

# COUNCIL DECISION REQUEST

SUBJECT: Event Center Project

MEETING DATE: June 8, 2006

ITEM NO.:

SUBMITTED BY: Fred Carpenter

SUBMITTAL TO AGENDA  
APPROVED BY TOWN MANAGER

CSP ITEM: Yes KRA 6 Objective 2

TENTATIVE SCHEDULE: N/A

AMOUNT BUDGETED: N/A

EXPENDITURE REQUIRED: N/A

CONT. FUNDING REQUIRED: N/A

EXHIBITS (If Applicable, To Be Attached):

- (1) Event center concept plan
- (2) Executive summary of appraisal

## RECOMMENDED MOTION

I move to direct staff to:

- (1) Proceed to develop a lease with Hospitality Support Group for the Payson Event Center Project and return to Council for consideration and possible action; or
- (2) Proceed with a new RFP to allow sale of the property, with appropriate deed restrictions for a hotel/conference center facility

**SUMMARY OF THE BASIS FOR RECOMMENDED MOTION:** At the most recent council meeting on the event center project, consensus appeared to be that the latest concept plan (copy attached) has general approval. Staff was asked at that time to determine whether sale of the approximately 10-acre parcel on which the hotel and conference center would be located was legal under the 2004 request for proposals or whether the project should proceed as a long-term lease. The Legal Department has determined that under the 2004 RFP the only option would be the long-term lease. As a result, sale of the property would require a new process.

Since the most recent Council meeting on the project, a new mayor and four new council members have taken office. Consequently, before proceeding any further with the project, staff is seeking direction.

Also attached is the executive summary of the recent property appraisal conducted by Layton & Watkins, Inc, real estate appraisers and consultants.

PROS:

CONS:

JUN 08 2006 H.1

# ***COUNCIL DECISION REQUEST***

**PUBLIC INPUT (if any):** The council meetings listed below have been held on this project since it was determined to issue the latest request for proposals:

04/22/04	Agreement with NFPD for consulting services
05/11/04	Concept presentation at Council meeting
06/10/04	RFP issuance approved by Council
09/29/04	HSG presents event center concept to Council
10/14/04	MOU with HSG approved
02/24/05	1 <sup>st</sup> amendment to MOU approved
12/13/05	Addendum to agreement with NFPD
01/26/06	Development agreement negotiations authorized
02/16/06	Special meeting on concepts for event center
03/30/06	Special meeting on concepts for event center

In addition, staff put together a committee of local citizens to finalize the concept plan for the project. That committee held two meetings and with the assistance of Neilsen Fackler Planning and Development developed the latest concept plan.

**BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):**

N/A

# Layton & Watkins, Inc.

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May 18, 2006

Town of Payson  
303 N. Beeline Highway  
Payson, Arizona 85541  
Attn: Fred Carpenter, Town Manager

**PROPERTY:** APPRAISAL OF LAND LOCATED NORTH OF THE PAYSON  
EVENT CENTER NEAR THE ALIGNMENT OF MCLANE ROAD  
AND THE BEELINE HIGHWAY, PAYSON, GILA COUNTY,  
ARIZONA.  
L&W FILE #4352

Dear Mr. Carpenter:

At your request, I have appraised the above referenced property, the purpose of which was to estimate its "As Is" Market Value based on **Fee Simple** property rights. The subject property was inspected and necessary investigation and analysis was made by the appraiser to render an opinion of value in a "complete appraisal" written in a "summary report" which is attached.

No personal property is included in the value estimate. The value estimate for the subject is based on an exposure time and marketing time assumption of one year or less.

This summary report is subject to the assumptions and limiting conditions, and certifications found herein and is based on the assumption that the property will not require additional expenses due to the presence of hazardous materials.

This report is subject to the following special assumptions.

## Special Assumptions:

1. The appraisal is based on the assumption that no encroachments exist and there are no unusual easements. The size of the site was determined from a legal description provided by the client.
2. It is not known if hazardous substances such as agricultural chemicals, toxic dumping, or other substances are known to be contained on the subject property. The appraisal is made as if no remedial action is necessary. If substantial contamination is found to exist in the property, the appraiser reserves the right to revise the estimated market value. Please refer to "Appraiser's Disclaimer on Hazardous Wastes and Materials" cited later on in the report. *A Phase I environmental study is strongly recommended for any parties who may be considering purchasing the subject property.*

Mr. Fred Carepenter  
May 18, 2006  
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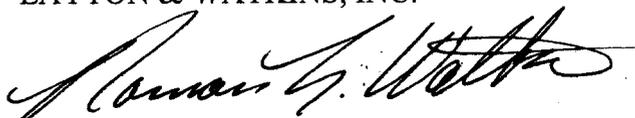
3. The subject property does not have legally dedicated access at this time. This appraisal assumes that access will be made available to the subject site at little or no cost to any potential buyers.

The Market Value of the subject property's Fee Simple Estate, as of April 20, 2006 is:

**TWO MILLION THREE HUNDRED FIFTEEN THOUSAND (\$2,315,000) DOLLARS.**

Respectfully submitted,

LAYTON & WATKINS, INC.



Norman L. Watkins, SRA  
President  
Certified General Real Estate Appraiser #30230

**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

**SUBJECT PROPERTY:** Vacant land located north of the Payson Event Center, and west of the Beeline Highway, Payson, Gila County, Arizona.

**SITE SIZE:** 453,234± square feet, or 10.405± acres, (as determined from legal descriptions provided to the appraiser).

**PARCEL NO'S.:** Portions of 304-15-310C, 304-15-310 B, and 304-15-311B.

**EXPOSURE TIME:** One year or less.

**DATE OF VALUE:** April 20, 2006

**DATE OF REPORT:** May 18, 2006

**RIGHTS APPRAISED:** Fee Simple Estate

**IMPROVEMENTS:** None

**ZONING:** C-2 (commercial) and R-3 (multi-family), Town of Payson

**HIGHEST & BEST USE:** The highest and best use is to develop the site with a new commercial project such as the hotel project that has favorable approval from the Town of Payson.

**MARKET VALUE:** \$2,315,000

**TAXES:** The Gila County Treasurer's office indicates that there are no taxes on this property since the subject is owned by a municipality.



# CONCEPTUAL MASTER PLAN

PAYSON EVENTS CENTER RIM OVERLOOK SITE  
MARCH 2006

### SITE DATA

AREA 36 acres ±  
ELEVATION varies (5002 ± - 4928 ±)

### FEATURES

#### EVENTS CENTER

- \* covered (300' X 325' ±)
- \* spectator seating
- \* restrooms/offices
- \* vendors
- \* rough stock pens
- \* practice arena

#### HOTEL/CONFERENCE CENTER

- \* 150± rooms
- \* conference center
- \* restaurant/retail

\* 250± paved parking spaces

#### SITE PARKING

- \* 450± paved car spaces
- \* 225 - 450± unpaved contestant spaces
- \* 25± paved handicapped spaces
- \* contractor spaces

