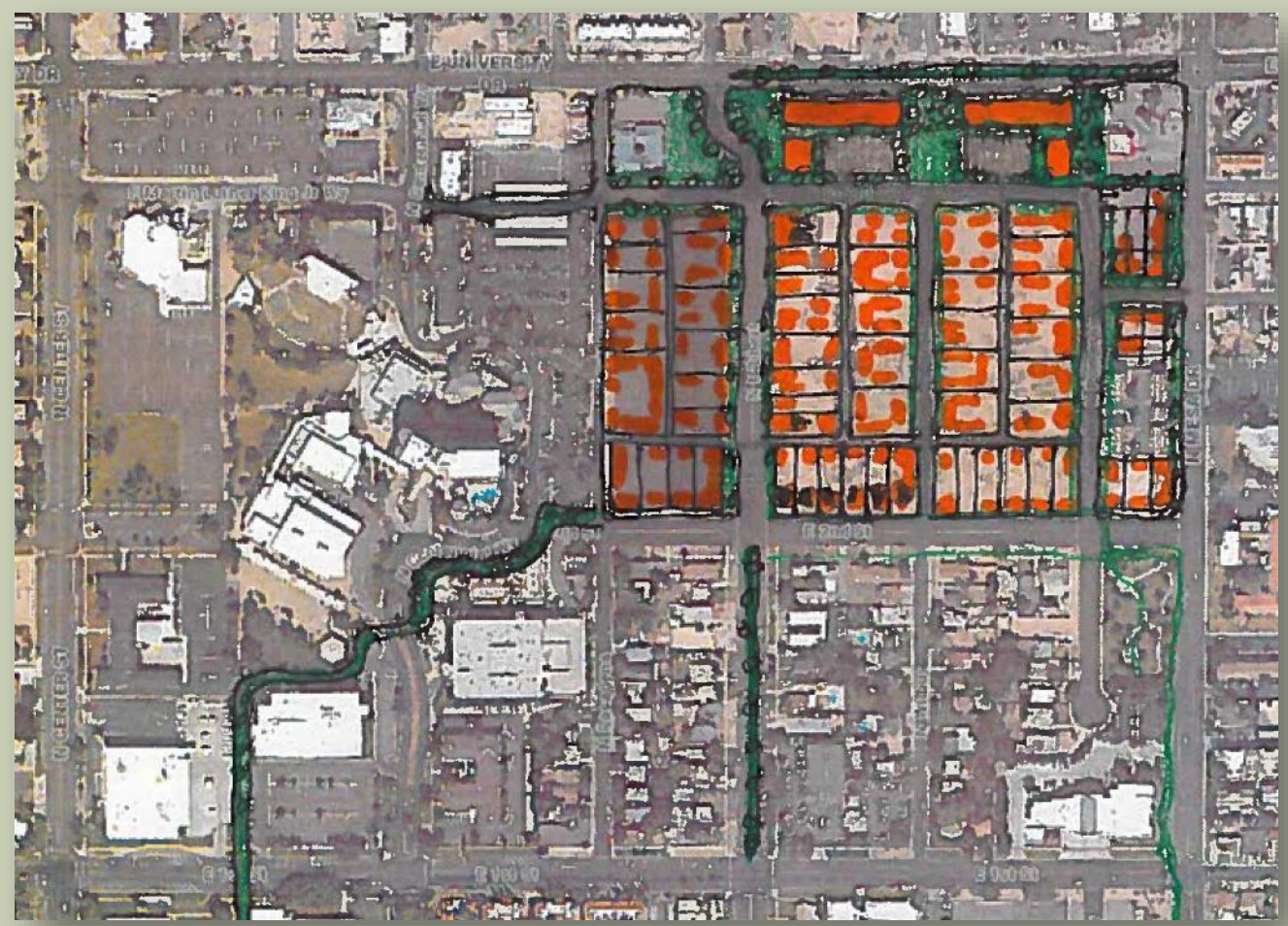
- Provides a significant market-rate residential component (for sale and rental)
- Develops in an urban form
- Is sensitive to the Wilbur Historic District
- Provides a variety of building types and uses
- Provides high quality design and construction
- Activates and supports the downtown core
- Provides a connected pedestrian environment
- Provides neighborhood supporting non-residential uses that complement downtown core

