



COUNCIL MINUTES

April 1, 2021

The City Council of the City of Mesa met in a Study Session Meeting via a virtual format streamed into the lower level meeting room of the Council Chambers, on April 1, 2021 at 7:58 a.m.

COUNCIL PRESENT

John Giles
Jennifer Duff
Mark Freeman
David Luna
Julie Spilsbury
Kevin Thompson*

COUNCIL ABSENT

Francisco Heredia

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

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

Mayor Giles excused Councilmember Heredia from the entire meeting.

Mayor Giles conducted a roll call.

1. Review and discuss items on the agenda for the April 5, 2021 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

Education and Workforce Director Amy Trethaway provided an overview on Item 5-a **(Establishing the Mesa Education and Workforce development Roundtable for the purpose of developing and improving education and workforce opportunities and successes in Mesa). (Citywide)**, on the April 5, 2021 Regular Council meeting agenda and displayed a PowerPoint presentation. **(See Attachment 1)**

Ms. Trethaway summarized the education strategies and partnerships along the education continuum beginning with early childhood through college or entering the workforce. (See Page 2 of Attachment 1)

Ms. Trethaway stated collaboration with the learning partners and community advocates allows the City to establish a long-term continuum for the community. She remarked creation of a

resolution would create the roundtable and will also establish the purpose, mission, membership, and responsibility of the roundtable. (See Page 3 of Attachment 1)

Ms. Trethaway outlined that Mesa has partnered regionally, statewide, and nationally on education and workforce needs that have impacted the community post-pandemic and shared the proposed mission for the roundtable is to serve as a centralized, streamlined body working toward the same goal. She expanded that the roundtable is intended to formalize Mesa's partnerships and synergize the commitment to Mesa businesses and future employees and employers. (See Page 4 of Attachment 1)

Ms. Trethaway stated that the recommended roundtable composition would split the 17 total members into two categories based on either position or impact. (See Page 5 of Attachment 1)

Ms. Trethaway indicated the roundtable would meet quarterly and the minutes will be provided to City Council. She noted the goals will align with state and regional outcomes and the roundtable will create subcommittees to ensure goals and outcomes are met. She identified the goals include increasing enrollment for Mesa residents, increasing post high school achievement, serving as a resource, conducting studies, making recommendations, and collaborating to meet the goals. (See Pages 7 and 8 of Attachment 1)

Ms. Trethaway explained that approving a resolution will cement the efforts in Mesa to create thriving businesses and residents. She discussed that businesses have the expectation that future employees will be educated and motivated; and residents have the expectation that there will be access to education, certification, and a higher livable wage, which will positively impact economic development in Mesa. (See Page 9 of Attachment 1)

Vice Mayor Duff expressed support for the program which will also assist in combating homelessness by providing education and an opportunity to earn a decent wage.

Councilmember Thompson pointed out the position-based category does not contain a representative from East Valley Technical Institute (EVIT), adding EVIT plays a crucial role in teaching trades because not everyone is geared toward college. He suggested bringing the superintendent of EVIT into the process.

Ms. Trethaway agreed with Councilmember Thompson and stated she will follow up on the suggestion.

In response to a question from Mayor Giles, Ms. Trethaway mentioned the roundtable and executive leadership will be made up of proposed subgroups that will review each outcome related to Achieve60AZ and educational attainment goals. She said the myriad of subgroups will include everyone in the community to review all the policies and decisions and ensure there is equity and inclusion.

Mayor Giles thanked Ms. Trethaway for her hard work and the presentation.

In response to a question from Councilmember Luna regarding Item 4-b (**Purchase for Audience Seating (Replacement) for the Ikeda and Piper Theaters for the Mesa Arts Center. (Citywide)**), on the April 5, 2021 Regular Council meeting agenda, Arts and Culture Director Cindy Ornstein indicated the seats have been utilized for the past 16 years by over 3 million visitors. She continued by saying the restoration fund is an amount that is incorporated into every ticket and tuition purchases in the studio which is dedicated to maintenance and improvement of

the specialized facilities and equipment within the Mesa Arts Center (MAC). She acknowledged the timing is right for replacement with the MAC being closed. She said through the cooperative agreement the City was able to get a better price for replacement than to repair the seats.

