



COUNCIL MINUTES

September 14, 2000

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 September 14, 2000 at 7:59 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

Jim Davidson

OFFICERS PRESENT

Mike Hutchinson
Neal Beets
Barbara Jones

Mayor Hawker excused Vice Mayor Davidson from the meeting. Councilmember Whalen was excused from the meeting at 8:30 a.m. Councilmember Kavanaugh was excused from the meeting at 9:20 a.m.

1. Hear a presentation on the Crescordia awards presented to the Green Barrel Program and the Main Street Streetscape by Valley Forward Association during the Environmental Excellence Awards program.

Assistant to the City Manager Ellen Pence, Redevelopment Director Greg Marek and Solid Waste Management Director Kari Kent, addressed the Council relative to this agenda item. Ms. Pence stated that two City projects have won the prestigious Crescordia awards from the Valley Forward Association's Environmental Excellence Awards. Ms. Pence noted that the Solid Waste Division won first place in the environmental technologies category for the City's Green Barrel Program and the Mesa Town Center Streetscape won first place in the category of large scale and community development and landscape. Ms. Pence noted that the entry was submitted by the Sherman Group, urban design, planning and landscape architecture, which designed the improvements.

Ms. Kent said that the award presentation was exciting and that the Department's achievements are the result of a team effort. Ms. Kent thanked members of her staff for their hard work and efforts and commended Public Works Manager Jack Friedline for bringing the idea of the Green Barrel program forward.

Mr. Marek commented that Mr. Jack Sherman designed the streetscape project and submitted the entry and added that the award is the result of a team effort that involved a variety of different people. Mr. Marek thanked everyone for their participation in the project.

Mr. Sherman stated that he has enjoyed working with and for the City of Mesa and commented on the significant improvements that are occurring in the Town Center area.

Mayor Hawker commended the recipients on their awards and expressed appreciation to them for their efforts to improve the appearance and operations of the City of Mesa.

2. Hear a presentation concerning the findings of the Pricewaterhouse-Coopers study of the Mesa Community and Conference Center and Amphitheater.

Community Development Manager Wayne Korinek addressed the Council relative to this agenda item and noted that earlier in the year the City Council authorized staff to enter into an agreement with Pricewaterhouse-Coopers to conduct a study of the Mesa Community and Conference Center and Amphitheater. Mr. Korinek discussed the extensive input and community involvement that has occurred regarding the proposed study and noted that a lot of time and energy has spent devoted to the preparation of the report.

Mr. Robert Canton, representing Pricewaterhouse-Coopers, addressed the Council and highlighted a brief presentation outlining the key points contained in the study. Mr. Canton noted that his company has been involved in the preparation of the report for five months and said that the goals of the study were to: 1) determine the appropriate building program for Mesa to accommodate its potential demand; 2) evaluate the economics of the expanded venue, and 3) discuss management and marketing alternatives to maximize operations.

Discussion ensued relative to the various methodology that was used to develop the report, including a review of prior studies, interviews with area hotels, business, civic, and government leaders and department heads, the physical inspection of Mesa's facilities, historical utilization of the facility, a review of operating characteristics of the Mesa Community and Conference Center/Amphitheater and comparable competitive facilities, interviews with past and potential users, and evaluations of destination resources and industry trends.

Mr. Canton informed the Council that a significant amount of time was dedicated to identifying and evaluating destination resources and area attractions, including hotel supply City-wide and throughout the Valley and future planned/proposed developments. Mr. Canton also discussed surveys that were conducted to gain input from promoters, trade/consumer show organizers, and past and potential users of the facilities.

Mr. Canton stated the opinion that the City's strengths include it's large and growing population, strong air and highway access, low destination cost, professional/helpful staff and small town atmosphere and ease. Mr. Canton also noted that the City's areas of weakness appear to include its limited hotel room supply, limited nearby restaurants/retail/entertainment, limited name recognition, competition in the metro area and quality of facilities.

In response to a question from Councilmember Whalen, Community Center Director Eric Norenberg stated that the Community Center will accept bookings 18 months in advance of the event. Mr. Norenberg added that if interest is expressed by an entity that represents a high volume booking, staff expends every effort to accommodate that event.

Councilmember Whalen expressed concern that the current 18 month booking policy may result in the loss of large, highly attended events.

