PUBLIC NOTICE
SPECIAL MEETING
CASA GRANDE CITY COUNCIL
MEETS
WEDNESDAY, AUGUST 2, 2017- 5:30 P.M.
COUNCIL CHAMBERS – 510 E. FLORENCE BOULEVARD

A. Call to Order

B. Roll Call

C. Consent Agenda
All items listed with an asterisk (*) are considered routine matters and will be enacted by one motion and one roll call vote of the Council. There will be no separate discussion of these items unless a Council Member or member of the public so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence of the agenda.

D. New Business:

D.1 Consider a Notice of Intent to enter into a retail development tax incentive agreement with The Block Sports Company for the Dreamport Villages Project

E. Executive Session

E.1 A.R.S. §38-431.03.

Upon a public majority vote of the members constituting a quorum, a public body may hold an executive session but only for the following purposes:
3. Discussion or consultation for legal advice with the city attorney or attorneys of the public body.
4. Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation.

• Discussion and Consultation Regarding a Proposed Development and Incentive Agreement with The Block Sports Company

F. Public Comments

G. Adjournment

Note: This meeting is open to the public. All interested people are welcome to attend. Supporting documents and staff reports, which were furnished to the Council with this Agenda, are available for review in the City Clerk’s Office or online at www.casagrandeaz.gov.

Disabled individuals with special accessibility needs may contact ADA Coordinator for the City of Casa Grande at 520-421-8600 or TDD 520-421-8623. If possible, such requests should be made 72 hours in advance.

Posted on July 31, 2017 by 7:00 p.m. at the below locations:

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Gloria Leija, MMC
City Clerk
SUBJECT:
Approve the Notice of Intent to enter into a retail development tax incentive agreement with The Block Sports Company for the Dreamport Villages Project.

RECOMMENDATION:
It is recommended that the Mayor the City Council adopt the Notice of Intent to enter into a retail development tax incentive agreement with The Block Sports Company for the Dreamport Villages Project. Adopting the Notice of Intent does not obligate the Mayor and Council to enter into the agreement, but is a necessary first step in order to consider whether to adopt it.

DISCUSSION:
Over the past several months, staff has been involved in negotiations with The Block Sports Company regarding the proposed development of a world class entertainment, resort, office and retail mix use development known as Dreamport Villages. The development as proposed would include resorts with supporting recreational amenities, indoor entertainment facilities, water parks, restaurants, special retail, amusement parks, a tech park, and residential development within a master planned community. The proposed development is comprised of approximately 1,507 acres and consists of two planned area developments north and and
south of Interstate 8 and West of Interstate 10.

Significant additional infrastructure, most likely including a new interchange at the Henness and I-8 location, would be required in order to develop a project of this magnitude in this location. The Block Sports Company claims that, due to the significant infrastructure that needs to be constructed - much of which would have a regional benefit well beyond that needed for the Dreamport Villages project - it would be unable to build this development and amenities in this location at this time absent reimbursement of some of the infrastructure costs from the City and, accordingly, has asked the City to consider entering into a development agreement that would repay a portion of the sales tax the development generates to Block Sports. The proposed sales tax reimbursements would be used to repay the company for public infrastructure Block Sports would be responsible for constructing.

In order to consider a development agreement with terms and conditions that include retail sales tax incentives, state statute first requires that the City adopt a Notice of Intent to enter into the agreement. This notice must be adopted at least 14 days before approving any such agreement. Adoption of the Notice of Intent, which is the only substantive item on the agenda for tonight's meeting, does not obligate the Mayor and Council to enter into the development agreement but adoption of such a Notice of Intent is a mandatory prerequisite to later considering this type of agreement. Adoption of the Notice of Intent can be done by motion with a simple majority needed to pass the Notice of Intent. A form of the proposed Notice of Intent is attached to the RCA, and staff is recommending that the Mayor and Council adopt the Notice of Intent in order to further consider the agreement at a later meeting. A summary of the proposal as well as some of the economic impact of the project will be forwarded to Council once completed and a synopsis will be presented at the meeting on August 2nd.

If Council adopts the Notice of Intent tonight, also pursuant to state statute, the City would be required prior to approving any agreement to make a finding that the tax generation from the proposed project will raise
more revenue than the amount of the incentive within the duration of the agreement, and that in the absence of a tax incentive, the development would not locate in the city or town in the same time, place, or manner. The statute also requires that an independent third party is required to verify the research and analysis of these findings before the municipality enters into the agreement. To fulfill this requirement of the statute, the City has engaged Applied Economics to perform the independent review. Once the report of Applied Economics has been completed a copy will be made available to Council. Obviously, in order for the Mayor and Council to enter into a retail sales tax incentive agreement, the analysis must demonstrate that the terms of the agreement ensure that the City will raise more revenue than the amount of the proposed incentive and that the flow of tax revenues would be sufficient to cover the reimbursement amount within the time period set forth in the development agreement.

The findings by Council are not on tonight's agenda, but - if the Notice of Intent is adopted - staff anticipates asking the Mayor and Council to consider these findings at a special meeting on August 16th, as well as considering the first read of an Ordinance authorizing the City to enter into a retail sales tax incentive development agreement with Block Sports at the same meeting. Both the findings and the Ordinance authorizing the agreement must receive a 2/3 vote of the Mayor and Council (at least 5 votes) in order to be approved.

**FISCAL IMPACT:**
There is not anticipated fiscal impact for the Notice of Intent as the Notice does not bind Council to enter into an agreement.

**ALTERNATIVES:**
Deny request.
Notice of Intent
Notice of Intent to Enter into a Retail Development Tax Incentive Agreement

Notice is hereby given, pursuant to Arizona Revised Statutes § 9-500.11, as amended, that the CITY OF CASA GRANDE, ARIZONA, an Arizona municipal corporation (“City”) intends to enter into a retail development tax incentive agreement with The Block Sports Company, a Nevada corporation authorized to do business in Arizona, on August 16th, 2017 or such later date which is at least fourteen days after the adoption of this Notice by the City.

PASSED AND ADOPTED by the Mayor and the Common Council of the City of Casa Grande, Arizona, this 2nd day of August, 2017.

CITY OF CASA GRANDE, ARIZONA, an Arizona municipal corporation

By: ___________________________________
   Mayor

ATTEST:

By: ___________________________________
   City Clerk

APPROVED AS TO FORM:

By: ___________________________________
   City Attorney
Subject:
A.R.S. §38-431.03.

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• Discussion and Consultation Regarding a Proposed Development and Incentive Agreement with The Block Sports Company

Attachments

Executive Session Notice
PUBLIC NOTICE

AS REQUIRED BY A.R.S. 38-431.03.A (3&4) THE CASA GRANDE CITY COUNCIL WILL HOLD AN EXECUTIVE SESSION DURING A SPECIAL MEETING SCHEDULED ON AUGUST 2, 2017 AT 5:30 P.M., CITY COUNCIL CHAMBERS, 510 E. FLORENCE BOULEVARD, THE PURPOSE OF THE MEETING IS FOR THE FOLLOWING:

A.R.S. §38-431.03.

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- Discussion and Consultation Regarding a Proposed Development and Incentive Agreement with The Block Sports Company

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