



COUNCIL MINUTES

February 13, 2020

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on February 13, 2020 at 7:30 a.m.

COUNCIL PRESENT

John Giles
Mark Freeman
Jennifer Duff
Francisco Heredia
David Luna
Jeremy Whittaker

COUNCIL ABSENT

Kevin Thompson

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

Mayor Giles excused Councilmember Thompson from the entire meeting.

1-a. Hear a presentation, discuss, and provide direction on a draft policy regarding City Council Community Outreach Funds.

Deputy City Manager Scott Butler displayed a PowerPoint presentation discussing the Allocation and Spending Policy Guidelines. **(See Attachment 1)**

Mr. Butler reported the desire to review the discretionary policy arose from a media request to every city in the Valley looking at discretionary fund spending practices. He stated after researching best practices around the Valley, the conclusion was each Council treats discretionary funds differently to meet their needs.

Mr. Butler described the draft Community Outreach Funds Expenditure form to be filled out by Mayor and Council when using discretionary funds which sets out where the funds are going and how it benefits the City. (See Page 3 of Attachment 1)

Mr. Butler discussed that disclosure is the best practice. He added continued training for Council and assistants will ensure adherence to policies.

In response to a question from Mayor Giles, Mr. Butler stated the Community Outreach Funds Policy Guidelines are taken directly from the management policy that applies to City employees which follows state and federal laws.

City Manager Christopher Brady suggested Council review the policy and guidelines to make sure the language is agreeable because once adopted that will be the standard regarding decisions on allocation of funds.

Mr. Butler explained the funding categories have not changed since inception of the program; the change is to officially formalize the procedures. (See Pages 1 and 2 of Attachment 1)

In response to a question posed by Mayor Giles, Mr. Butler highlighted the monthly Community Outreach Funds Expenditures form is to detail smaller expenditures of \$50 or less. (See Page 4 of Attachment 1)

In response to a question from Councilmember Luna, Mr. Butler replied the desire is to have Council personally sign the forms rather than electronically sign and that training will be scheduled individually with Council assistants and Councilmembers.

In response to a series of questions posed by Councilmember Duff, Mr. Butler clarified electronic receipts are acceptable with the expenditure form signed by Council. He commented the travel expenditures policy will not change and the Community Outreach Funds Expenditure form is merely an additional disclosure that attests to the benefit for the City of Mesa.

Mr. Butler acknowledged that using a travel per diem is an option instead of using individual receipts.

Mayor Giles expressed the opinion that the travel policy is more specific, and the Community Outreach Funds policy is more arduous due to the discretion given to Council. He stated having more rules will provide confidence when determining the appropriateness of using discretionary funds, but that the burden still remains with Council to explain.

Mr. Butler stated, if directed, staff could add more criterion to the form, but because of the uniqueness of each district, staff's recommendation was to add more disclosure to ensure the expenditures adhered to the categories.

Mr. Butler reported staff will finalize the forms and work with the Council assistants on procedures and training opportunities.

Mayor Giles thanked Mr. Butler for the presentation.

1-b. Hear a presentation, discuss, and provide direction on a proposed 2020 Transportation Capital Improvement Bond Program.

Transportation Department Director RJ Zeder introduced Deputy Transportation Director Erik Guderian, Deputy Transportation Director Orlando Otero, and Marketing/Community Specialist II Amy McConnell, and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Zeder explained the objective of Mesa Moves was to create a bilingual outreach campaign to collect feedback from residents to ensure that projects align with the vision of the community. He announced over 6,000 surveys were received. (See Page 3 of Attachment 2)

Mr. Zeder presented the survey results showing minimal congestion and well-maintained transportation infrastructure ranked as high concerns. He stated the feedback priorities were roadway safety, information regarding budget and needs, and wanting more details on the return on investment. (See Page 4 of Attachment 2)

Mr. Guderian explained the projects are grouped by street enhancements, arterial reconstruction/drainage, multi-modal, shared-use bike and pedestrian paths and smart city technology. (See Page 6 of Attachment 2)

