



COUNCIL MINUTES

March 25, 2002

The City Council of the City of Mesa met in a Special Council Meeting in the lower level meeting room of the Council Chambers, 57 East 1st Street, on March 25, 2002 at 4:30 p.m.

COUNCIL PRESENT

Mayor Hawker
Jim Davidson
Bill Jaffa
Dennis Kavanaugh
Pat Pomeroy
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

Mayor Hawker excused Councilmember Whalen from the beginning of the meeting.

1. Discuss and consider the City of Mesa's position regarding the Multipurpose Facility.

Mayor Hawker stated that Councilmember Whalen is participating in a meeting at the State Capital concerning the stadium process and that he is expected to join the Council meeting as soon as possible and provide an update on this issue.

City Manager Mike Hutchinson provided an overview regarding recent events and developments concerning this project, including recent negotiations with the Arizona Cardinals (Cardinals) relative to assisting the City with infrastructure funding. He reported that in response to negotiation terms expressed by the Cardinals, the City recently presented a partnership proposal to the City of Tempe, which was rejected. Mr. Hutchinson also reported on recent developments that have resulted in the withdrawal of the Gila River Indian Community's proposal. He stated that the current schedule calls for the City's final proposal to be submitted to the Tourism and Sports Authority (TSA) by Wednesday, March 27, 2002 and added that this deadline may be deferred.

Mr. Hutchinson reported that earlier that day, the City received a new proposal from the Cardinals and he noted that this proposal reduces overall project infrastructure costs. Mr. Hutchinson referred to two maps on display in the Council Chambers, which depicted the City's original project proposal and the subsequent proposal rejected by Tempe and outlined the proposed locations of the stadium and parking facilities in both proposals. He also outlined the various elements of the new proposal received from the Cardinals, including: 1) elimination of the 33-acre Hurley parcel; 2) significant reduction in Dobson Road access to the stadium; 3) softball/baseball facility would remain in place; and 4) significant reduction in parking. He stated that staff has concerns regarding this recent proposal, specifically, the stadium location, access to the stadium and reduced parking.

Mr. Hutchinson stated that staff supports the original proposal submitted to the TSA; that this proposal is in the overall best interest of the City and its citizens; and that this stadium site has improved access, minimizes impacts on neighborhoods and is closer to potential future parking sites on the Salt River Pima Maricopa Indian reservation. Mr. Hutchinson commented on specific project costs and revenues outlined in the Cardinals' new proposal and noted several flaws in the projections; and discussed the fact that this proposal would require demolition of the Riverview Golf Course within the next few months.

Mr. Hutchinson also commented on the possibility of shifting some of the City's risks to the Cardinals and the TSA by requiring them to participate in the construction of the public facilities. He noted that although this scenario would provide a portion of parking revenues to the Cardinals, it would also minimize the City's involvement and costs.

Mayor Hawker declared the meeting open for public comment.

John Goodie, 1535 N. Horne, addressed the Council and spoke in support of proceeding with the City's proposal to the TSA. He said that he supports this project because it represents an opportunity for Mesa to have a drawing mechanism and a national identity. He added that the stadium will be a source of citizen pride and encourage additional nearby business development.

The following citizens spoke in opposition to proceeding with the City's proposal to the TSA:

Bob Wheat	2262 W. Del Oro
Cecilia F. Fleming	1356 W. Esplanade Street
Manny Cortez	2837 E. Emelita
Krystn Murphy	461 N. Yucca Circle
Sheila Mitton	1615 W. Pueblo Avenue
Kate C. Benson	10150 E. Calypso
LaRue Gates	1948 W. Devonshire
Michael Morgan	1515 S. Extension Road, #2007
Charles E. Stadler	1937 W. Dartmouth

The foregoing citizens stated the following opinions:

- The facility will create ingress/egress problems for nearby neighborhoods
- Property values of nearby residential areas will plummet
- Nearby residential areas will become "slums"
- Low income and elderly residents will not be able to recover losses
- The character of nearby quiet neighborhoods will change
- Local street traffic congestion and auto accidents will increase
- "Cut-through" traffic will occur in nearby neighborhoods
- Traffic will back up on adjacent freeways
- Opposed to loss of Riverview Golf Course
- Project has been and will be a drain on City resources at a time when the City is experiencing budget shortfalls and raising Parks & Recreation fees for citizens
- Profits/benefits from the facility will not flow to Mesa
- The Arizona Cardinals are not a winning team and do not deserve the facility
- A stadium does not belong in a residential area
- A citizen poll should have been taken prior to the submission of a proposal

- Citizens appreciate Mesa for what it is and don't want it to be a National Football League town
- Parking will occur on neighborhood streets
- The facility will attract homeless individuals
- Property crimes in surrounding neighborhoods will increase
- Game-day vandalism will occur
- The City will have difficulties staffing additional public safety personnel to support the facility

There being no additional speakers, Mayor Hawker declared the public comment portion of the meeting closed.

