



## COUNCIL MINUTES

December 8, 2015

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 December 8, 2015 at 4:49 p.m.

### COUNCIL PRESENT

John Giles  
Christopher Glover  
Dennis Kavanaugh  
David Luna  
Dave Richins  
Kevin Thompson

### COUNCIL ABSENT

Alex Finter

### OFFICERS PRESENT

Christopher Brady  
Jim Smith  
Dee Ann Mickelsen

Mayor Giles excused Councilmember Finter from the entire meeting and Councilmember Richins from the beginning of the meeting; he arrived at 4:55 p.m.

### 1. Review items on the agenda for the December 8, 2015 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

### 2-a. Hear a presentation and discuss a proposed Youth Sports Complex by Visit Mesa.

Marc Garcia, President and CEO of Visit Mesa, introduced Mark Thede, Board President, Arizona Youth Soccer Association, Matt Libber, Senior Vice President, Elite Tournaments, and Dr. Steve Hogen, Athletic Director at Mesa Public Schools, who were prepared to respond to any questions the Council might have.

Mr. Garcia displayed a PowerPoint presentation (**See Attachment 1**) and provided a brief overview of a proposed multi-field, multi-purpose sports complex, which could potentially attract significant visitor tax revenues to Mesa and boost the community's overall economic development efforts. He explained that Mesa has competition from Phoenix, Scottsdale, Tempe and Glendale, all of which have invested in major sports complexes. He also stressed the importance of Mesa maintaining its brand integrity and being consistent with the City's reputation of being a family-friendly community. He added that the development of a youth and amateur sports complex would result in hundreds and even tens of thousands of people visiting Mesa and in particular, youth and their families.

Mr. Garcia recounted that approximately a year ago, he made a presentation to the Falcon Strategic Visioning Commission as it relates to a multi-field sports complex in northeast Mesa. He stated that the presentation was so well received, that he was subsequently authorized by the Visit Mesa Board of Directors to commission a feasibility study. He noted that Nations Group, a local firm that has significant experience in renovating and building similar projects throughout the country, was selected by the Board to perform the study.

Mr. Garcia remarked that in conjunction with the feasibility study, a three-part survey was conducted with more than 400 event rights holders across the country and Canada, including Arizona-based event organizers. He explained that additionally, phone interviews were conducted with 23 key national and local event producers to solicit their feedback and input with respect to a new sports complex. He noted that the results from such outreach efforts were used to develop the design concept for the project and also to create a program calendar for the anticipated first full year of operations.

Mr. Garcia highlighted the various elements of the sports complex, which would include 24 multi-purpose fields (18 turf and 6 artificial); a dual stadium concept with seating for more than 4,000 people; a 110,000 square foot fieldhouse, which could accommodate indoor sporting events, as well as activities for local residents during the summer months; a large operations center; and ample parking, restrooms, clubhouse space and various amenities. He commented that the proposed site for the project is City-owned land (purchased from the Bureau of Reclamation), which is located adjacent to the Red Mountain Multigenerational Center and next door to the Red Mountain Soccer Complex.

Mr. Garcia further spoke concerning the potential economic impact on Mesa and the region if the sports complex became a reality. (See Page 5 of Attachment 1) He cited, for instance, that 109,000 hotel room nights could be directly attributed to tournaments using the fields and/or fieldhouse. He noted that the annual economic impact could equate to more than \$98 million.

Mr. Garcia pointed out that Visit Mesa has hired Elliott Pollock & Company to verify the economic impacts; assess the sales tax implications to the City's General Fund; and also to review the potential construction impact. (See Page 6 of Attachment 1) He said it was anticipated that the report would be completed by mid-January 2016. He also remarked that the development of such a project could result in year-round motel/hotel bookings and bring repeat business to Mesa during peak and non-peak tourism seasons.

Mr. Garcia, in addition, reviewed a series of reasons why soccer, which would serve as the anchor sport for the multi-field sports complex, would attract tourism and bring major economic revenue to the City. (See Pages 7 and 8 of Attachment 1) He cited, by way of example, that the Hispanic/Latino community and young adults (ages 18-29) are the two fastest growing U.S. demographics embracing soccer.