Mr. Canton informed the Council that a booking policy is extremely important and said that a strict 18 month booking policy may result in the loss of customers. Mr. Canton suggested that the Council consider decreasing the amount of time to 12 months.

Councilmember Whalen stated that hotel availability remains a problem despite narrowing the booking deadline.

Discussion ensued relative to the fact that community/conference centers rarely generate a profit, existing space versus actual space needs for meetings and exhibitions, the fact that the amphitheater currently has 4,200 seats but actually should have between 5 and 7,000, the fact that the study included existing and proposed operating revenues and expenses, economic impacts on the City as a whole, an estimate that the proposed expansion would attract an additional 100,000 people to the downtown area, management and marketing issues and proposed staffing levels.

In response to a question from Mayor Hawker, Mr. Canton stated that the cost of the study was \$80,000.

City Manager Mike Hutchinson informed the Council that it is staff's recommendation that the study be presented to the General Development Committee for their review and recommendations to the full Council. Mr. Hutchinson commented that maintenance on the facilities has been deferred and said that this issue will be a topic of discussion. Mr. Hutchinson stated that staff will present this to the General Development Committee and solicit input from the rest of the community prior to once again bringing this issue before the Council for their review and consideration.

Councilmember Walters, who serves as Chairman of the General Development Committee, said that the Committee will review this matter and forward their recommendations to the full Council.

3. Hear a presentation on the status of the Mesa Indoor Aquatic Center project at the 50% schematic phase and recommend approving proceeding with the program at a revised cost estimate of approximately \$23 million.

City Manager Mike Hutchinson stated that the proposed Indoor Aquatic Center represents another major project for the community. Mr. Hutchinson discussed the significant amount of citizen participation that has gone into this project and said that the purpose of this agenda item is to provide the Council will a full briefing on this project and present staff's recommendations for consideration. Mr. Hutchinson added that costs for this project have increased and said that staff will address this issue.

Parks and Recreation Director Joe Holmwood and City Engineer Keith Nath addressed the Council relative to this agenda item. Mr. Holmwood noted that staff has met with the consultant, various groups, the Planning and Zoning Committee, and the Parks and Recreation Board and reworked and revised the proposal they are about to present. Mr. Holmwood said that the first part of the presentation will involve the site plan, design, proposed budget and anticipated construction timetable.

Gene Valentine, a partner and project manager for the architectural firm BPLW commented that he has been involved in this highly interactive project for over two years and added that multiple

concepts have been developed over that time for consideration. Mr. Valentine noted that the City's mission for this project is to provide a world-class aquatic competition venue and said that this mission has not been compromised. Mr. Valentine stated that their aquatics consultant, Rowley International, has consulted with the aquatics planner for the Los Angeles Olympic Committee as to what the requirements would be to accommodate an event of that magnitude.

Discussion ensued relative to the fact that four design concepts have been evaluated and the fact that the cost that met the original program design goals was estimated at \$27 million, which exceeded the \$19 million authorized by the City Council.

Mr. Valentine informed the Council that with the overall goal remains to design a world-class aquatic facility that would attract international, national, regional and local swimming, diving, and synchronized swimming competitions along with a variety of community-related aquatic activities, the design team went through a day-long comprehensive value engineering process to rethink the entire design in an effort to lower cost.

Discussion ensued relative to advantages of the revised plan and deviations from the original concept (See Attachment).

City Engineer Keith Nath noted that the process resulted in a new and improved design that met the original world-class goals for the facility at a cost estimate less than the \$27 million. Mr. Nath reported that the estimated revised cost for the recommended schematic design is approximately \$23 million and stated the opinion that this proposal will still meet the overall programmatic goals. Mr. Nath said that the anticipated completion date for construction is early 2003.

Mr. Holmwood informed the Council that this proposal has been presented to the Downtown Aquatic Facility Planning Committee and they are supportive of the recommendations.

In response to a question from Mayor Hawker relative to the fact that the original estimates for the aquatic center were significantly less than the current estimate, Mr. Holmwood commented that although research and study was initiated, there were a number of issues at that time that remained to be addressed.