CONSISTENT DESIGN ELEMENTS



- Significant residential component
- Low-rise residential creates transition to Wilbur historic district
- Variety of building types
- Provision of new connected public open space
- Enhanced pedestrian connections to downtown, Benedictine, light rail, library, amphitheater, and future ASU (Linear Parks)
- Enhanced Hibbert streetscape
- Re-alignment of Hibbert at University
- New east-west connection

CONCEPT: TRADITIONAL NEIGHBORHOOD DESIGN



Key Elements of Concept

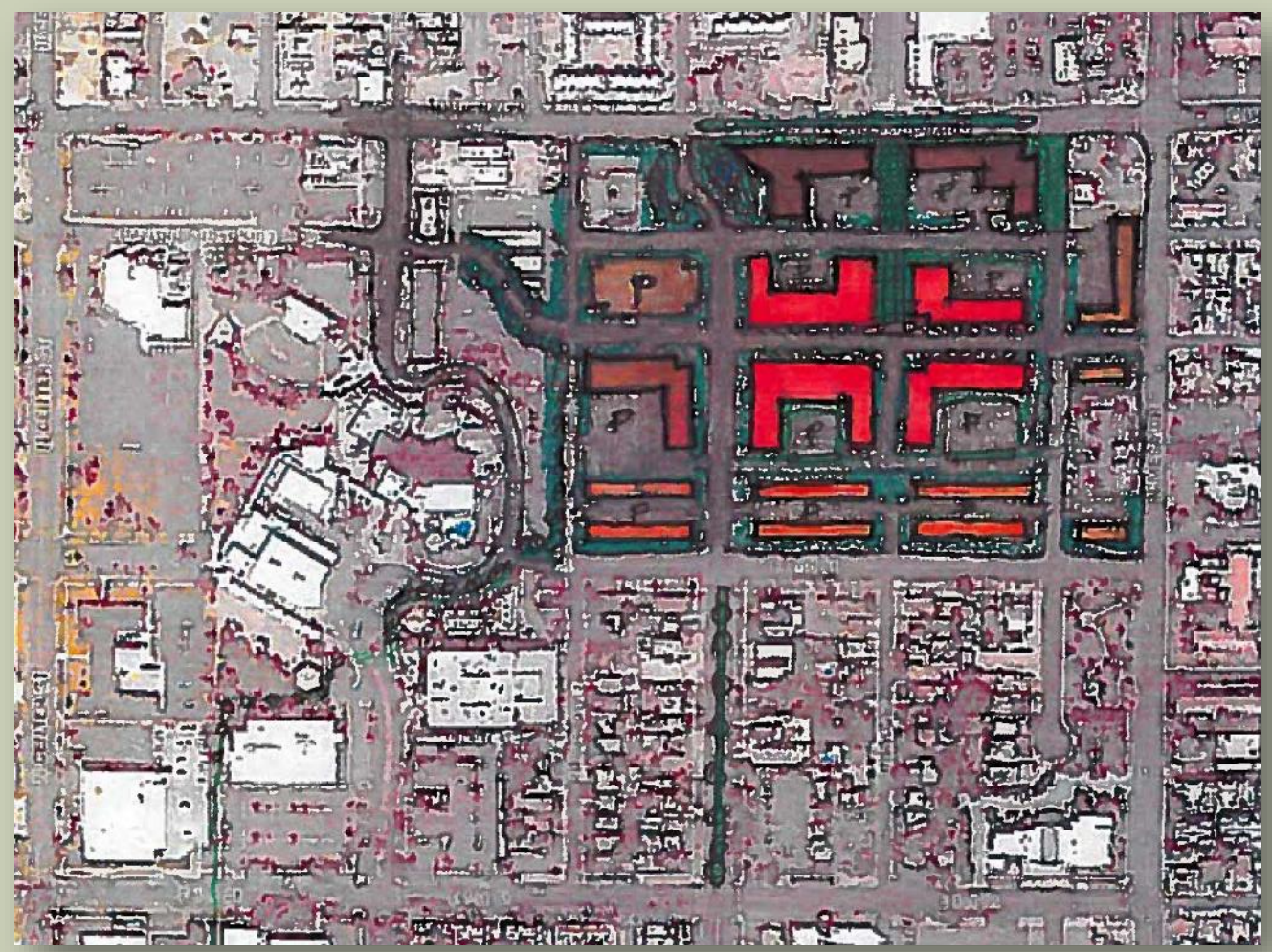
- Primarily residential development
- Live/work opportunities and limited neighborhood serving commercial
- “Missing middle” density (12-18 du/acre)
- Variety of residential building types
- Typical heights of 2-3 stories
- Residential/mixed-use building creates streetscape adjacent to University Drive

CONCEPT: TRADITIONAL NEIGHBORHOOD DESIGN (PRECEDENT IMAGERY)

CONCEPT: TRADITIONAL NEIGHBORHOOD DESIGN (PRECEDENT IMAGERY)

CONCEPT: TRADITIONAL NEIGHBORHOOD DESIGN (PRECEDENT IMAGERY)

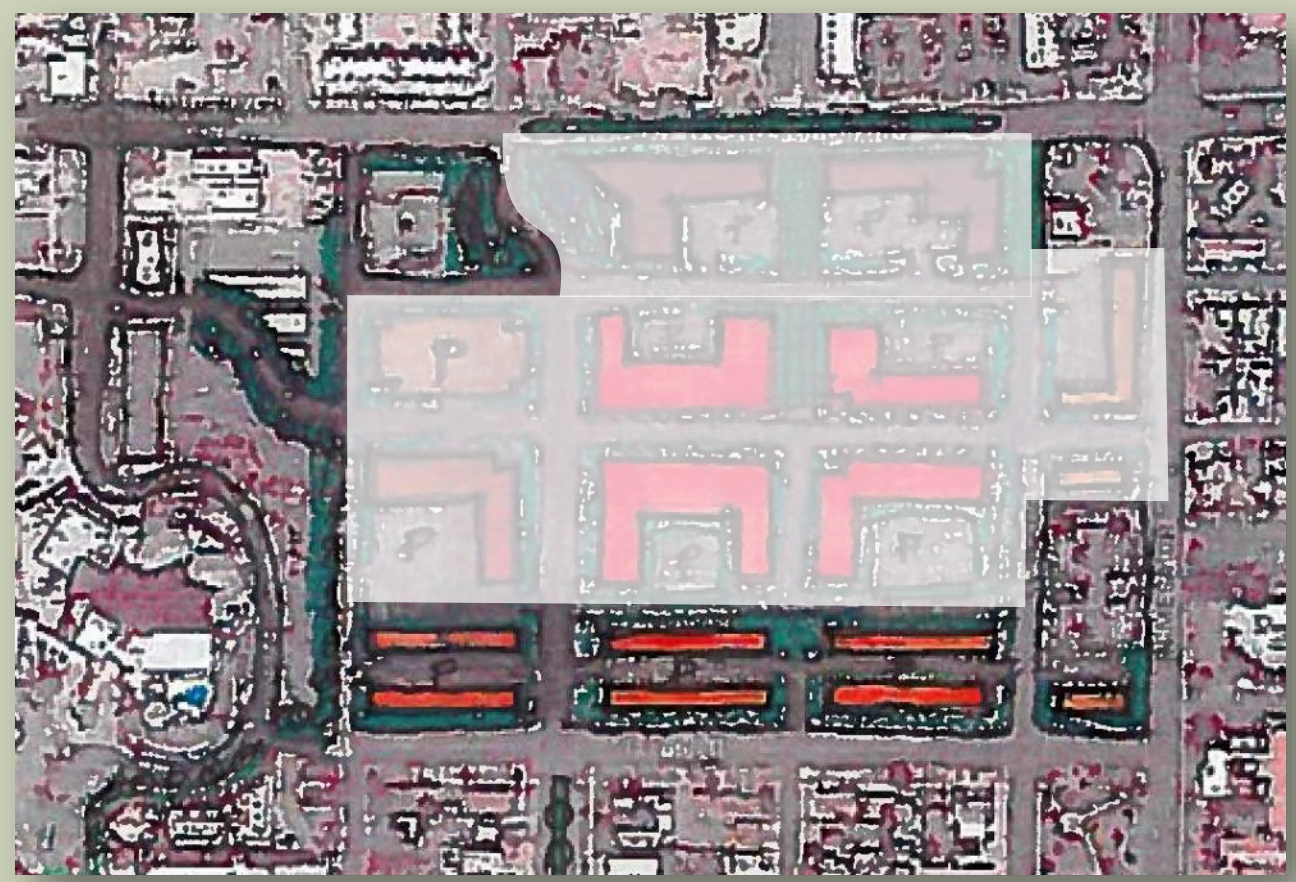
CONCEPT: MAIN STREET MIXED-USE VILLAGE



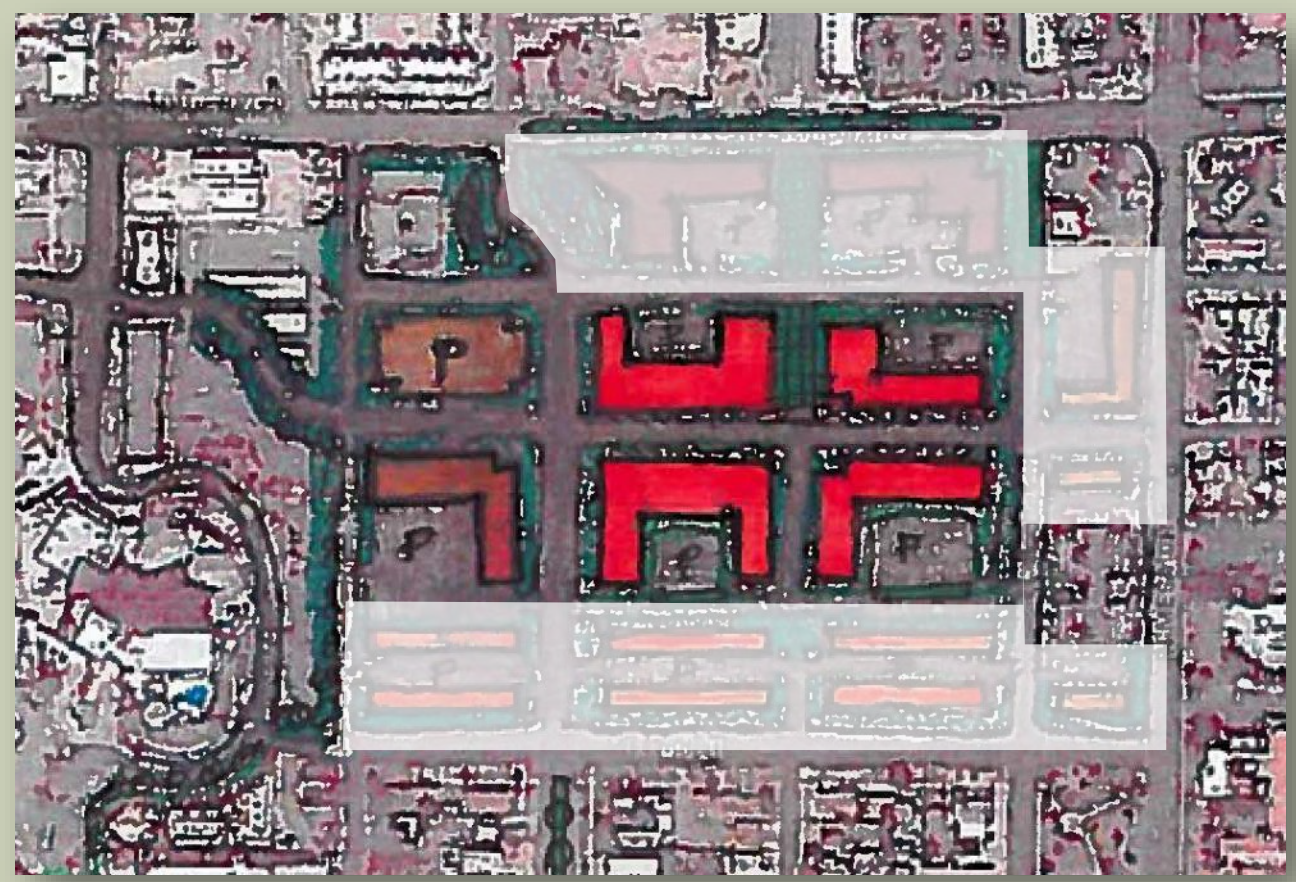
Key Elements of Concept

- Typical building heights of 2-4 stories
- "Main street" buildings designed to allow a variety of uses depending on market demand
- Surface parking that allows shared parking model and ability to structure as required by demand
- Commercial/office building provides buffer adjacent to University Drive