Mr. Garcia stated that the multi-field, multi-purpose sports complex would be a successful venture in the community based on a variety of considerations including, but not limited to, the following: the Mesa market is more affordable than other venues (i.e., Las Vegas, Phoenix, Scottsdale); the institutional knowledge of Visit Mesa staff and client relationships; a competitive advantage over similar facilities like Phoenix's Reach 11 Recreation Area; preferable climate; and the fact that soccer has a strong presence in the region.

Mr. Garcia displayed a series of schematic drawings illustrating various elements of the proposed sports complex. (See Pages 10 through 15 of Attachment 1)

Mr. Libber expressed support for the proposal which, in his opinion, would be a “true multi-purpose facility and not just a soccer facility.” He commented that lacrosse is the number one fastest growing sport in the country and stated that unfortunately, many facilities cannot accommodate lacrosse tournaments. He noted that he was pleased to see that the design of the proposed multi-field, multi-purpose sports complex includes such accommodations.

Mr. Libber further remarked that by way of illustration, if the complex hosted a weekend soccer tournament and utilized all available fields, the economic impact to the City could be as much as \$2.1 million.

Mr. Thede reported that since fiscal year 2008/09, the Arizona Youth Soccer Association’s (AYSA) registration has increased by an estimated 51% in Maricopa County. He explained that during that same period of time, the number of club-sponsored tournaments has more than doubled. He pointed out, however, that the number of soccer fields in the area that are accessible to the AYSA’s members has not grown. He added that registration in Mesa for AYSA membership is somewhat limited, which can possibly be attributed to the lack of soccer fields in the community.

Dr. Hogen indicated that the Council is familiar with Mesa’s aquatics program, which has attracted national competitions, generated significant revenue for the community and is enjoyed by Mesa residents. He stated the opinion that the proposed sports complex would serve in a similar manner for Mesa.

Councilmember Luna recognized David Hines, Assistant Executive Director, Arizona Interscholastic Association (AIA), who was present in the audience.

Responding to a question from Councilmember Thompson, Mr. Garcia clarified that it was estimated that the sports complex would cost approximately \$54 million to \$57 million to build.

Councilmember Thompson commented that the proposal was “a great concept,” but expressed concern that the City of Mesa was the only entity with a financial investment in the project. He explained that unlike Sloan Park, in which the Chicago Cubs and the City made financial commitments with respect to the cost of the baseball stadium, in this proposal, Mesa residents would be required to pay the cost for “the building of the fields.” He also stated that other than the tax revenue generated from the sports complex, “there is very little that it does for our citizens.” He added that it would also be important to consider the ongoing operations and maintenance costs associated with the sports complex.

Councilmember Thompson further remarked that he would be in support of the project if it was “100% self-sustained” and there were other partners willing to fund a portion of the costs. He also suggested the following: that the project not be considered just as a Parks and Recreation type facility, but more of an economic development opportunity; that staff conduct additional research with respect to the potential operations and maintenance costs of the sports complex; and assess how the sports complex would serve Mesa’s citizens.

In response to a question from Councilmember Richins, City Manager Christopher Brady estimated that the capital costs for the sports complex would equate to an estimated \$50 million. He explained that the question becomes what is the gap between what the complex would generate in revenue versus the actual cost of maintaining the site. He stated that staff was considering a range between \$500,000 and \$800,000, but cautioned that those figures are merely estimates at this time.

Councilmember Richins questioned whether it would be necessary, from an economic standpoint, for all of the multi-purpose fields to be situated at one location or perhaps placed in different areas in the community. He stated that he was also interested in hearing from the residents in the neighborhood along 80<sup>th</sup> Street, whose homes would be located next door to the proposed sports complex.

Mr. Libber responded that drawing on his experience as an event organizer, he would prefer to have all of the fields at one location. He explained that logistically, it helps to run the event more smoothly and prevents the players and their families from being shuttled from one area of town to another for a tournament.

Mr. Garcia further remarked that not only is it more cumbersome for event organizers to have split campuses for tournaments, but it is also often cost prohibitive.

Vice Mayor Kavanaugh stated that the project appears to be very promising and noted that he was pleased to see that Elliot Pollock & Company was hired to verify the economic and construction impacts. He commented that such an analysis will be an important asset for the Council to consider in terms of the feasibility of the program, revenues, operations and maintenance costs.

Mayor Giles thanked everyone for the presentation. He invited Mr. Garcia to come back to a Study Session in January once Mr. Pollock's report has been completed and the Council has more time to discuss this item.

2-b. Hear a presentation and discuss an update related to Veterans' initiatives and partnerships.

Mayor Giles stated that this item was continued to a future Study Session.

2-c. Hear a presentation, discuss, and provide direction on the acquisition of property located at 1240 East Main Street (previously Mervyn's).

It was moved by Councilmember Richins, seconded by Councilmember Glover, that staff be directed to open negotiations on the property located at 1240 East Main Street.

City Manager Christopher Brady clarified that staff had expressed certain concerns relative to the environmental condition of the property.

Mayor Giles called for the vote.

Upon tabulation of votes, it showed:

AYES – Giles-Kavanaugh-Luna  
NAYS – Glover-Richins-Thompson  
ABSENT – Finter

Mayor Giles declared the motion failed for lack of a majority vote.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Luna, that this item be tabled.

Upon tabulation of votes, it showed:

AYES – Giles-Kavanaugh-Luna  
NAYS – Glover-Richins-Thompson  
ABSENT – Finter

Mayor Giles declared the motion failed for lack of a majority vote.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Economic Development Advisory Board meeting held on November 3, 2015.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Glover, that receipt of the above-listed minutes be acknowledged.

Mayor Giles declared the motion carried unanimously by those present.

4. Convene an Executive Session.

(Note: The Executive Session was convened between agenda items 2-b and 2-c.)

It was moved by Councilmember Glover, seconded by Councilmember Luna, that the Study Session adjourn at 5:22 p.m. and the Council enter into Executive Session.

Mayor Giles declared the motion carried unanimously by those present.

4-a. Discussion or consultation for legal advice with the City Attorney. (A.R.S. §38-431.03A (3)) Discussion or consultation with designated representatives of the City in order to consider the City's position and instruct the City's representatives regarding negotiations for the purchase, sale, or lease of real property. (A.R.S. §38-431.03A (7)) Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding the City's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §38-431.03A (4))

1. Property located at 1240 East Main Street (previously Mervyn's)

(The Executive Session adjourned and the Study Session reconvened at 5:45 p.m.)

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

There were no reports on meetings and/or conferences attended.

6. Scheduling of meetings and general information.

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

Saturday, December 12, 2015, 8:00 a.m. – Vice Mayor Kavanaugh’s Pancake Breakfast and Toy Drive, Fire Station No. 207

Saturday, December 12, 2015, 11:00 a.m. – Falcon Field Airport Terminal Building Ribbon Cutting Ceremony

Mr. Brady also reported that Merry Main Street will continue through January 3, 2016.

7. Adjournment.

Without objection, the Study Session adjourned at 5:48 p.m.

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JOHN GILES, MAYOR

ATTEST:

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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 8<sup>th</sup> day of December, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

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DEE ANN MICKELSEN, CITY CLERK



Mesa City Council Study Session, December 8, 2015



# The Opportunity

- There is opportunity for the development of a new multi-sport venue that can be used to attract significant visitor tax revenues to Mesa, helping to boost overall economic development
- Market Feasibility & Economic Impact Study completed
  - Examined the viability of a new multi-field, multi-purpose sports complex
  - Analyzed the potential of the project to draw more visitors and dollars to the City by attracting additional field sporting events
  - Identified that a large void exists in maximizing sports tourism for the region
- A joint survey by the Sporting Goods Manufacturing Association (SGMA) and the National Association of Sports Commissions reported that the top reason club/travel teams choose a tournament is the quality of the venue
- The City of Mesa is in a unique position to become a leader in the sports tourism market, locally, regionally and nationally. As the third largest city in Arizona and the second largest city in the metro-Phoenix area, Mesa is already known for a variety of cultural and sports attractions and events, and has invested in building its brand as a vibrant metropolis.
- Establishes a true “Mouse Trap” and could lead to additional hotel, restaurant and retail development





## Surveying/Interviewing User Groups

- A three-part survey was conducted to determine the impact of opening a new sports complex in Mesa, including:
  - Surveyed over 400 event rights holders from across the United States and Canada, including Arizona based event organizers
  - Phone interviews conducted with 23 key national and local event producers to determine the ideal make-up of a new sports complex
- The results from these outreach efforts were used to develop the facility design concept, along with a program calendar for the first anticipated full year of operations of the new facility (2019...could open in late '18).



