



COUNCIL MINUTES

March 19, 2020

The City Council of the City of Mesa met in a Study Session via virtual format streamed into the lower level meeting room of the Council Chambers, 57 East 1st Street, on March 19, 2020 at 7:30 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

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

Mayor Giles conducted a roll call.

(Items were discussed out of order, but for purposes of clarity will remain as listed on the agenda.)

1-a. Hear a presentation, discuss, and provide direction on the renewal of Mesa's Central Business District (CBD) in compliance with state statutes.

Economic Development Director Bill Jabiniak introduced Management Assistant II David Packard, Felipe Zubia, Matrix Design Group Director, and Martin Scribner, Matrix Design Group Principal Associate, and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Jabiniak stated the presentation is to update Council on the renewal of the Central Business District (CBD) designation. He explained the CBD district qualifies for federal and state funding. He described the Government Property Lease Excise Tax (GPLET) statute as an example of a way to maximize incentives when dealing with a CBD. (See Page 2 of Attachment 1)

Mr. Jabiniak presented a map of the current CBD areas, detailing when each area was established and the blight percentages within the four redevelopment areas (RDA). (See Page 3 of Attachment 1)

Mr. Jabiniak reported that in 2018 new legislation was passed requiring a renewal of CBD by October 1, 2020. He added every 10 years the City must renew, modify or terminate the designation. He explained the size of the redevelopment area has been reduced, but Mesa has been grandfathered in with the size of its CBD. (See Page 4 of Attachment 1)

In response to a question from Vice Mayor Freeman, Mr. Jabiniak clarified the CBD needs to be renewed by October 1, 2020, with the next analysis taking place in 2030.

Mr. Scribner summarized the definition of blighted area per statute as being anything where the conditions do not allow for good development or redevelopment and highlighted the criteria followed to assess for blight. (See Page 5 of Attachment 1)

Mr. Scribner described the process of assessing the CBD, which consists of over 8,000 parcels, was to split the area into 54 sub-areas to efficiently conduct on-site evaluations using the Fulcrum app that automatically inputs the information into the system. He advised aeriels and parcel information obtained from the County Assessor's Office were also used for parcels that were not accessible. He pointed out that crime data and code compliance violation data was also reviewed. (See Page 6 of Attachment 1)

Mr. Scribner explained the top three blight factors were deterioration of the site or other improvements, unsanitary or unsafe conditions, and improper or obsolete subdivision platting, highlighting the percentage of parcels that fall under each of the factors. (See Pages 7 through 9 of Attachment 1)

In response to a question from Councilmember Whittaker, Mr. Scribner replied the four redevelopment areas that the analysis is based on were predesignated.

City Manager Christopher Brady expanded by saying, the State law requirement is to go back to the existing boundaries of the CBD to re-evaluate whether the criteria have been met.

Mr. Packard stated the Town Center boundary was established by Council in 1999, the Southwest boundary was established in 2016, and the East and West boundaries were established in 2017.

City Attorney Jim Smith clarified State statute changed several years ago requiring the City to conduct a re-evaluation, and the ability to change or expand the boundaries no longer exists per the new statute.

Mr. Scribner remarked that overall, the entire CBD had over 4,500 parcels identified with at least one blight factor. He explained 55% percent of the parcels and 68% of the acres were identified as blighted. (See Page 10 of Attachment 1)

Mr. Scribner summarized the investigation determined there is predominance of the blight conditions overall throughout the CBD and that redevelopment of the CBD is in the residents' best interest. He reported the project team recommends that Council renew the blight status and maintain the development authority in the CBD. (See Page 11 of Attachment 1)

In response to a question from Councilmember Thompson, Mr. Jabiniak pointed out that for more than 15 years the northwest corner of Alma School Road and Southern Avenue sat vacant and that Council has approved a redevelopment project for that blighted corner which is beginning to mobilize. He identified that discussions continue regarding Fiesta Mall and Town Center revitalization.

Mr. Brady commented that every year the legislature continues to take away incentives which makes it more difficult to do these projects, adding the City is not precluded from coming up with incentives or programs within the designated areas. He stated the CBD in the last 15 years

improved and millions of dollars have been invested and continue to be invested. He expressed the goal in 10 years is to fail the blight test and be able to remove the designation.

In response to a question from Councilmember Thompson regarding whether the City is moving the needle in cleaning up the blighted areas, Mr. Brady gave examples of Mesa Royale and Country County Drive and Main Street that have active developments that will establish a standard of change.