Mr. Guderian shared a total of 46 projects have been completed since 2012 totaling \$165.3 million. He advised through Federal grants or Arterial Life Cycle Program (ALCP) reimbursement, the City of Mesa received \$37.3 million. (See Page 7 of Attachment 2)

Mr. Guderian described the recent transportation projects occurring throughout the City. (See Page 8 of Attachment 2)

Mr. Zeder highlighted projects supporting economic growth in Mesa include the Elliot Road Tech Corridor, Rio Salado Stadium Connector and Southern Avenue Fiesta District. (See Pages 9 through 12 of Attachment 2)

Mr. Guderian reported Fiscal Year (FY) 21 through FY28 projects are based on existing Capital Improvement Projects (CIP), feedback from Mesa Moves, projects in ALCP, maintenance and lifecycle replacement needs, multi-modal and shared use path priorities, and the Southeast Mesa transportation plan priorities. (See Page 13 of Attachment 2)

In response to a series of questions from Vice Mayor Freeman, Mr. Zeder replied the pavement management staff uses a very thorough system to evaluate the condition of streets throughout the City annually. He remarked the budget for pavement preservation is \$8 million.

In response to a series of questions posed by Councilmember Whittaker, Mr. Zeder commented Transportation has a pavement forecast which is used to develop pavement preservation projects for the upcoming year. He remarked he would have to verify with staff the information that is tracked through the system. He stated traffic counts are updated annually which drives priorities.

Mr. Guderian added different roadways are designed for different pavement thickness, depending on the amount of traffic, and the pavement preservation program assists in developing the criteria.

In response to a question from Councilmember Whittaker, Mr. Zeder described Proposition 400, the half cent sales tax approved by voters in 2004, will be expiring at the end of 2025 which also has Federal funds tied to safety or capacity improvements.

In response to a question from Councilmember Whittaker, Mr. Guderian stated the stadium connector project is complete, although there is a section along 10th Street where bicycles and vehicles share the street.

Mr. Brady clarified what is being discussed for the planned transportation projects are considered new streets and pathways or reconstruction, and not overlays to extend street life.

In response to a question from Mayor Giles, Mr. Brady stated maintenance operation is funded out of the transportation sales tax and will be discussed during the budget presentation. He reported this presentation is intended to begin the conversation regarding CIP transportation projects and the types of projects considered in a bond.

In response to a comment from Mayor Giles regarding pavement replacement projects, Mr. Zeder explained the Americans with Disabilities Act (ADA) requires cities modifying any pavement or street infrastructure to bring the abutting curb ramps up to current standards.

Mr. Guderian reported a total of 39 projects totaling \$339 million have been forecasted over the next eight years. He stated \$107.5 million has been identified as reimbursement or grants. (See Page 14 of Attachment 2)

Mr. Zeder pointed out under street enhancements and arterial reconstruction, the total investment includes partnering with utilities to upgrade aging infrastructure during the street enhancement to maximize the investment.

Mr. Guderian presented the street enhancement prioritization matrix, stating the projects are rated by whether there is an outside funding source, the capacity, congestion and safety at the intersection, and pavement condition. (See Page 15 of Attachment 2)

Mr. Guderian discussed the list of projects by category which are listed by priority level. (See Pages 16 through 19 of Attachment 2)

In response to a series of questions by Vice Mayor Freeman, Mr. Guderian replied the Center Street project is in the early phases of planning, but with four lanes of traffic, one of the considerations is to take out a lane to add bike lanes. He stated there will be neighborhood outreach and all users will be taken into account.

Mr. Zeder mentioned transportation staff is currently working with the Fire and Medial Departments on a Global Positioning System (GPS) based signal preemption solution which will communicate between the intersection and the apparatus before leaving the station.

Mr. Guderian illustrated a color-coded map of the projects throughout the City. (See Page 20 of Attachment 2)

Mr. Zeder summarized that Proposition 400 terminates at the end of 2025, but under the current program a 30% match is required from local agencies to use regional funding and the projects must be under construction by December 31, 2025 to be eligible for reimbursement. He added Mesa currently has an additional \$44 million of ALCP funding available. (See Page 21 of Attachment 2)

Mr. Brady stated part of the challenge is the money must be spent first before receiving any reimbursement.

