



COUNCIL MINUTES

November 26, 2025

The City Council of the City of Mesa met in a Special Council meeting in the Study Session room at City Hall, 20 East Main Street, on November 26, 2025, at 10:01 a.m.

COUNCIL PRESENT	COUNCIL ABSENT	OFFICERS PRESENT
Mark Freeman Scott Somers* Rich Adams Jennifer Duff Alicia Goforth* Francisco Heredia Dorean Taylor*	None	Lisa Anderson Scott Butler Jim Smith

(*Participated in the meeting through the use of video conference equipment.)

Mayor Freeman conducted a roll call.

(Mayor Freeman excused Councilmember Taylor from the beginning of the meeting; she participated in the meeting through the use of video conference equipment at 10:07 a.m.)

1. Take action on the following resolution:

- 1-a. Approving the formation of the Palo District, a theme park district pursuant to Arizona law, on approximately 80 acres of land wholly within the boundaries of the City of Mesa, generally located north of the US-60, south of West Southern Avenue, west of South Alma School Road, and east of South Longmore; electing two City Councilmembers to serve on the district board of directors; and approving the form and authorizing the execution and delivery of a Development and Intergovernmental Agreement by and among the City, the Palo District and the owners of land and interests in land within the district; and approving and authorizing additional actions in connection with the district. (**District 3**) – Resolution No. 12443

Redevelopment Administrator Jeff Robbins displayed a PowerPoint presentation. (**See Attachment 1**)

Mr. Robbins reviewed the purpose of a theme park district and provided background on the site of the former Fiesta Mall, which closed in 2019. He explained that the owner of that property approached the City with a request to create a theme park district for redevelopment and rezoning

to allow for a broad mix of uses and advised that this district type is allowed under statute and would be a separate legal and financial entity from the City. (See Page 2 of Attachment 1)

(At 10:03 a.m., Vice Mayor Somers was temporarily disconnected from the video conference and rejoined at 10:06 a.m.)

Mr. Robbins described the unique powers of a theme park district which is operated by a four-member board. He announced that the election of two City Councilmembers, Heredia and Adams, to the district board will take place today. (See Page 3 of Attachment 1)

Mr. Robbins outlined the terms of the Development and Intergovernmental Agreement (IGA) with the district and property owners. He highlighted the fiscal impact to the City and discussed the three action items that will be voted on today. (See Pages 4 through 6 of Attachment 1)

In response to a question from Councilmember Goforth, City Attorney Jim Smith explained that the City has no responsibilities after the district is formed. He said the district is a separate taxing entity and serves as a redevelopment tool and financing mechanism for the types of theme park improvements described by Mr. Robbins. He explained that the tax exemption depends on how the district decides to own certain property.

City Manager Scott Butler advised that the theme park district is receiving the same tax treatment as any other governmental entity that operates within the City of Mesa (COM).

It was moved by Councilmember Heredia, seconded by Councilmember Duff, that Councilmembers Heredia and Adams be appointed to the Palo District Board and that Resolution No. 12443 be adopted.

Upon tabulation of votes, it showed:

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

Carried unanimously.

2. Adjournment.

Without objection, the Special Session adjourned at 10:13 a.m.

MARK FREEMAN, MAYOR

ATTEST:

LISA ANDERSON, DEPUTY CITY CLERK

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 26th day of November 2025. I further certify that the meeting was duly called and held and that a quorum was present.

LISA ANDERSON, DEPUTY CITY CLERK

lr
(Attachment – 1)



Theme Park Districts

City of Mesa Special Council Meeting

November 26, 2025

PURPOSE AND BACKGROUND

Purpose

Support redevelopment of the 80-acre privately-owned Fiesta Mall site.

- Provide a dedicated financing and governance mechanism to advance development.

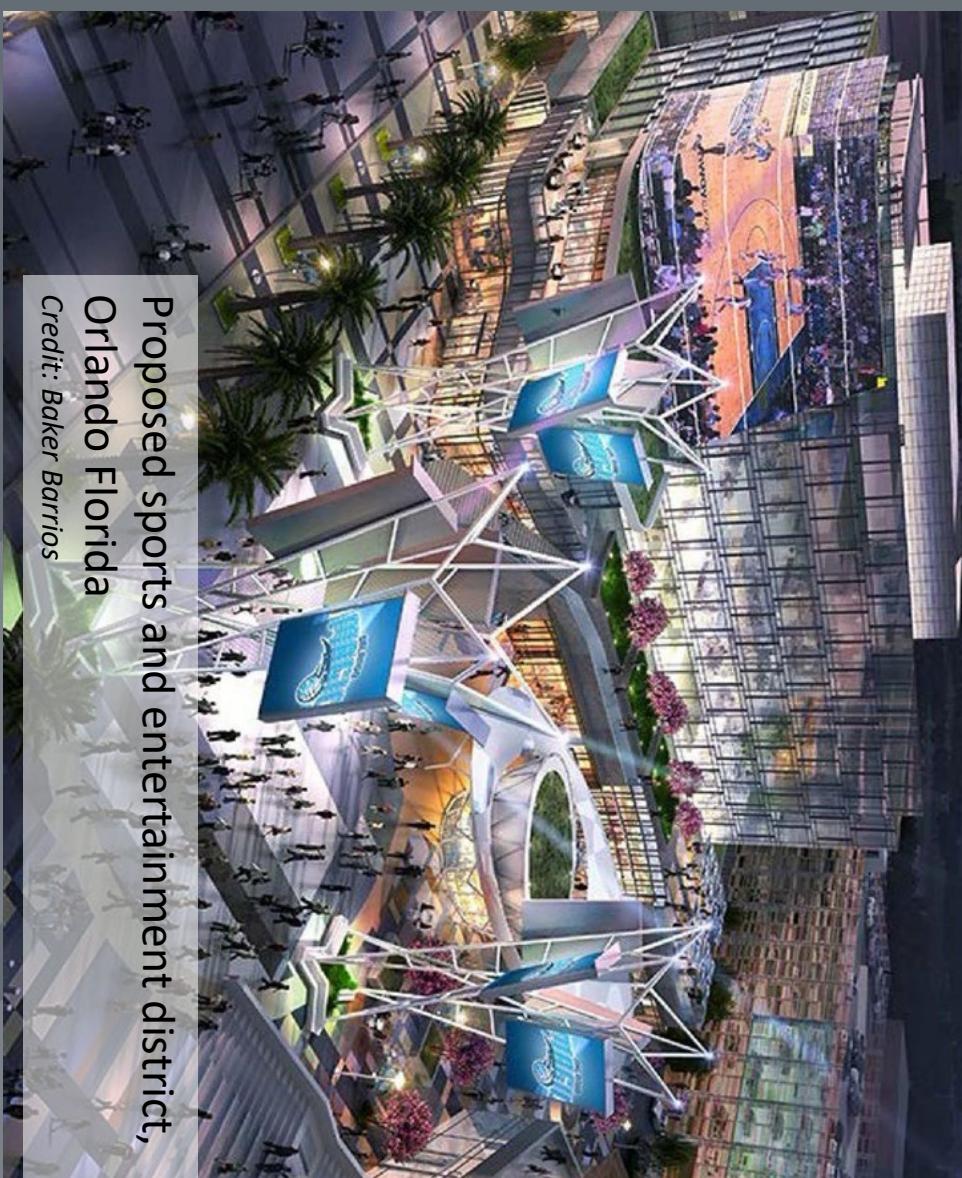
Background

- Fiesta Mall closed in 2019; demolition began in 2023. 2024: City approved rezoning to Infill Development District 2 (ID-2) to allow mix of uses.
- Property owners requested the creation of a Theme Park District to help finance and manage redevelopment.
- Theme Park Districts are allowed under A.R.S. Title 48, Chapter 36 and are separate legal and financial entities from the City. This would be the second theme park district in AZ.



THEME PARK POWERS

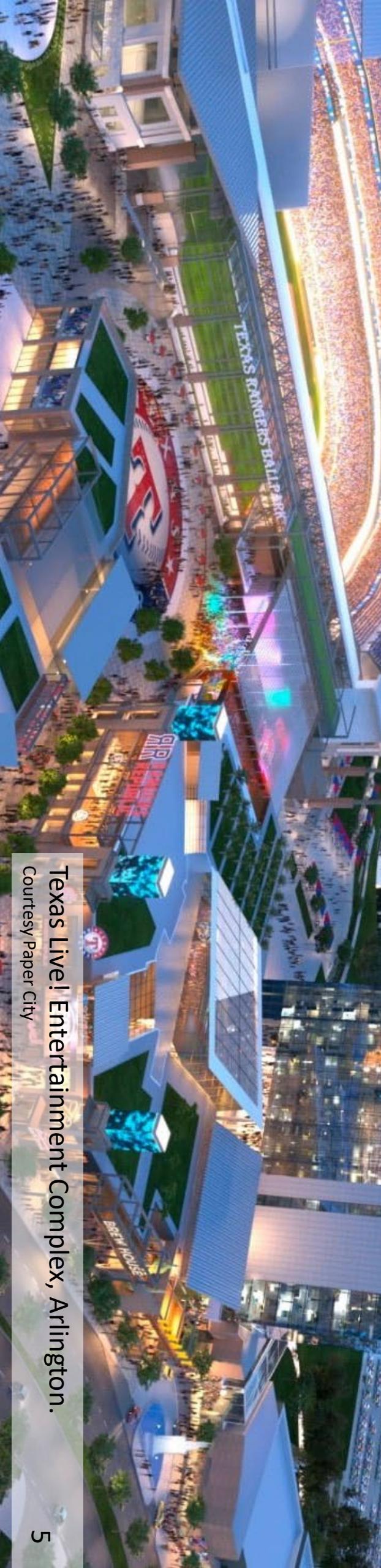
- Acquire, construct, renovate or lease district facilities.
- Levy a transaction privilege tax (TPT) on business activity within district boundaries (in addition to state and local TPT).
- Issue revenue bonds (not City debt).
- Operate independently with a four-member board: 2 City Councilmembers, 1 public member appointed by the Speaker of the House, 1 public member appointed by the Senate President.



Proposed sports and entertainment district,
Orlando Florida
Credit: Baker Barrios

- City bears no financial responsibility for district debts or obligations.
- Public improvements must meet City engineering standards and be dedicated to the City at no cost.
- Owners/Successor Owner must maintain a replenishable expense fund to cover City costs related to district formation and oversight.
- The district must hire its own professional and administrative support. (No City staff.)
- District, Owner and Successor Owner must indemnify the City.
- Future owners and businesses must be informed that the property lies within the district and may be subject to district TPT.

- City has no obligation for district operations or maintenance, except for public improvements formally dedicated to the City.
- A potential property tax exemption exists under state law, but it is not automatic and would only affect the secondary property tax within the district (~\$17,800 in FY25).



Texas Live! Entertainment Complex, Arlington.
Courtesy Paper City

ACTION BEFORE COUNCIL



- Approve formation of the Palo District: theme park district on ~80 acres within Mesa (former Fiesta Mall area).

- Elect two City Councilmembers to the district's four-member governing board.

- Approve a Development and Intergovernmental Agreement (IGA) between the City, the Palo District and the property owners (current and successor).



*Proposed entertainment district. Honda Center.
Anaheim California,*

Courtesy Justin Byers, Front Office Sports, Sept 29, 2022



mesa.az

Questions