



COUNCIL MINUTES

May 28, 2020

The City Council of the City of Mesa met in a Study Session via a virtual format streamed into the lower level meeting room of the Council Chambers, 57 East 1st Street, on May 28, 2020 at 7:38 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.

1. Review and discuss items on the agenda for the June 1, 2020 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

Mayor Giles commented on Agenda Item 3-a, **(Reappointing City Magistrate, Alicia Lawler, to a two-year term beginning July 1, 2020 and ending June 30, 2022.)**, on the Regular Council meeting agenda, stating he is proud that Council is reappointing Judge Lawler to another term. He congratulated her and thanked the Judicial Advisory Board (JAB) for their work in the process.

Mayor Giles reported that Judge Tafoya, who has been the Presiding Magistrate for the City of Mesa Municipal Court, will be retiring on June 30, 2020. He recognized Judge Tafoya for his guidance, leadership, and the creation of many specialty courts during his tenure with Mesa.

City Attorney Jim Smith echoed Mayor Giles' comments, adding that Judge Tafoya has had an incredibly successful career. He advised that the specialty courts Judge Tafoya created, which include the Rule 11, Veterans and Community Courts, are award-winning courts and provide templates for other communities to follow.

In response to a question from Mayor Giles regarding Agenda Item 6-a, **(Repealing and replacing Title 1, Chapter 7 of the Mesa City Code pertaining to City Magistrates to formalize the term of office for the Presiding City Magistrate and clarify the term of office for City Magistrates, and amending Title 2, Chapter 3 of the Mesa City Code pertaining to the Judicial Advisory Board to formalize the appointment and reappointment process for the Presiding City Magistrate, clarify the appointment and reappointment process for City Magistrates, and clarify the Presiding City Magistrate's authority to appoint Magistrates Pro Tem. (Citywide))**, on the Regular Council meeting agenda, Mr. Smith explained the City Code does not reference a presiding magistrate and this ordinance adds that position, specifies terms, and provides a process to appoint a new presiding magistrate. He stated there will be an agenda item at the next Council meeting seeking direction from Council whether to go through the JAB process or go through an internal recruitment process.

In response to a question posed by Mayor Giles regarding Agenda Item 5-a, **(Authorizing the City Manager to suspend enforcement, temporarily modify, or approve alternatives to requirements or specifications in the Mesa City Code, related to outdoor seating and services for eating and drinking establishments and temporary signage for all businesses and organizations, to mitigate the health and economic effects of the COVID-19 pandemic during the Declaration of Emergency. This resolution is intended to assist businesses and other organizations that are operating in a limited capacity due to the pandemic, or otherwise affected by the pandemic. (Citywide))**, on the Regular Council meeting agenda, Mr. Smith advised the proposed resolution comes out of a request from several restaurants who have indicated they would like to have patio seating or extend their patio seating under an expedited process. He identified the idea of the resolution is to simplify the process to allow small modifications that have implications on the City Code. He added an ordinance will be brought before Council within the next month to provide the City more flexibility in responding should another emergency arise.

In response to a question from Mayor Giles regarding Agenda Item 5-h, **(Levying the amount to be collected by a secondary property tax and the rate upon each one hundred dollars (\$100) of assessed valuation of property subject to taxation within the City of Mesa for the fiscal year ending June 30, 2021. (Citywide))**, on the Regular Council meeting agenda, City Treasurer Ryan Wimmer displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Wimmer explained the secondary property tax levy is generally set after each general obligation bond authorization election, the last of which occurred in 2018. He mentioned the secondary property tax levy has remained consistent at \$41.7 million for Fiscal Year (FY) 19/20 and FY 20/21, but due to growth in the values of existing properties and construction of new properties, the rate has declined by 6%. He advised the impact to the typical homeowner stays the same because although the values have gone up, the rate declined. (See Page 6 of Attachment 1)

Mayor Giles discussed Agenda Item 7-d, **(Modifying rates for residential water utility services. Establishing a 30% discount rate off the water service charge for qualified low-income senior residents. (Citywide))**, on the Regular Council meeting agenda, and thanked staff for taking on the social responsibility of doing whatever is necessary, especially during the hot summer months, and making essential services affordable for low-income utility customers.

