

COUNCIL MINUTES

June 10, 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 June 10, 2002 at 5:30 p.m.

COUNCIL PRESENT

Mayor Hawker
Dennis Kavanaugh
Rex Griswold
Kyle Jones
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

1. Discuss and consider approving a resolution calling a Special Election, to be held September 10, 2002, for the referendum regarding the lease-purchase finance agreement for the Multipurpose Facility. This will include RF02-02, which has already been certified and RF02-01, which is still being reviewed.

Mayor Hawker advised the citizens in attendance that in order to address the City Council on this matter they should complete a "Request to Speak" form and submit it to the City Clerk at this time.

In response to a request from Mayor Hawker, City Attorney Debbie Spinner displayed overheads which highlighted key dates for a September Special Election and provided details regarding financial issues relating to the proposed Multipurpose Facility.

Ms. Spinner provided background information regarding this issue and noted that two separate groups of citizens filed referendum petitions in the City Clerk's Office in order to refer the lease-purchase finance agreement for the Multipurpose Facility to the voters. Ms. Spinner commented that at this time only one referendum (RF02-02) has been certified for placement on an election ballot and indicated that the processing of the second referendum has not yet been completed.

Ms. Spinner reported that an attorney representing citizens involved in one of the referendum efforts has submitted a letter to her Office stating that in his opinion, upon certification of both referendums, two questions (propositions) should appear on the ballot regardless of the fact that the two referendums refer the same issue to the voters. She stated the opinion that since voter

laws were written to prevent voter confusion, it is her recommendation (with Council's concurrence) that the matter be referred to Superior Court for a ruling regarding this issue.

Ms. Spinner referred to the meeting's backup material, House Bill 2177, a recently passed legislation by the Governor that outlines specific deadlines for TSA relating to the agreement for the land and infrastructure including parking specifications. In addition, Ms. Spinner pointed out that the handout also includes an outline of the transactions necessary between TSA and the City of Mesa, the Development Agreement, the Facility Property Lease (Ground Lease Agreement), the Parking Agreement, the Event Staging Area License and the Staging Area License Agreement. Ms. Spinner also referred to agreements between the City of Mesa and third parties, such as the Hurley Family Donation Agreement, and the Hurley Family Parking License.

Discussion ensued relative to election deadlines, target dates, and the lease purchase finance agreement for the Multipurpose Facility, the Hurley property, ongoing discussions with the Tourism and Sports Authority (TSA) and site development.

In response to a request from Mayor Hawker, Councilmember Whalen, Mesa's representative involved in the negotiations for the stadium facility, provided an overview of the City's involvement to date and outlined the financing package as it currently exists and explained that this information is also available through the Memorandum of Understanding which may be reviewed by citizens on the City's website. Councilmember Whalen outlined the City's proposed expenditures associated with the stadium which included the following: 16,400 parking spaces, the infrastructure and street improvements, the design and construction of the plaza, and preliminary costs for plan review including any testing and legal fees. Councilmember Whalen stated that the City's total cost for this project is approximately \$38.5 million.

Mayor Hawker thanked Ms. Spinner and Councilmember Whalen for their comments and stated that, at this time, the meeting is open for public comment. Mayor Hawker explained that the City Attorney has been directed to address the citizens' questions following everyone's remarks.

Mayor Hawker stated that the following citizens do not wish to speak to this agenda item but requested that their opposition to the project be noted for the record: Sara Stewart, Mischel Whipple, Gloria Gibson, Cathy Shepherd, Tony Jacobson, Gem Spurr, and Mark McNeil.

Mayor Hawker stated that the following citizens do not wish to speak to this agenda item but requested that their support for the project and the Special Election be noted for the record: Robert Brinton, Milt Fort, Kathy Neil, Gaye Lynn Rast, Matthew Tutera, Janet Erickson, Michael Flori, Alan Lenton, Michael Udayan, Stephanie West, Wayne Brown, MaryJo Whalen, Marty Whalen, Noel Candland, Rock Arnett, and Rudy Peralta.

John Goode, 1535 North Horne, recommended that the City Council consider placing this issue on a Special Election ballot. He commented on the positive impacts the stadium would generate for the City of Mesa and surrounding communities and thanked the members of the Council for their hard work regarding this issue.

Carmen Aleria addressed the members of the Council and stated concern relative to the costs associated with the stadium and inquired to the feasibility of meeting the deadlines should a

Special Election be called. Ms. Aleria also questioned the impacts to the City of Mesa should the Cardinals choose not to proceed with the project.

Richard Tracy stated the opinion that the stadium presents an enormous opportunity for the City of Mesa and discussed the positive economic impacts from the development of the stadium.

Olga Strickland questioned the accuracy of the cost analysis for the Facility and stated the opinion that historically, funding for these types of projects increases dramatically from the initial projections. She also stated concern regarding the increased traffic, the relocation of Riverview Golf Course, and outlined other impacts to the neighborhood.

Eugene Barkl reported that he has been a long time Mesa resident and expressed his disappointment with the Council (excluding the new members) in proceeding with this project.

Jeff Martin stated his appreciation for Council's efforts in the development of a proposal that is unique, detailed and eliminates liability for the City of Mesa. Mr. Martin stated that this project is an excellent opportunity for both economic and job creation and commented that the Chamber of Commerce is in support of this proposal.

Cris Tutera, Director of Sales and Marketing for the Sheraton Hotel, re-emphasized the comments that had been previously stated by other speakers regarding the positive economic impacts that would be generated from this Facility. Ms. Tutera pointed out the benefits that Bank One Ballpark or the America West Arena have realized and commented on the employment opportunities created by the development of this project.

Charles Stadler stated the opinion that this project is a citywide issue not just a local neighborhood matter. Mr. Stadler pointed out that Phoenix's projects, Bank One Ballpark, America West Arena and the Civic Center have not benefited that financially and commented that based on that fact, he questions the comments previously expressed by fellow speakers regarding the positive impact to Mesa from the development of this Facility.

Mayor Hawker stated that Teddye Stadler does not wish to speak to this agenda item but requested that she supports the Special Election but opposes the stadium.

Mayor Hawker stated that Nicholas Hagen had requested to speak to this issue but indicated that he is no longer present. Mayor Hawker reported that Mr. Hagen has indicated that although he supports the stadium, in his opinion, the issue should be placed on the November Election in lieu of September.

Craig Berge complimented Council's efforts regarding the negotiations resulting in the agreement with the Tourism Sports Authority (TSA) and emphasized the fact that the agreement basically eliminates liability for the City of Mesa. Mr. Berge pointed out that with the current budget situation it may deem necessary to increase the City's sales tax or implement a property tax or possibly decrease and/or eliminate services.

Elizabeth Menchaca indicated that she opposes the stadium. Ms. Menchaca stated concern regarding the Council's proposal with TSA to eliminate the golf course and reiterated that the stadium will not generate a positive tax flow. Ms. Menchaca pointed out the fact that petition

signatures were collected easily and therefore should signify to the Council citizen's positions regarding this issue.

Gary Fuchs reported that this issue has been referred to the voters twice and ultimately defeated twice. Mr. Fuchs stated the opinion that the upcoming Election will result in a third defeat for this issue. Mr. Fuchs requested that Council reconsider proceeding with this issue.

Manny Cortez commented that the current proposal is not similar to the ballot measure presented to voters previously. Mr. Cortez stated that after extensive research of the new proposal it is his opinion that the new proposal is a real benefit to the City of Mesa. Mr. Cortez encouraged the citizens of Mesa to make an informed vote by reviewing the proposal on the internet.

George Endrico stated his opposition to the project at its current proposed site and stressed the fact that the neighborhood demonstrated their opposition in the amount of signatures gathered by that community. Mr. Endrico stated concern relative to the park amenities and the disruption to activities by development of this project.

Marion Whipple commented that the stadium is corporate welfare and stated that she is offended by prosperous corporations that request additional funding from taxpayers for their projects

Paul Brando requested that the Council consider voting "No" on this ballot issue and stated the opinion that given the fact that a recession currently exists it appears to be the inappropriate timeframe in which to fund this project.

Robert Meyers reported that he is in the community that is closely affected by this proposal. Mr. Meyers questioned the statistics provided that projected the amount of individuals that would utilize this facility. Mr. Meyers also stated his concern relative to the parking issue and stated the opinion that the negative comments relative to his neighborhood's concerns are unfair and unwarranted.

Diane Woods spoke in opposition to the stadium but relayed that she is in favor of an Election for voters to decide on the fate of this proposal. Ms. Woods stated her displeasure with the manner in which the TSA and the NFL have handled the financial issues associated with the stadium.

LaRue Gates stated her opposition to the stadium site and relayed her concerns regarding the extensive impacts to her neighborhood, the park's usefulness once the stadium is constructed, the removal of the golf course and the parking issues. Ms. Gates stated the opinion that the stadium site is too close in proximity to residential neighborhoods and, as a result, create further issues for the City of Mesa to resolve.

Mayor Hawker stated since there are no other requests to speak forms he would declare the public comment portion of the meeting closed.

At the request of Mayor Hawker, Ms. Spinner responded to specific questions posed by the previous speakers relative to election costs, election deadlines, City liability, cost overruns, transportation needs, proposal for a bridge between Mesa and Salt River Pima Indian

Community, neighborhood parking issues, alternative election dates, neighborhood mitigation costs and the lake at Riverview Park.

Mayor Hawker requested comments from the Council.

Councilmember Thom stated her support for the referendum and thanked those individuals responsible for gathering the necessary signatures for certification. Ms. Thom emphasized the fact that the TSA is a political subdivision of the State of Arizona and therefore not required to pay any property tax for the stadium. Ms. Thom reiterated that the purpose of this meeting is to decide if this issue should be placed on the September 10th Primary Election Ballot or at the next regularly scheduled election, March 2004. Ms. Thom stated her support to place the issue on the September Election ballot.

Councilmember Walters spoke regarding her support for placing this issue on the September Election ballot and pointed out that the voters can decide on the outcome of this subject matter.

It was moved by Councilmember Walters, seconded by Councilmember Whalen, that Resolution 7854, calling a Special Election to be held on September 10, 2002, be approved.

Mayor Hawker stated that his opposition to the campaign regarding the Rio Salado Crossings project because of the proposed half-cent sales tax increase for Mesa residents in order to develop the project. Mayor Hawker also indicated his opposition to the tax on hotels and car rentals in order to fund the existing proposal for professional sports. Mayor Hawker emphasized that the current proposal does not require funding by Mesa taxpayers. Mayor Hawker reiterated that the ticket sales and the parking revenue will sufficiently pay off the debt and stated the opinion that the agreements ensure that the proposal is a positive transaction for the City of Mesa. Mayor Hawker also stated his support to place this issue on the September Election ballot.

Councilmember Griswold stated his support for the motion based on the efforts demonstrated by the individuals involved in the referendum process. Councilmember Griswold commented on the misinformation that has transpired since the inception of this proposal.

Councilmember Jones stated his support for the Special Election in September to hear the voters' opinions relative to this project. Councilmember Jones spoke regarding the speakers' enthusiasm whether in support or opposition to the proposal.

Vice Mayor Kavanaugh also congratulated those individuals who worked diligently on the referendum process and emphasized the complexity of this legislative process. Mr. Kavanaugh stated the opinion that the proponents had done an excellent job with the referendum process. Vice Mayor Kavanaugh stated that he would also support the motion based on the fact that the decision before Council is to choose to place the successful referendum on a Special Election or the next regular City election. Vice Mayor Kavanaugh emphasized that the vote this evening would not be indicative of support or opposition to the project, merely a plan to empower the voters.

Councilmember Whalen stated his support for the motion and commented on the commitment demonstrated by the petitioners. Councilmember Whalen stated the opinion that although the

issue has proven to be very contentious, the conduct by those involved in this process is commendable.

Mayor Hawker called for the vote.

Carried unanimously.

2. Adjournment.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Whalen, that the Special Council Meeting adjourn at 7:20 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 10th day of June 2002. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK