



AD HOC REDEVELOPMENT ADVISORY COMMITTEE

April 27, 2004

The Ad Hoc Redevelopment Advisory Committee met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on April 27, 2004 at 5:30 p.m.

COMMITTEE PRESENT

Rex Griswold, Chairman
Bev Tittle-Baker
Louise Daggs
Alex Finter
Art Jordan
Alan Rash
Dave Richins
Chuck Riekona
Jordan Rose
Joe Shipley

COMMITTEE ABSENT

Steve Adams

STAFF PRESENT

Debbie Spinner
Greg Marek
Patrick Murphy
Joe Padilla
Bonnie Andersen

OTHERS PRESENT

Tom Verploegen

1. Welcome and introductions.

Chairman Griswold welcomed the Committeemembers and announced that Manny Cortez and Kyle Jones are no longer serving on the Committee due to the fact that both have relatives living within the boundaries of the redevelopment district, which could constitute a potential conflict of interest.

2. Approve minutes of March 22, 2004 meeting.

It was moved by Committeemember Riekona, seconded by Committeemember Shipley, that the minutes of the March 22, 2004, meeting be approved.

Chairman Griswold declared the motion carried unanimously by those present.

3. Reconsider quorum decision based on reduction in Committee size.

Chairman Griswold requested that City Attorney Debbie Spinner comment on any required change to the quorum as a result of the reduction in the size of the Committee.

Ms. Spinner stated that at the March 22nd meeting, the Committee established the quorum as the majority of the Committeemembers. She explained that the reduction in the number of Committeemembers would not change the definition of the quorum.

4. Approve rule for what constitutes an adopted motion.

Ms. Spinner advised that in the event that one or more Committeemembers declared a conflict of interest on an issue, approval of a motion would require a majority of the non-conflicted members; that a quorum of six members was required to hold a meeting and approval of any motion would require the affirmative vote of the six members present; that if only six members were present and one member declared a conflict of interest on a motion, the motion would not be approved; and that these requirements comply with standard parliamentary procedures.

It was moved by Committeemember Shipley, seconded by Committeemember Rose, that the Committee adopt the definitions outlined by the City Attorney relative to quorum requirements and adopted motions.

Chairman Griswold declared the motion carried unanimously by those present.

5. Overview of state laws governing redevelopment.

Deputy City Attorney Joe Padilla stated that State Statutes grant municipalities the authority to create redevelopment areas in order to enhance certain areas of a community. He explained that a redevelopment statutory scheme is an intricate set of provisions that provides authority to the municipality, but also establishes certain requirements of the municipality prior to being able to exercise those powers, including establishing boundaries, notifying individuals in the area, and holding a series of public hearings. Mr. Padilla added that the redevelopment plan serves as the framework or blueprint for redevelopment activities. He noted that the ability to acquire property is one of the tools provided to the municipality.

In response to a question from Chairman Griswold, Mr. Padilla advised that the presence of certain standard elements determine if an area is eligible to be designated as a redevelopment area, and those elements could include:

- Dilapidated buildings.
- Buildings that are not in compliance with City Code.
- Irregular lot lines.
- Parcels too small to be developed individually.
- Poor planning.
- Abandoned and burned-out buildings.
- Residential development adjacent to an industrial park.
- Parcels difficult to develop due to the proximity of large utility poles.

Discussion ensued relative to the fact that the City Council serves as the redevelopment commission; and that the Downtown Development Committee acts in an advisory capacity to the Council.

Mr. Padilla responded to a question regarding the Bailey's Brake Shop decision by noting that the case addressed the issue of eminent domain rather than the issue of redevelopment. He explained that the decision addressed 17 factors, and discussed the fact that the requirement that the public benefit of taking the property must outweigh the private benefit.

Additional discussion ensued relative to the fact that the Statutes state that a redevelopment plan must be consistent with the General Plan; that the Committee is charged with making recommendations to the Council regarding the use of redevelopment as a tool; that eminent domain is only one of many tools in the redevelopment toolbox; that if a redevelopment area has not been substantially developed within a ten-year period, the "redevelopment" designation is terminated; and that ongoing development in a designated redevelopment area allows the "redevelopment" designation to continue.

In response to a question regarding the impact of Proposition 105, Ms. Spinner expressed the opinion that the proposition is pre-empted by State Law. She advised that the Charter amendment was approved by the voters and signed by the Governor. Ms. Spinner explained that if and when the amendment is challenged, the courts would decide the issue, and until such time, the City would hold any property acquired through eminent domain for ten years.

