

Palo District
An Arizona Theme Park District
Board of Directors Meeting Agenda
Wednesday, August 12 at 1:30 pm

NOTICE OF RATIFICATION PURSUANT TO A.R.S. 38-351.05

17851 North 85th Street
Suite 175
Scottsdale, Arizona 85255

Board Members or Members of the Public may attend in person or virtually through Microsoft Teams. To join virtually, use the following information:

Microsoft Teams meeting

Join:

<https://teams.microsoft.com/meet/218447746468257?p=l1TFiWyXrdwbpCWXDk>

Meeting ID: 218 447 746 468 257

Passcode: VN3cB7Dc

Pursuant to A.R.S. § 38-431.01 and A.R.S. § 38-431.02, notice is hereby given to the members of the Board of Directors of the Palo Theme Park District and to the general public that the Board of Directors of the Palo Theme Park District will hold a meeting open to the public. **Notice is further given the Board of Directors of the Palo Theme Park District will meet to ratify, pursuant to A.R.S. 38-431.05, those prior decisions made on July 28, 2026, in violation of the Arizona Open Meeting laws.** District Board Members may attend by telephone/video conference call.

1. Call to Order.
2. Roll Call.

3. RATIFICATION OF PRIOR ACTION TAKEN IN VIOLATION OF THE OPEN MEETING LAW, FOR ACTIONS TAKEN AT THE JULY 28, 2026, PALO DISTRICT BOARD MEETING. The Board Meeting was held at 12:30 p.m., Arizona Time, where the official agenda for the July 28, 2026, District Meeting listed for 1:00 p.m., Arizona Time, for the start time of the meeting, thus depriving the public of information reasonably necessary to inform the public of the matters to be discussed or decided in a public meeting in violation of A.R.S. §§ 38-431.01(A) & 38-431.09(A), and by not providing the public with twenty-four (24) hours' notice of the meeting as is required under A.R.S. § 38-431.02(C). This section of the Agenda is the detailed written description of the open meeting law violations necessitating this Ratification and is being provided to the public with at least seventy-two (72) hours advance notice. A.R.S. § 38-431.05(B)(3) states that, “[a] public body shall make available to the public a detailed written description of the action to be ratified and all deliberations, consultations and decisions by members of the public body that preceded and related to such action. The written description shall also be included as part of the meeting minutes at which ratification is taken.” The “...deliberations, consultations and decisions” of the District Board are contained in the Action Minutes and the draft Meeting Minutes of the July 28, 2026, meeting, which are attached hereto and incorporated herein by reference. This Ratification will include the following items approved at the July 28, 2026, Palo District Board public meeting, and as reflected in the draft minutes of the July 28, 2026, meeting:

(A) RATIFICATION OF MINUTES. The Palo District Board will consider ratifying the minutes of the April 28, 2026, Board Meeting, which action was taken on July 28, 2026, which was a violation of A.R.S. § 38-431.01 due to District Meeting being held at a time earlier (12:30 p.m. - AZ time) than appeared on the July 28, 2026, Agenda (1:00 p.m. - AZ time). The District Board will discuss and take possible action to ratify the decision in compliance with A.R.S. § 38-431.05.

(B) RATIFICATION OF RESOLUTION NO. 26-02 A RESOLUTION OF THE BOARD OF DIRECTORS OF PALO DISTRICT, AUTHORIZING THE LEVY OF A TRANSACTION PRIVILEGE TAX ON BUSINESS ACTIVITY IN THE DISTRICT; AND APPROVING AND AUTHORIZING ADDITIONAL ACTIONS IN CONNECTION THEREWITH, HERETOFORE OR HEREAFTER TAKEN. The Palo District Board will consider ratifying Resolution No. 26-02, which action was taken on July 28, 2026, which was a violation of A.R.S. § 38-431.01 due to District Meeting being held at a time earlier (12:30 p.m.- AZ time) than appeared on the July 28, 2026, Agenda (1:00 p.m.- AZ time). The District Board will discuss and take possible action to ratify the decision in compliance with A.R.S. § 38-431.05.

(C) RATIFICATION. THE EXECUTION OF THE EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT BETWEEN THE PALO DISTRICT AND BOB SINGH KHOSLA. The Palo District Board will consider ratifying the Agreement between Bob Singh Khosla, which action was taken on July 28, 2026, which was a violation of A.R.S. § 38-431.01, due to District Meeting being held at a time earlier (12:30 p.m.) than appeared on the July 28, 2026, Agenda (1:00 p.m.). The District Board will discuss and take possible action to ratify the decision in compliance with A.R.S. § 38-431.05.

(D) Adjournment.

The District Board of the Palo District, by duly passed motion, may vote in public session to adjourn to executive session on any agenda item in conformance with A.R.S. § 38-43.03, for legal advice from the District General Counsel.

A copy of the Agenda for this Meeting will be available at:

2812 N. Norwalk
Suite 107
Mesa, Arizona 85215

Dated this 6th day of August, 2026.

Palo Theme Park District

By:  _____

8:38 AM

Persons with a disability may request a reasonable accommodation by contacting Pierce Coleman , PLLC, at (602) 772-5506 or Info@PierceColeman.com . Requests should be made as early as possible to arrange the accommodation.

Palo District an Arizona Theme Park District

Friday, July 28, 2026 | 12:30 p.m.

MEETING ACTION MINUTES

1. CALL TO ORDER

The meeting was called to order at 12:35 p.m.

2. ROLL CALL

The Clerk called the roll.

Board Members Present:

**Chris Glover
Rich Adams
Francisco Heredia**

Board Members Absent:

Pawitter Mangat

A quorum of the Board was present.

3. APPROVAL OF THE MINUTES OF THE APRIL 3, 2026 MEETING OF THE BOARD OF DIRECTORS.

Board Member Adams made a motion to approve the minutes of the April 28, 2026 minutes of the Board of Directors. Board Member Heredia seconded. Motion passed by a voice vote.

4. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 26-02 A RESOLUTION OF THE BOARD OF DIRECTORS OF PALO DISTRICT, AN ARIZONA THEME PARK DISTRICT, AUTHORIZING THE LEVY OF A TRANSACTION PRIVILEGE TAX ON BUSINESS ACTIVITY IN THE DISTRICT; AND APPROVING AND AUTHORIZING ADDITIONAL ACTIONS IN CONNECTION THEREWITH, WHETHER HERETOFORE OR HEREAFTER TAKEN.

Boardmember Adams made a motion to approve Resolution No. 26-02. Boardmember Heredia seconded. The motion passed by a voice vote.

5. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE EXECUTION OF THE EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT BETWEEN THE PALO DISTRICT AND BOB SINGH KHOSLA.

Boardmember Adams makes a motion to approve Independent Contractor Agreement with a salary of \$100,000. Boardmember Heredia seconds. The motion passed by a voice vote.

7. ADJOURNMENT

The Chairperson adjourned the meeting at 1:03 p.m.

Palo District an Arizona Theme Park District

Friday, July 28, 2026 | 12:30 p.m.

MEETING MINUTES

1. CALL TO ORDER

The meeting was called to order at 12:35 p.m.

2. ROLL CALL

The Clerk called the roll.

Board Members Present:

**Chris Glover
Rich Adams
Francisco Heredia**

Board Members Absent:

Pawitter Mangat

A quorum of the Board was present.

3. APPROVAL OF THE MINUTES OF THE APRIL 3, 2026 MEETING OF THE BOARD OF DIRECTORS.

Board Member Adams made a motion to approve the minutes of the April 28, 2026 minutes of the Board of Directors. Board Member Heredia seconded. Motion passed by a voice vote.

4. DISCUSSION AND POSSIBLE ACTION TO APPROVE RESOLUTION NO. 26-02 A RESOLUTION OF THE BOARD OF DIRECTORS OF PALO DISTRICT, AN ARIZONA THEME PARK DISTRICT, AUTHORIZING THE LEVY OF A TRANSACTION PRIVILEGE TAX ON BUSINESS ACTIVITY IN THE DISTRICT; AND APPROVING AND AUTHORIZING ADDITIONAL ACTIONS IN CONNECTION THEREWITH, WHETHER HERETOFORE OR HEREAFTER TAKEN.

Zach Sakas explains the Board Resolution to enact the sales tax will allow District staff to go forth and work with ADOR to levy and collect sales tax on behalf of the District. There are differentiated rates. The maximum tax rate is 9%. The requirements of the Model City Tax Code do not apply. It is a more streamlined process. Zachas explains that he, Bob Khosla, Jon Paladini, and Zach will work with ADOR.

Sakas explains that we won't start seeing dollars tomorrow. There are three existing businesses within the boundaries. These retailers will be sent notice. They will then have a period of time to update their systems.

This is an incremental tax that the District is levying. These tax rates are in addition to the tax rates already levied by the City and State.

Chairman Glover asked how these rates compare to other districts in the Country and whether there are revenue projections.

Sakas says the developer team is working on updated sales tax projections. There was a high-level economic study done at the outset of the formation of the district but that was very general.

Sakas says there are no relative comparators in Arizona.

Chairman Glover asks what the three businesses are in the district.

Sakas said there are three restaurants outside of the mall.

Chairman Glover states he thinks they are In N Out Burger, Olive Garden, and Longhorn Steakhouse.

Boardmember Adams asked if there is a map of the district.

Sakas said there is a boundaries lines but no map.

Chairman Glover asks what guidelines there will be for governing the use of the tax.

Sakas says that is all driven by statute—first to pay bond service, and then to other expenses. We have not issued any bonds yet, but the idea is to start collecting and be able to show potential investors that there is a history of collecting revenue.

Paladini asks about changing the TPT rates.

Sakas says the Board can tweak the rates, but the maximum rate is 9%. The District Board can come back and amend with some limitation depending on covenants made to bond investors. Sakas explains that this is similar to what cities and towns do.

Boardmember Adams asks about online Lodging Marketplace and why it is set 6% less than the transient lodging tax and what the rationale is.

Sakas says all of the rates were proposed by the developer.

Boardmember Adams asks what would happen if a vendor strenuously objected.

Sakas says that technically by statute the District has to levy a 9% tax rate unless there is an exception made. Sakas says that at the time of formation, all landowners within the district consented to being in the district. These are a seldom used district, but the goal is to provide notice up-front to avoid the situation you are presenting.

Janelle Gold states that the developer indicated that for the hotel design and plans, there will be rooms that have access directly to the sports complex, it is thought that it would be less elastic than other lodging, so that is why its thought that the 9% would be more acceptable.

Paladini states that it is like a hotel at the airport where you have a captive audience.

Gold says it is more like if you have a hotel at Disneyland that has access to the park and you can see fireworks- - they aren't going to compete with other hotels in the area.

Paladini asks if they said anything about the online lodging marketplace.

Gold says they did not.

Boardmember Adams makes a motion to approve Resolution No. 26-02. Boardmember Heredia seconded. The motion passes by a voice vote.

5. DISCUSSION AND POSSIBLE ACTION TO APPROVE THE EXECUTION OF THE EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT BETWEEN THE PALO DISTRICT AND BOB SINGH KHOSLA.

Paladini states that there is a draft agreement with the executive director. However, the missing term is compensation.

Khosla explains that the compensation term is still up in the air.

Paladini states the Board could approve the agreement in form and the Board can come back and approve after the compensation is determined.

Boardmember Adams suggests including a “not to exceed” value to avoid having to come back.

Paladini explains that he hasn’t heard any number and is hesitant to create any expectations.

Kirk Adams indicates that developer believes that the “not to exceed” is \$100k.

Paladini asks Khosla if he can continue on without the agreement being approved until the next meeting? Paladini states that there are a couple of agreements that the Board will have to approve by around the end of August.

Kirk Adams states that Vicki Mayo informed him that the amount is not to exceed \$100k.

Paladini explains that if that is what is satisfactory to Bob, then the TPT is what pays the fees. Paladini also explains that the City of Mesa is indemnified against any costs.

Councilmember Adams asks whether it will be \$100k or not to exceed \$100k.

Paladini suggests including the term as not to exceed \$100k.

Sakas states he found an email from Vicki Mayo indicating \$100,000.

Councilmember Adams states, if he was Bob, he would rather have a firm number than a not to exceed.

Bob Kholsa states, “I am good with it.”

Boardmember Adams makes a motion to approve the Independent Contractor Agreement with a salary of \$100,000. Boardmember Heredia seconds. The motion passes by a voice vote.

7. ADJOURNMENT

Chairman Glover asks whether we have a date for the next meeting.

Paladini states he

The Chairperson adjourned the meeting at 1:03 p.m.

PALO THEME PARK DISTRICT

_____, Chairperson

ATTEST:

_____, District Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular board meeting of PALO THEME PARK DISTRICT held on the day of 28th day of July, 2026. I further certify the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 20__.

Kate Cox, Acting District Clerk