Mr. Zeder expanded there is a schedule that maps out the reimbursement schedule and that construction occurring today might not be reimbursed until 2024.

In response to a question posed by Councilmember Whittaker, Mr. Guderian stated the remaining funds available are the \$86 million, plus the \$44 million of unallotted ALCP funds. He added to receive the \$130 million, the City would need to spend \$200 million on eligible projects within the next five years.

In response to a question from Councilmember Whittaker, Mr. Zeder remarked a project would need to be in design by 2023 in order to be under construction by 2025 to be eligible for reimbursement.

Mr. Guderian clarified all eligible projects fall under the street enhancement category.

In response to a question posed by Mayor Giles, Mr. Brady confirmed funds were repurposed for higher priority projects and are still available.

Further discussion ensued regarding project prioritization and leveraging dollars in order to receive the reimbursement.

Mr. Zeder discussed the number of projects available based on the bond amount. (See Page 22 of Attachment 2)

In response to a question from Mayor Giles, Mr. Brady replied the \$150 million bond is optimal for the number of projects and the amount of eligible reimbursement. He added the vote would be on the November 2020 ballot and projects could begin in 2021.

In response to a question posed by Mayor Giles, Mr. Zeder stated the number of projects is aggressive and that Transportation will ensure high priority for completion. He reported two top priority projects are currently in design engineering in anticipation of funding.

In response to a series of questions from Councilmember Whittaker, Mr. Zeder advised the amount of reimbursement is based on eligible projects, which are the street enhancement projects. He stated the projects presented are the ones which staff felt the City would benefit from.

In response to a question from Councilmember Whittaker, Mr. Brady commented the desire is that Proposition 400 will be extended by voters to keep projects moving. He explained the City may end up not utilizing all the available funding due to important non-ALCP projects that have been identified by the community or Council.

In response to a question from Councilmember Whittaker, Mr. Zeder stated just because the projects are under ALCP does not guarantee the funds will be available for reimbursement.

In response to a question posed by Councilmember Whittaker regarding whether Mesa is competing with other cities for ALCP reimbursement, Mr. Brady commented when Proposition 400 passed, dollars were allocated to each city.

Further discussion ensued relative to ALCP-eligible projects and the process for reimbursement.

In response to a question from Mayor Giles regarding a potential street bond referral to voters, City Clerk Dee Ann Mickelsen stated Council must adopt finalized ballot language no later than June 15, 2020.

In response to a question posed by Councilmember Heredia, Mr. Zeder advised he will provide a detailed bicycle map for the City.

In response to a question from Councilmember Heredia, Mr. Guderian described street enhancements include pedestrian connections, sidewalk upgrades and bus pullouts.

In response to a question posed by Mayor Giles, Mr. Zeder explained Mesa Moves places emphasis on additional bicycle and pedestrian amenities, which is not currently an eligible funding source for Proposition 400, and maintenance of existing infrastructure.

Mr. Brady remarked Proposition 400 today pays for ongoing operations of transit services; and even with an extension, 25% would be absorbed to keep operations at status quo. Councilmember Duff commented there is value in receiving input from residents and conducting outreach to determine the needs and the purpose of the bond. She suggested creating feedback through social media outreach to show that Council's proposal takes into account citizen input and concerns.

In response to a question posed by Councilmember Whittaker, Mr. Brady explained at the end of the cycle there will be unspent dollars for all cities since they are required to come up with 100% commitment for the projects.

Deputy City Manager Scott Butler advised Proposition 400 funds multi-billion-dollar projects all around the Valley. He stated approximately 50% of Mesa's transit services' operating budget comes from Proposition 400 and ALCP is a small portion of those funds.

Mr. Butler informed Councilmember Whittaker most of the regional focus is on the highway and transit side, adding Mesa did a great job of leveraging ALCP dollars when Proposition 400 was implemented.

In response to a question from Councilmember Whittaker, Mr. Butler explained that Maricopa Association of Governments (MAG) has not set a policy regarding unused ALCP funds, although he expects the pot of money would be set aside at the end of the program and would stay with the City to draw down the funding.

Mr. Zeder emphasized that Mesa has worked hard on using the allotted ALCP funds and is very active in managing the reimbursements available.

In response to a question posed by Councilmember Whittaker, Mr. Brady stated there is a lot of debate whether ALCP should be a maintenance or a capital program.

Mayor Giles indicated the legislature, the governor and the county need to support either extending or increasing the sales tax before being presented to voters. He stated Council needs to begin the discussion on which proposal is the best choice for Mesa.

In response to a question posed by Councilmember Whittaker, Mr. Guderian disclosed there are new projects that are currently not in the CIP which are identified with the Southeast Mesa Land Use and Transportation Plan or the Mesa Moves initiative, and those projects approved by Council are included in the planned Transportation projects.

In response to a question from Councilmember Whittaker, Mr. Brady advised once there is a list of authorized projects, those projects will transition from unfunded CIP to funded CIP. He added projects listed under future bonds are not calculated in assumed cash flow.

In response to a series of questions posed by Councilmember Whittaker, City Treasurer Ryan Wimmer indicated the City's property tax levy of \$100 million will impact the median homeowner \$26 per year. He stated there is no operational impact to the cost of the projects because it is covered by the secondary property tax and the property tax levy would be increased to pay for the entire cost of the debt service for the projects.

Mayor Giles thanked staff for the presentation.

1-c. Hear a presentation and discuss the City's 3-year comprehensive review of the adopted General Plan, its policies, and implementation tools.

Planning Director Nana Appiah introduced Principal Planner Tom Ellsworth and Senior Planner Rachel Prelog, who displayed a PowerPoint presentation. **(See Attachment 3).**

Ms. Prelog provided an overview of a General Plan, explaining that the policy document guides the future actions of the City; sets the vision for the City to establish goals and policies that help direct how the City views development, land use, transportation, economic development, and every aspect of how the City functions. She stated that the General Plan also provides cohesiveness over time so that as Council and staff changes, a standard framework for decision making is provided. (See Page 3 of Attachment 3)

Ms. Prelog explained that State law requires the City to conduct an annual review of the plan implementation efforts, and the General Plan requires a comprehensive review every three years to look at policies and strategies and to make recommendations to Council on text amendments that might be appropriate to any land use tools.

Ms. Prelog stated the process involves reviewing the successes of the General Plan and the challenges experienced in implementing the plan. She detailed the General Plan successes are a physical manifestation of the policies and goals.

Ms. Prelog outlined the three main goals of the General Plan: Grow stable and diverse jobs; provide rich, high-quality public spaces and cultural resources; and create and maintain a variety of great neighborhoods.

Ms. Prelog highlighted some of the job growth and expansion strategies, such as economic development, which looks at ways to preserve areas for job growth, promote expansion of local businesses, looks at promotion of transportation and communication infrastructure and how those contribute to the exchange of information and commerce.

Ms. Prelog explained that public spaces and cultural resource policies outline the requirements for new development to provide spaces that are comparable to their size and location and encourages co-location of facilities. She displayed examples of park redevelopment, co-location of cultural facilities and programs, and new parks such as the Eastmark Great Park. (See Page 7 of Attachment 3)

Ms. Prelog highlighted neighborhood policies and explained they provide a mixture of uses for residents to encourage infill and redevelopment, maintain neighborhoods, and has a historic preservation component that focuses on maintaining and preserving Mesa's past. She pointed out these policies and strategies span topics and areas throughout the City and downtown is a really great example because it is the manifestation of our public spaces, neighborhoods, and employment areas. (See Pages 8 and 9 of Attachment 3)

Ms. Prelog commented on the challenges of the plan implementation and the character area designation. She explained the current General Plan is different from the previous plan which focused on parcel specific land uses and the current plan focuses on the character of an area, giving more flexibility to what can be developed. She added one of the challenges, particularly with the mixed-use designation, is the vision for horizontal and vertical integration.

In response to a question from Councilmember Heredia regarding secondary use, Ms. Prelog stated a mixed-use development is commercial with residential integration. She commented that residential is the supporting element and it is up to the commercial development to create that distinguishing environment.

City Manager Christopher Brady expressed concern that the commercial use is inversely applied.

Mayor Giles commented that mixed-use has been interpreted as code for residential. He suggested that there have been situations where a residential component of a neighborhood development is approved, and the commercial development is left for future consideration. He added developers have tried to initiate commercial components and when they have not been successful, they have requested to be relieved of the obligation of the commercial component. He indicated that Council has been informing the development community that mixed-use parcels will not have the residential triggered until the commercial is completed or invested.

Ms. Prelog agreed that this is a perfect example of what staff is seeing. She stated more recently the use of development agreements are being used to enforce the implementation of a commercial development before residential. She explained that staff will be recommending this be addressed through comprehensive plans so a policy can assist with enforcing the process. She added the current plan is not very explicit on how much primary and secondary use is required.

Ms. Prelog displayed an existing land use diagram that shows the current land use of various communities throughout the Valley. She commented what is interesting about this chart is how it relates to the opposing narrative that we hear about residential development in Mesa, stating on one hand you hear that Mesa has an overabundance of residential and does not have the commercial and employment of surrounding cities; and, conversely, developers are indicating Mesa does not have enough residential. She explained that we have less residential than other communities in the region and have a comparable area of commercial and employment-based uses, especially if you are looking at transportation, which includes Mesa's airports. (See Page 12 of Attachment 3)

Councilmember Luna commented on the appropriate balance in terms of commercial, industrial jobs, and employment versus residential. He indicated there seems to be an imbalance of residential units that are available and that is something Council has to navigate moving forward to ensure sufficient housing and sufficient jobs.

Mr. Brady explained the chart doesn't address the affordability or types of housing. He stated Gilbert is at 54% residential; however, he suspects it is the least affordable of most of the cities on this chart.

In response to questions from Councilmember Heredia regarding categories for retail versus commercial, Ms. Prelog indicated there are specific categories for commercial and for mixed-use, and that retail is included in commercial.

Mayor Giles commented that Mesa has the lowest sales tax collection, which is a problem for a city that does not have a primary property tax, and the objective is to figure out ways to increase sales tax revenue. He stated at the same time there are a lot of requests for residential development and multi-family housing, and residents could be reasonably asking the question, "With all of these high-end apartment complexes being constructed, is Mesa getting out of balance if all of our zoning cases are for multi-family?" He requested that Council's upcoming Strategic Planning Session include an item to address housing.

Ms. Prelog continued the presentation and explained the General Plan character areas are depicted in this chart as Mesa's future land use guide. She identified 61% of available land for residential development and added that the message staff wants to convey is the concern with preserving these employment areas and mixed-use areas for commercial and job-related use. (See Page 13 of Attachment 3)

In response to a question from Councilmember Heredia regarding zoning, Ms. Prelog explained that this presentation does not cover zoning, since character areas can include several different zoning designations.

Mr. Appiah commented within the current character area designation we have undeveloped areas, which becomes critical when a developer requests rezoning. He suggested that when staff recommends approval for rezoning, it needs to be consistent with the character area designations.

Ms. Prelog provided an overview of the recommendations and stated the character area designation is to clarify the role of primary uses and its contribution in creating that character. She added that the General Plan is not specific, and just provides a list of land uses. She explained staff would like to explore and bring back for discussion setting up priorities for development and implementation of those areas with primary uses and establishing a ratio of what is appropriate.

In response to a question from Vice Mayor Freeman regarding the effect on landowners, Mr. Ellsworth highlighted the overall process for creating the General Plan; that prior to being placed on the ballot there is significant outreach with neighborhood meetings in every area of the City, meeting with various stakeholders, all of which goes into the plan and the land use allocation.

Ms. Prelog addressed General Plan amendment procedures and the challenges related to that process. She stated rezoning requests must follow the General Plan, and as amendments come forward there needs to be qualifiers regarding what constitutes major versus minor amendments. She explained there is a lot of discretion left to the Planning Director, and as a City we should promote some predictability and consistency, which is an area staff would like to review.

Ms. Prelog displayed a map detailing major and minor amendments in the downtown area versus Southeast Mesa. She explained changing the effect of the character area of a city block would be a big impact downtown, whereas in Southeast Mesa, the impact might not be very significant, adding the challenge is addressing those differences. (See Page 17 of Attachment 3)

In response to a question from Councilmember Heredia related to redevelopment zones in urban and vacant areas, Ms. Prelog commented this diagram is showing, regardless of where you are in the City, the requirements don't consider the context of the area; however, the situation is very different in the urban core than in Southeast Mesa.

Ms. Prelog outlined the recommendations would be to adjust the criteria of a major and minor amendment and establish approval criteria to provide a basis for decision making. (See Page 19 of Attachment 3)

Mr. Appiah provided an overview of the 2020 work plan and explained that as part of the annual General Plan evaluation, staff considers implementing tools to help achieve the goals of the General Plan. He commented that an additional project staff is currently working on streamlining is site plan review. He stated that most of the cities in the Valley have site plan reviews approved administratively, as they are very straightforward and are either allowed or not, which would help

reduce processing time from three to four months down to 30 days, if all standards are met. He indicated that staff would continue to meet and receive feedback from the community, and the P&Z board. (See Page 20 of Attachment 3)

Mr. Appiah stated staff is looking at small lot development, meeting with transportation and solid waste to see if there is opportunity for quality development that can withstand the test of time. He remarked meetings are taking place with a stakeholder group to come up with criteria.

Mr. Appiah commented that the department received \$20,000 from the State Historic Preservation office to review design standards for historic properties. He added the City had design standards back in 1998 and will look at guidelines to assist homeowners in the historic district to assume repairs and understand what they can and cannot do to enhance their properties. He continued by saying Council approved \$50,000 for historic preservation work, of which \$20,000 is a matching grant.

Mr. Appiah advised adaptive reuse is being looked at and one thing the City can do to encourage redevelopment is to remove criteria that has become an impediment to development. He commented assisted living standards are also being reviewed to determine prime locations and how those locations can be protected for commercial and employment-related uses. He added discussions will take place with residents, the development community, the P&Z Board, and the Historic Preservation Board and the results will be brought back to Council for direction.

In response to a question from Mayor Giles, Mr. Appiah replied Planning will continue to aggressively work on the 2020 work plan and will bring updates to Council.

Councilmember Duff commented she appreciates the City being progressive in development and giving Mesa a sense of identity. She discussed streamlining the application process of allowing accessory dwelling units (ADU) on existing lots where appropriate.

In response to a question from Councilmember Heredia, Mr. Brady explained the General Plan references other planning documents to create a master plan that links everything together.

In response to a question posed by Councilmember Heredia, Mr. Appiah reported annually the performance of the General Plan is evaluated, every three years there is a comprehensive review, and every 10 years an overhaul.

In response to a question from Councilmember Duff, Mr. Brady replied the Housing Master Plan recommendation will be presented in March.

In response to a question from Councilmember Whittaker, Mr. Appiah described smaller developments do not necessarily correlate with affordable housing. He gave the example of Mesa Meadow as a smaller development with a median price aimed at young professionals.

In response to a question posed by Councilmember Whittaker, Mr. Brady stated the goal is finding the balance of increased density and sustainability and figuring out the qualities that provide the sustainability.

Councilmember Whittaker expressed his concerns in creating dense developments that turn into impoverished areas years down the road.

Mayor Giles thanked staff for the presentation.

2. Current events summary including meetings and conferences attended.

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| Mayor Giles – | Mesa Public Schools Foundation Breakfast |
| Councilmember Duff – | Neighborhood Leader Dinner & Dialogue – Arizona Museum of Natural History |
| Councilmember Heredia – | 41 st Annual Dobson Ranch Homeowners Association Breakfast |
| Councilmember Luna – | National League of Cities – Tech for America Hispanic Elected Local Officials Advocacy Meeting Red Mountain Park Free Fishing Day Event |

3. Scheduling of meetings.

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

Thursday, February 20, 2020, 7:30 a.m. – Study Session

4. Adjournment.

Without objection, the Study Session adjourned at 9:59 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 13th day of February 2020. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK