

COUNCIL MINUTES

September 14, 2026

The City Council of the City of Mesa met in the Council Chambers at City Hall, 20 East Main Street, on September 14, 2026, at 5:48 p.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams
Jennifer Duff
Alicia Goforth
Francisco Heredia
Dorean Taylor

COUNCIL ABSENT

None

OFFICERS PRESENT

Scott Butler
Holly Moseley
Jim Smith

Mayor's welcome.

Mayor Freeman conducted a roll call.

Mayor Freeman led a moment of silence.

Pledge of Allegiance was led by Sam Ramirez from Boy Scout Troop 54.

There were no awards, recognitions, or announcements.

1. Take action on all consent agenda items.

All items listed on the agenda with an asterisk (*) are on the consent agenda which means they will be considered by the City Council as a group, without any separate discussion of these items, unless a Councilmember or citizen requests the item be removed from the consent agenda to be considered separately. If a citizen wants an item removed from the consent agenda, a request must be made prior to the scheduled start time of the meeting.

It was moved by Vice Mayor Somers, seconded by Councilmember Heredia, that the consent agenda items be approved.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Duff–Goforth–Heredia–Taylor
NAYS – None

Carried unanimously.

*2. Approval of minutes of previous meetings as written.

Minutes from the Study Sessions held on July 16, August 13, August 17, August 27, and August 31, 2026; Special Council meetings held on August 10, and August 27, 2026; and the Regular Council meeting held on August 31, 2026.

3. Take action on the following contracts:

- *3-a. Dollar Limit Increase to the Cooperative Contract for Managed Service Provider for Innovation and Technology Contractor Services for the Department of Innovation and Technology. **(Citywide)**

This contract provides a managed service provider that gives the Department of Innovation and Technology (DoIT) flexibility to supplement internal staffing resources as technology needs, project demands, and organizational priorities evolve. Contract services may include coordinating IT related purchases, serving as a liaison between DoIT and Procurement Services, providing administrative, operational, project management, and architectural systems support, delivering consulting and training services, and providing support for the Topaz Regional Wireless Cooperative (TRWC). The dollar limit increase is needed to provide sufficient contract capacity to address current and anticipated service needs while preserving flexibility to scale support as demand evolves. Approval of the contract dollar limit increase does not increase the DoIT or TRWC budgets.

The Department of Innovation and Technology and Procurement Services recommend increasing the dollar limit using the State of Arizona cooperative contract with GuideSoft, Inc., dba Knowledge Services, by \$451,000, from \$99,000 to a combined total amount not to exceed \$550,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

- *3-b. Five-Year Use of a Cooperative Term Contract for Information Technology Temporary and Professional Services for the Mesa Police Department. **(Citywide)**

This contract will provide a dedicated Technical Account Manager (TAM) to support body-worn camera redaction and digital evidence sharing. The TAM will be on-site four days a week and will assist with ongoing system set up and configuration, account maintenance, data analysis and reporting, and provide technical assistance. The Mesa Police Department currently fills these roles through Axon, which has discontinued this temporary staffing function and transferred it to Insight Global, LLC. Transitioning the functions preserves program knowledge and prevents a gap in support for body-worn camera and digital evidence redaction operations.

The Mesa Police Department and Procurement Services recommend authorizing the purchase using the Omnia Partners cooperative contract with Insight Global, LLC in an amount not to exceed \$260,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

- *3-c. Three-Year Term Contract with Two-Year Renewal Options for Landscape Maintenance-City Facilities (Zone 3) for the Facilities Management Department. **(Districts 1, 2, 5 & 6)**

This contract will provide landscape maintenance services for various City facilities in Zone 3, which encompasses 16 non-secured properties located in Council Districts 1, 2,

5 & 6. These services will help ensure that landscaped areas and plant life at City facilities are attractive, well-maintained, and safe, providing a welcoming environment for residents, visitors and City employees at Mesa's libraries, museums, venues and other public facilities.

A committee representing the Facilities Management Department and Procurement Services evaluated responses and recommend awarding the contract to the highest scored proposal from Santa Rita Landscaping, LLC dba Four Peaks Landscape Management (a Mesa business) in an amount not to exceed \$480,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

***3-d. Three-Year Term Contract with Two-Year Renewal Options for Landscape Maintenance-City Facilities (Secured Sites) for the Facilities Management Department. (Citywide)**

This contract will provide landscape maintenance services for 18 secured City facilities throughout Mesa, such as the Communications, Falcon Field, two reservoirs, Municipal Court, and 13 Police and Fire Facilities. These services will help ensure grounds remain safe, orderly, accessible and free from overgrown vegetation and other potential hazards, while supporting the operational needs of each facility. Due to the security requirements of these locations, this contract is separate from the other Landscape Maintenance contracts.

A committee representing the Facilities Management Department and Procurement Services evaluated responses and recommend awarding the contract to the highest scored proposal from Santa Rita Landscaping, LLC dba Four Peaks Landscape Management (a Mesa business) in an amount not to exceed \$548,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

***3-e. Five-Year Term Contract for Electrical Equipment, Part & Supplies for Various Citywide Departments. (Citywide)**

This contract will provide industrial and non-industrial electrical equipment, parts, and supplies, as well as data communications products, to support various projects citywide. Most common items include fuses, distribution panels, conduit fittings, breakers, relays, overloads, contactors, sensors, lighting and electrical supplies, intrusion and access control parts, and motor control equipment.

The City partnered with the AXIA Cooperative to lead the solicitation that created this term contract. The contract will be available to over 30,000 public agencies nationally through AXIA's cooperative purchasing program. As part of the agreement, the City will receive a rebate based on all sales against the contract.

A committee representing the Water Resources, Department of Innovation and Technology, Energy Resources, Engineering, Facilities Management, Park, Recreation & Community Facilities, and Transportation Departments and Procurement Services evaluated responses and recommend awarding the contract to the qualified proposals from City Electric Supply Company; Consolidated Electrical Distributors, Inc. dba Arizona Electric Supply (a Mesa business); Elliot Electric Supply (a Mesa business); and Lighting Unlimited in a combined total amount not to exceed \$3,520,000.00 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

4. Take action on the following resolutions:

- *4-a. Approving and authorizing the City Manager to enter into a Right of Way Occupancy License for MMR Fiber Solutions Communications, LLC. **(Citywide)** – Resolution No. 12573
- *4-b. Approving and authorizing the City Manager to accept Proposition 202 funds from the Gila River Indian Community and administer awarded funds. **(Citywide)** – Resolution No. 12574
- *4-c. Approving and authorizing the City Manager to enter into a Foreign Trade Zone Operator Agreement for Foreign Trade Zone 221 with JX Advanced Metals USA, Inc. at 10036 East Germann Road. **(District 6)** – Resolution No. 12575

5. Discuss, receive public comment, and take action on the following ordinance:

- *5-a. ANX25-00725 - Annexing 0.38± acres of county right-of-way along South Signal Butte Road approximately 1,250± feet south of the southwest corner of South Signal Butte Road and East Williams Field Road. **(District 6)** – Ordinance No. 6032

Items not on the Consent Agenda

6. Take action on the following resolution related to the proposed development known as the “Cannon Beach Hotel”:

- 6-a. Making findings required by A.R.S. § 9-500.11 (version 2) for the City to enter into, and approving and authorizing the City Manager to enter into, a development agreement that is a “retail development tax incentive agreement” under A.R.S. § 9-500.11 (version 2), for the development of the project known as the “Cannon Beach Hotel,” generally located at the southeast corner of Power Road and Warner Road. **(District 6) (5 votes required)** – Resolution No. 12570

It was moved by Vice Mayor Somers, seconded by Councilmember Goforth, that Resolution No. 12570 be adopted.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Duff–Goforth–Heredia–Taylor

NAYS – None

Carried unanimously.

7. Take action on the following ordinances and resolutions related to property or portions of property generally located west and south of State Route 24, east of South Ellsworth Road, north and south of East Williams Field Road, and west of the future South Crismon Road alignment, which includes the project commonly known as “Legacy Park and Gateway Crossing”:

- 7-a. ANX25-00682 - Annexing 5.2± acres located at the southwest corner of East Williams Field Road and State Route 24. This request has been initiated by Dennis Newcombe, Gammage and Burnham, for the owner, Pacific Proving, LLC. **(District 6)** – Ordinance No. 6029

- 7-b. ANX25-00893 - Annexing 196.3± acres located at the northeast corner of South Ellsworth Road and East Williams Field Road. This request has been initiated by Dennis Newcombe, Gammage and Burnham, for the owners, Pacific Proving, LLC, and Mesa BA Land, LLC. **(District 6)** – Ordinance No. 6030
- 7-c. ZON25-00891 "Legacy Park," 196.3± acres located at the northeast corner of South Ellsworth Road and East Williams Field Road. Rezone from Light Industrial to Planned Community District (PC). This request will allow for the development of a mixed-use planned community. Pacific Proving LLC, Owner; Susan Demmitt/Dennis Newcombe, Gammage & Burnham, Applicant. **(District 6)** – Ordinance No. 6031

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 7-0)

- 7-d. A resolution making findings required by A.R.S. § 9-500.11 (Version 2) for the City to enter into a “retail development tax incentive agreement” and approving and authorizing the City Manager to enter into a development agreement that is a “retail development tax incentive agreement” under A.R.S. § 9-500.11 (Version 2), related to the development of certain improvements constructed for a project generally located west and south of State Route 24, east of South Ellsworth Road, north of East Williams Field Road, south of a portion of East Williams Field Road, and west of the future South Crismon Road alignment. **(District 6) (5 votes required) (District 6)** – Resolution No. 12571
- 7-e. A resolution approving the formation of the Legacy Park District, a theme park district pursuant to Arizona law, on approximately 428 acres of land wholly within the boundaries of the City, generally located north of East Pecos Road, east of South Ellsworth Road, west of the South Crismon Road alignment, and west and south of State Route 24; electing two City Councilmembers to serve on the District Board of Directors; approving the form and authorizing the execution and delivery of a Development and Intergovernmental Agreement by and among the City, the District, a Developer, and the owners of land within the District; and approving and authorizing additional actions in connection with such District. **(District 6)** – Resolution No. 12572

Mayor Freeman announced that this was the time and place for a public hearing on the ordinances for annexation cases ANX25-00685 and ANX25-00893, zoning case ZON25-00891, resolutions to enter a retail development tax incentive agreement and development agreement, and approving the formation of the Legacy Park District, regarding the projects commonly known as “Legacy Park and Gateway Crossing.”

Development Services Deputy Director Heather Basford displayed a PowerPoint presentation. **(See Attachment 1)**

City Manager Scott Butler described Legacy Park and Gateway Crossing as a generational opportunity and the largest mixed-use hospitality, retail, and housing project in Mesa's history. He acknowledged that City staff supports the final agreements intended to bring more amenities and local spending to Mesa through tourism, hospitality, retail, jobs, and local spending. He emphasized the importance of replacing lost or reduced revenue caused by changes in state and federal funding and developing sustainable revenue sources for essential City services. He also praised the property owner for holding the land until the market was appropriate and for bringing in a major developer. (See Page 3 of Attachment 1)

Ms. Basford provided a timeline of the public engagement conducted for the Legacy Park and Gateway Crossing project over the last two and a half years and shared the estimated economic impact from tax revenues and career opportunities for the City of Mesa (COM). She advised that the estimated total economic impact at full buildout is \$58 billion over the next 30 years. (See Pages 4 and 5 of Attachment 1)

Ms. Basford reviewed the public improvements eligible for reimbursement, which will be paid to the developer only from revenues generated from the project site. She noted the property is currently county property and does not generate any revenue for the City, and that annexing the property will provide an opportunity to generate revenue. (See Page 6 of Attachment 1)

Mr. Butler clarified that the proposed public infrastructure reimbursements would come from revenue generated on-site only, not from Mesa taxpayers who never visit or spend money at the development. He stressed that the public park would be available for public use.