Mayor Hawker voiced appreciation to the participants and partners who have supported the City in this project and commented on their efforts, including: 1) Bob Hurley and his family who have been cooperative and receptive to the City's suggestions and proposals; 2) Salt River Pima Maricopa Indian Community's pledge to consider the construction of a parking facility on reservation land, to assist with infrastructure construction by providing low cost aggregate materials/dirt removal; and to subsidize game-day expenses; 3) City of Scottsdale's pledge to subsidize game day expenses; and 4) Mesa Convention and Visitor's Bureau's pledge to subsidize game day expenses.

Mayor Hawker declared a recess at 5:20 p.m. and stated that the meeting would reconvene at 6:15 p.m.

Mayor Hawker reconvened the meeting at 6:15 and reported that Councilmember Whalen is expected to join the Council meeting at approximately 6:45 p.m.

Mayor Hawker declared a recess at 6:16 p.m. and stated that the meeting would reconvene at 6:45 p.m.

Mayor Hawker reconvened the meeting at 6:45 p.m. and Councilmember Whalen joined the meeting at that time.

Councilmember Whalen reported that Senate President Randall Gnant hosted a "stadium summit" meeting at the State Capital that afternoon and that the attendees included two Tempe City Councilmembers, TSA President Ted Ferris and three TSA board members, various legislators including Representative Cooley, a representative of the Fort McDowell Indian Community, Michael Bidwell and lobbyist Steve Best, and representatives from County Attorney Richard Romley's office.

Councilmember Whalen reported that there was discussion concerning the numerous problems encountered throughout this process and that there was consensus that a legislative remedy is necessary to move the process forward. He reported that House Bill 2590 was introduced earlier that day, which addresses the necessary change in the governing statute allowing Indian Tribes to independently host a stadium site. He further reported that Senator Gnant indicated that the first issue that would be addressed by the legislature is tribal eligibility, including liability and financial disclosure concerns; and that the second issue to be addressed is the prohibition of sites not identified in the 2000 election pamphlet. He reported that it was indicated at the meeting that this legislative process would take two weeks to a month and that the TSA's selection process would be suspended during this period. He added that the City's upcoming submission deadline was cancelled.

Councilmember Whalen reported that it was indicated that the TSA could continue its selection process after the legislative process was complete and that the City of Mesa, the Gila River Indian Community and the Fort McDowell Indian Community would be allowed to participate, if they choose to do so.

Councilmember Whalen commented on discussion that occurred concerning various selection process scenarios that may follow the legislative process, including the possibility that the selection process would be reopened to all 18 original sites; and the possibility that subsequent legislation would allow the State, including the possible redevelopment of Arizona State University stadium, and private parties, including the Mashburn site at 40th Street and Washington, to participate in the process. He reported that Senator Gnant indicated that the Legislature would take steps to relieve the TSA of its duties if the selection process is not complete this summer.

Councilmember Whalen reported that he was afforded the opportunity to comment on the various problems encountered by the City throughout the selection process, including the fact that the enabling legislation did not allow enough funds for the host city's infrastructure costs, the City's concerns regarding ongoing operational expenses and the fact that the Cardinals' partnership caveats are problematic.

Councilmember Whalen stated that in his opinion, the biggest hurdle the Legislature faces is the issue of tribal disclosure.

Discussion ensued concerning host community liability issues; the fact that the TSA previously indicated that a liability policy would be purchased covering bodily injuries and catastrophic events; the legal issue concerning the Gila River Indian Community contributing sales tax revenue to the State if their site is selected, and the related issue concerning revenue streams from economic development adjacent to a stadium on tribal land; the fact that if HB 2590 does not pass, both the Gila River Indian Community and the Fort McDowell Indian Community will be eliminated as possible sites, leaving Mesa as the only remaining site; the fact that the TSA has consistently indicated that the selection of an alternate site is a necessary element in the process; and the fact that possible subsequent legislation allowing the State and private parties to submit a site proposal would not be introduced until HB 2590 is resolved.

Councilmember Whalen stated that based upon discussions at the meeting, it is his opinion that the TSA will not name a final site until HB 2590 is resolved, and that if HB 2590 does not pass, the Legislature will instruct the TSA to reopen the entire selection process.

Councilmember Walters voiced concerns regarding impacts on neighborhoods surrounding the site, the complexity of the various proposals, and the amount of City resources focused on this project. She stated the opinion that because the proposals are so complex and difficult to explain and understand, and because it would be perceived by citizens that the project would be subsidized by the City in some manner, if Mesa's site is selected, a referendum action would follow the necessary rezoning of the site.

It was moved by Councilmember Walters, seconded by Councilmember Kavanaugh, that the City withdraw its Multi-purpose Facility proposal to the Tourism and Sports Authority.

Vice Mayor Davidson declared a potential conflict of interest and refrained from discussion/participation in the matter.

Councilmember Pomeroy stated opposition to the motion and voiced the opinion that it is premature to withdraw the City's proposal at this point based on incomplete information presently available.

Councilmember Whalen commented on the difficulties he has encountered while representing the City in negotiations concerning this project. He stated opposition to the motion and said that he would not support withdrawal until all the facts are known. He spoke in support of the manner in which the City has conducted "up front" negotiations and pledged to continue further negotiations in the same manner. He voiced frustration in dealing with the Cardinals, particularly concerning the Cardinals recent "11th hour" proposal. He stated support for rejecting the Cardinals' proposal, which he described as a step backward, and submitting a counter-proposal. He said that he is committed to ensuring that any subsequent counter-proposals made by the City are in the best interests of the City.

Councilmember Kavanaugh voiced support for the motion and stated the opinion that parties the City has attempted to partner with are not sincerely interested in partnering with the City. He commented on the fact that public sector investment in this project outweighs private sector investment threefold and that private sector investment would be recouped significantly prior to the public's investment. Councilmember Kavanaugh also indicated that if the motion fails, he supports Councilmember Whalen's suggestion to make a counter-proposal to the Cardinals that is in the best interests of the City.

Councilmember Jaffa voiced opposition to the motion. He said that although he does not see harm in waiting to see what results from the City's counter-proposal, he has concerns regarding the amount of staff resources utilized in this project, and added that in the absence of successful negotiations with the Cardinals, he does not support an influx of additional City resources being devoted to the project. He said that although he has been hopeful that the City could reach a satisfactory agreement with the Cardinals, as did Tempe in the prior process, his support for this project is waning.

Mayor Hawker voiced appreciation to Councilmember Whalen for his ongoing efforts in this matter. He stated support for the motion and voiced concerns regarding the fact that the Cardinals rejected the City's prior proposal. He added that he is opposed to the Cardinals' partnership stipulations. He stated the opinion that it is unlikely that a satisfactory partnership proposal will be negotiated with the Cardinals and that he has concerns regarding partnering with an entity that has been extremely difficult to negotiate with. He also voiced the opinion that the enabling TSA legislation is flawed and puts undue burdens on the host community. He also commented on other flaws related to the process.

Upon tabulation of votes, it showed:

AYES - Hawker-Kavanaugh-Walters
NAYS - Jaffa-Pomeroy-Whalen
ABSTAIN - Davidson

Mayor Hawker declared the motion failed by those voting.

Councilmember Whalen requested input from the Council concerning the City's next steps in this process.

Councilmember Kavanaugh voiced appreciation to Councilmember Whalen for his efforts in this matter and commented on the difficult role it has become. He stated support for continuing

efforts to structure the Memorandum of Understanding in a clear and concise manner and for continuing negotiation discussions with the Cardinals in support of the City's original proposal submitted to the TSA. He also stressed support for increased private investment in the project.

In response to a question from Mayor Hawker, Intergovernmental Relations Assistant Jim Huling advised that HB 2590 is referable without an emergency clause. He added that Councilmember Whalen accurately described the discussions that occurred during the stadium summit meeting at the Capital.

Further discussion ensued regarding the City's next steps in this process and the legislative suspension.

Mayor Hawker indicated that there is Council consensus that the City continue to gather information during the ensuing week and reconsider the matter at a future Study Session.

2. Adjournment.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Walters, that the Special Council Meeting adjourn at 7:42 p.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Council Meeting of the City Council of Mesa, Arizona, held on the 25th day of March 2002. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

pjt