

MINUTES OF THE SPECIAL MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, DECEMBER 10, 2024, AT 5:00 PM IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Mayor Leech called the meeting to order at 5:00 p.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Leech, Vice Mayor Kakavas, Councilman Adams, Councilman Clark, Councilman Hatch, Councilman Judd, and Councilman Whipple.

COUNCIL MEMBERS ABSENT: None.

STAFF MEMBERS PRESENT: F. Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Justen Tregaskes, Planning and Zoning Director; Bill Kopp, Public Works Director; Shane Hemesath, City Engineer; Brad Provost, Police Chief; Steve North, Economic Development Director; Jay Brimhall, Community Services Director; and Rachael Hall, City Clerk.

GUESTS: Mike Stefaniak.

3. NEW BUSINESS:

A. Consideration of Approval to Select Conceptual Design for Show Low Sports and Events Center Project (Morgan Brown)

Mr. Brown said this special meeting was to give the Council an update on the Show Low Sports and Events Center project. He said the City had a Sports and Events Center Committee, which consisted of Council members Adams and Clark, a few City staff members, and members of the public, Lyndsi MacGregor, Bruce Ironside, Jacob Letner, and Show Low School District Superintendent, Dr. Joe Farnsworth. He said the Committee had met a few times over the year with architect Rick Crandell, to review various design concepts. He said if the Council decided to move forward with the project, the next step would be for the City to work on a design-build project. He said Steve North would give a presentation on the update.

Mr. North gave an overview regarding the Show Low Sports and Events Center project update. He provided background information and said a market and demand analysis for a convention and events facility was done in 2017 and 2018. He said a demand was established for a multi-purpose flex space with a recommended size, opinion of cost, financial projections performed, and potential sites were evaluated.

Mr. North said in 2019, 2020, and 2022, Sports Facilities Advisory (SFA) did a market opportunity analysis, operating pro forma, conceptual design, opinion of cost, economic impact analysis, and funding support analysis. He said the

SFA report recommended a six-court facility, which would cost \$27 million and be operationally sustainable in year three. The projected cost now in 2024 for the same project would be \$45 million due to inflation and other factors.

Mr. North said in 2024, architect Rick Crandell, worked on a dome concept as a lower-cost option for the City. Mr. Crandell worked on a six-court and an eight-court model for the Council and staff to review. Mr. North reviewed the six-court model and said it would be a total of 105,273 square feet, had 3,208 fixed seating, an additional 3,072 seating with telescoping bleachers and 1,720 folding chairs for a total of 8,000 seats, and a playing floor area of 36,000 square feet.

Mr. North said the eight-court model would be a total of 103,747 square feet, had 1,480 fixed seating, an additional 2,520 seating with telescoping bleachers and 2,400 folding chairs for a total of 6,400 seats, and a playing floor area of 46,637 square feet.

Mr. North said the estimated total cost for the six-court model was between \$27.9 and \$32.4 million, and the estimated total cost for the eight-court model was between \$28.8 and \$32.7 million. He said the estimated costs included the site development.

Mr. Johnson reviewed the project financing. He said the Sports and Events Center bond scenario showed that if the City took out a \$19 million loan, in the current market, there would be a 4% interest rate. At a ten-year payoff, the repaid amount the City would pay was \$23,425,279, at a 15-year payoff the City would pay \$25,633,214, and at a 20-year payoff the City would pay \$27,961,065 total for the project. He said the FY26 budget had \$15 million for the project, and the City collected around \$500,000 in annual bed tax which could be used for this type of project. He said this was for debt service only and did not include operating costs.

Mayor Leech asked if there was a report on monthly costs of the facility. Mr. Johnson said a pro forma was conducted on the operating of a facility from SFA, but that report was a few years old and was conducted on a different design scenario, so it wouldn't show the monthly costs for these models being presented to the Council.

Vice Mayor Kakavas asked how long it would take to conduct a pro forma for this type of facility. Mr. Johnson said staff could get with SFA and maybe get a pro forma in a few weeks.

Councilman Adams said the reconfigured six-court model seemed more useful for the community. He said it seemed like everyone on the Sports and Events Center Committee was interested in the six-court concept.

Councilman Clark said the first six-court model was bare-bones and the ten-court and 12-court models were too big. He said the enhanced models were

more what the Committee was looking for and said the Council would have to decide on what was more important, the amount of seating or the amount of playing area. He said the events space and storage space seemed the same between both models and the corridor on the second level would be important for the community to use when the weather was not conducive.

Councilman Adams said a six-court facility could host a 48-team basketball tournament, and an eight-court facility could host a 64-team basketball tournament. He said the Committee talked about the community being able to use the facility such as high school teams during bad weather.

Councilmembers Judd and Clark asked for clarification on the location of the different seating arrangements. Mr. Crandell said the fixed seating would be above the floor area, and the telescoping bleachers would be affixed to the walls on the lower level and would come in and out of that area for flexibility. He said the eight-court model allowed more flexibility of the seating and larger area of court space, but the six-court model allowed for more comfortable fixed seating and better flow from seats to the lobby areas and restrooms. Mr. Crandell said the six-court model had a better seating pattern, but the eight-court model had other options that the six-court model did not. He said it would come down to the Council deciding what the facility would be used more for and what their preferences were for the facility. He encouraged the Council to be as flexible as they could to get the most usage out of the facility.