In response to a series of questions posed by Councilmember Duff, Mr. Scribner clarified the diversity of ownership criteria refers to when there are multiple owners on a property and that there can be complications when attempting to get the owners to agree on redevelopment. He discussed a portion of the blight areas deal with code compliance issues and vacant industrial buildings.

In response to a question posed by Councilmember Heredia, Mr. Scribner commented the 1999 blight assessment report is not available. He reported the previous blight for the Southwest RDA was 53% for parcels and 62% for acreage; for the East RDA, 57% for parcels and 52% for acreage; for the West RDA, 56% for parcels and 81% for acreage. He added the comparison is difficult because data is missing. (See Page 3 of Attachment 1)

Mr. Jabiniak pointed out progress is being made and hopefully that will continue. He gave the example of the West RDA, in 2017 81% of the acreage was blighted and today 68% met the blight definition.

In response to a question by Councilmember Heredia, Mr. Scribner described non-visual blight factors that were present for the corner of Dobson Road and Broadway Road included the abundance of crime statistics.

Mr. Brady clarified that statistics become part of the challenge because overall crime rate is down, so that doesn't necessarily make it a high crime area. He responded staff will come back with a definitive answer on why the area falls under the blight factor.

Mr. Packard highlighted the City of Mesa in 2014 had 33.0 Type 1 crimes per 1,000 residents, compared with 24.3 in 2018. He explained in 2014 the CBD had 83.5 Type 1 crimes per 1,000 residents, compared with 56.0 in 2018, which shows a positive change.

Mr. Scribner described the Fulcrum app contains notes and photographs of each parcel to allow staff the ability to go back and review the information that led to the blight determination.

In response to a question from Councilmember Luna, Mr. Jabiniak stated when presenting areas to potential developers, the available incentives and how different tools work together are discussed to entice interest in developing properties.

Vice Mayor Freeman applauded staff for their work on the CBD blight assessment process to improve underperforming areas and indicated his support.

Councilmember Duff commented that other factors to consider beyond the property's appearance are education levels, median household income, home values and the number of rentals in the area. She stressed the importance of being sensitive to the population of the CBD to assist with their success.

In response to a question from Councilmember Whittaker regarding the downside of not renewing the CBD, Mr. Scribner explained the grant money and opportunities to incentivize any redevelopment is lost by not renewing. He stated in follow-up to the blight assessment, the City is able to put together a redevelopment plan to bring the blight numbers down long-term.

In response to a question posed by Mayor Giles, City Attorney Jim Smith stated the statute does not provide a specific percentage when blight is no longer predominate, but other cities have looked at 51% being the tipping point of blight eligible.

Mayor Giles indicated support for the CBD renewal. He stated a lot of parcels that have been on the list of the most blighted are now under active development and that he will be surprised if in 10 years the City will be able to renew. He confirmed Council's desire to move forward to put the item on the agenda for formal action.

1-b. Hear a presentation on Proposition 400 (the Maricopa County half-cent Regional Transportation Sales Tax), and discuss and provide direction on projects to be considered by Maricopa Association of Governments (MAG) for the potential extension of the Proposition 400 sales tax, with a focus on transit and transportation projects.

Transportation Director RJ Zeder introduced Deputy Transportation Director Erik Guderian and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Zeder explained Proposition (Prop) 400 was passed by voters in 2004 and succeeded Proposition 300 which was approved in 1985. He stated Prop 400 authorizes a 20-year continuation of the half-cent sales tax for transportation projects in Maricopa County. (See Page 3 of Attachment 2)

Mr. Zeder reported the Regional Transportation Plan (RTP) approved at the Maricopa Association of Governments (MAG) outlines all the transportation projects envisioned within the 20-year period. He stated Prop 400 funding was broken down into three funding categories: 56% to the Freeway and Highway Program, 10% to the Arterial Street Program, and 33% for the Transit Program. (See Page 4 of Attachment 2)

Mr. Zeder highlighted three freeway and highway projects completed in Mesa using Prop 400 funding were the US60, SR202 and SR24 projects which totaled over \$627 million. (See Page 5 of Attachment 2)

Mr. Zeder discussed the Arterial Street Program dollars used to improve major streets. He pointed out when the program was established there was \$462 million to be used over the 20-year period; the amount was rebalanced 10 years ago due to the recession and Mesa's allocation was lowered to \$409 million. He mentioned to date Mesa has received approximately \$211 million in reimbursement, with \$50 million of that amount used for arterial projects and \$160 million for the light rail extension. (See Page 6 of Attachment 2)

Mr. Zeder stated in addition to Prop 400 funding, Mesa has received approximately \$46 million in Federal grant funding used to upgrade the signal system and fiber network, bike and pedestrian projects, and for street sweepers. (See Page 7 of Attachment 2)

Mr. Zeder detailed that, including transit, the City has \$1.2 billion of expenditures and that Prop 400 helped to build out Mesa's transportation infrastructure. (See Page 8 of Attachment 2)

Mr. Zeder announced the current sales tax expires at the end of 2025 and discussions are taking place regarding the extension of the current Prop 400.