Manager of Downtown Transformation Jeff McVay introduced Downtown Transformation Project Manager Jeff Robbins, who displayed a PowerPoint presentation regarding Item 5-f, **(Approving and authorizing the City Manager to enter into a Memorandum of Understanding and an Exclusive Dealing Agreement with Miravista/SIHI Holdings, I, LLC, for a mixed-use development of approximately 25 acres of City-owned property located at the southwest corner of Mesa Drive and University Drive (the Transform 17 site). (District 4))**, on the April 5, 2021 Regular Council meeting agenda. **(See Attachment 2)**

Mr. Robbins identified the piece of City property located at the southwest corner of Mesa Drive and University Drive as the Transform 17 site. (See Page 2 of Attachment 2)

Mr. Robbins provided that in 2019 there was a community visioning process with the surrounding neighborhoods to discover important principles for development. He remarked a Request for Quote (RFQ) was created based on those principles and a Request for Proposal (RFP) to locate a developer for the site. (See Page 3 of Attachment 2)

Mr. McVay advised staff has been working with Miravista to develop the Memorandum of Understanding (MOU) to get a better sense of the vision and goals. He remarked there is a strong focus on having a multi-use community centering around healthcare and wellness, with some retail and restaurants as well. (See Page 4 of Attachment 2)

Mr. McVay provided the developer obligations at each stage of development. He noted the project is 25 acres of city-owned land and the City will ensure the developer has secured the financial commitments necessary to complete the project. He indicated the City will enter into an exclusive negotiation agreement for the period of the MOU and highlighted the City's obligations. (See Pages 5 through 7 of Attachment 2)

Mr. McVay shared the final provisions for the MOU which includes the six guiding principles from the master planning effort and any development created will be consistent with the principles. He elaborated that establishing the fair market value of the property will assist in moving forward on purchases and leases of the property, adding there could be offsets related to the developer's investment into public infrastructure for things such as utilities and parks. He stated the developer will be responsible for any utility costs at the site and have committed to using all City of Mesa utilities. He noted due to the size of the property, the anticipated completion will take between 5 to 10 years and will be developed in phases. He reported the City will look at the uses proposed by the developer to ensure compatibility with the type of neighborhood envisioned. (See Page 8 of Attachment 2)

Councilmember Freeman verbalized he is supportive, yet skeptical. He concurs with the benchmarks needing to be met before moving to the next stage. He looks forward to having Site 17 transformed into something the City can utilize.

Councilmember Luna expressed concerned with the project being compatible with the neighborhoods.

Councilmember Spilsbury agreed with the MOU and moving forward to generate ideas for the project. She commented on opportunities for partnerships with colleges and other businesses.

Vice Mayor Duff pointed out that the property will be sold in phases and each phase will need to be completed before moving on to the next phase. She added each phase will be presented to the public and approved by Council. She requested regular briefings as the process continues and using a professional consultant for community outreach. She emphasized having 25 acres downtown is rare and it is critical that the citizens of Mesa become involved in the development process.

Vice Mayor Duff reiterated that the development should include for sale residential units, a market square for gatherings and events, open green space, and flex blocks that provide opportunities for innovation and entrepreneurship. She expressed the importance of collaborating with the local community in the downtown area and not diluting the area with corporate development.

Mr. McVay clarified the intent for the project moving forward is to be performance-driven phasing since some of the phases may take two or three years to complete. He said the idea will be that the developer must be meeting performance goals before moving on; however, there may be some overlapping of phases.

Councilmember Thompson recalled being unimpressed with the initial concept. He indicated support for a multi-use community focused on healthcare that will build character and help drive job creation which will increase the median income but also feels some fine-tuning needs to be done.

Mayor Giles echoed the comments already made by Council. He expressed frustration at the glacial pace of the Site 17 progress. He added the developers involved are very talented and will have to bring their full set of talents, attention, and resources to this project to meet the City's high expectations.

Mayor Giles thanked staff for the presentation.

Parks, Recreation and Community Facilities Acting Director Andrea Moore introduced Assistant City Attorney II Sarah Staudinger and displayed a PowerPoint presentation regarding Item 6-f, **(Amending Title 6 of the Mesa City Code (Police Regulations) by repealing Chapter 10, entitled "Public Park Regulations," in its entirety, and replacing it with a new Chapter 10, entitled "Public Park Regulations," establishing permitting requirements and regulations for events that take place in parks and clarifying provisions which regulate certain activities in parks, including those provisions regarding business activities, camping, fishing, animals, vehicles, spirituous liquor, and dumping or leaving items in parks). (Citywide)), on the April 5, 2021 Regular Council meeting agenda. (See Attachment 3)**

Ms. Moore explained the last time the parks code was revised was approximately 2011. She mentioned that the way people are using the City's park system continues to evolve and making changes that reflect better management and more defined processes will allow the citizens the ability to continue to enjoy the parks.

Ms. Moore provided an overview of the presentation, stating most of the changes are minor and help clarify questions and concerns. (See Page 2 of Attachment 3)

Ms. Moore advised the new section covers how to issue permits in the park system, so staff and citizens can better understand the requirements. She noted a definition for special events has

been added, which is an event that brings 10 or more members of the public together. She highlighted items that require permits and reasons for permit denial. She said the new code also establishes an appeal process for denied permits. (See Page 3 of Attachment 3)

Ms. Moore presented the conditions for permitted events and explained a permit is necessary when a group is excluding others from joining their event or are gathering within a defined space. She noted park rangers or police officers can get involved if the term of the permit is violated. (See Page 4 of Attachment 3)

Ms. Staudinger clarified the definition of special event is something beyond the normal use of a park and gave the example of bringing in a sound system or dance floor, or if the group is intending to or will attract 10 or more members of the public to the event.

In response to a question from Councilmember Luna regarding how permit violations are determined, Ms. Moore advised violations are largely driven by complaints from citizens, as well as monitoring by park rangers.

Responding to a question posed by Councilmember Freeman, Ms. Moore stated there are fees associated with the permits based on the type and length of permit needed.

In response to a question from Mayor Giles regarding whether a permit can be obtained for a reoccurring event, Ms. Moore indicated an individual can hold a reoccurring event; however, each time will be individually permitted to help notify park and ranger staff of the events.

In response to a question from Vice Mayor Duff, Ms. Moore remarked non-profit distribution of food in a park would require a permit if the definition of special event is met. She advised if an event does not have a permit, park rangers will provide education on obtaining a permit to the individual holding the event. She stated the fees are generally low and the purpose is more about supporting the events and knowing what is going on.

Ms. Moore reviewed other definition changes within the new code. (See Page 5 of Attachment 3)

In response to a question from Vice Mayor Duff, Ms. Moore indicated a park permit is for a specific location. She added if the permit is for open space, a general location is provided in the permit and the ramadas are numbered.

In response to a question from Councilmember Freeman, Ms. Moore emphasized that camping in a park requires a permit. She remarked the regulations provide additional clarity that if abandoned goods are left in the park there is a process through code enforcement to dispose of the items, as well as a section stating individuals cannot interfere with someone else's use of the park. She stated enforcement efforts continue to address homeless within the parks.

Ms. Staudinger commented that urban camping is still included in the new code and efforts are ongoing to provide education and programs to help the homeless.

Further discussion ensued regarding situations of homelessness, enforcement, and resources available.

(At 9:00 a.m. Mayor Giles excused Councilmember Spilsbury from the remainder of the meeting.)

In response to a question from Councilmember Thompson regarding whether it would make sense to roll the duties of park rangers under the police department, Mr. Brady remarked the role of a park ranger is much broader than being enforcers and includes being the host and representing the Parks Department. He expanded by saying the intention is to have a separation of the park ranger and police officer because the park ranger deals more with the park rules and playgrounds.

(A brief recess occurred at 9:05 a.m. The Study Session resumed at 9:16 a.m.)

Councilmember Freeman discussed Item 9-a, **(ZON20-00538 (District 1) Within the 1200 to 1400 blocks of West Bass Pro Drive (south side) and the 1100 block of North Alma School Road (west side). Located south of the 202 Red Mountain Freeway on the west side of Alma School Road (30.9± acres). Modification to the Planned Area Development (PAD) Overlay on the property to amend condition #1 of Ordinance No. 4847 to allow development of a new office building and parking garage within an existing office development. Michael Edwards, The Davis Experience, applicant; Salt River Point, LL LLC, owner.)**, on the April 5, 2021 Regular Council meeting agenda. He shared that he met with the homeowners and a Good Neighbor Policy was worked out that does not address every issue the neighbors have but is a compromise on both sides.

Planning Director Nana Appiah stated the final approval contains a condition requiring the project to conform to the design and review process. He remarked the Design Review Board (DRB) brings forth the recommendations for final approval. He outlined the items that fall under the Good Neighbor Policy are landscaping, lighting, and property manager contact. He mentioned he will share the policy with the neighbors today after fine-tuning with the developer. He indicated the developer has agreed to increase the tree size and improve the elevation to provide better screening. He agreed to have these conditions documented in the design and review process, so the neighbors have a document to refer to.

Economic Development Department Director William Jabjiniak noted the Waypoint complex is 90% occupied. He commented that having adequate parking is an advantage to developers when seeking projects. He said at build-out, the property will have approximately 4.84 parking spaces per thousand square feet (sf) of office space, which is the industry standard. He compared the Union offering six parking spaces per thousand sf and the Grand in Tempe offering five parking spaces per thousand sf. He added there is a significant cost to building a parking structure but will assist in landing high-wage jobs to attract employees.

Responding to a series of questions from Mayor Giles, Mr. Appiah clarified he makes the final approval based on the recommendations from the DRB and the final approval will contain the conditions of approval previously discussed. He reiterated he will share the document containing the conditions of approval with the neighbors before final approval. He explained the type of tree that will be planted will be adequate even at maturity, adding the building landscape will be enforceable in perpetuity per the agreement.

In response to a question from Councilmember Freeman, Mr. Appiah concurred that even if the item is approved on Monday, additional information can be added to the final approval if deemed necessary.

In response to a question posed by Vice Mayor Duff, Mr. Appiah advised that compliance with all requirements of the design and review process must be met before final approval will be granted.

In response to a series of questions from Mayor Giles in regard to whether the stipulations will be provided to the neighbors in writing, Mr. Appiah explained the final approval is formalized in writing and will include the conditions of approval which will consist of the Good Neighbor Policy, the landscape plan, and the elevation. He added if the case is approved on Monday, the document will be finalized in the next couple of weeks and the final signed copy will be provided with the zoning ordinance. He commented that Condition 3 makes the final approval binding because Council is authorizing the process.

In response to an inquiry from Vice Mayor Duff, Mr. Appiah emphasized the conditions apply to the land and if there is a change of ownership the conditions will still apply.

Vice Mayor Duff encouraged working with Salt River Project (SRP) with regard to beautification of the canal bank to help shield the area and restore the sense of neighborhood while providing a better view.

Councilmember Freeman commented that the Bureau of Reclamation will not allow a tree to be planted in the SRP right-of-way because of the possibility of roots penetrating into the canal creating a leak.

Mayor Giles thanked Council and staff for the efforts made to address the neighborhood concerns.

2-a. Hear a presentation and discuss the fiscal year 2021/2022 summary of the proposed budget.

Management and Budget Assistant Director Brian Ritschel introduced Management and Budget Operations Coordinator Samuel Schultz and displayed a PowerPoint presentation to provide an overview of the proposed budget. **(See Attachment 4)**

Mr. Ritschel explained each year the City is required to appropriate an annual expenditure budget and set the secondary property tax levy. He added the annual budget sets the maximum expenditure limit for the fiscal year. He stated the Fiscal Year (FY) 21/22 proposed budget meets the annual balanced budget requirements while continuing the City's efforts to maintain current service levels with anticipation of reopening public facilities. (See Pages 2 and 3 of Attachment 4)

Mr. Ritschel highlighted the City's financial principles related to creating and maintaining the budget. He remarked the FY 21/22 proposed budget reflects current City operations. He said FY 20/21 budget modifications are related to conversion of temporary positions and restricted funding positions. He added position costs have been revised as well as including the 3% step increase for eligible employees. (See Pages 4 and 5 of Attachment 4)

Mr. Ritschel indicated even though the City is maintaining current service levels, there are increased costs in areas such as Personnel, Code Compliance, Animal Control, Parks Recreation and Commercial Facilities, and Environmental Management and Sustainability. (See Page 6 of Attachment 4)

Mr. Ritschel presented additional positions and costs within the area of community safety for Police, and Fire and Medical. (See Pages 7 and 8 of Attachment 4)

Councilmember Thompson spoke about the number of recruits compared to the number of officers retiring. He said it is imperative to look at allocation of officers in the areas with the fastest population growth to help with response times.

Mr. Brady responded by saying patrol officers on the street have increased and with the increased sales tax there will be additional patrol officers added. He commented Chief Cost will explain the allocation and address the crime rates on Monday.

Councilmember Thompson suggested adding more detectives to the Human Exploitation & Trafficking (HEaT) squad as well.

In response to a question from Councilmember Luna regarding whether additional positions will be filled at the new Public Safety Facility, Mr. Brady remarked hiring will begin before the facility is completed.

Mr. Ritschel indicated the additional staff expenses for the new Public Safety Facility and Fire Station are forecast into the budget.

Mr. Ritschel reported on the additional staff positions that will support the homeless services and development growth. He continued by saying investments in community growth include areas that support education, workforce development, small businesses, and community re-engagement. He pointed out the areas where the City is investing in transportation and transit. (See Pages 9 through 11 of Attachment 4)

Mr. Ritschel presented the FY 20/21 General Governmental Expenses graph that breaks down the budget categories. He reiterated the City is a service organization and personal services make up approximately 70% of the budget. (See Page 12 of Attachment 4)

Mr. Ritschel stated the proposed FY 21/22 budget balances the new sources and uses and leaves an ending reserve balance at 32.1%; however, in future years the net sources and uses is negative due to higher expenses. He added marijuana revenue has been included in the forecast and as businesses open again the revenue will follow. (See Page 13 of Attachment 4)

In response to a question posed by Vice Mayor Duff regarding the difference between the FY 20/21 budget and projected, Mr. Ritschel explained the projected FY 20/21 budget has been revised to account for the 25% capacity for spring training, the stimulus dollars, and the higher sales tax than expected. He noted the \$50 million for net sources and uses is the federal CARES funding that was received and reallocated to the Public Safety personal services which freed up that amount in the General Governmental Fund.

Mr. Ritschel shared the five principles followed for the Utility Fund and the additional positions and costs that will help meet the community needs and growth within the areas of Environmental Management & Sustainability, Water Resources, Energy Resources, and Business Services. (See Pages 14 and 15 of Attachment 4)

Mr. Ritschel illustrated the proposed FY 21/22 budget for the Utility Fund which shows a negative \$20 million in net sources and uses to draw down the ending reserve balance, leaving a 25.6% ending reserve balance. He mentioned the negative net sources and uses reduces each year as a stabilization of the expenses. (See Page 16 of Attachment 4)

In response to a question posed by Mayor Giles regarding the extent that growth is factored into the forecasted budgets, Mr. Ritschel confirmed growth is taken into account for utility usage; however, due to more efficient appliances, consumption is decreasing. He remarked large capital utility projects are included in debt service.

Responding to a question from Vice Mayor Duff, Mr. Ritschel advised replacement costs for Greenfield Water Reclamation equipment are shared with Gilbert and Queen Creek and Mesa manages the facility. He stated the percentage of ownership in the joint venture determines how much each city pays.

Mr. Ritschel outlined the important dates within the budget process. (See Page 17 of Attachment 4)

Mayor Giles thanked staff for the presentation.

2-b. Hear a presentation and discuss the fiscal year 2022-2026 Capital Improvement Program with a focus on non-utilities.

Management and Budget Assistant Director Brian Ritschel introduced Budget Coordinator Justin Stadt and displayed a PowerPoint presentation that will cover the five-year Capital Improvement Program (CIP), review the current bond authorization and active projects, and go over the CIP steps. **(See Attachment 5)**

Mr. Ritschel reviewed that CIP funding sources come from local revenue, regional awards and grants, general obligation bonds, excise tax obligations, and utility revenue bonds. (See Pages 3 and 4 of Attachment 5)

Mr. Ritschel explained operations and maintenance are reviewed throughout the CIP project lifecycle and these projects are incorporated into the forecast to ensure the operational requirements can be met. (See Page 5 of Attachment 5)

Mr. Ritschel highlighted the current year projects that have been completed. (See Page 6 of Attachment 5)

(At 10:15 a.m. Mayor Giles excused Councilmember Thompson from the remainder of the meeting.)

Mr. Ritschel stated for the FY 21/22 budget the utility revenue bonds are 54% compared with the five-year program being just under 72%. He remarked the expansion of the bonding and the revenue bonds originates from the Signal Butte Water Treatment Plant and the reclaimed water line. He commented the numbers that correspond to the funding source for FY 21/22 are \$282 million and for the five-year program total \$1.7 billion. (See Pages 7 and 8 of Attachment 5)

In response to a question from Vice Mayor Duff regarding the decrease in the local revenue percentage, Mr. Brady stated the numbers are relative to the other category percentages.

Mr. Ritschel highlighted the 2018 and 2020 bond authorizations for Parks and Culture, Public Safety, and Transportation. He outlined the projects that are underway for each department. (See Pages 9 through 13 of Attachment 5)

Mr. Ritschel shared a map that shows the location of the active non-utility projects that are ongoing throughout the City. (See Page 14 of Attachment 5)

In response to a question posed by Vice Mayor Duff, Mr. Brady advised a survey is in process, followed by community outreach, which will be brought back to Council to decide how to allocate the \$20 million for active transportation.

In response to a question from Councilmember Luna regarding the Red Mountain expansion, Mr. Stadt stated that project is under design currently and is tentatively scheduled to be completed at the end of 2023.

Mr. Ritschel gave an overview of CIP next steps. (See Page 15 of Attachment 5)

Mayor Giles thanked staff for the presentation.

2-c. Appointment to the Board of Adjustment.

It was moved by Councilmember Luna, seconded by Vice Mayor Duff, that the Council concur with the Mayor's recommendation and the appointment be confirmed. **(See Attachment 6)**

Upon tabulation of votes, it showed:

AYES – Giles-Duff-Freeman-Luna

NAYS – None

ABSENT – Heredia- Spilsbury-Thompson

Mayor Giles declared the motion carried unanimously by those present.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Museum & Cultural Advisory Board meeting held on February 4, 2021.

It was moved by Councilmember Freeman, seconded by Vice Mayor Duff, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Giles-Duff-Freeman-Luna

NAYS – None

ABSENT – Heredia- Spilsbury-Thompson

Mayor Giles declared the motion carried unanimously by those present.

4. Current events summary including meetings and conferences attended.

Mayor Giles –

Arizona Korean Association vaccination event

Move 1 Mesa rollout – Chris Powell

Banner Desert Hospital groundbreaking - women's tower

Cannon Beach Park groundbreaking

- Vice Mayor Duff –
 - Athena Hail Awards
 - Virtual summit - racial inequality and injustice
 - MAG municipal staff forum - regional homelessness
 - Mesa Rotary Club meeting

- Councilmember Luna –
 - Falcon Field Lunch 'n Learn event
 - Mesa Convention Center vaccination center – lunch with Fire staff

Councilmember Luna and Vice Mayor Duff engaged in the Ari-Son Megaregion Council webinar and the Arizona Asian Chamber of Commerce vigil.

5. Scheduling of meetings.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Monday, April 5, 2021, 4:45 p.m. – Study Session

Monday, April 5, 2021, 5:45 p.m. – Regular Council meeting

6. Adjournment.

Without objection, the Study Session adjourned at 10:26 a.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 1st day of April 2021. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

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(Attachments – 6)