

COUNCIL MINUTES

April 24, 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 April 24, 2002 at 4:00 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Barbara Jones

1. Convene an executive session.

It was moved by Vice Mayor Davidson, seconded by Councilmember Jaffa, that the Council enter into an Executive Session.

Carried unanimously.

2. Reconvene Special Session.

The Special Session reconvened at 5:02 p.m.

3. Hear a presentation, discuss and consider issues pertaining to the proposed Memorandum of Understanding with the Tourism and Sports Authority regarding the Multipurpose Facility.

Mayor Hawker welcomed everyone to the meeting and stated that Staff will provide a brief overview on the status of the negotiations. He said that following presentations by City Manager Mike Hutchinson, City Attorney Debbie Spinner, and Councilmember Mike Whalen who has been the City's chief negotiator on this project, citizens will be given an opportunity to present their remarks. The Mayor informed the members of the audience that a meeting has been scheduled for Monday, April 29, 2002 and said that the Council will decide whether to move forward with the Proposed Memorandum of Understanding at that time. He emphasized that the purpose of this meeting is to hear presentations and solicit input from citizens present at the meeting regarding this important issue.

Vice Mayor Davidson indicated that he had a potential conflict of interest in connection with the matter currently under discussion and would refrain from discussing/participating in this matter. He clarified that his potential conflict of interest pertains to the Memorandum of Understanding only and once that issue has been resolved, he will be free to discuss other matters related to this issue, including financing and neighborhood concerns.

City Attorney Debbie Spinner concurred with Vice Mayor Davidson's comments and added that he will also have a potential conflict of interest on the development agreement.

Councilmember Whalen addressed the audience regarding this issue and announced that the City of Mesa and the Tourism and Sports Authority (TSA) has reached a solid agreement relative to siting the multi-purpose facility in Mesa. He presented a brief overview of the agreement's highlights and noted that efforts to close the gap relative to financing the facility have been successful. He emphasized that the City's proposal that will be submitted to the TSA is expense neutral and will pay for itself.

Discussion ensued relative to the important role all of the involved "partners" have played in ensuring the success of this venture, the anticipated positive impacts of this project on the entire community as well as surrounding communities, the fact that the City's Neighborhood Outreach Office has been working hard with neighbors to address their concerns, and staff's ongoing efforts relative to this important matter.

City Manager Mike Hutchinson provided a brief overview of the site plan and pinpointed the general location of the facility itself. He stated that a current proposal calls for the development of 16,400 parking spots on the property itself and added that conversations are also taking place relative to the possibility of acquiring additional property from the Hurley family to increase the number of available parking spaces to 20,000. Mr. Hutchinson emphasized that in accordance with the current proposal, Riverview Park, including the lake as well as the soccer field, will remain in place. He added that although the plan calls for the removal of the golf course, the City is currently pursuing a replacement location for a golf course in the eastern portion of the City.

Additional discussion ensued relative to the proposed site plan, access to the facility and a proposal that calls for the development of a new road to alleviate possible congestion and move traffic away from the neighborhoods to the south, the future development of Hurley family property on the east side of Dobson, neighborhood meetings that have been held and additional meetings that have been scheduled regarding this issue, and the fact that the entire site is approximately 200 acres in size.

In response to a request from the Mayor, City Attorney Debbie Spinner said that she would like to take this opportunity to discuss financing issues related to this project. She stated that following the Hurley family's land donation, the City's financial gap was reduced to \$6,075,000 but later increased to \$8.5 million because of the proposal for the added access road. Ms. Spinner referred to graphics displayed in the Council Chambers and discussed various proposed costs and anticipated savings.

Discussion ensued relative to the fact that the TSA has agreed to cover various event day expenses including police, traffic control, parking and zoning enforcement, crowd control, emergency medical services and parking lot cleanup; marketing expenses, and the fact that the

MOU will contain a Facility Utilization Commitment and Revenue Sharing Provision, which will ensure that Mesa's revenues from the facility will be sufficient to cover all debt issued by the City in constructing this facility, the fact that if the actual revenues recovered by the City are less than the projected revenues, the TSA has agreed to pay the difference; and the fact that if the actual revenues received by the City of Mesa exceed projected revenues, the City will share the extra revenue with the TSA.

Ms. Spinner advised that the cost to the City (with regard to the pedestrian plaza) has been reduced by \$4.7 million and the \$1.5 million contingency fee has been eliminated. She noted that as far as the youth athletic fields, the City will realize a \$175,000 savings. She informed the Council that the above savings, in addition to others, brings the City into balance and the financial gap has been eliminated.

Councilmember Whalen reported that the facility will bring in \$38.5 million in revenue through parking, sales tax and construction possibilities over a 30-year period. He added that the facility will seat 69,000 to 71,000 people per game

4. Hear comments from citizens present.

5. Adjournment.

Without objection, the Special Council Meeting adjourned at 6:52 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 24th day of April 2002. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK