

COUNCIL MINUTES

August 12, 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 August 12, 2002 at 4:45 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner

1. Convene an Executive Session.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Griswold, that the Council enter into an Executive Session.

Carried unanimously.

2. Adjournment.

Without objection, the Special Council Meeting adjourned at 4:46 p.m.

3. Reconvene Special Council Meeting following an Executive Session.

The Special Council Meeting reconvened at 5:30 p.m.

4. Discuss and consider a resolution authorizing the City Manager to enter into the following agreements regarding the Multipurpose Facility – Resolution No. 7890:

- a. Development and Disposition and Intergovernmental Agreement between the City of Mesa and the Tourism and Sports Authority.
- b. Multipurpose Facility Ground Lease between the City of Mesa and the Tourism and Sports Authority.

- c. Pedestrian Plaza Ground Lease between the City of Mesa and the Tourism and Sports Authority.
- d. Parking License Agreement between the City of Mesa and the Tourism and Sports Authority.
- e. Construction Staging Area License Agreement between the City of Mesa and the Tourism and Sports Authority.
- f. Event Staging Area License Agreement between the City of Mesa and the Tourism and Sports Authority.
- g. Agreement to Donate Real Property and Escrow Instructions between the City of Mesa and the Hurley Family.
- h. Agreement for Exchange of Real Property and Escrow Instructions between the City of Mesa and the Arizona Board of Regents.
- i. Intergovernmental Agreement between the City of Mesa and the Salt River Pima-Maricopa Indian Community.
- j. Marketing Contribution Agreement between the City of Mesa and the Mesa Convention and Visitors Bureau.
- k. Cardinals' Guaranty and Parking Lease Payment Agreement.
- l. Intergovernmental Agreement between the City of Mesa and the Tourism and Sports Authority pertaining to the Tourism and Sports Authority/City of Mesa Regional Youth Sports Complex.
- m. Parking Lease Agreement (Hurley).

Mayor Hawker welcomed everyone to the Special Council meeting.

City Manager Mike Hutchinson and City Attorney Debbie Spinner addressed the Council relative to this agenda item. Mr. Hutchinson expressed appreciation to various members of staff who have worked tirelessly to draft an exceptional proposal for the City of Mesa, and in particular, he recognized Ms. Spinner and her office for their efforts and hard work during the prolonged negotiation process.

Ms. Spinner provided a brief historic overview of this issue and reported that on April 29, 2002, the City Council approved a Memorandum of Understanding (MOU) that established an outline for a Development and Disposition Agreement (DDA) for the City of Mesa to serve as the host site for the proposed Multipurpose Facility. She emphasized that throughout the site selection process, the primary goal of staff has been to ensure that Mesa's proposal would remain revenue neutral with regard to the City's general fund.

Ms. Spinner commented that in conjunction with this matter, State legislation mandates that the Tourism and Sports Authority (TSA) select a host city and submit a set of fully executed documents to Governor Hull by September 12, 2002. She added that if the TSA fails in that regard, the matter will go back to the voters and be placed on the ballot of the November 5, 2002 County election. Ms. Spinner also stated that pending Council approval of the resolution this evening, Mesa will have met all of the TSA's requirements with regard to the host city selection process.

Ms. Spinner provided the Council with a brief synopsis of Mesa's various partnership agreements; outlined the recent modifications to the MOU, the DDA and the Ground Lease; detailed specific provisions in the DDA which address the concerns of the residents who live near the proposed site, and discussed specific conditions of the DDA which, if not met by the TSA and the Arizona Cardinals, will result in the agreement's termination.

Ms. Spinner advised that the Multipurpose Facility referendum issue (Proposition 404) will be on the September 10, 2002 Primary Election ballot. She also noted that early voting began on August 8, 2002.

Mayor Hawker announced that this is the time and place for a public hearing concerning this matter.

Mayor Hawker advised that the following citizens submitted cards and expressed support for the Multipurpose Facility but did not wish to speak:

David Weir	5421 East Fountain Circle
Cris Tintera	200 North Centennial Way
Charlie Deaton	5304 East Hannibal
Neil Barna	63 East Main Street
Jack Sellers	13303 South Ellsworth Road
Jim Davidson	2542 East Lynwood
Alan Lenton	2863 South Canfield
Janet Erickson	4312 East Fountain Circle
Paul McKee	133 West 1 st Avenue
Michael Udane	1600 South Country Club Drive

The following citizens, in order of appearance, spoke in support of the Multipurpose Facility:

Jeff Martin	2200 West Broadway Road
Michael Garcia	1850 South Westwood Street
John Goodie	1535 North Horne
Bob Burns	1514 North Ashland
Dave Nichols	3347 North Chestnut

Citizens who spoke in support of the Multipurpose Facility expressed the following opinions:

- The facility will be funded through proceeds from a voter-approved County tax on hotels and rental cars and at no cost to Mesa residents.

- The facility will bring quality development to the City and will host not only the Arizona Cardinals football games, but also conventions, concerts, trade shows and community events.
- Mesa has the best location for a Multipurpose Facility at the intersection of two major freeways in the Valley.
- The completion of the Red Mountain Freeway will stimulate further business development in the area.
- The facility will be a “gateway” feature to the City of Mesa.

Mayor Hawker advised that the following citizens submitted cards and expressed opposition to the Multipurpose Facility but did not wish to speak:

Leo Mahoney	2123 East Firestone Drive, Chandler
Mischel Whipple	1637 West Alcott
Fran Burns	1859 West Devonshire Street
Rob Burns	1859 West Devonshire Street
Steve Mitton	1615 West Pueblo Avenue
Sheila Mitton	1615 West Pueblo Avenue
Lance Stewart	1661 West Bentley
Mary Mick	No address provided
Charmaine McCleve	No address provided

The following citizens, in order of appearance, spoke in opposition to the Multipurpose Facility:

Thomas Kozak	415 North Pecan Lane
Gary Fuchs	3540 East Capri Avenue
Gloria Gibson	601 North May Street
Marion Whipple	1637 West Alcott
Olga Strickland	945 West Fairway
LaRue Gates	1948 West Devonshire Street
Robert Meyers	1441 West 4 th Place

Citizens who spoke in opposition to the Multipurpose Facility expressed the following opinions:

- Mesa voters have twice defeated measures to build a football stadium in the City which would be financed by the taxpayers.
- The facility will be too close to residential neighborhoods and there will be inadequate parking.
- Real estate values in the surrounding neighborhoods will decline as a result of the facility.
- The facility will not bring economic development to downtown Mesa.
- Construction of the facility will generate health problems for neighborhood residents due to a lack of dust control.
- The City will incur significant costs to construct parking garages to accommodate citizens attending activities at the facility during the summer months.

There being no further citizens wishing to speak on this issue, Mayor Hawker declared the public hearing closed.

Ms. Spinner responded to a series of questions posed by the speakers regarding the manner in which citizens may obtain copies of the various agreements; the TSA's commitment to comply with all building/construction standards; the City's issuance of \$38.5 million in bonds to pay for the facility's infrastructure and parking facilities; the TSA's guarantee that the facility will generate sufficient revenue to pay off the City's debt, plus interest; feasibility studies regarding the rollout field; parking revenues; noise mitigation efforts in the surrounding neighborhood; funding for softball fields and a youth sports complex; the Cardinals' Guaranty and Parking Lease Payment Agreement, and the Arizona State University (ASU)/Mesa land swap.

Mayor Hawker thanked the speakers for their courteous behavior during the public hearing. He expressed pride in the fact that the Council has conducted itself in an open, ethical and professional manner throughout the long and arduous site selection process, and also noted that the Council elected not to enact an emergency clause and thereby eliminate a possible voter referendum. Mayor Hawker added that he is disappointed that other potential host cities are now considering imposing a parking surcharge, despite the fact that Mesa was informed previously that the National Football League (NFL) would not agree to such an assessment. He also noted that the TSA required the City to conduct test borings at the proposed site to ensure that the land could accommodate the weight of the facility, and yet similar testing has yet to be conducted in other potential host cities.

Mayor Hawker stated the opinion that Mesa's proposal is revenue neutral, and that the City may eventually realize a profit. He expressed appreciation to Councilmember Whalen and City staff for their efforts and hard work throughout this ongoing process. Mayor Hawker concluded his remarks by saying that he looks forward to the September 10, 2002 Special Election.

Vice Mayor Kavanaugh concurred with Mayor Hawker's comments. He noted that in the last few months, staff has received input from the business community and neighborhood residents relative to Mesa's proposal, and that the DDA now reflects that feedback. Vice Mayor Kavanaugh stated that the document reflects a reduction in the City's expenses and financial risk as compared to the original MOU; has increased the probability of profits to the City, and provides for greater mitigation measures for the residents in the vicinity of the proposed site. He also voiced support for the right of Mesa voters to ultimately decide this issue at the polls.

Councilmember Walters stated that although she has been deeply troubled by this issue and the fact that it is impossible for all of her constituents to agree on the best outcome of a Multipurpose Facility, she is secure in the knowledge that the City has acted in an open and honest manner throughout the site selection process. She commended the citizens of Mesa for their commitment to this issue and also thanked the City Attorney's Office, her fellow Councilmembers, and the previous Council for their efforts and hard work. Councilmember Walters added that the DDA is a concise and well-crafted document which not only protects the interests of the City, but also addresses the concerns of the neighborhood residents.

It was moved by Councilmember Walters, seconded by Vice Mayor Kavanaugh, that Resolution No. 7890 be adopted.

Councilmember Griswold voiced support for the motion and stated that the City has negotiated a sound and reasonable business proposal. He also noted that Mesa residents and not the Arizona Cardinals will control the development rights in the area surrounding the facility.

Councilmember Jones expressed support for the motion and commented that the Council's action this evening is simply to approve the various agreements that the City is required to enter into in order to complete the site selection process with the TSA.

Councilmember Thom voiced opposition to the motion for a variety of reasons including the fact that the sales taxes which will be generated and collected at the Multipurpose Facility will be utilized to fund the structure as opposed to being placed in the State's general fund. She stated the opinion that it is unfair for private businesses to pay taxes to support another business, and said that Mesa voters have twice rejected the issue of a tax-supported football stadium in the City.

Councilmember Whalen concurred with the comments of the Councilmembers who are in support of the motion and stated that the Multipurpose Facility has the potential to be an economic engine that will take Mesa into the future. He also thanked Mayor Hawker for the opportunity to represent the City in the site selection process.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Kavanaugh-Walters-Whalen
NAYS - Thom

Mayor Hawker declared the motion carried by majority vote and Resolution No. 7890 adopted.

2. Election Issues.

Mayor Hawker advised that the Special Election is scheduled for September 10, 2002 and that early ballots are currently being distributed.

3. Adjournment.

Without objection, the Special Council Meeting adjourned at 7:15 p.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

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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 12th day of August 2002. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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