Mr. Guderian reported MAG queried about not only looking at traditional Prop 400 projects like freeways, arterials and transit, but adding active transportation and intelligent transportation systems and technology categories as well. (See Page 9 of Attachment 2)

Mr. Guderian stated staff has been looking back at transportation master plans and prioritization plans to come up with a list of projects categorized as Arterials and Maintenance, Intersections, Active Transportation and Intelligent Transportation Systems (ITS). (See Pages 10 and 11 of Attachment 2)

Mr. Guderian presented a map that identifies locations for arterial improvement or roadway projects and intersection improvement projects. He reported an ongoing study will be completed by September that will identify which intersections need improvement through 2050. (See Page 12 of Attachment 2)

Mr. Guderian highlighted the proposed active transportation projects that coincide with the Bicycle and Pedestrian Master Plan. He added the goal is to have trails along the entire canal system and a loop along the SR202. (See Page 13 of Attachment 2)

Mr. Guderian summarized the number of projects by category that staff will be submitting to be part of the Regional Transportation Plan. (See Page 15 of Attachment 2)

In response to a question from Mayor Giles, Mr. Zeder stated the list is of eligible projects and the City would not be able to fund every project on the list. He commented that discussions are taking place on prioritization of the projects. He remarked major reconstruction is currently not a category for Prop 400 funding.

In response to a question posed by Councilmember Heredia, Mr. Zeder clarified that major reconstruction is currently not a category included in the project list.

Mr. Guderian explained major reconstruction is listed as a program with an annual expense and staff has not identified the corridors between 2025 and 2050 that will be reconstructed.

In response to a series of questions from Councilmember Heredia, Mr. Guderian commented currently in the existing Prop 400 the only eligible projects are the corridor and intersection projects; the proposed projects are the Bicycle and Pedestrian project, the ITS project, and the major maintenance projects. He confirmed the maps in the presentation do not identify the ITS projects because they are system-wide or would be located at the transportation management center and the projects under ITS would consist of fiber replacement or new fiber.

Mr. Zeder indicated as intersections are being reconstructed, signals and control cabinets are being upgraded to keep up with new technology. He remarked looking forward at funding fiber replacement is critical because of the uncertainty in how long the current fiber will last.

In response to a question from Councilmember Heredia, Mr. Zeder stated the projects are identified as programs as opposed to a specific location and are a work in progress, but staff knows where all the fiber is located, how old it is, and where upgrades are needed to allow quick submittal for projects when funding becomes available.

In response to a question posed by Councilmember Duff, Mr. Zeder explained discussions are taking place regarding the timeline for a vote on the Prop 400 extension.

Mayor Giles agreed with the MAG call for projects response and supports going forward. He advised that at some point Council needs to make a strategy decision on whether to ask the voters to continue the half-cent sales tax or to ask for an increase in Prop 400 funding.

Mr. Brady verified under the current program, in order for the City to draw down the funding from Prop 400, Mesa has to commit to 30% of the project cost. He stated Mesa is fortunate that the voters have approved transportation bonds to have the resources to draw down the regional dollars. He mentioned there are still remaining dollars available that would require the right timing to get the projects completed within a few years and a financial commitment of 30%.

Mayor Giles announced direction from Council is to proceed with the projects identified for the Prop 400 extension.

Transit Services Director Jodi Sorrell displayed a PowerPoint presentation. **(See Attachment 3)**

Ms. Sorrell explained Transit is approximately 33% of the existing Prop 400 program. She confirmed \$248 million has been allocated, leaving \$94 million left to spend. She advised that part of the \$94 million is allocated for future routes to transition from what is currently being funded by the General Fund to be funded by Prop 400. (See Page 5 of Attachment 3)

Ms. Sorrell presented projects that Prop 400 has funded in Mesa which include Express Bus service into downtown Phoenix, a portion of the local match for central Mesa and bus purchases, Dial-a-Ride service, bus shelters and a significant part of the bus service. (See Page 6 of Attachment 3)

Ms. Sorrell stated the High-Capacity Transit projects include Rio Salado/Dobson/Southern/Country Club Corridor, funding for light rail operations and maintenance, future High-Capacity Transit study to consider expansion east of Gilbert Road, and a potential Bus Rapid Transit (BRT) route. (See Page 8 of Attachment 3)

Ms. Sorrell explained the Fixed-Route Bus service and Express Bus recommendations are coming from the Transit Master Plan and the Southeast Valley Transit System study, and 95% of the items in the MAG call for projects that comes from those studies.