Councilmember Thompson voiced his appreciation to Parks and Recreation regarding Agenda Item 4-a, **(Purchase of Field Lighting for Skyline Park (Replacement) for the Parks, Recreation and Community Facilities (PRCF) Department. (Citywide))**, on the Regular

Council meeting agenda, for their reuse of the light poles that were left over from Riverview to create tax savings for Mesa citizens.

Councilmember Thompson questioned Agenda Item 7-a, **(Amending Chapter 58 of Title 11, the Zoning Ordinance, of the Mesa City Code to remove the limitation that certain land uses in the T5MS Transect Zone are not allowed on the ground floor and to allow certain Land Uses in the T5MS Transect Zone to occupy up to fifty percent of the ground floor if the development meets specific criteria. (Citywide))**, on the Regular Council meeting agenda, whether the ordinance will take the City backwards by allowing up to 50% of the ground floor to be utilized for residential? He voiced his concern that once residential is built that it will be difficult to go back and replace it with retail or office space. He expressed his uncertainty on the ordinance and requested Council table the item until further discussions with Planning & Zoning (P&Z) can take place to come up with other options.

City Manager Christopher Brady advised the ordinance is in direct response to a large development in Downtown Mesa. He suggested Downtown Transformation Manager Jeff McVay visit with Councilmember Thompson and be available at Monday's Study Session to explain the need for accommodating the expansive development.

Councilmember Thompson inquired whether the same thing could be accomplished with Council approval or a Council use permit versus changing the ordinance? He shared his concerns on opening Pandora's box and allowing residential when the Council in the past has been pushing for more retail. He indicated his preference for making amendments on a case-by-case basis rather than amending the ordinance.

Mr. Brady explained the difference in this case is the size of the development and the amount of retail that would be required is not realistic. He reiterated that Mr. McVay will address the concerns at Monday's Study Session.

In response to a question posed by Councilmember Thompson regarding the areas in Mesa where the form-based code is used, Mr. Brady confirmed it is generally the Eastmark and Downtown areas. He added the T5 Main Street is specifically the block that used to contain the Brown & Brown car dealership. He mentioned the developer is struggling with the requirement to have 50% retail and whether that is sustainable.

Councilmember Duff requested information from staff on whether this type of zoning within the form-based code is working anywhere in the current economy.

Mayor Giles agreed with the idea of hearing a presentation on why City staff and P&Z have recommended the change. He indicated the public will be interested in the agenda item as it is a focal point of Downtown.

2-a. Hear a presentation, discuss, and provide direction on reallocation of \$600,000 of FY 2019/2020 Community Development Block Grant (CDBG) funding and amending FY 2019/2020 Annual Action Plan.

Mr. Brady introduced Housing Supervisor Mary Brandon and Housing and Community Development Director Michelle Albanese, who displayed a PowerPoint presentation. **(See Attachment 2)**

Ms. Albanese stated the presentation will provide a summary of the funding that has been presented and approved by Council over the past two months and will be coming to Council for final consideration. She remarked staff will be seeking input from Council to provide direction on the reallocation of \$600,000 of Fiscal Year (FY) 19/20 Community Development Block Grant (CDBG) funding and amending the FY 19/20 Annual Action Plan.

Ms. Albanese recapped the annual funding recommendations for the CDBG, HOME Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG), stating these funds are allocated annually to non-profit organizations who provide programs and services to the community. She pointed out, in addition to the annual funding, the City received funding from the CARES Act in response to COVID-19, and on April 30 Council approved over \$1 million in ESG-CV funding for homeless prevention and rapid rehousing. She continued by saying on June 1, staff will be requesting formal approval of FY 20/21 Human Services funding and a substantial amendment to the FY 19/20, or current annual action plan, which would approve the ESG-CV money and reallocation of existing CDBG funding. (See Page 2 of Attachment 2)

Ms. Albanese commented in the past few months Council has been provided information on the CARES funding received by the City and the programs and services that are addressing the impact of the COVID-19 pandemic. She identified \$600,000 in existing FY 19/20 CDBG funding that is currently unallocated nor under contract. She advised that staff is seeking direction for approval of reallocating the funding to provide emergency rent and mortgage assistance for Mesa residents who have been financially impacted by COVID. (See Page 3 of Attachment 2)

Ms. Albanese proposed that the Eviction & Foreclosure Prevention Program would provide rent or mortgage assistance for up to 90 days for eligible Mesa residents who have been affected by COVID with a reduction of hours or a decrease in income. She added this one-time assistance will be provided in the form of a grant beginning April 1 and for no more than 90 days. (See Page 4 of Attachment 2)

Ms. Albanese remarked the Eviction & Foreclosure Prevention Program supplements existing funding the City has awarded and distributed to non-profit partners for similar programs and services. She emphasized the City has provided over \$5 million to support critical programs, including homeless prevention, rapid rehousing, rental and utility assistance, among others. She indicated reallocating the \$600,000 in existing CDBG dollars will address critical needs in the community. (See Page 5 of Attachment 2)

Ms. Albanese advised during the development of the program when reaching out to the City's non-profit partners regarding the administration of the program, many stated, due to the influx of additional CARES funding, that their programs were currently at capacity. She stated with the City's administration of the program, there will be an opportunity to serve both individuals, as well as families, and the City will have the flexibility to assist low- to moderate-income residents. (See Page 6 of Attachment 2)

Ms. Albanese reported the next steps after Council approval will be to begin marketing the program, accepting applications, and providing assistance to eligible residents. (See Page 7 of Attachment 2)

In response to a question from Councilmember Thompson regarding when the program will kick off and what the qualifications are to be eligible for the program, Ms. Albanese advised the applications will be available beginning June 2 for two weeks, at which point an evaluation period will take place to determine the number of applications received and the available funding. She

mentioned if an individual or family applies for a program they do not qualify for, there is a referral process to assist in directing them to other resources.

In response to a question posed by Councilmember Thompson, Ms. Brandon reported staff have already started working with landlords through the Security Deposit Program, which is a similar program. She confirmed the applications will be processed quickly and as long as the documentation is available to be verified, the payment will be processed within a day or two. She added a letter of intent is immediately sent to the landlord or mortgage company guaranteeing payment.

Mr. Brady explained that while the City will be administering the program, there will be referrals between other agencies, like Mesa CAN and Save the Family, to ensure residents are receiving the help needed.

In response to a question from Councilmember Luna, Ms. Albanese reiterated the City will be administering the program directly. She stated residents can apply online for the program or be referred from another non-profit agency to determine eligibility for City of Mesa programs. She added the funds will be provided directly to the landlord or mortgage company.

Mr. Brady emphasized the City is attempting to create a system where when an individual seeks assistance there is a seamless transition with other agencies to provide all the necessary resources with broader outreach. He continued by saying Mesa's non-profit partners have indicated their programs are at full capacity with the extra funding, which is another reason why Mesa will keep the program in-house.

In response to a question from Councilmember Luna regarding whether staff have informed Mesa's non-profits partners of the programs Mesa has available, Mr. Brady confirmed those conversations have taken place and cohesiveness between the agencies is a very important part of the program.

In response to a question from Vice Mayor Freeman, Mr. Brady estimated 120 families will be assisted through the program.

Ms. Brandon stated staff estimated families that will receive assistance based on average rent or mortgage will be approximately \$1,500 per month for 90 days. She confirmed if the total funding requested is less, the program will be able to assist more families. She mentioned this is the only program that gives mortgage assistance in Mesa, so the program prevents evictions, as well as foreclosures.

In response to a question posed by Vice Mayor Freeman regarding other wraparound services, Mr. Brady pointed out referrals can be made to the Food Assistance Program, as well as utility assistance, if needed.