Mr. Hutchinson indicated that staff will research this issue and present information on the varying cost differences and the basis for the original versus the current estimates. Mr. Hutchinson stressed the importance of ensuring that the end product is a quality project that will enhance the Town Center area.

Councilmember Pomeroy stated support for the project and the targeted goals but said he is disappointed in the fact that this has been such a lengthy process. Councilmember Pomeroy commented that the project was approved two years ago and is still in the design phase and added that the citizens of Mesa thought that by now they would be utilizing the facility. Councilmember Pomeroy also expressed concern regarding the escalating cost of the project and questioned whether the costs associated with the arts and entertainment center will also increase. Councilmember Pomeroy said that the aquatic center will be a world class project and important to downtown development and for that reason he will need more information and proof that the costs for this project are justified and the end result will ultimately enhance and positively impact the downtown area. Councilmember Pomeroy requested that staff provide reasons for the additional costs.

Councilmember Walters commented on the fact that the increased costs represent what must be expended in order to build a world class facility and expressed the opinion that either the City Council support the development of a quality, world class facility and agree to pay the added costs or they abandon the project. Councilmember Walters said that lowering the quality of the facility should not be an option.

Additional discussion ensued relative to storm water retention, the fact that staff estimates that the facility will draw between 15 and 18 meets a year, 4 or 5 of which would be categorized as large-type meets, the possibility of hosting the Good Will Games in 2005 and the importance of developing amenities that visitors to our City will expect us to provide.

Councilmember Walters requested that staff provide information to the Council relative to where the extra monies will come from to pay for the added costs and whether other projects will be impacted by the use of those monies.

Mayor Hawker agreed with Councilmember Walters' comments and said that a financing package has to be included as part of the proposal to be considered and added that the Council also needs to be made aware of any additional costs that are anticipated for the arts and entertainment center.

Councilmember Jaffa said that he agrees that the facility should be a first class attraction but expressed concern relative to the fact that staff is estimating a total of 18 events a year. Councilmember Jaffa stressed the importance of prioritizing how the City's monies are spent and noted that park land is going to disappear and the added \$4 million would go a long way towards purchasing future park sites. Councilmember Jaffa stated that he likes the idea of moving forward but said the message the voters sent at the September 12th election indicates to him that further consideration should be given to determining what funding is available from Quality of Life Sales Tax funds and deciding whether the City's priorities should be re-evaluated. Councilmember Jaffa questioned whether the additional \$4 million in costs is justified.

Councilmember Walters noted the number of amenities that the project would provide to the citizens of Mesa.

Councilmember Pomeroy reiterated his request for justification for spending the additional \$4 million dollars to develop a world class facility is appropriate and will ultimately benefit the City of Mesa.

Mayor Hawker summarized the comments of the Council and directed staff to compile the following information for consideration by the Council at a future meeting: 1) how would the City cover the dollar shortfall before the project proceeds forward; 2) before any drawings are finalized to go out to bid, the economic development component/benefits must be outlined, and 3) how does staff prevent this from happening in the future. Mayor Hawker added that if the City is going to bid projects in the future, additional research must take place before these items are placed on a ballot for voter consideration.

Mayor Hawker thanked everyone for their presentations.

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

- a. Industrial Development Authority Meeting held Thursday, September 7.
- b. Utility Committee meeting held August 21.

It was moved by Councilmember Jaffa, seconded by Councilmember Pomeroy, that receipt of the above-listed minutes be acknowledged.

Mayor Hawker declared the motion carried unanimously by those present.

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

There were no meetings and/or conferences attended to report on at this time.

6. Scheduling of meetings and general information.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Wednesday, September 20, 2000, 4:00 p.m.- Joint Meeting w/ Tempe Re: Ernst & Young Report

Thursday, September 21, 2000, 7:30 a.m. - Study Session

Thursday, September 21, 2000 - Goal Setting Meeting at Conference Center

Friday, September 22, 2000, 7:30 a.m. – Utility Committee Meeting

Monday, September 25, 2000, 3:30 p.m. – Fire Committee

Monday, September 25, 2000, TBA – Study Session

Monday, September 25, 2000, 5:45 p.m. – Regular Council Meeting

Thursday, September 28, 2000 – Study Session – (Cancelled)

Friday, October 3, 2000, 8:00 a.m. – Briefing on Fire Issues

7. Prescheduled public opinion appearances.

Mayor Hawker stated that there were no prescheduled public opinion appearances.

8. Items from citizens present.

There were no items from citizens present.

9. Adjournment.

Without objection, the Study Session adjourned at 9:50 a.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

Study Session
September 14, 2000
Page 7

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 14th day of September, 2000. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 2000

BARBARA JONES, CITY CLERK

Attachment/lgc

ATTACHMENT CITY COUNCIL REPORT

Date: September 7, 2000
To: City Council
Through: Mike Hutchinson
From: Wayne Korinek
Subject: Mesa Indoor Aquatic Center
Citywide Project

Purpose and Recommendation

To provide information to the City Council regarding the current status of the Mesa Indoor Aquatic Center project at the 50% schematic phase and to seek approval to proceed with the program at a revised cost estimate of approximately \$23 million.

Background

It has been about 6-7 months since City Council has reviewed the progress being made on the design program of the Mesa Indoor Aquatic Center. Since that time, BPLW, architects for the project, 3D/international, project management consultants, Rowley International, aquatic specialists, along with City staff, have been reviewing and reworking the design program as well as the cost estimates for the project. As more design details have developed, the more accurate the cost estimates have become.

Discussion

As an outgrowth of the program design phase of the planning process, four design concepts were evaluated. The cost estimate that met the original program design goals was estimated at \$27 million, which exceeded the \$19 million authorized by City Council. With the overall goal remaining to design a world-class aquatic facility that would attract international, national, regional, and local swimming, diving, and synchronized swimming competitions along with a variety of community-related aquatic activities, the design team went through a daylong comprehensive value engineering process to rethink the entire design in an effort to bring the costs down.

The process resulted in a new and improved design that met our original world-class goals for the facility at a cost estimate less than the \$27 million. The estimated revised cost for the recommended schematic design is approximately \$23 million, while still meeting the overall programmatic goals.

The design includes the following major components:

- 50 meter constant depth competition pool
- 50 meter variable depth pool
- Therapy pool
- Dive tower - boards and platforms
- Special use pool
- Spectator seating
- Administration and support areas

The key advantages to the recommended plan include: reduced square footage, therefore reduced costs from earlier concepts; both 50 meter pools remain under roof; retain full pool sizes to attract national and international events; consolidated circulation; adequate media and swim meet administration space; "fast water;" locker room configuration accommodates multi users/events; lobby orientation to First Avenue and Macdonald Street; better supervision, management and control; remains a major anchor facility for the downtown; and retains the therapy pool.

Several of the deviations from the original concepts are: maximum spectator capacity is approximately 4,400 versus 6,000; pro shops, enhanced concession areas, and spaces for non-profit swim organizations are included as alternates; all seating is bench type instead of a mixed bench and chair type; scoreboard and selected equipment to be funded by sponsorships and/or donations.

It is anticipated that the completion date for construction would be early 2003.

Alternatives

Denial of recommendation: This action would keep the approved budget for the project at approximately \$19 million. The result of this action would be a dramatically reduced design that would not meet the original program design to build a worldclass facility that would serve as one anchor in the revitalization of Mesa's downtown. This action would result in not being able to attract international, national or even some regional and college swim meets. It would be basically a local use facility.

Original design program: This action would approve \$27 million and would allow for the construction of a facility that met 100% of the original design program. This option would allow for a larger facility, more seating, more spacious meeting rooms, locker rooms, lobby areas, concession areas, team areas, etc.

Chance design/use concept: This action would have the planning team start all over, eliminating the competitive/community use concept and focus solely on a community use facility, in which case the downtown location might not be the best location. This action would delay development. Over a year of planning with user groups, staff,

architects, and other specialists has occurred to date.

Fiscal Impact

The 50% concept design cost is estimated at 23 million and will be funded through the Quality of Life Sales Tax and Park Bond monies.

Concurrence

The Downtown Aquatic Facility Planning Committee concurs with this recommendation, having taken action at their July 6, 2000 meeting. The Parks and Recreation Board also concurred with this recommendation, having taken action at their July 13, 2000 meeting.

Joseph H. Holmwood
Parks and Recreation Director

Wayne Korinek
Community Services Manager

Mike Hutchinson
City Manager