Ms. Basford discussed the conditions for reimbursement and presented examples of the quality standards with benchmark locations required to operate. She pointed out a provision for new or emerging concepts, and she indicated that those requirements will be held for 15 years in order to maintain that quality. (See Page 7 of Attachment 1)

Ms. Basford stated that the current lack of luxury hotels in Mesa causes most Mesa visitors to stay elsewhere and spend their money in locations outside of Mesa. She noted that the project helps bring that hotel mix to the community. (See Page 8 of Attachment 1)

Andrew Cohn, Director of Real Estate with Levine Investments, discussed the good efforts and strides his team has made to carefully guide the redevelopment of the former 1,800-acre General Motors property, emphasizing high-quality design and operators. He said the 200-acre Legacy Park site, developed with longtime partner Vestar, has taken nearly three years of planning since the team waited for the right vision, partners, city support, and timing. He argued that new hotels are needed not only for Legacy Park but also to support existing nearby businesses. He said that the project would proceed at a measured pace to ensure it is completed properly. (See Page 9 of Attachment 1)

David Larcher, President and CEO of Vestar Communities, played a video and described Legacy Park as a rare, long-term, community-defining development opportunity to enhance the quality of life for citizens. He credited the partnership with Pacific Proving, the City of Mesa's vision, and Vestar's commitment to quality, sustainability, and a project that combines commerce, lifestyle, and community. He stated that the development will incorporate GreenStar sustainability standards to promote environmental responsibility and include a luxury resort component in partnership with Athens Group, with the goal of establishing Legacy Park as a premier destination of the East Valley.

Victor Atlasman, a Mesa resident, said he supports Legacy Park, citing the opportunity for Mesa residents to have local dining, entertainment, and amenities, reducing the need to travel to neighboring cities.

David Giarrizzo, a Mesa resident, expressed support for Legacy Park as a step toward Mesa's broader vision of becoming a dynamic live-work-play community and a major East Valley hub. He said the project could bring higher-end resorts, retail, dining, jobs, local spending, and potential property-value benefits to southeast Mesa, particularly District 6 and nearby communities. He requested Council approve the proposed Legacy Park project for Mesa and the Southeast Valley as a whole.

Sally Harrison, President & CEO of the Mesa Chamber of Commerce, commented from a business perspective that Legacy Park and Gateway Crossing will build on southeast Mesa's existing investments, including Gateway Airport, ASU Polytechnic, Arizona Athletic Grounds (AAG), businesses, and neighborhoods. She argued that the development could retain more local spending on hotels, restaurants, and retail; create opportunities for businesses across Mesa; expand the tax base; and signal to prospective companies that Mesa is a strong destination for investment.

CJ Sembaluk, a Mesa resident, voiced his support for Legacy Park, as a valuable community addition that would provide amenities where residents can gather, enjoy time with family and friends, and strengthen the City's quality of life.

Zachary Palmer, a Mesa resident, stated he is in favor of the Legacy Park project, as Mesa needs high-quality restaurants, gathering spaces, and entertainment closer to home. He commented the project could keep younger residents from traveling to Scottsdale and other areas for those amenities, support economic growth around Gateway Airport, and create a stronger local place to live, work, and socialize.

Jillian Ryan, a Mesa resident, provided comments in opposition to the Legacy Park project and expressed her concern that a luxury-focused development is out of touch with residents facing drought, limited water resources, housing costs, and food affordability challenges. She questioned whether project-related jobs would provide livable wages, benefits, and requested more time for community discussion.

Brandon Sembaluk, a Mesa resident, remarked that he strongly supports the Legacy Park project and believes the development would create opportunities for community building, family time, and attract upscale visitors to Mesa, and asked the City Council to approve the project.

Margaret Schultz, a Phoenix resident representing Worker Power, a nonpartisan nonprofit, declared her opposition to the proposed tax incentives for the project. She raised concerns regarding transparency, the public infrastructure reimbursements and the development agreement's reimbursement cap. She requested a no vote from Council.

Meagan Palmer, a Mesa resident, shared her opinion in support for the Legacy Park project as part of Mesa's continued growth. She emphasized that restaurants, entertainment, outdoor spaces, and other amenities would give residents more reasons to stay in Mesa rather than travel elsewhere in the Valley.

Angelica Delgado Navarro, a Mesa resident, expressed her concerns and opposition to the proposed incentives for Legacy Park, as well as the potential risks associated with theme park districts and their bonds. She argued that Mesa needs more affordable housing and support for small businesses. She asked the Council to reject the incentives.

Abraham Elmore, a Mesa resident, indicated his support for Legacy Park as a major opportunity for the city. He stated that the project would provide shopping and other amenities closer to home, offer opportunities to showcase Mesa to his family and friends, create jobs, and benefit from proximity to the airport and future growth. He added that the development would reduce the need to travel to surrounding cities for shopping and entertainment.

Shannon Woods, a Mesa resident, voiced her opposition to the tax incentives, public infrastructure reimbursement process, and the Theme Park District. She requested that Council vote no on the project.

Alexandra Schober, a Mesa resident, said she supports Legacy Park and believes the project would encourage residents, like herself, to spend more time in Mesa instead of leaving to surrounding cities for amenities.

Mr. Butler responded to the public comments and concerns noting that the project has been publicly discussed for more than two years and legally noticed with extensive public engagement opportunities regarding the eligible public infrastructure reimbursements. He pointed out that the developer is donating the land to the City and will maintain public improvements in perpetuity, reducing costs that might otherwise fall on Mesa taxpayers. He explained that state procurement laws will be followed and discussed the transparent process for the infrastructure improvements, reimbursements, and the Theme Park District bonds. He advised that the City would have no liability for the Theme Park District's debt.

City Attorney Jim Smith advised on the purpose and use of the Theme Park District, which is governed by State Statute. He added that the developer is paying for the park and lake and becomes eligible for reimbursement through a number of conditions and requirements from taxes that are generated on site. He referred to the water issue, clarifying that no Mesa water will be used on the parks or the lake, and the developer will obtain Type 2 water rights and have their own well to provide all the water for the lake and the park. He emphasized that the City is receiving the property and the operations and management (O&M) for free, and the reimbursement for the actual construction is coming from taxes on site.

Councilmember Adams stated Mesa needs more hotels and amenities for people who visit the City to stay and spend money in Mesa. He stated that Legacy Park and Gateway Crossing could keep visitors and residents in Mesa while generating sales tax revenue, job opportunities, and benefits for all residents. He emphasized that the property is privately owned, the developers have invested substantially, and he supports the project.

Councilmember Taylor expressed support for the project based on community feedback seeking more entertainment, amenities, and hotels. She noted that many visitors currently spend money outside Mesa and argued that keeping more economic activity in the city would increase sales tax revenue and reduce the burden on residents for funding infrastructure.

Councilmember Heredia explained that Mesa does not have a primary property tax and therefore relies heavily on sales tax revenue to fund services. He added that the City carefully evaluates development incentives to ensure they create greater value and revenue for Mesa and its neighborhoods. He said he views Legacy Park as an opportunity to capitalize on the large number of visitors to the area, while identifying traffic as a priority.

Councilmember Duff commented that her initial concern was the 10-acre lake due to Mesa's water challenges and the need for shade. She noted that Vestar agreed to provide 75% shade coverage and expressed appreciation for its willingness to continue discussing water conservation efforts in Mesa. She supports that water for the lake would not come from Mesa's existing water portfolio; Vestar would obtain separate water rights. She also encouraged residents and the developer to support local businesses, arguing that locally retained profits benefit the state and community.

Councilmember Goforth thanked residents for their comments. She confirmed her support for the project based on potential sales tax revenue, on-site reimbursement structure, independent water supply, and the quality of retail and restaurants. She mentioned residents currently travel to surrounding cities for these amenities and viewed Legacy Park as a way to provide them in Mesa. She praised Vestar's long-term approach to development and its history as a developer, while noting that Legacy Park would address the needs of Southeast Mesa. She pointed out the

Asian District is a great development and that Mesa is a large diverse city with different needs in different areas, and Legacy Park will be great for Southeast Mesa.

Vice Mayor Somers thanked both supporters and opponents, particularly those who raised questions about the project, adding that the Council and City staff have addressed those concerns. He compared Legacy Park to the previously proposed Gaylord Hotel concept, which received 82% voter support in 2009, and argued that the project represents a renewed opportunity to pursue that long-standing vision with a new development partner. He also highlighted the potential for quality jobs at different levels throughout the project.

Councilmember Duff added that the project will include 120,000 square feet of Class A Office space, creating professional employment opportunities.

Mayor Freeman commented that the Legacy Park project would be a significant asset to the city, given its proximity to AAG and Gateway Airport, anticipated visitor activity, and the city's projected growth.

There being no more citizens present wishing to speak on the issue, the Mayor declared the public hearing closed.

Mayor Freeman stated that pending no objection of the Council, Items 7-a through 7-e will be voted on in one motion.

It was moved by Vice Mayor Somers, seconded by Councilmember Adams, that Ordinance Nos. 6029, 6030, and 6031 and Resolution Nos. 12571 and 12572 be adopted.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Adams–Duff–Goforth–Heredia–Taylor
NAYS – None

Carried unanimously.

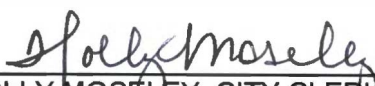
8. Items from citizens present.

Todd Towers, a Mesa resident, expressed his gratitude for the opportunity to work in this country and for his civil rights. He commented on the importance of the fourth amendment and mentioned his support for the police officers who serve and protect.

9. Adjournment.

Without objection, the Regular Council Meeting adjourned at 7:26 p.m.

ATTEST:



HOLLY MOSELEY, CITY CLERK





MARK FREEMAN, MAYOR

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Council Meeting of the City Council of Mesa, Arizona, held on the 14th day of September 2026. I further certify that the meeting was duly called and held and that a quorum was present.



HOLLY MOSELEY, CITY CLERK

lr
(Attachments – 1)



Legacy Park & Gateway Crossing: A New Destination for Mesa

Project vision, community benefits and requested actions

City Council

Heather Basford, Deputy Director - Development Services
Kelly Whittemore, Deputy City Attorney



Significance of Legacy Park

- ✓ Replacing **critical tax revenue** lost due to State and Federal actions
- ✓ Generates new revenue to **fund projects and essential services throughout Mesa**
- ✓ Provides **elevated retail and hospitality options**; stops leakage of that revenue to neighboring communities
- ✓ Property owner and developer with a **long-term, shared vision for an economic hub** that benefits all Mesa residents



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Project Public Engagement

February 2024

Feb. 15: Eastmark Community Meeting – Public Presentation by Developer

August 2025

Articles Published and Project Announcements:

Aug 27: Phoenix Business Journal

Aug 29: Arizona Republic

December 2025

Dec 2: Economic Development Advisory Board – Public Presentation by Developer

June 2026

June 8: City Council Economic Development Committee – Public Presentation by Visit Mesa on Legacy Park Project

June 25: Public Neighborhood meeting – Developer hosts Gateway Crossing neighborhood meeting

August 2026

Aug. 12: Public Neighborhood meeting – Developer hosts Legacy Park neighborhood meeting

Aug. 26: P&Z Board reviews and recommend approval (7–0)

Aug. 27: City Council – Retail tax notice of intent

Aug. 31: City Council – Annexation and Zoning introduced

September 2026

Sept. 10: City Council – Legacy Park Project Presentation

Sept. 14: City Council – Final action on annexation, rezoning, development agreement and Theme Park District



Economic impact

The project creates economic activity and revenue at both its required minimum and potential full buildout.

CITY GROSS TAX REVENUE
MINIMUM BUILDOUT

\$545.1 million

Estimated Gross Tax Revenue
2029-2065

TOTAL JOBS
MINIMUM BUILDOUT

1,687

Estimated 1,663 direct
and 24 indirect/induced

TOTAL ECONOMIC OUTPUT IMPACT
MINIMUM BUILDOUT

\$7.4 billion

Estimated over 30 years

CITY GROSS TAX REVENUE
FULL BUILDOUT

\$1.4 billion

Estimated Gross Tax Revenue
2029-2065

TOTAL JOBS
FULL BUILDOUT

13,511

Estimated 13,230 and
281 indirect/induced

TOTAL ECONOMIC OUTPUT IMPACT
FULL BUILDOUT

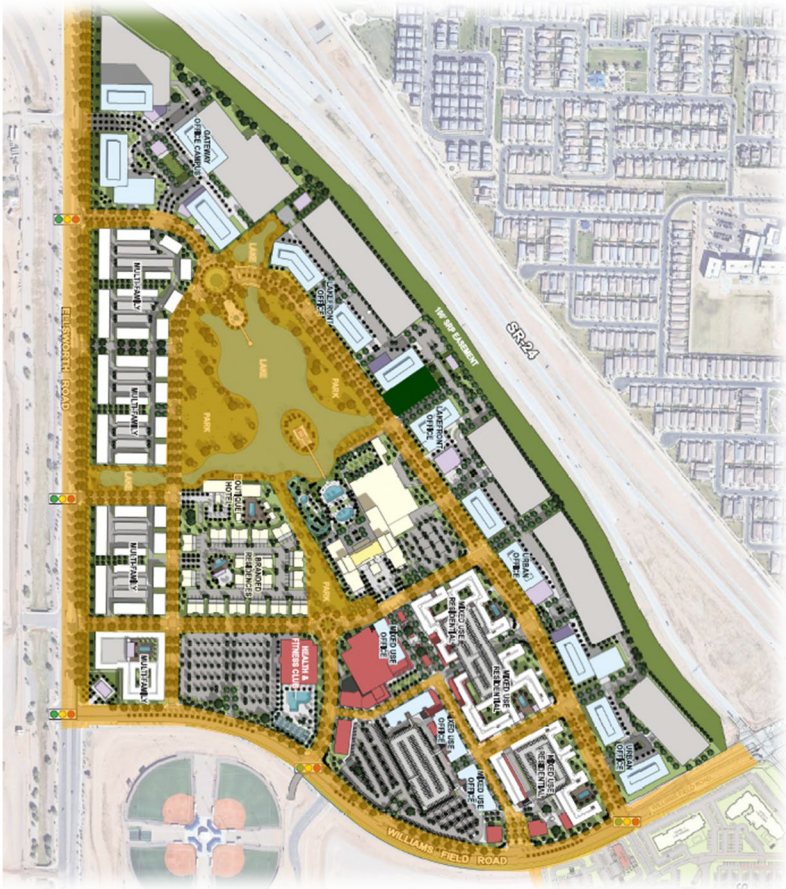
\$58.8 billion

Estimated over 30 years



Eligible public improvements

\$76.4M estimated infrastructure costs plus eligible finance costs paid only from tax revenue generated on the project site



Public Improvements

ELIGIBLE PUBLIC IMPROVEMENTS

Public infrastructure

Includes Public Water; Public Sewer; Roadway Improvements, such as pavement, curb, gutter, sidewalk, medians; Traffic Signals and Streetlights

Pedestrian tunnel

Connection between Legacy Park, Gateway Crossing and Arizona Athletic Grounds

Park

Construction of the public recreation area

Park parking

Public surface parking spaces adjacent to Park

The property is currently outside Mesa and generates no City sales tax revenue.

Quality is Required

Kierland Commons

Scottsdale, Arizona

Scottsdale Quarter

Scottsdale, Arizona

Legacy West

Plano, Texas

Avalon

Alpharetta, Georgia

The Domain NORTHSIDE

Austin, Texas

Santana Row

San Jose, California

Downtown Summerlin

Las Vegas, Nevada

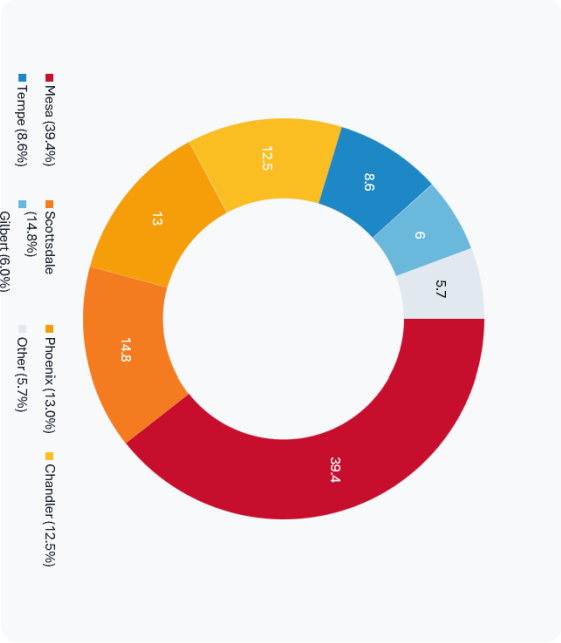




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Mesa's hotel leakage means lost tax revenue

Mesa Exports 857,000 Hotel Visits
Annually



Source: Pricerai — Mesa Visitors' Top Places: Hotels & Casinos (Apr 2025–Mar 2026), Total: 1.4M hotel cross-visits.

60.6%
of hotel visits by
Mesa visitors happen
outside city limits

Mesa's Hotel Inventory is Skewed Toward
Economy

3.3%
of Mesa rooms are
Luxury or Upper
Upscale
Vs. 29.5% across the
Phoenix metro



Back Up Slides



Landmark Public-Private Partnership for Mesa Taxpayers

- An **economic impact of \$7.4 billion**
- **City tax revenues of \$54.5 million**
- **1,687 permanent jobs** created, plus 360 annual construction jobs during construction

Landmark Public-Private Partnership for Mesa Taxpayers

At full buildout, Mesa will benefit from:

- An **economic impact of \$58.8 billion**
- City **tax revenues of \$1.4 billion**
- **13,511 permanent jobs** created, plus 457 annual construction jobs during construction



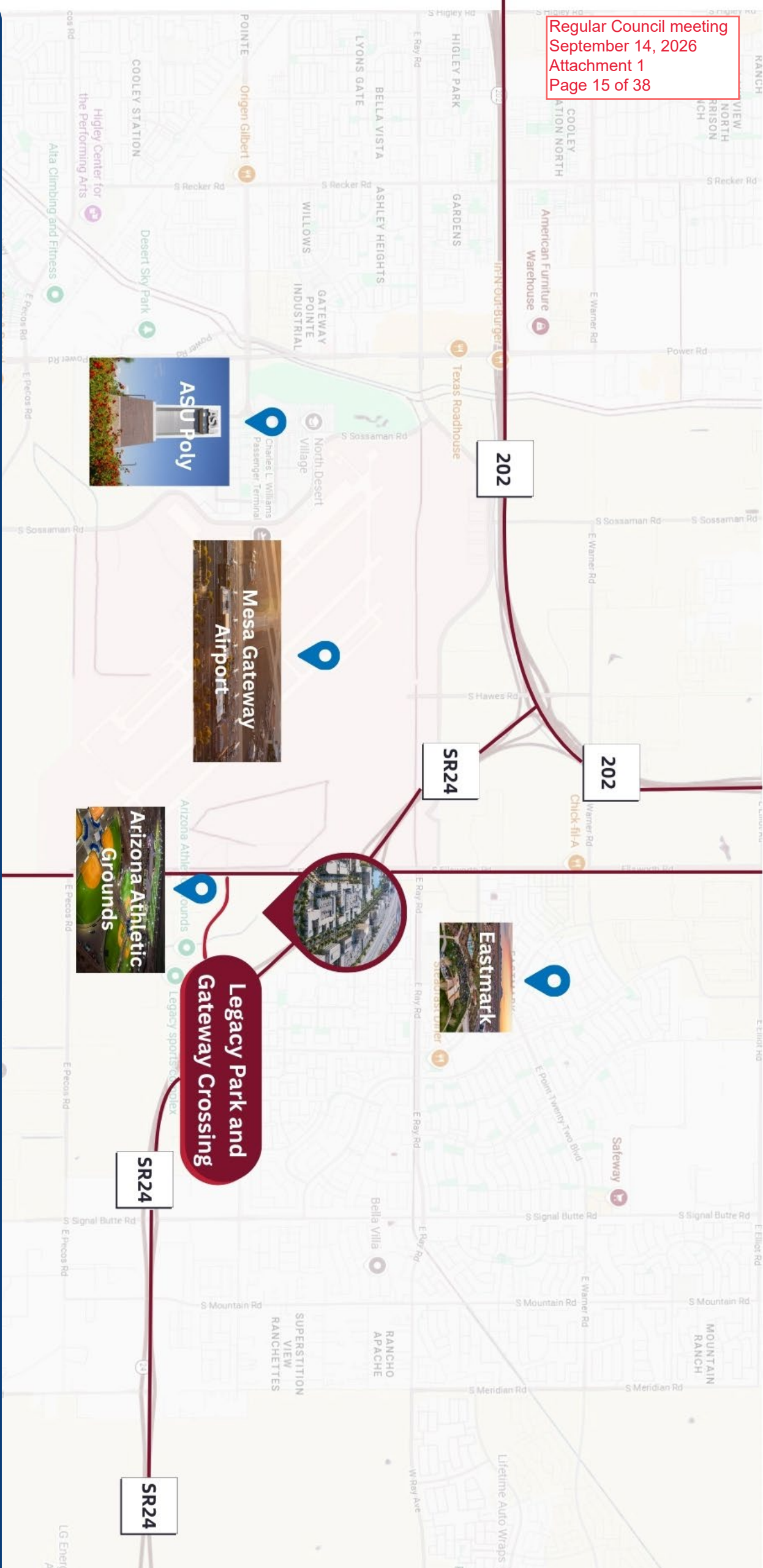
Generational Opportunity

Economic Impact: \$7.4 - \$58 billion

City Tax Revenues: \$545 million - \$1.4 billion

Jobs: 1,687 – 13,511 permanent
360 – 457 annual during construction



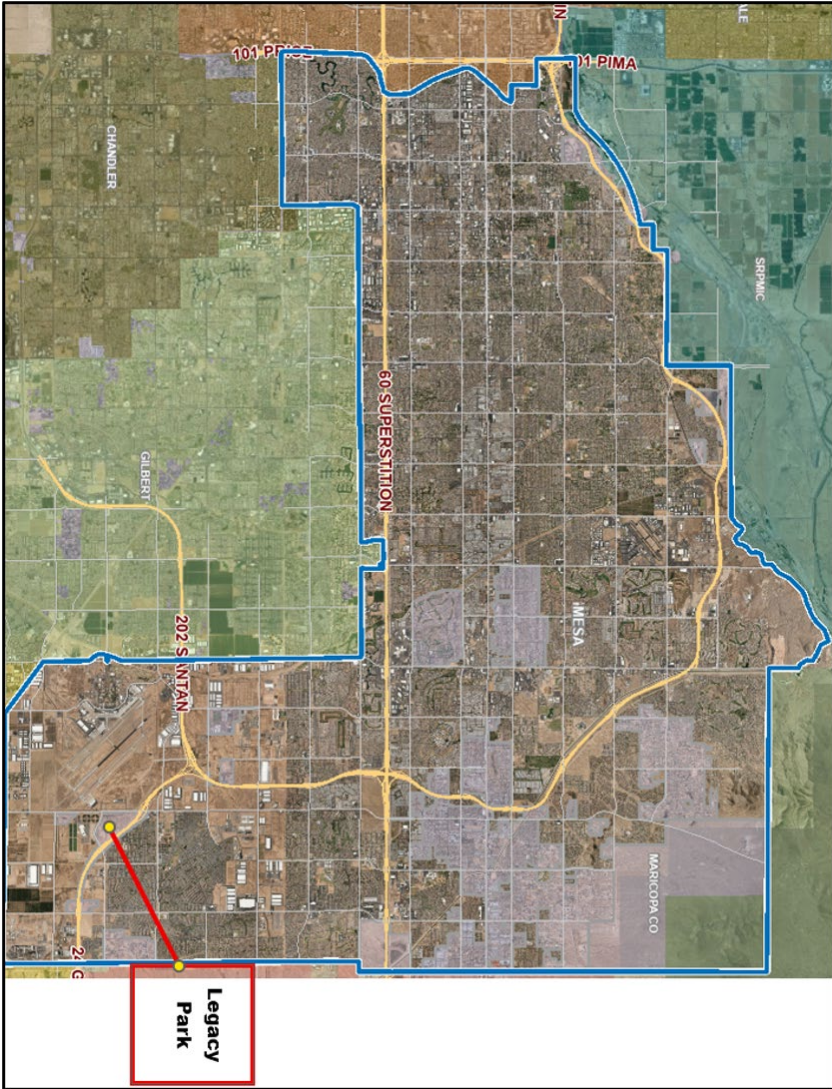


The proposed Legacy Park and Gateway Crossing project sits at the center of Southeast Mesa's Growth and Momentum



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REGIONAL CONTEXT



SITE CONTEXT



KEY LOCATION POINTS

- Southeast Mesa / Gateway Area
- Adjacent to SR 24 / Gateway Freeway
- Near Mesa Gateway Airport
- Adjacent to Arizona Athletic Grounds

LEGACY PARK





Legacy Park is creating a place that Mesa has been seeking

Retail + Dining A walkable lifestyle destination with a distinctive mix of uses.

Hotel + Events A resort environment supporting visitors, dining and major events.

Jobs + Offices New employment space in a dynamic and growing regional location.

Park A signature public space with community lake, trails, shade, seating and gathering spaces. Open to all Mesa Residents.

Housing Multifamily homes integrated with parks, paths and daily destinations.

Public spaces are the heart of the destination

The Boulevard

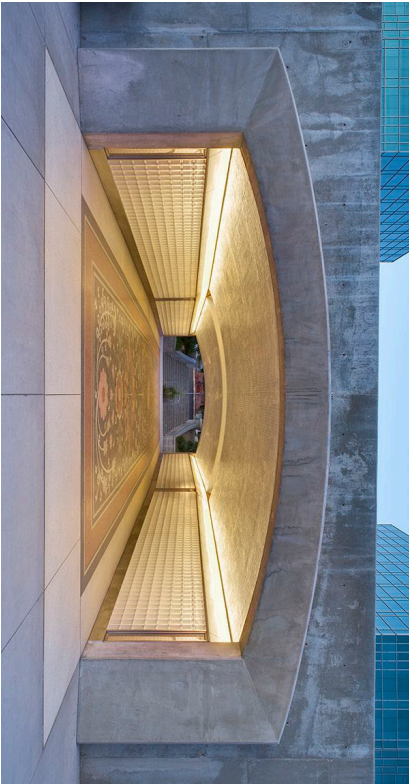
A shaded pedestrian spine connecting destinations across the community.

The Legacy Link

A pedestrian tunnel creating connection between Legacy Park, Gateway Crossing and Arizona Athletic Grounds.

The Park

Public park with trails, seating, shade and amenities including a defining water feature framed by recreation, hospitality and gathering places that is open to all Mesa residents.



Walkability and placemaking is designed into the community

- ✓ Shaded pedestrian routes and detached sidewalks
- ✓ Connections among the park, boulevard, homes and businesses
- ✓ Internal street network designed for lower speeds
- ✓ Multi-use trail and micromobility connections
- ✓ Pedestrian tunnel connecting to Gateway Crossing and Arizona Athletic Grounds
- ✓ Architecture, landscaping and lighting standards



Gateway Crossing



Broadens hospitality and retail offerings.

Creates a complementary destination for residents and visitors.

Supports and builds momentum for Legacy Park.





Legacy Park & Gateway Crossing

Minimum private improvements Developers are required to deliver

Improvements owned and controlled by Developers required by the Development Agreement

LEGACY PARK

500

Luxury hotel rooms

Plus, City-event and major-event room-block commitments

225,000

Sq. ft. commercial center

Upscale lifestyle retail + restaurants

300

Multifamily homes

Minimum residential program

120,000

Sq. ft. Class A office

Minimum employment center

GATEWAY CROSSING

190

Midscale hotel rooms

Two hotels • 95 rooms each

140,000

Sq. ft. Large-scale retail

22,000

Sq. ft. General retail

6,000

Sq. ft. Restaurant

Minimum commercial program

Minimum Improvements: Luxury Hotel

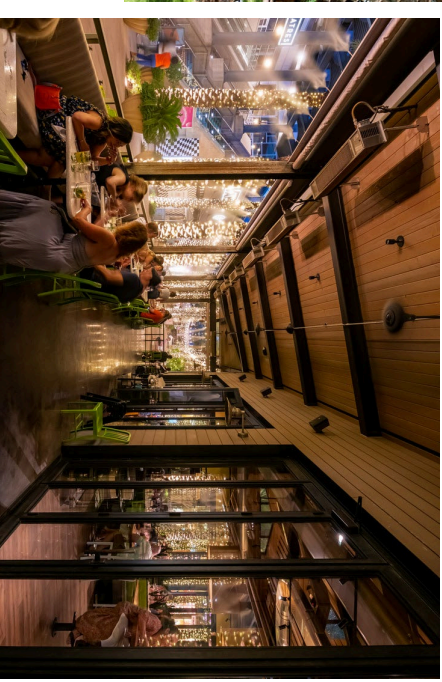
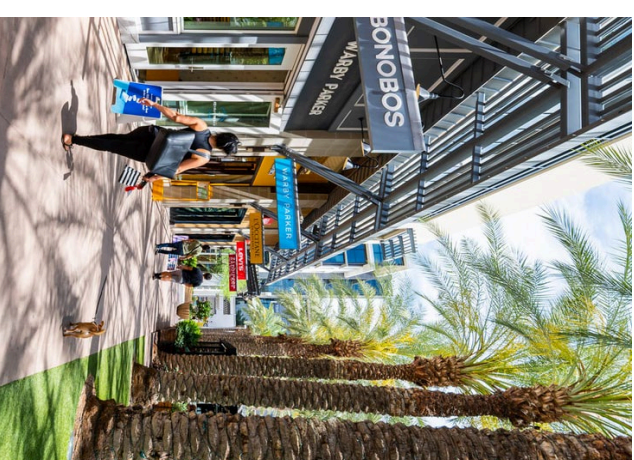
- Full-service, Luxury lifestyle resort hotel
- Minimum 500 rooms
- Brand equal to or exceeding STR market price segment for a “Luxury” hotel:
 - JW Marriott
 - Fairmont
 - Grand Hyatt
- Deal Point Requirements
 - Up to four City-sponsored events annually
 - Participation in hotel room blocks for up to four major events annually



Minimum improvements: Qualifying Restaurant & Retail

Commercial Center

- Must have a minimum 225,000 gross leasable square feet of Qualifying Restaurant or Qualifying Retail
- Quality Defined:
 - The establishment operates at one of the defined benchmark properties
 - Agreed to by the City Manager and Developers' Representative
 - 15-year requirement



Current tenants at benchmark centers

Kierland Commons
Scottsdale, Arizona

Scottsdale Quarter
Scottsdale, Arizona

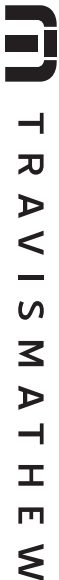
Legacy West
Plano, Texas

Avalon
Alpharetta, Georgia

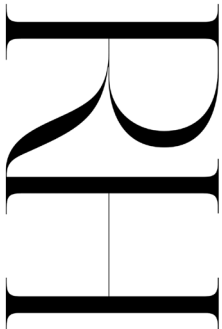
The Domain NORTHSIDE
Austin, Texas

Santana Row
San Jose, California

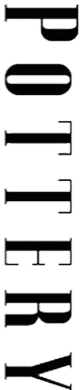
Downtown Summerlin
Las Vegas, Nevada



LOUIS VUITTON



TORY BURCH



WARBY PARKER



The conceptual full buildout expands every major component

- 400,000 sq ft** restaurant, retail + fitness
- 600** room luxury resort
- 3.8M sq ft** office and corporate campus
- 2,261** multi-family homes
- 150** room boutique hotel
- 2,245** structured parking spaces
- 20 acres** urban park



Gateway Crossing: A Complementary Retail and Hospitality Destination

Full Buildout

160,000 sq ft	Large-Scale Retail
190	Mid-scale hotel rooms
22,000 sq ft	General Retail
6,000 sq ft	Restaurant



Gateway Crossing completes the broader destination, supports and builds momentum for Legacy Park, and strengthens the connection to Arizona Athletic Grounds through expanded hospitality, retail, dining, entertainment, and recreation.