Mayor Giles acknowledged staff for being creative in coming up with funding sources to cover these programs. He conceded that the City is deviating from the norm, where other agencies normally handle the administration for rental assistance but feels City staff are prepared to take on the program and indicated his support.

Councilmember Duff conveyed her support for the program, but asked whether the federally backed loans have a moratorium on any foreclosures because they are just adding the missed mortgage payments to the end of the loan?

Ms. Albanese confirmed that federally backed loans have a moratorium; however, she is uncertain of the expiration date for those loans. She mentioned in Arizona evictions have been suspended through July 15. She pointed out if an individual is seeking assistance from the program, proof from the lender or a mortgage statement showing the arrears will be required.

Councilmember Duff requested federal guideline clarification for mortgages held by residents.

Mayor Giles remarked the consensus from Council is to move forward and he thanked staff for the presentation.

2-b. Hear a presentation, discuss, and provide direction on an update on the Mesa CARES program, focusing on the Mesa CARES Small Business Assistance and Reemergence Program.

Mr. Brady stated the focus of the presentation is moving into the Technical Assistance and Marketing side of the program. He introduced Assistant Economic Development Director Jaye O'Donnell, who displayed a PowerPoint presentation. **(See Attachment 3)**

Ms. O'Donnell updated Council on the three-pronged approach of the Small Business Reemergence Program (SBRP). (See Page 2 of Attachment 3)

Ms. O'Donnell reminded Council the Financial Assistance Grant Program applications opened May 11 and closed May 24 at 5:00 p.m., adding that 2,600 applications were requested and more than 1,800 began the application process online as of today. She remarked applications are currently being verified and will share the results and recommendations next week at the Study Session. (See Page 3 of Attachment 3)

Ms. O'Donnell stated the Technical Assistance Program is the next phase of the SBRP that will provide education, training and services to Mesa-based businesses that covers a wide variety of topics and support. She provided the format will be by webinar, live question-and-answer sessions, and one-on-one business counseling free of charge to participating businesses. She commented the training, education and services will be provided by subject matter experts and the City of Mesa will partner with local non-profits specializing in helping small businesses. (See Page 5 of Attachment 3)

Ms. O'Donnell noted that nearly half of the grant applicants expressed a desire for technical assistance. She listed the categories of assistance most requested, adding there were 250 requests for assistance with marketing, design and advertising services; 200 requests for web hosting, website design and development. She remarked health and safety related signage for the interior and exterior of businesses was also in high demand. She stated technical assistance will have the greatest impact on small businesses by providing a more profound effect overall. (See Page 6 of Attachment 3)

Ms. O'Donnell pointed out that applications for the Technical Assistance Program open June 8 and the program will be able to accommodate a greater number of businesses than the Financial Assistance Program. She highlighted the eligibility requirements for the program. (See Page 7 of Attachment 3)

Ms. O'Donnell mentioned while the requirements are not as stringent as the Financial Assistance Program, documentation is still required for verification. She provided the acceptable documents that can be used for verification. She added when the application is filled out, businesses will be asked to rank their priorities for assistance. (See Page 8 of Attachment 3)

Ms. O'Donnell commented that promotion of the Technical Assistance Program will begin next week, and applications will remain open until all funds are deployed. She said businesses can apply online at www.MesaAZ.gov/CARESBizTechAssist. She indicated the investment for the program is \$1.5 million. (See Page 9 of Attachment 3)

Ms. O'Donnell summarized the contact information for the Program, stating the Mesa CARES Call Center is open Monday through Friday from 8:00 a.m. to 5:00 p.m. to answer questions. (See Page 10 of Attachment 3)

Ms. O'Donnell announced the Marketing Program, which is the final phase of the SBRP, targets locals and visitors. She reported the integrated Marketing Program campaign will promote industries affected the most by the pandemic, like retail, restaurants, and tourism. She explained the goal of the campaign is to promote Mesa businesses while encouraging consumers to buy now and visit now. She reported the proposed budget is \$250,000. (See Page 12 of Attachment 3)

Ms. O'Donnell stated tourism was the first and hardest hit industry and the intention is to concentrate some of the CARES funding to accelerate the recovery. She advised this pillar of the program will be executed by Visit Mesa. She added the campaign is called "Escape to Mesa" and will promote staycations and weekend themed packages. She noted the proposed budget is \$181,000. (See Page 13 of Attachment 3)

Ms. O'Donnell recapped the Mesa CARES Technical Assistance Program, and stated the Marketing Program, along with the SBRP will help businesses recover quicker and eventually become stronger.

Councilmember Luna advised the figures up to May 2, 2020 show that \$14 million in revenues and \$1 million in bed tax have been lost to the City of Mesa due to the pandemic. He commented programs like the ones presented will hopefully cultivate more travelers coming to visit, as well as encouraging local residents to take advantage of the savings.

Vice Mayor Freeman expressed his support for Visit Mesa. He said he appreciates the creative programs staff have come up with to help stimulate the economy. He inquired whether the proposed funding will be enough to support the programs?

Mr. Brady confirmed additional conversations have taken place regarding additional economic centers throughout Mesa but have not had time to refine those plans. He anticipated additional funding could be found to increase what has been proposed and to expand into different markets.

Councilmember Duff acknowledged the need for marketing is critical for businesses to become more resilient and generate sales tax dollars that the City needs to run effectively. She suggested taking this opportunity to market the City to create a sense of place and getting Mesa on the regional and national map.

In response to a question posed by Councilmember Duff, Ms. O'Donnell answered staff are currently working on how the Technical Assistance Program will be structured, stating the determination will depend on the business needs and the amount of services requested. She added some webinars have the ability to allow up to 500 participants, which could benefit a large number of businesses. She mentioned once the City has paid for the webinar, that webinar will be in the City's inventory for later use.

In response to a series of questions by Councilmember Heredia regarding the coordination of the program to ensure the City is reaching the maximized number of businesses, Ms. O'Donnell advised staff are still working on the implementation of the program. She provided the thought process at this time is the businesses that apply will go through an intake process and will be assigned a case manager who will refer them to vendors and other services as needed. She described the City and vendor will track how the service is going and will tie the information together, along with the client evaluation form to be completed at the end of the program. She added the website will have a portal that contains all the webinars available to the participants and will also be offered in Spanish, as well as other languages.

In response to a question from Councilmember Thompson regarding whether the marketing is limited to the business itself, Mr. Smith replied he is unsure of a limitation on using CARES Act dollars for marketing.

Councilmember Thompson agreed with using the funding to help market Mesa businesses; however, he wants to be certain the City is working within the guidelines.

Councilmember Whittaker expressed his concern for using CARES funding to help specific companies for things like building a website. He stated there are still a lot of unknowns and the City has until December to disperse the funding. He voiced his desire to hold back a portion of the funding for the end of the year rather than trying to burn through the COVID funds immediately.

Mayor Giles added his support for the program, stating that staff have stepped up in a big way to create new programs. He continued by saying he appreciates the focus the Mesa CARES Program has put on economic reemergence for the community.

Mayor Giles thanked staff for the presentation and indicated consensus from Council on moving forward.

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

3-a. Transportation Advisory Board meeting held on January 21, 2020.

It was moved by Councilmember Luna, seconded by Vice Mayor Freeman, 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.

4. Current events summary including meetings and conferences attended.

Mayor Giles –

Greenfield Park Canned Food Drive

Councilmember Luna –

Spanish Language Summit
Conversation with Mayor of Hermosillo
ASU Workshop on Heat Resilience Program
Mesa Police Department Virtual Multi-Cultural
Community Forum

Falcon Field Community Tenant Meeting

Councilmember Duff -

ASU Workshop on Heat Resilience Program

5. Scheduling of meetings.

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

Monday, June 1, 2020, 5:15 p.m. – Study Session

Monday, June 1, 2020, 5:45 p.m. – Regular Council Meeting

6. Adjournment.

Without objection, the Study Session adjourned at 9:00 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 28th day of May 2020. 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 – 3)