Further discussion ensued relative to the fact that property can be acquired without the use of eminent domain; and that City Code provisions allow the City to clean up property inside or outside of a redevelopment area.

Ms. Spinner noted that in addition to eminent domain and the ability to issue bonds, redevelopment allows a government entity to reinvest in a slum and blighted area by acquiring property and either redeveloping the property itself, or transferring the property to a developer with possible tax incentives. She explained that the transfer to a developer is a normal practice when the fair market price of the building would economically prohibit the developer from investing the additional required funds to bring the building up to Code. Ms. Spinner noted that the project becomes a partnership between the City and the developer to create a long-term change that will benefit both parties.

Redevelopment Director Greg Marek noted that a list of redevelopment tools and their advantages was included in the Committee packet.

Additional discussion ensued relative to Proposition 105 and the fact that the proposition would have a greater impact on the use of eminent domain for street projects than it would on downtown redevelopment.

6. Presentation regarding functions of Redevelopment Division.

Mr. Marek outlined the history of the City's redevelopment activities:

- Mesa Town Center Corporation was incorporated in 1985.
- The Redevelopment Advisory Board was created in 1989 and is now called the Downtown Development Committee. The Committee has the same powers and duties for the downtown area as the Planning and Zoning Board and the Design Review Board have for the City.

- New redevelopment boundaries were established in 1999, and the Concept Plan (a copy was included in the Committee packet) was approved, and then incorporated into the City's General Plan.

Mr. Marek provided the following overview of downtown Mesa:

- The area has 7,100 employees, 3,000 residents and 250 commercial property owners.
- The Town Center generates \$3.4 million a year in sales tax revenue to the City.
- Between 1997 and June 2003, the Town Center received \$37 million in private investment and \$131 million in public investment.

Mr. Marek advised that a recent community survey indicated that 91 percent of Mesa citizens considered redevelopment of the older parts of the community to be very or somewhat important, and that they considered redevelopment to be important to the quality of life. He explained that the City's approach to downtown redevelopment is the "National Main Street" program, which includes the areas of organization, design and planning, economic development, promotion and transportation.

In response to a question, Mr. Marek advised that his office includes a staff of seven with a budget just over \$1 million. He noted that approximately 40 percent of the budget funds contracts for the Town Center Corporation.

7. Presentation regarding functions of Mesa Town Center Corporation (MTCC).

Tom Verploegen, Executive Director of the Mesa Town Center Corporation, utilized a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide information on the history and mission of the MTCC.

8. Presentation regarding redevelopment tools.

Chairman Griswold noted that the discussion of redevelopment tools occurred during the discussion of earlier agenda items.

9. Review of state statutes regarding changes in redevelopment area boundaries.

Mr. Padilla advised that if a change to the boundaries of the redevelopment area were to be considered, a new redevelopment plan would be required. He explained that a field survey would have to be completed, notifications made within the proposed area, and a series of public hearings would have to be held. Mr. Padilla noted that the last redevelopment plan in 1999 required 22 public hearings.

In response to a question, Ms. Spinner advised that the Committeemembers are allowed to ask for information and/or recommendations from any member of City staff and the Downtown Redevelopment Committee. She added that the Committeemembers have the option to consider the information or disregard the information when making a recommendation to the Council.

Mr. Padilla noted that a change in boundaries could not exclude a project that is presently included in the redevelopment area. He added that during the public hearing process, a property owner could indicate why their property should or should not be included in a redevelopment area.

Mr. Marek explained that an "Opportunity Zone" is a project of the Neighborhood Outreach Office that assists a neighborhood "on the cusp" of deterioration to develop and implement a plan. He added that a "revitalization area" is a term coined by the City for a program that will utilize Community Development Block Grant (CDBG) funds to assist a neighborhood that is already experiencing slum and blight.

In response to a question, Mr. Marek advised that the Town Center Corporation is a Business Improvement District. He explained that State Statutes require that a Business Improvement District be located within a designated redevelopment area.

Chairman Griswold requested that a matrix of the various development tools and the privileges associated with the tools be provided to the Committeemembers at the next meeting.

10. Other items.

Chairman Griswold announced that the Committee would meet on May 4, 2004, at 5:30 p.m. for a tour of the downtown redevelopment area.

11. Adjournment.

Without objection, the Ad Hoc Redevelopment Advisory Committee adjourned at 7:44 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Ad Hoc Redevelopment Advisory Committee meeting of the City of Mesa, Arizona, held on the 27th day of April 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK