

COUNCIL MINUTES

July 13, 1999

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 July 13, 1999 at 7:30 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

STAFF PRESENT

C.K. Luster
Kevin Adam
Wayne Balmer
Neal Beets
Denise Bleyle
Jamie Brennen
Linda Crocker
Jerry Dillehay
Jack Friedline
John Geier
Carl Geis
John Gendron
Geri Gerber
Joe Holmwood
Mike Hutchinson
Barbara Jones
Dorinda Larsen
Keith Nath
Joe Padilla
Ellen Pence
Bryan Raines
Andrea Rasizer
Tom Remes
Becky Richardson

STAFF PRESENT (CONT.)

Kim West
Mindy White
Larry Woolf
Debbie Yukolis
Others

OTHERS PRESENT

Linda Bailey
Robert Brinton
Joanie Flatt
Jan Hibbard
Elma Milano
David Molina
Joan Payne
Rick Pfannensteil
Mark Taylor
Claudia Walters
Marilynn Wennerstrom
Mary Jo Whalen
Jim Zaharis
Others

Mayor Brown advised that the purpose of this meeting is to provide the Council an opportunity to discuss and consider the quality of life sales tax program, the Aquatics Center, the Arts & Entertainment Center and recommendations pertaining to both facilities. Mayor Brown indicated that the following two agenda items will be discussed at the same time and urged the members of the Council to pose questions regarding these important issues.

1. Discuss and consider the half-cent sales tax program.

(See discussion under agenda item 2 below.)

2. Further discussion and consideration concerning recommendations pertaining to the Arts & Entertainment Center.

Mayor Brown stated that Council and staff has expended a great deal of effort analyzing the above issues and developing estimated costs for the Aquatics Center and the Arts & Entertainment facility. Mayor

Brown commented on the fact that the media has reported that significant cost over-runs have occurred and stated the opinion that this information is incorrect. Mayor Brown stated that staff engaged the services of a consultant to assist in the development of a concept for the Arts and Entertainment facility. Mayor Brown added that an Architect Selection Committee was formed to perform extensive research and provide the Council with recommendations relative to the facility and the selection of an architect for the project. Mayor Brown reported that the architect's original cost estimate totaled \$118 million and said the architect was advised that the cost would have to be reduced significantly prior to presentation to the Council. Mayor Brown advised that \$89.9 million is the final estimated cost of the project and noted that this amount contains provisions for contingency funding.

Mayor Brown also discussed the Aquatics Center facility and advised that the Parks & Recreation staff thoroughly reviewed all aspects involved in the development of a center and determined that the proposed project could be completed at a cost of approximately \$11 million. Mayor Brown said that an Aquatics Committee was formed and it was determined that in order to develop a high-quality aquatics facility that would contain all of the elements necessary for an upscale center, the cost would be approximately \$19 million.

Mayor Brown informed those present that in an effort to determine funding methods, staff was directed to prepare realistic projections on the amount of sales tax that will be available to fund the project over the required number of years. Mayor Brown commented that the Aquatics Center and the Arts & Entertainment Facility are just two examples of items that are included in the Quality of Life program. Mayor Brown added that based on the knowledge that the projects will not be completed in the near future, staff calculated the amount of sales tax that would be collected and invested during the interim period, and reported that this amount, combined with available Parks and Recreation bond monies, (approximately \$5.5 million), would equal the total amount of funding required for the Aquatics Center.

Mayor Brown expressed the opinion that the Council supports both of the proposed projects and the manner in which staff is proposing to utilize Quality of Life sales tax monies to fund the projects. Mayor Brown emphasized that all of the projects that were selected to receive Quality of Life funding will receive their designated funding amounts and will not be impacted as a result of the Aquatics Center and the Arts & Entertainment Center.

Mayor Brown reiterated that the additional costs represent project enhancements that are necessary to develop high-quality projects that will benefit the citizens and the City of Mesa. Mayor Brown said that funding is in place and will be sufficient to develop the projects.

Councilmember Kavanaugh concurred with Mayor Brown's remarks and commended staff on their efforts to review and refine revenues and ensure that the projects are built to a level of quality that will benefit the community. Councilmember Kavanaugh also stated the opinion that the Aquatics Facility will be a key component in the community and will be recognized as a world class facility. Councilmember Kavanaugh discussed the extensive amount of time devoted to the development of this project and emphasized that final decisions were arrived at based on input from all facets of the community.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Davidson, that the proposed program budget and schedule for the Arts & Entertainment Center be approved and that staff be directed to proceed with the design of the project.

Councilmember Pomeroy commented that the voters dictated that an Arts & Entertainment facility be built and stated the opinion that the added monies necessary to develop a quality, state of the art center, should be expended. Councilmember Pomeroy read portions of a letter received from a constituent in support of the project and said that he supports Councilmember Kavanaugh's motion.

Councilmember Davidson expressed the opinion that the Arts & Entertainment Center will enhance rather than define Mesa and expressed appreciation to Councilmember Kavanaugh and the citizen groups for their extensive efforts. Councilmember Davidson added the opinion that the Center will assist the City of Mesa in their efforts to sustain growth and enhance economic development in the Town Center.

Vice Mayor Giles commented on the fact that the Council elected to allow the citizens an opportunity to vote on the development of an Arts & Entertainment Center as part of the Quality of Life tax issue and added that the Aquatics Facility was also part of a 1996 bond issue. Vice Mayor Giles stated that his previous reluctance in proceeding with the project was based on concerns that commitments made to citizens regarding the various projects that would be developed as a result of the funds generated by the tax would not be met. Vice Mayor Giles added that he is now satisfied that all of the projects will be funded as originally proposed and said that based on this determination, he will support the motion.

Councilmember Hawker stated that the program as presented to the voters had five basic categories combined into one package, requiring voters to vote yes or no on a single funding issue rather than providing the voters with an opportunity to select the projects they preferred. Councilmember Hawker expressed the opinion that the proposed financing proposal appears appropriate and adequate to support the projects. Councilmember Hawker noted that an additional option would be to terminate the tax earlier, not appropriate additional funding for the Aquatics Center or the Arts Center, and retire the debt in September 2005. Councilmember Hawker stated that the Council could also consider proportionately distributing funds among the five distinct categories (police/fire, aquatics, libraries, parks, and freeways) in an effort to determine the required additional appropriation and allow that amount to be spent. Councilmember Hawker said that although the latter proposal would not generate the additional monies necessary for the Arts & Entertainment Center, the additional \$8 million for the Aquatics Center would be generated.

Councilmember Hawker concurred that should sufficient funding be available, staff should pursue the development of quality projects that will enhance the community and serve as a cornerstone for future development. Councilmember Hawker also expressed concerns relative to the fact that estimated sales tax revenues generated over the next seven years may not reach staff's projections and the fact that approval of two citizen initiatives slated to appear on the ballot of the March 2000 election, would negatively impact food and rental sales tax revenues. Discussion ensued relative to projections based on Councilmember Hawker's concerns, and potential impacts on the City. Councilmember Hawker said that he will support the motion as presented and noted that this issue will be discussed again following the elections and prior to going to initiating the bidding process.

Councilmember Hawker also advised that he served as Chairman of the Aquatics Committee, introduced the members of the Committee to the Council and thanked the members for their extensive efforts regarding the development of this project. Councilmember Hawker presented a brief overview of the Committee's efforts to date and noted that significant citizen input was solicited throughout the community.

Discussion ensued relative to the Mesa Verde Project and access, maintenance and ownership issues associated with that project, the Committee's desire to establish an economic engine for downtown Mesa and develop a high quality project that will attract people to the town center area, and funding proposals and project amenities, including a therapy pool and a 16-foot whirlpool bath.

Councilmember Hawker expressed the opinion that the \$11 million included in the Quality of Life tax, combined with the \$5.5 million previously allocated for an aquatics center and the addition of Parks bond monies, is sufficient revenue to develop a high-quality, state of the art Aquatics Center.

Councilmember Hawker stated that he supports the development of the Aquatics Center as proposed and added that this issue has the unanimous support of the Parks & Recreation Board and the Aquatics Committee.

In response to a question from Mayor Brown, Committeemember Jim Zaharis stated the opinion that should the Council decide to proceed with the project, the recommended proposal should be followed and stressed the importance of developing a unique, quality facility. Dr. Zaharis added the opinion that the project meets all of the objectives that were outlined and will serve the community well into the future.

Additional discussion ensued relative to the proposed location of the facility and the economic benefits of the project.

Committeemember Mark Taylor, head coach for Mesa Aquatics, expressed appreciation to the Council for their continued dedication to the youths of the City and for providing Mesa's youths with quality recreational projects.

Committeemember Claudia Walters spoke in strong support of the project, and stated the opinion that the facility will attract people from around the world and positively impact the City of Mesa.

Councilmember Jaffa commented that both projects will serve as economic engines for the City and expressed appreciation to everyone involved in the proposals. Councilmember Jaffa noted that the ballot issue did not contain a specific dollar amount, but did stipulate that if the tax was approved, high quality projects would be developed. Councilmember Jaffa called for the question.

Carried unanimously.

It was moved by Councilmember Hawker, seconded by Councilmember Kavanaugh, that staff be directed to proceed with the design and construction of the Aquatics Center to be financed by \$11 million in Quality of Life sales tax monies and \$8 million in Park bonds.

Carried unanimously.

2. Adjournment.

Without objection, the Special Council Meeting adjourned at 4:39 p.m.

WAYNE BROWN, 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 13th day of July 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