Councilman Adams said at a Committee meeting, Mr. Crandell talked about the six-court model and how it flowed better for exiting and concessions. He asked Mr. Crandell to expand more on that concept. Mr. Crandell said there were seven major design issues that architects looked at when designing a project and when you sold tickets you had to have services to back up that ticket sale. He said such services included restrooms and exiting from the building. He said it affected the mechanical units, and the more seats you had, the more space you needed to service that seat. He said the six-court model he used included a seat width of 32 inches by 20 inches of pitch, which would be considered comfortable seating. He said he could get more seating in the model, but it wouldn't be as comfortable or roomy. He said the six-court model would flow better with the exits and other services. He said when looking at the seating plan from above on the six-court model, the round shape of the building really accented the focus towards the very center of whatever that attention was supposed to be. He said it filled the space better. He said the eight-court model had more excess space you could not use and was not as efficient, but it had features that the six-court model did not have.

Mayor Leech said he would prefer more seats than basketball court space. He was concerned that there might not be enough seating for people to attend and watch an eight-court tournament.

Vice Mayor Kakavas asked if there was a track field on the six-court model. Mr. Crandell said both the six-court and eight-court models had most of the

same components, but just different configurations. He said there was an indoor track on the upper level for the community to use on both models. Mr. Brown confirmed there was a walking track on both models on the upper level, but the track field that was shown on the ground level would only fit on the eight-court model.

Councilman Clark asked for clarification on Exit Hall on the six-court model renderings. Mr. Crandell said when you get into a population of over a high school gymnasium such as 3,000 to 4,000 people, you have to be able to get them out of the building and meet IBC (International Building Code) requirements. He said everything was tied to that population, and in this particular case, you're looking at dispersing people in four different lobbies, so the Exit Hall was the exiting space on the model. He said the restrooms were spread all over, so people would not have to go around the whole building to find a restroom or walk across the courts. He said when you started getting into the arena or coliseum business, you had to control the general public through the design of the building, so that was shown through these models. He said the flow for dispersing the public was better in the six-court model.

Vice Mayor Kakavas asked about challenges for spectators and if there would be enough space during an event on the eight-court model. Mr. Crandell said in the model there was a planned family center that was around 1,300 square feet and there were meeting rooms and patios that could be used during the same time of the event for people to congregate.

Councilman Judd asked if there was different flooring that would be moved in and out depending on what sport or event was taking place in the facility. Mr. Crandell said the City could have different flooring for different types of usage, but the pricing would be high. Mr. Crandell said he only had one flooring type in the model, which was the basketball court flooring, and that would be permanent and sufficient for most events. He encouraged the City to operate on the simplest level, where they were not changing the flooring or the height of the ceiling for each different event held in the facility.

Mr. Brown said that when looking at the facility's model and seeing an indoor softball field configuration, that would mean a team could practice in the facility but not have a sanctioned tournament or games inside the facility.

Councilman Clark asked what the seating was in the Show Low High School gymnasium and the Show Low School District Auditorium. Mr. Brimhall said there was a 3,000-seating capacity in the gymnasium and a 1,000-seating capacity in the auditorium.

Councilman Clark shared concerns about having more fixed seating that could not be moved around compared to having more area, versatility, and flexibility with a larger floor area. He said at this time, it was more important for the Council to decide if they were willing to go into debt for this project first before deciding whether the Council wanted a six-court or eight-court model.

Mayor Leech asked the Council members for their thoughts about the debt for the project. Vice Mayor Kakavas said essentially, the City had budgeted \$15 million already for the project, which would be almost half of the project. Councilman Judd said the price did not scare him and that the Council had been discussing this project for many years.

Councilman Clark suggested tasking staff to get a pro forma on the operating costs to show the difference between the six-court and eight-court to help the Council make an informed decision between the two court sizes.

COUNCILMAN CLARK MOTIONED FOR CITY STAFF TO REACH OUT TO SPORTS FACILITY ADVISORY TO REVISE A PRO FORMA BASED ON THE ENHANCED SIX-COURT AND EIGHT-COURT MODELS AND REPORT BACK TO THE COUNCIL AT A LATER DATE; SECONDED BY MAYOR LEECH; PASSED 7 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN CLARK, COUNCILMAN HATCH, COUNCILMAN JUDD, AND COUNCILMAN WHIPPLE VOTING IN FAVOR.

4. **ADJOURNMENT:**

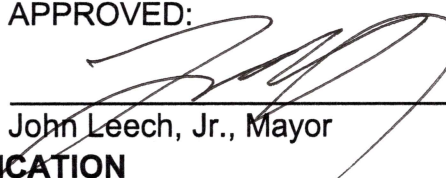
There being no further business to be brought before the Council, **MAYOR LEECH ADJOURNED THE SPECIAL MEETING OF THE SHOW LOW CITY COUNCIL OF DECEMBER 10, 2024, AT 6:03 P.M.**

ATTEST:



Rachael Hall, City Clerk

APPROVED:



John Leech, Jr., Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of Show Low held on December 10, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 7th day of January, 2025.

(SEAL)



Rachael Hall, City Clerk