Ms. Sorrell reported the changes for Fixed-Route Bus would include increasing operations to seven days a week, increasing frequency to every 15 minutes, expanding service to match light rail, extending routes to Signal Butte, and adding seven new routes. She explained for a bus route to qualify for Prop 400 funding the route would have to cross jurisdictional boundaries. (See Page 9 of Attachment 3)

Ms. Sorrell described with Valley growth and express service around Arizona State University (ASU), additional Express Bus trips are being requested, along with adding a new Express service from Southeast Mesa along the San Tan Freeway. (See Page 10 of Attachment 3)

Ms. Sorrell reported on the regional side, Prop 400 funding is divided up by Jurisdictional Equity (JE) based on the population of the city. She explained discussions are taking place regarding having separate pots of funding for Express buses, paratransit and vehicle procurement. She

stated MAG and Valley Metro have made a push to evaluate bus stops to ensure accessibility. (See Page 11 of Attachment 3)

In response to a question from Vice Mayor Freeman, Ms. Sorrell remarked if a new Express service is added to Southeast Mesa, a Park-and-Ride location would be needed off the SR202 around the ASU Polytechnic area and possibly a second one east of US60 around Crismon Road.

Mayor Giles thanked Ms. Sorrell for the presentation and indicated it was a consensus of Council to proceed with the list of projects.

1-c. Appointments to the Parks and Recreation Board, Human Relations Advisory Board, and Housing and Community Development Advisory Board.

It was moved by Councilmember Duff, seconded by Councilmember Luna, that Council concur with the Mayor's recommendations and the appointments be confirmed. **(See Attachment 4)**

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson-Whittaker

NAYS – None

Carried unanimously.

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

2-a. Audit, Finance and Enterprise Committee meeting held on February 24, 2020.

2-b. Economic Development Advisory Board meeting held February 11, 2020.

2-c. Historic Preservation Board meeting held on February 4, 2020.

It was moved by Councilmember Luna, seconded by Councilmember Thompson, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson-Whittaker

NAYS – None

Carried unanimously.

3. Current events summary including meetings and conferences attended.

Councilmember Duff –

Visit Mesa – Mile-Long-Drive-Thru for Curbside Food and Other Goods

Mayor Giles commented the City of Mesa is serious about its response to the pandemic and a state of emergency was declared on March 17, 2020. He explained the process is authorized by State statute to make tools accessible to the City for a quick response to protect the public. He remarked most of the City's facilities have been closed at least through the end of the month, including libraries, museums, the Mesa Arts Center, the Aquatic Center, and all City events. He reported he is pleased with the voluntary compliance that has taken place with regard to businesses and the community following the Center for Disease Control and Prevention (CDC)

guidelines. He invited the community to share concerns regarding businesses not following the guidelines through social media. He expressed the best way to ensure everyone is adhering to the guidelines is through education and social pressure.

Mayor Giles thanked the faith community for their response to the situation and reminded them to continue to minister in ways consistent with the CDC recommendations. He added it is inspiring to see the way Mesa has responded.

In response to a question from Councilmember Whittaker regarding scheduling a meeting to discuss a contingency plan and available resources, Mayor Giles advised Council is not able to discuss items that are not on the agenda. He stated the COVID-19 issue will be covered on the agenda for the next couple of months and that Mr. Brady will be issuing a detailed City Manager's report that will address the City's response to the crisis. He suggested discussions can continue to take place in telephone calls and emails while keeping in mind the open meeting law.

Councilmember Whittaker indicated he would like to schedule a meeting to discuss the COVID-19 issues and the City's approach to the issue as a Council.

Mayor Giles agreed the COVID-19 issues will be put on the agenda for future Council meetings. He encouraged conversations outside of Council meetings as well as before the next meeting.

Mayor Giles reported his participation in daily telephone conference calls for mayors with the Governor's Office and White House teleconference meetings every few days. He encouraged citizens to go to Mesaz.gov/coronavirus or AZhealth.gov/covid19 to find resources and detailed information regarding COVID-19.

4. Scheduling of meetings.

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

Thursday, March 26, 2020, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 8:58 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 19th day of March 2020. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK