

Minutes Neighborhood Advisory Commission September 7, 2022



Draft minutes of the Neighborhood Advisory Commission (NAC) held on Wednesday, September 7, 2022, hybrid meeting with in-person attendance option and a virtual component using Microsoft Teams platform

(MEMBERS) Present: Brandon Abrahams, Hannah Moulton Belec, Annette Fields, Jana Lynn Granillo, Gabe Hagen, Diane Harden, Barb Harris, Nancy Puffer, Mark Rude, Daniel Schugurensky, Joel Stern, Nicholas Weller

(MEMBERS) Absent: Maureen Eastty

City Staff: Elizabeth Thomas, Neighborhood Services Specialist; Shauna Warner, Neighborhood Services Manager

Guests: Xavier Gutierrez, President, CEO and Alternate Governor of the Coyotes; Marina Carpenter, Coyotes; Stacy Pearson, Coyotes; Ron Tapscott and David Sokolowski

Agenda Item 1 - Call to Order

The meeting was called to order at 5:31 p.m. by Chair Moulton Belec

Agenda Item 2 - Attendance Roll Call

Present: Brandon Abrahams, Hannah Moulton Belec, Annette Fields, Jana Lynn Granillo, Gabe Hagen, Diane Harden, Barb Harris, Daniel Schugurensky, Joel Stern, Nicholas Weller

Absent: Maureen Eastty

Note: Nancy Puffer and Mark Rude absent at time vote was taken

Agenda Item 3 - Public Comment

None.

Agenda Item 4 - Review and approval of meeting minutes: August 20, 2022 NAC Retreat Meeting

Motion: Commissioner Granillo made a motion to approve the August 20 minutes as presented.

Second: Commissioner Weller

Commission Member Ayes: Brandon Abrahams, Hannah Moulton Belec, Annette Fields, Jana Lynn Granillo, Gabe Hagen, Diane Harden, Barb Harris, Daniel Schugurensky, Joel Stern, Nicholas Weller

Absent: Maureen Eastty

Note: Nancy Puffer and Mark Rude absent at time vote was taken, arrived shortly following.

Result: Approved by a unanimous vote of those present, 10- 0.

Agenda Item 5 - Presentation on Proposed Tempe Entertainment District, Xavier Gutierrez, President, CEO and Alternate Governor of the Coyotes

On June 2, 2022 Mayor and Council voted to begin formal negotiations with the Coyotes. Mr. Gutierrez thanked Commissioners for asking him to come and speak to them about the proposal and expressed his desire for a dialogue with them.

He shared that Alex Meruelo purchased the team in 20__ and that he joined the Coyotes shortly thereafter beginning in the midst of covid.

Mr. Gutierrez emphasized that this will be an iconic, innovative urban redevelopment project with 3.4 million square feet in new development that will be best-in-class around the country anchored by a best-in-class sports facility, future home of the Coyotes team. He added that clean up of the site and improvement of the public infrastructure is a necessary process for redevelopment of this property.

The project amenities he noted include:

- 300,000 square feet of upscale retail with fine dining, shopping and public ice rink
- 16,000 seat capacity multi-purpose arena
- 3,000 seat capacity music venue
- 350,000 square feet of Class A office
- 1,600+ residential units
- 500 hotel rooms with both a boutique and a convention hotel

The transformative benefits he highlighted include:

- From city trash landfill to regional landmark
- Return of professional sports back to Tempe
- No public taxpayer dollars will be at risk, private funds through issuance of public infrastructure bonds sold to private investors. (Payments of the bonds through onsite tax and parking revenues, voluntary surcharge on project's retail sales and real estate tax assessment liens attached to the 2.1 billion in private improvements for the life of the bonds.)
- 6,900 new permanent jobs
- Over the next 30 years - Net, new tax generation of \$180 Million to Tempe, \$225 Million to Maricopa County and 1.0 Billion to State of Arizona

There was discussion regarding FAA regulations, building heights and project phasing. Other project elements shared include plans for multi-modal incentives (tickets serving as light rail passes), seven million in public art investments and a two million Developer commitment to the Tempe Coalition for Affordable Housing fund.

Commissioners had a number of questions and comments including:

Art - only in district?

A: Yes

Tempe artists? Murals?

A: Hasn't been decided. Maybe form an arts council. Art is for the community.

Will housing have workforce/affordable housing?

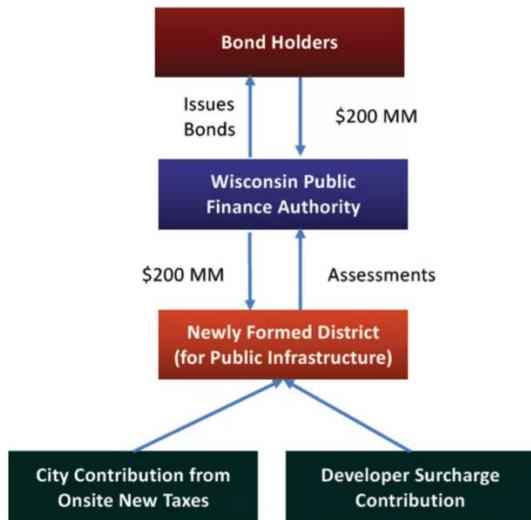
A: Not our intent to have onsite. Intent is to have throughout Tempe.

Do you have a spreadsheet on GPLET of what city gets? What is city giving away?

A: Yes - and can share. Will talk about tax breaks in comparison to other stadiums.

See the following graphics/excerpts from provided presentation.

Proposed Bond Structure – WPFA Issuance



Important Facts

- City of Tempe **does not** issue bonds
- District Bonds **are not guaranteed** by the City of Tempe or its tax payers.
- Bonds carry **no financial risk** to City of Tempe or its tax payers.
- TED's development generates new tax revenues for City, starting **Day 1**.
- Developer will impose a surcharge on all business activity within TED for assessment payments (~2.5% / \$126 million) and **be liable for 100% of the assessment payments**

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Arizona Sports/Entertainment Venue Comparison

Facility	Tax Contributions	Bond Credit Rating
 State Farm Stadium	State & County Wide Taxes	Investment Grade
 Footprint Arena	City Wide Taxes	Investment Grade
 Chase Field	County Wide Taxes	Investment Grade
Gila River Arena	City Wide Taxes	Investment Grade
 TED	Site Generated Taxes Only	Unable to Qualify for Rating

Where do these buckets of money go to normally in city budget? Where does the money go and how is it divided?

City staff agreed to follow up with appropriate financial staff.

Anywhere else that this model has been done?

A: private financing has been done but not in AZ

When do you anticipate phase 2 in going in?

A: Depends whether city stays in through summer 2024. This area also has to be remediated, typically takes 9 months. Dependent on city relocating service yard.

What percentage of employees working on site might need affordable housing? Based on salary ranges?

A: Difficult to say, mixed incomes, could be retirees working. Haven't done analysis.

GPLET Request on Sports/Entertainment Venue Parcels

Developer Request: 30-Year Property Tax Exemption via GLPET on Arena, Practice Facility & Music Venue

Comparable Facilities:

	State Farm Stadium	IN PERPETUITY: Property Tax Exempt via Municipal Ownership (Maricopa County)
	Chase Field	IN PERPETUITY: Property Tax Exempt via Municipal Ownership (City of Phoenix)
	Footprint Arena	IN PERPETUITY: Property Tax Exempt via Municipal Ownership (City of Phoenix)
	Gila River Arena	IN PERPETUITY: Property Tax Exempt via Municipal Ownership (City of Glendale)
	Veterans Memorial	IN PERPETUITY: Property Tax Exempt via State Ownership (State of Arizona)
	Sun Devil Stadium	IN PERPETUITY: Property Tax Exempt via State Ownership (State of Arizona)