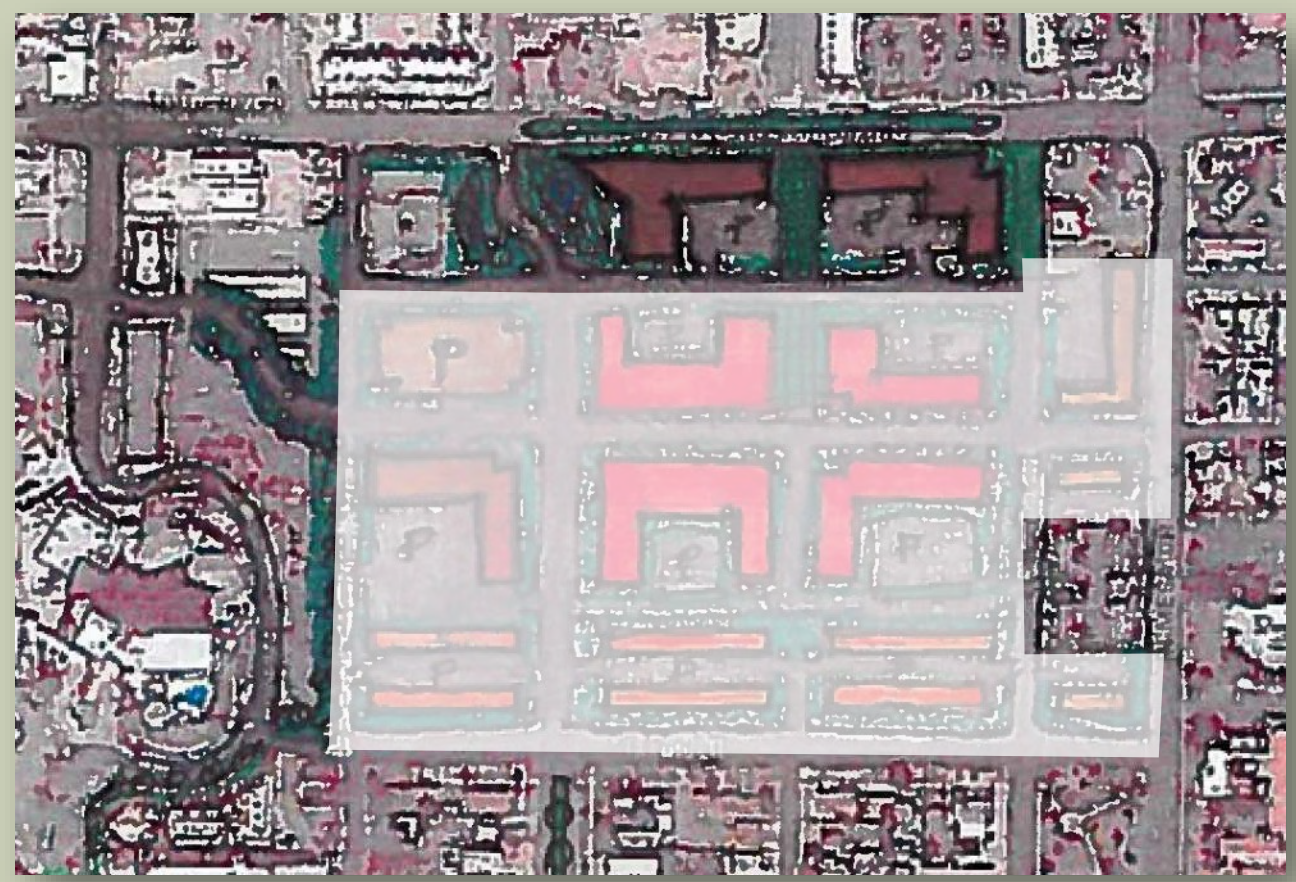
CONCEPT: MAIN STREET MIXED-USE VILLAGE (PRECEDENT IMAGERY)



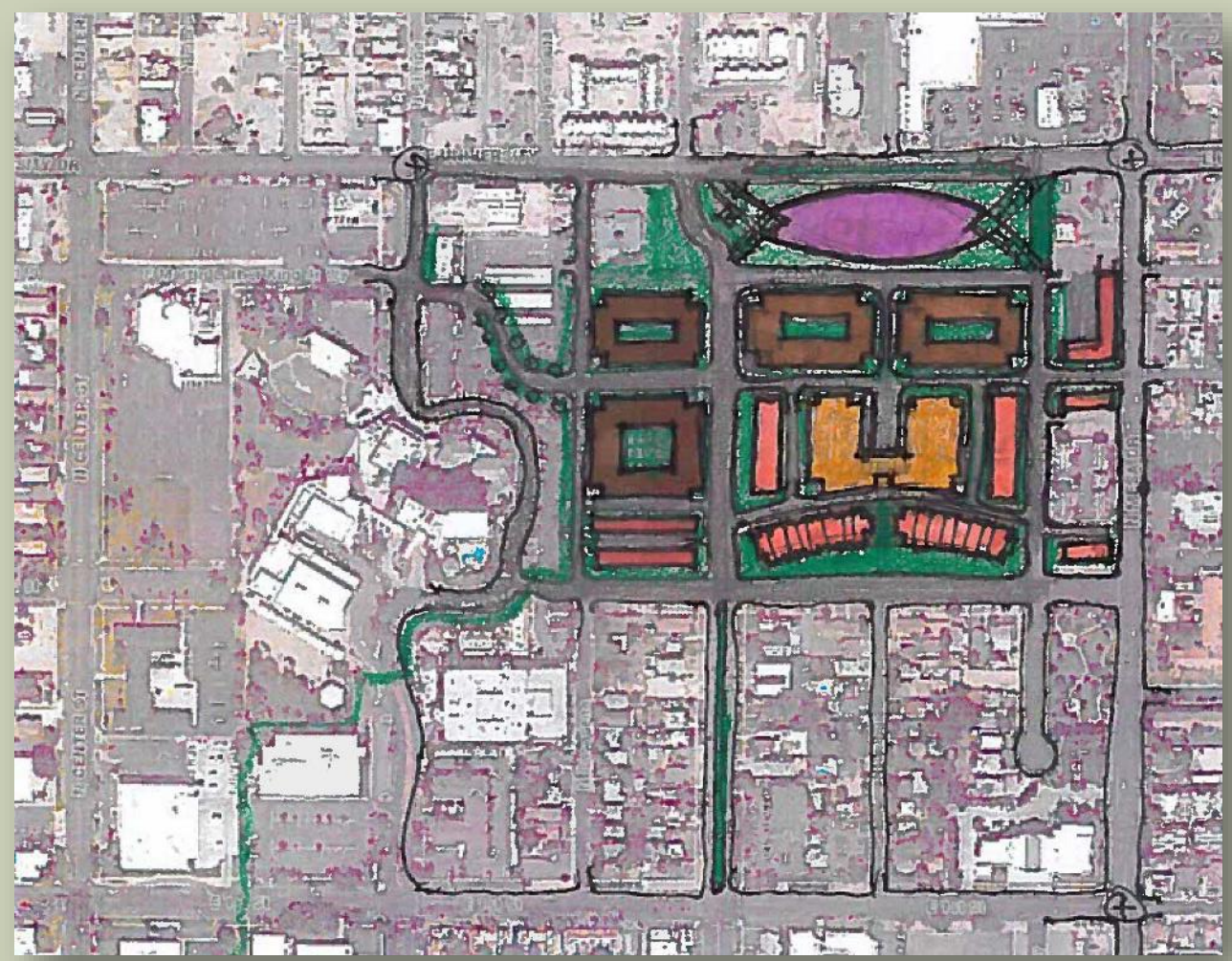
CONCEPT: MAIN STREET MIXED-USE VILLAGE (PRECEDENT IMAGERY)



CONCEPT: MAIN STREET MIXED-USE VILLAGE (PRECEDENT IMAGERY)



CONCEPT: MID-RISE MIXED-USE CENTER



Key Elements of Concept

- Mid-rise buildings typical height of 4-8 stories
- Buildings designed to allow a variety of uses depending on market demand
- Signature mid-rise commercial/office building adjacent to University
- Centralized parking structure allows shared parking model