Project Deal Points

Development Agreement

- Minimum Required Private and Public Improvements
- Required Construction Deadlines
- Identification of Reimbursable and Non-Reimbursable Improvements
- Maintenance Agreement
- Retail Sales Tax Reimbursement
 - Construction Sales Tax
 - Retail Sales Tax
 - Transient Lodging Tax

Creation of a Special Taxing District (Theme Park District)



City tax dollars will NOT pay for Private Development

Developers are solely responsible for the following costs:

Private development

Private minimum improvements and parking garages

Private infrastructure

Such as private streets, sidewalks and landscaping, and private fiber*

Developer + land costs

Internal costs and project management, as well as property and easements transferred to the City at no cost

Lake water supply

Wells, pumps, water lines, water and water credits or rights

*Exception: Public utility lines located within private streets may be reimbursable.

Separate Taxing District

Some costs for the project could be paid for through a separate, independent special taxing district

Developers' Maintenance Responsibility

Developer-Maintained Public Improvements at
No Cost to City

Pedestrian Tunnel

Public Park and Community Lake

Arterial Road Landscaping

Non-Arterial Roads

Developers must enter into a maintenance agreement requiring them to maintain the identified public improvements in perpetuity at Developers' sole cost and expense.



Public Park Requirements

- Mesa Public Park (not including Lake): 10 +/- acres
- Mesa Community Lake limited to a maximum of 10 acres
- Active Community Lake: Kayaking and Paddleboarding
- Constructed by Developers as a Public Improvement
- Land for the Public Park and Community Lake dedicated to the City at no cost for public use
- Water supply is the Developers' responsibility and cost, including Type 2 groundwater rights and well construction
- Developers responsible, in perpetuity and at no cost to the City, for maintaining the Public Park and filling and maintaining the Community Lake
- Project-generated revenue may reimburse construction of the Public Park and Community Lake, but not the water supply infrastructure (well(s), pumps, or water lines) or Type 2 water rights



Agreement Deadlines – Developers Anticipate Earlier Delivery



Earlier Opening Means Earlier Revenue Generation

Developer's Estimated Schedule



Project-generated taxes reimburse public infrastructure



Combined reimbursement is an estimated \$76.4 million plus allowable finance costs, including 4% simple interest.

Transaction Privilege Tax

Unrestricted Only – 1.2% of 2% Tax Rate

- **Construction Sales Tax:**
Reimbursement of 100% unrestricted (60% of tax generated by site)
- **Retail Sales Tax:**
Reimbursement of 75% unrestricted (45% of tax generated by site)



Transient Lodging (Hotel) Tax

- City's 5% TLT is in addition to Transaction Privilege Tax on Hotel
- Of the 5% tax, the Development Agreement allows 2% to be used for public improvement reimbursement and requires the remaining 3% to be used by a nonprofit for the promotion of tourism.



Maximum 30 year

reimbursement period



Reimbursement Cap:

Developers' actual eligible costs for the public improvements





Breakout of Every \$100 of Sales Tax Revenue Generated by the Project

(City: \$55/Developer Infrastructure Reimbursement: \$45)

Mesa Local TPT Rate = 2.00%

Local Streets	Quality of Life	Public Safety	City Unrestricted	Developers' Public Infrastructure Reimbursement
\$15	\$12.50	\$12.50	\$15	\$45
Total Retained by the City: \$55				

During the reimbursement period only. After the reimbursement period ends, the City retains 100% of the sales tax revenue generated by the Project.

Retail Sales Tax = All Mesa Non-Construction Contracting and Non-Transient Lodging Transaction Privilege Tax



Economic Analysis

"The development of Legacy Park and Gateway Crossing could create **significant new economic activity in East Mesa.**"

"The minimum improvements could generate a total economic output impact of **\$7.4 billion over 30 years** ... The Project operations could directly support ... a total of **1,687 jobs.**"

"In comparison, the full buildout scenario could generate **a total economic impact of \$58.8 billion over 30 years** ... [and] a total of **13,511 jobs.**"

Through new capital investment and taxable sales, the minimum improvements at Legacy Park and Gateway Crossing could generate ... a total of **\$545.1 million in total City revenues** ... If the development expands ... to the full buildout scenario described ... it could generate ... a total of **\$1.4 billion in total City revenues** ..."



mesa·az

Legacy Timeline

8/2025

MESA
Mesa eyes \$1B luxury resort hotel, retail development at Legacy Park



Updated Aug 27, 2025, 3:26 p.m. MT

Vestar Announces Project:
Phoenix Business Journal
Arizona Republic

Commercial Real Estate
Vestar unveils massive mixed-use project in Mesa



Rendering of Legacy Park, a multi-story retail and development being developed in Mesa

By Brandon Brown - Senior Reporter, Phoenix Business Journal

Aug 27, 2025

6/2026

Vestar Presents Project to City
Council Economic Development
Sub Committee and Visit Mesa

9/2026

9/10/26-Presentation to Council
9/14/26-Final Action: Annexation,
Rezoning, Retail Tax Development
Agreement, Theme Park District

12/2025

Vestar Presents Project to
Economic Development Advisory
Board (EDAB)

8/2026

8/26/26 Planning and Zoning Board
Meeting (Vote 7-0)
8/27/26 Notice of Intent for Retail
Sales Tax
8/31/26 Annexation Ordinances
Introduced (ANX25-00682 and
ANX25-00893)
8/31/26 Rezone to Planned
Community District (ZON25-00891)





ctions requested of Council

Annexation Ordinances

Approval of Legacy Park and Gateway Crossing annexations

Community Plan Ordinance

Approval of Community Plan to establish Zoning requirements for Legacy Park

Development Agreement

Approval of a resolution for Development Agreement and required findings

Theme Park District

Approval of a resolution for Legacy Park Theme Park District (Special Taxing District)