## Project Overview

- 24 multi-purpose fields (18 turf, 6 artificial) with Red Mountain Soccer 6 fields next door becomes a 30-field complex; all 120' x 80' w/40' space breaks
- Dual Stadium concept with seating for 4,000+ each (one artificial, one turf). Latest technology in “press box” viewing towers
- Indoor fieldhouse (110,000 square feet) to pursue indoor sports; also allows for local resident summer programming during hot summer months
- Large operations center
- Plenty of parking, restrooms, clubhouse space, and amenities that will truly set it apart for event planners



## Impact on Mesa and the Region

- If we build it we can reasonably expect the following results:
  - 109,000 hotel room nights could be directly attributed to tournaments using the fields and/or fieldhouse
  - Annual Economic Impact: \$98,385,386
    - Outdoor Events: \$90,500,795
    - Indoor Events: \$7,884,591
  - Annual Transient Lodging (TLT) Tax (5%): \$584,824\*
  - Annual Transaction Privilege (TPT) Tax (1.75%): \$204,688\*
    - \*both are based on 2014 collections per STR
    - Does not include Sheraton or Courtyard @ Gateway
  - Hired Elliott Pollack & Company to verify these impacts and to flush out the \$98M further...sales tax implications to the City's General Fund



## Impact on Mesa – Cont'd

- **Construction Impact**
  - Direct Wages: \$17,527,753
  - Indirect Wages: \$6,064,767
  - Induced Wages: \$6,129,928
  - Total Economic Output of project construction:  
**\$78,357,802**
- **Year-Round bookings**
  - Leveraging its resources for venue improvements and new event offerings, the City of Mesa can drive annual repeat business to the area during both peak and non-peak tourism seasons through sports.



## FAQ: Why Soccer?

- The Hispanic/Latino community and young adults (ages 18-29) are the two fastest growing US demographics and who embrace soccer. According to the U.S. Census, Latinos are expected to reach 23% of the U.S. population by 2035.
- The WSJ noted that youth participation in soccer is double that of tackle football and larger than youth baseball by about 1 million participants.
- Major League Soccer (MLS) will add 3 more teams by 2017 for a total of 24 teams. 2015 MLS average attendance is 21,546 which is greater than both NBA and NHL and represents a 40% increase over the last 10 years.
- More Americans watched the Women's World Cup Final than the NBA Final or Stanley Cup Final.
- Soccer now only trails basketball in popularity among 12-17 year-olds (2014 ESPN Poll).
- The same survey also reported that professional soccer ranked as the #2 sport after only professional football.
- TV contracts (broadcast rights) and corporate sponsorships are growing incredibly fast.



## Why Soccer? - Cont'd

- This growth will fuel the local and regional programming that would drive revenue to the new Mesa Sports Complex
- Soccer field sizes enables any other field sport to be played as well (football, rugby, ultimate, lacrosse, etc.)

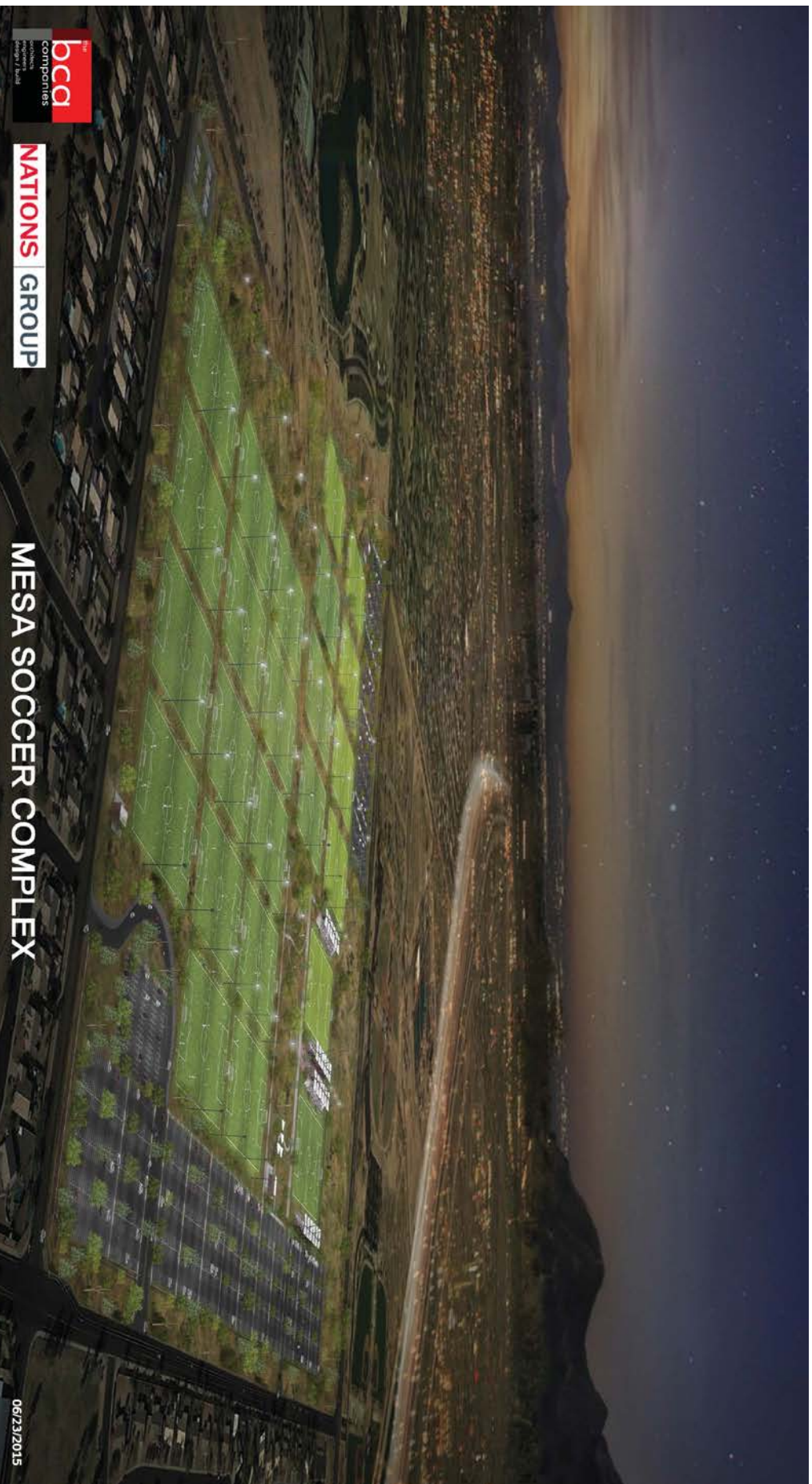


## Why It Will Work in Mesa

- The Mesa market is more affordable than its competitive set
- Institutional staff knowledge and client relationships
- Competitive advantage over “similar” facilities like Reach 11 (Bureau of Reclamation policy limits the pipeline)
- Preferable weather/climate, year round
- Soccer has a strong presence in the region, and the proposed facility within the City of Mesa will be of superior caliber.
- Appropriate support staff and marketing infrastructure built into this plan
- The new Mesa Sports Complex will capture significant market share of the local and national sports community’s events and this would put the City of Mesa at the forefront of premier youth/amateur sports facilities in the United States.



# Proposed Youth/Amateur Sports Complex in NE Mesa



NATIONS GROUP

MESA SOCCER COMPLEX

06/23/2015





# Stadium Perspective



MESA SOCCER COMPLEX

NATIONS GROUP





# Front Entry to Stadium Fields



the  
**bcca**  
companies  
enables projects that

**NATIONS** | **GROUP**

**MESA SOCCER COMPLEX**

06/23/2015





# Team/Player Drop Off View



bcca  
companies  
architect  
engineer  
design + build

NATIONS GROUP

MESA SOCCER COMPLEX

06/23/2015



# Locker Rooms Under Stadium Fields





# Potential Office Space





## Support From Clients

- **Matt Libber, V.P. of Business Development, Elite Tournaments**
- **Mark Thede, Board President, Arizona Youth Soccer Association**
- **David Hines, Assistant Executive Director, AIA**