Traffic Mitigation

1) Public Transportation Initiatives:

- **Partnership with Valley Metro Rail:** Arena tickets will be same day light rail passes
- **Free TED Shuttles:** Free shuttle service to two closest Valley Metro rail stops for Arena events
- **Partnership with Orbit:** Increase existing shuttle service to and from Downtown Tempe
- **Extension of Tempe Streetcar:** Grant an easement for future expansion of the Streetcar

2) Vehicular Traffic Initiatives (Five freeways are located <4 miles away or less)

- **Rideshare Services Partnership:** TED designed to facilitate ridesharing and micro-mobility
- **Neighboring Owner Partnerships:** 2k on-site parking spaces + 8k spaces within walking distance + 2k near the Priest / Washington St light rail stop
- **Partnership with City & Residents:** We welcome additional ideas from the City and Tempe Residents

Can driverless cars access site?

A: Micromobility will continue to be a thing. Not sure what it will look like in 5-10 years but it will continue to grow. Not sure about driverless cars access.

Bike lane access and parking?

A: Think Rio Salado Parkway will have to be expanded into the property in order to have a safe non-car zone. Not sure what it will look like. Will we do it in first or second phase?

Does the \$1 million in police and fire include traffic control?

A: Yes, assessment says most of police will be for traffic control. Will have a police substation onsite, so enough to service area. Our goal is not to burden existing system in Tempe. Money is to pay for additional needs.

Are you connected with north/south rail spur project?

A: We can look into that. Need more ideas to figure out how it works best for community. Know proposal doesn't capture everything. Won't eliminate traffic, trying to mitigate it.

In addition to ice based sports, what kind of events could be held in arena?

A: Anticipate multi-use venue. Concerts, non-sporting events and sports that aren't ice based. Pickleball tournaments. Can put down foam matting, turf whatever surface needed. Volleyball, Lacrosse.

City has made bad deals. IDEA next to Arts Center. Was supposed to be phase two, didn't work out. What guarantee that phase two happens?

A: On hook for entire project, Coyotes money. We need both phases. Arena isn't going to return millions. Other uses will return it. Taking on larger investment, all financial risk, need second phase. In proposal, the day deal becomes effective, wire \$40 million non-refundable to city. \$80 million non-refundable day second phase starts.

Are you purchasing 23 acres or all of it?

A: Purchasing all of it but dispersing first money until city vacates second area.

Taxpayers want to know what could go wrong and how would we know? City of Phoenix and airport have made noise about building residential.

A: Digging into landfill, could take longer. Boyer site next door also had remediation, sort of know what's going on. Borings done as part of assessment to get idea of cost. Digging 30 feet, creating bathtub. What Coyotes has proposed is permitted. Carvana development crane 20 feet higher than any of ours will be. IGA says if you're going to be in noise contour, you have to do noise mitigation. Spelled out you can do this if you do mitigation. Lowered heights, addresses cranes and noise. 4,600 residential units built since IGA, same distance areas, contours. Our modeling assumed the runway will be extended.

Any remaining gotchas with FAA?

A: Will go through an application process. Can't tell you what to do, can say if you're going to do it, here's what you have to do.

Traffic mitigation. Would like to hear more from the Coyotes regarding the thousands of residents that don't live several miles away, that live within one half mile of area. How are we going to actively try to keep traffic from going through the neighborhoods on game nights and/or events? Realization people are going to want to take cars and not sit in traffic on Priest.

A: Fully transparent, you will have visitors. In location well situated to handle. In city, at least 8 teams a year get 62,000 for ASU football. Experience having major events in similarly situated location. Don't have all answers, things we will have to improve.

When can we see next steps?

A: We respect this is a process we don't control. City is in charge of it. Hope is that we can get to resolution in fall with another public hearing or vote. All information available at coyotesintempe.com

Anything in agreement that doesn't allow you to resell land?

A: Don't have agreement. Coyotes buying all property. Not buying in phases. At that point, Coyotes own it. Requirements to clean all regardless. Don't anticipate something to preclude selling it. No way could sell and make money for arena.

Any revenue going to extending lakefront further west?

A: Would love to see happen. Army Corps of Engineers. Would like to be engaged in it. Project may make more compelling to do extension to Priest.

Have you talked about agreements with Marketplace and ASU about using facilities for parking?

A: Surrounding Coyotes 8,000 parking spaces outside site. State Farm and others have parking not used outside certain hours. Carvana has employee parking. Potential to enter into parking agreements.

Sports betting. Can you talk about what that looks like on site? How that fits in with project? Legalized by state new. Would be new in Tempe to have vibe.

A: Like other sports facilities, yes, will have one on site. Can't put a casino. Majority of sports betting is digital. Sports books tends to be gathering facility. More micro betting. Residential, office and retail tenants need to be comfortable.

Is physical space attached to arena?

A: Haven't decided, most likely.

Chair Moulton Belec noted several comments and a few questions in chat. One guest had asked if Coyotes have produced all financial records for Tempe?

A: Unsure

Mr. Gutierrez concluded his presentation with a video depicting the look and feel and possibilities for creating a world-class venue. He expressed a willingness to answer questions from the chat post meeting and to meet with any groups interested.

Agenda Item 6 - Tempe Tomorrow: General Plan 2050, quick overview of the Technical Advisory Group from Commissioner Abrahams

Formed to help provide guidance and advice towards the creation of the General Plan 2050, the Community Working Group for the General Plan 2050 is made up of residents and business owners throughout Tempe. Commissioner Abrahams is the NAC member who was appointed to serve on this Group.

The plan guides how Tempe plans for development, land use, transportation, mass transit, economic development, historic preservation, neighborhood enhancement, public art, cultural amenities, human services, recreation, and open space. It also guides the City of Tempe in planning for sustainability, climate change, environmental improvements, and in achieving a good quality of life and community well-being.

Commissioner Abrahams stated that the Technical Advisory Group meets the third Tuesday of every month. Thus far, there have been four meetings, the first of which was introductory information. He then noted the main subjects discussed at each subsequent meeting. Group members have engaged in significant discussion about affordability limits and State Law, are in agreement that the 2040 goals remain necessary and are seeking input and ideas for how to motivate Developers to do more.

Agenda Item 7 - Continuation of Commission Goal Setting and Working Groups Discussion

Chair Moulton Belec briefly reminded members of their expressed desire for more specific goals around grants and outreach and recommended spending time during the next couple Commission meetings to work on and solidify goals for the coming year.

Existing city data and analysis and mapping with overlays can be used to identify areas of interest and more finely tune them. Staff added that each grant cycle, there are new applicants and new applicants are always given close consideration as noted on the application. There are also existing maps showing the areas with no associations which can be shared again.

Commissioner Granillo emphasized alignment with equity in action initiatives and researching programs and collaborations to increase shade. Staff agreed that Richard Adkins, City Arborist, could be scheduled for a future meeting to share what is being done around neighborhoods, schools and roads to add trees and increase shade.

There was general consensus to focus on new associations or never funded associations followed by brief discussion about a grant focus area. Members are exploring putting the focus on tree grants, emphasizing them and offering resources to help make it easier to apply for them.

Agenda Item 8 - Proposed Future Agenda Items

Staff again confirmed the next meeting will be on Wednesday, October 12, 2022. This meeting replaces the October 5, regular meeting date which conflicts with Fall Break.

Chair Moulton Belec noted she is volunteering for the October 15 TNT Collection Drive and will share information about the drive and the volunteering opportunity with members soon.

Agenda Item 9 - Adjournment

Meeting was adjourned at 7:00 p.m.

Prepared by: Elizabeth Thomas