

COUNCIL MINUTES

January 11, 1999

The City Council of the City of Mesa met in a Special Council Meeting in the upper level meeting room of the Council Chambers, 57 East 1st Street, on January 11, 1999 at 5:44 p.m.

COUNCIL PRESENT

Mayor Wayne Brown
Jim Davidson
John Giles
Keno Hawker
Bill Jaffa
Dennis Kavanaugh
Pat Pomeroy

COUNCIL ABSENT

None

POLICE OFFICERS
PRESENT

Marc Therre
Scott Martin

OFFICERS PRESENT

C.K. Luster
Neal Beets
Barbara Jones

1. Consider the appointment of a City Magistrate, subject to a renewable contract whose initial term will expire on June 30, 2001.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Pomeroy, that Norine Richardson be appointed to the position of City Magistrate, subject to a renewable contract whose initial term will expire on June 30, 2001.

Councilmember Kavanaugh provided the audience with a brief synopsis of Ms. Richardson's background and professional expertise and stated the opinion that Ms. Richardson's appointment will benefit the City of Mesa.

Carried unanimously.

Newly appointed City Magistrate Norine Richardson introduced the members of her family to the Council and audience and thanked the City Council and staff for their vote of confidence.

2. Consider a Resolution approving the request from the Board of Directors of the Rio Salado Crossing Multi-purpose Facility District that the City of Mesa consent, subject to the conditions that are part of the District's request and proposed ballot question, to holding a district election on May 18, 1999, to give the voters in Mesa, Gilbert and Queen Creek the opportunity to respond to the ballot question of whether state sales taxes should be used to support the Rio Salado Crossing Project. – Resolution No. 7305.

In response to a request from Mayor Brown, Mike Rushman, representing Land Strategies, provided the audience with a brief overview of the project.

Mr. Rushman commented on his involvement in the project and stated that there are three specific items which the District Board has forwarded to the Councils in the City of Mesa and Towns of Gilbert and Queen Creek. Mr. Rushman reported that the District Board has recommended that the Councils place on the ballot in May 1999 two separate measures; one measure that will be voted on by the residents of each

of the jurisdictions in the District and which would permit a certain percentage of State sales tax that will be generated by the Rio Salado Crossings Project to be recaptured and reinvested in the project; and an additional measure that only the Mesa City Council will rule on, whether to place a new local sales tax measure on the ballot.

Discussion ensued relative to the conceptual master plan for the project, the financing plan overview and the term sheet and 'conditions preceding' which represent items that remain to be addressed in order to allow the project to go forward.

In response to a question from Councilmember Hawker, Mr. Rushman advised that the recapture analysis has been expanded through the year 2028. Mr. Rushman responded to a variety of questions posed by Councilmember Hawker regarding the project, relative to recapture projections, the number of proposed rooms, the fact that insufficient monies have been allocated for land acquisition, the Hurley property, the fact that the long-term use agreement will cover issues such as penalties that will be imposed should the Cardinals decide to relocate out of Mesa, and the fact that the Cardinals are requesting reimbursement for lease penalties paid to the City of Tempe should surplus funding be available.

Mayor Brown advised that there are several speakers in the audience who have indicated an interest in providing input on this issue.

Joe "Brick" Guinn, 126 West 7th Place, stated the opinion that the sales tax in Mesa is excessively high and spoke in opposition to increasing the amount.

Luule Brandofino, 61 South Macdonald, spoke in opposition to the approval of the project and expressed the opinion that repetitive tax increases will occur if the proposal is adopted.

Paul Brando, 61 South Macdonald, stated the opinion that the proposed stadium project will attract criminal activity and negatively impact the City of Mesa. Mr. Brando added that neighborhood areas surrounding sports stadiums become slum areas and cautioned the Council against proceeding with the project.

Bill Brando, 61 South Macdonald, expressed the opinion that prior to voting to place this issue on the ballot, a massive citizen-oriented education program should be initiated to ensure that the voters are aware of the fundamental issues associated with the proposal.

Craig Berge, 3442 East Fox, commented that the citizens of Mesa should be provided an opportunity to vote on this issue. Mr. Berge added that although initially the increased tax may hinder businesses, in the long-term the project will benefit the community.

Roc Arnett, 2327 East Grandview, agreed with the comments of the previous speaker and urged the Council to approve the placement of this issue on the ballot of the 1999 election.

Kerry Dunne, 101 West Main Street, Executive Director of the East Valley Partnership, spoke in strong support of the project and reported that his organization was instrumental in approaching the Legislature to change State law to allow the public to decide on issues such as this.

Paul McKee, 533 West Mendoza, stated that he is the owner of a business located in the downtown area of Mesa and agreed that the citizens should be allowed to vote on this matter. Mr. McKee expressed the opinion that the project will improve the quality of life in Mesa and surrounding areas.

Charles Saathoff, 1062 West Isabella, commented that despite the fact that he is opposed to utilizing tax monies for free enterprise and will vote in opposition to the project, he applauds the Mesa City Council for allowing the citizens of Mesa to vote on this proposal.

Rob Luton, 8617-2 South 51st Street, Phoenix, stated the opinion that if the citizens of Mesa were in favor of a project of this nature, they would have filed a citizens' initiative. Mr. Luton spoke in opposition to the project.

Douglas Nelson, 2953 East Dolphin, indicated that he is still unsure of whether to support this proposal and expressed concern regarding the fact that the parties involved in the process, particularly the members of the District Board of Directors, appear to have doubts regarding the agreement. Mr. Nelson urged the Council to vote against the project if they are not convinced that the project will benefit the City of Mesa.

Jim Jones, Chairman of the Mesa Chamber of Commerce Board of Directors, indicated that he represents 1500 business owners who totally support the project. Mr. Jones added that he is also a member of the East Valley Chamber of Commerce and said that organization supports the proposal as well.

Betty Duering, 525 North May Street, informed the Council that hundreds of people enjoy Riverview Park on a daily basis and added that a majority of those people are unaware of the fact that it is in danger of being destroyed by an encroaching commercial giant. Ms. Duering added that taxation and commercial development should not occur in this area.

Carmen Attarian, 225 North Standage, #63, stated that she lives in the area and commented on all the changes that have occurred over the years. Ms. Attarian stated the opinion that the site is inappropriate for the project and recommended that additional parks be developed at that location.

Rhonda Kesten, 1960 West Des Moines, commented that she lives three blocks away from the proposed stadium site and reported that she conducted an informal survey of residents in the area regarding this project. Ms. Kesten stated that two out of forty-seven people she questioned were aware of the proposal and expressed concern over the lack of notification to affected residents. Ms. Kesten urged the Council not to support the proposal.

Julie Pace, a member of the Rio Salado Crossings Association, spoke in strong support of allowing the voters to decide on this issue. Ms. Pace commented on the long-range benefits of the project, the fact that the City does not have a property tax and relies on alternative revenue generators, and the fact that the project represents much more than a stadium project, and listed the various components of the proposal.

Vince Fantozzi, 1444 West 7th Street, stated the opinion that the proposal is vague and contains unanswered questions. Mr. Fantozzi added the opinion that the project will decrease property values and negatively impact the quality of life of the residents in that area.

David Nichols, 4051 North Higley, speaking as an employee of TRW, commented that the company supports the project and allowing the citizens to cast their deciding vote on this issue. Mr. Nichols added that as a citizen of Mesa, he believes that the project will allow the City to attract quality businesses and urged the Council to approve the resolution.

Robert Power, 2235 North Gentry, expressed the opinion that the issue should be voted on at a regular election when the largest amount of people are likely to cast their votes, rather than at a special election, which he believes will be controlled by special interest groups which are not representative of the majority.

Marilynn Wennerstrom, 1112 North Center Street, spoke in opposition to an additional increase in sales tax and requested that the City-issued utility bills be itemized for the convenience of the citizens.

L.M. Brewer, 510 North Alma School, commented that as an educator in the east valley, she is concerned that the Council can vote to build a sports complex when large numbers of school classrooms are located in portable buildings. Ms. Brewer added that the proposed facility will attract violence and crime and spoke in strong opposition to the project.

Susan Klecka, 706 South Main Street, speaking as a 25-year resident of the City and the owner of two businesses located in the downtown area, indicated that she supports allowing the citizens of Mesa the opportunity to vote on this issue.

Dave Wier, 5421 East Fountain Circle, encouraged the Council to allow the citizens of Mesa to cast their vote on this matter. Mr. Wier noted that the proposed convention center will provide the biggest economic benefit to the City and said that the stadium is just a small part of the overall project. Mr. Wier expressed the opinion that the Rio Salado Project represents an outstanding opportunity for the City of Mesa.

Jeffry Flake, 4222 East Brown Road, spoke in opposition to the placement of this issue on the ballot and commented that the sales tax revenues should be used to support libraries, ballet, and the arts rather than sports complexes.

Chuck Stadler, 1937 West Dartmouth, commented on the enjoyment citizens experience at Riverview Park and cautioned that the project will destroy the beauty of this area. Mr. Stadler stated that the area has seen significant change over the last several years and urged the Council to protect rather than endanger the property values of the residents.

Deborah McKinley-Yacoub, 2020 West Dixon, informed the Council that she grew up in Chicago, approximately one-half mile from Wrigley Stadium and added that she has witnessed first hand the destruction neighborhoods undergo once sports stadiums are erected.

Robert Brinton, 4011 East Fairview Circle, representing the Mesa Convention and Visitors' Bureau, advised that the Bureau strongly supports the placement of this item on the ballot for citizens to decide.

Jerry Petrie, 811 West Mountain View Drive, commented that the project represents an outstanding opportunity for the City of Mesa and stated that he totally supports the proposal.

Robert Power, 2235 North Gentry, stated the opinion that a majority of the people in support of this project do not live in the affected area. Mr. Power spoke in opposition to the placement of this issue on the ballot.

Brett Cipola, 1932 West Dartmouth, advised that he moved to the area in question because of the neighborhood's vicinity to Riverview Park and golf course. Mr. Cipola expressed concern that the proposal will negatively affect property values and result in an increase in traffic and criminal activity.

Charlie Deaton, 5304 East Hannibal, said that although he is employed by the Mesa Chamber of Commerce, he would like to address his remarks as a relatively new resident of Mesa. Mr. Deaton noted that a lack of image and identity exists in Mesa and commented that this project will provide Mesa with an opportunity to be identified on a world-wide basis. Mr. Deaton added that the project will generate approximately \$9 million in tax revenues for Mesa schools and urged the Council to allow this matter to go before the voters.

Mayor Brown thanked the speakers for their comments.

In response to a request from Councilmember Pomeroy, Mr. Rushman provided an overview of the various parks, amenities, and open space areas that are planned for the project.

Assistant City Manager Mike Hutchinson advised that the majority of the project will be financed with public (general debt) bonds that will be issued by the City of Mesa and said that therefore, the facility will be owned by the City of Mesa. Mr. Hutchinson added that the operation of the facility will be public, with either the City or the current District Board operating the facility. Mr. Hutchinson added that the public will have control over the budget, facilities, and facility use. Mr. Hutchinson also noted that the project will be a design-build facility and that the City's total contribution will be fixed.

Councilmember Jaffa commented that his final support will be based upon the procurement of IGA's that will effectively protect the financial interest and well being of the City of Mesa. Councilmember Jaffa stated that he anticipates that the facility will operate at a deficit but added that significant sales tax dollars will be generated that will exceed the project area deficit. Councilmember Jaffa expressed the opinion that the project will enhance the quality of life of Mesa's residents and will serve as an economic engine for the east valley cities, including Phoenix. Councilmember Jaffa said that a proposal of this magnitude deserves an opportunity to be voted upon by Mesa citizens.

It was moved by Councilmember Jaffa, seconded by Councilmember Pomeroy, that Resolution No. 7305 be adopted.

Councilmember Hawker commented that this item is a State wide issue and that the State recapture of funds represents a legislative act which is appropriate for this type of facility.

Councilmember Kavanaugh commended the various groups and individuals who have extended great effort to develop the proposal. Councilmember Kavanaugh stated the opinion that the issue should be placed before the voters and that as much information as possible should be provided to enable the voters to cast an informed vote on this important matter.

Vice Mayor Giles stated that prior to the project going forth, a number of safeguard provisions have to occur and emphasized that at any point in time, the Council has the ability to decide not to proceed with the project should they determine that the proposal is not in the best interest of the City of Mesa. Vice Mayor Giles added that although he would not vote in support of this issue if the vote was to occur at this time, in his opinion the matter should be placed before the voters and they should decide the final outcome.

Councilmember Davidson commended the members of the Rio Salado Board of Directors and commented that a significant amount of work remains to be done on this proposal. Councilmember Davidson added that the proposal will add to the City's economic development base and said that the issues should be placed on the ballot of the May 18, 1999 election.

Councilmember Pomeroy concurred that the issues should be decided by the voters and stated the opinion that the project will assist in identifying Mesa as a destination point.

In response to a request from Mayor Brown, Assistant City Manager Mike Hutchinson discussed anticipated changes to Riverview Park. Mr. Hutchinson said that as the proposal currently stands, the lake may remain but added that plans are being developed to replace the park hopefully within several miles of its existing site. Mr. Hutchinson also advised that several new neighborhood parks will be developed in addition to walking paths, a skateboard park, and open space areas.

Mayor Brown commented that roads will be redesigned to direct traffic away from the neighborhoods. Mayor Brown expressed the opinion that the proposal is fair and that the voters should be provided an opportunity to decide on this issue. Mayor Brown added that the Rio Salado Crossing Project represents the most momentous project to ever come before the City of Mesa and will greatly benefit the City of Mesa and surrounding communities.

Carried unanimously.

3. Consider a Resolution calling a Special City of Mesa election to be held on May 18, 1999, for the purpose of asking the voters of Mesa to determine whether the City's sales tax should be increased to support the Rio Salado Crossing Project – Resolution No. 7306.

It was moved by Councilmember Jaffa, seconded by Councilmember Pomeroy, that Resolution No. 7306 be adopted.

Councilmember Hawker stated that as a Councilmember, he is responsible for analyzing data and determining which issues should be placed on the ballot. Councilmember Hawker added that in his opinion, the project is not in the best interest of the City of Mesa and should not be placed on the ballot of a May 18, 1999 Special Election. Councilmember Hawker expressed the opinion that the proposal should be, at a minimum, a project of the East Valley Partnership and include the cities of Tempe, Scottsdale, and the Salt River-Pima Indian Community rather than be limited to Mesa. Councilmember Hawker added that the project should be jointly financed and said that State or County involvement would also be appropriate.

Councilmember Hawker advised that in order to go forward with the project, all of the municipal amenities in this area, with the exception of the lake, will be destroyed. Councilmember Hawker said that he would prefer expending effort and funds to establish Mesa as a world renowned City for parks, open space, museums, canal bank development and family directed activities. Councilmember Hawker added the opinion that additional alternatives should be explored.

Upon tabulation of votes, it showed:

AYES - Brown-Davidson-Giles-Jaffa-Kavanaugh-Pomeroy
NAYS - Hawker

Mayor Brown declared the motion carried by majority vote and Resolution No. 7306 adopted.

4. Adjournment.

It was moved by Councilmember Jaffa, seconded by Vice Mayor Giles, that the Special Council Meeting adjourn at 8:26 p.m.

Carried unanimously.

WAYNE BROWN, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

Special Council Meeting
January 11, 1999
Page 7

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 11th day of January 1999. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 1999

BARBARA JONES, CITY CLERK