CONCEPT: MID-RISE MIXED-USE CENTER (PRECEDENT IMAGERY)

CONCEPT: MID-RISE MIXED-USE CENTER (PRECEDENT IMAGERY)

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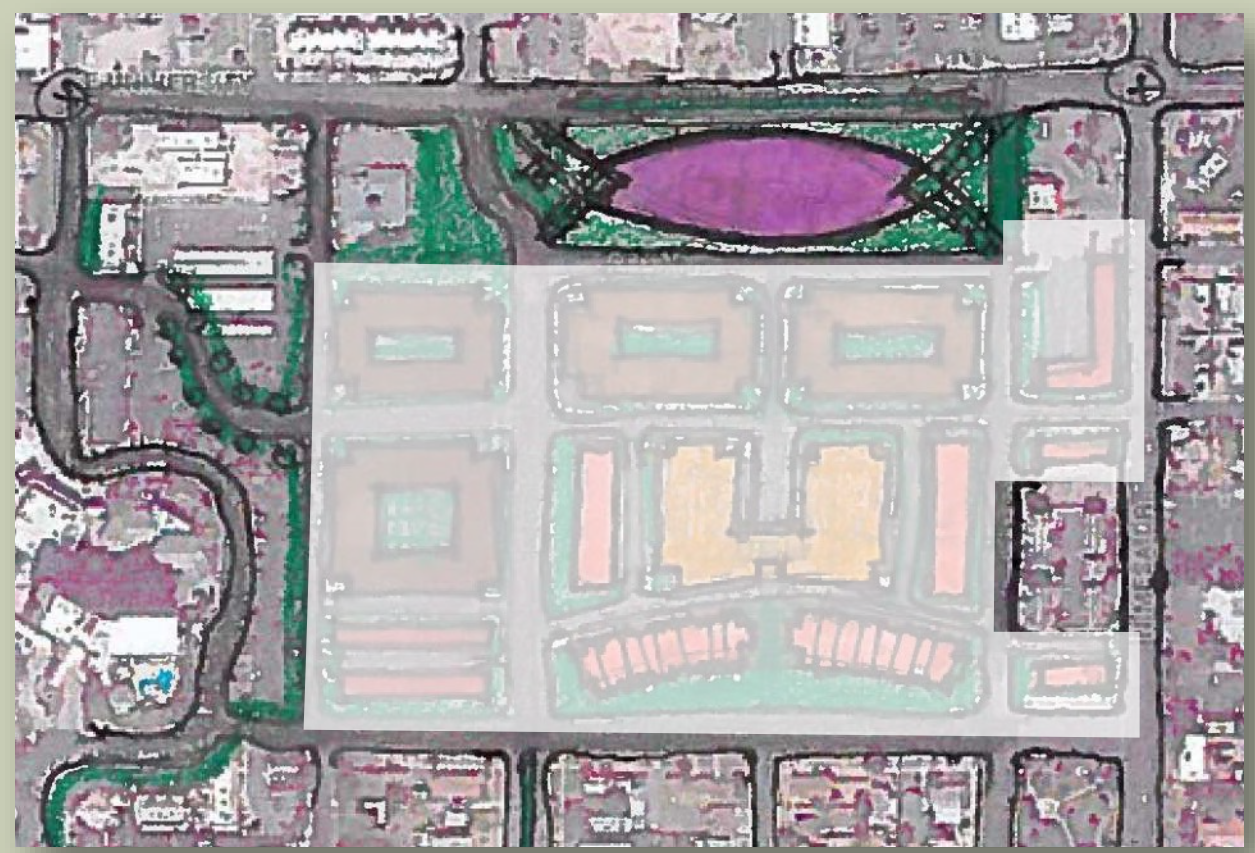

DISCUSSION AND DIRECTION

GUIDING PRINCIPLES

Future development of University Drive and Mesa Drive:

- Provides a significant market-rate residential component (for sale and rental)
- Develops in an urban form
- Provides a variety of building types and uses
- Provides high quality design and construction
- Is sensitive to the Wilbur Historic District to the south
- Activates and supports the downtown core
- Provides a connected pedestrian environment
- Provides neighborhood supporting non-residential uses that complement downtown core