



AD HOC REDEVELOPMENT ADVISORY COMMITTEE

June 22, 2004

The Ad Hoc Redevelopment Advisory Committee met in the City Council Chambers, Lower Level, 57 E. First Street, on June 22, 2004 at 5:35 p.m.

COMMITTEE PRESENT

Rex Griswold, Chairman
Steve Adams
Louise Daggs
Alex Finter
Art Jordan
Alan Rash
Dave Richins
Chuck Riekema
Jordan Rose
Bev Tittle-Baker

COMMITTEE ABSENT

Joe Shipley

STAFF PRESENT

Paul Wenbert
Lisha Garcia
Greg Marek
Shelly Allen
Pat Granillo

OTHERS PRESENT

Tom Verploegen

Chairman Griswold welcomed newly appointed Neighborhood Services Manager Lisha Garcia to the meeting.

1. Approve minutes of May 4, 18 and June 8, 2004 meetings.

It was moved by Committeemember Rash, seconded by Committeemember Richins, that the above-listed minutes be approved.

Chairman Griswold declared the motion carried unanimously by those present.

(Committeemember Rose arrived at the meeting at 5:40 p.m.)

2. Hear a presentation regarding a national perspective on redevelopment.

Ernie Bleinberger, Senior Vice President of Hunter Interests, Inc., referred to a handout entitled "Redevelopment, Revitalization and Regeneration: The National Perspective" and provided a

brief overview of this issue. He reported that redevelopment is a worldwide process predicated on a basic need defined as follows:

- Market and development trends favor suburban sprawl, which results in downtown areas fighting for an outflow of resources.
- As suburban growth has continued, cities are finding that their first ring of commercial development usually built in the 1950s and 1960s is undergoing the same deleterious cycle the downtowns have suffered during the same period of time.

Mr. Bleinberger explained that during his professional career with Hunter Interests, he has increasingly seen communities on a national basis that have revitalized their downtown areas, only to face a second wave of revitalization and redevelopment needs at the strip malls and shopping centers which initially caused the downtown areas to slip into an economic decline.

Mr. Bleinberger commented that in terms of the above-referenced “need” that downtown areas are facing as they age, the “response” is generally defined as follows:

- Acting as a partner, the public sector serves to assist the private sector in the recapture of resources that continue to flow outward. This is done through empowered entities including redevelopment authorities, economic development corporations, or other public agencies.
- Increasingly, redevelopment is seen as not only an ongoing response to downtown needs, but also an integral part of smart growth planning. Thus, redevelopment agencies are taking on a new role as participants in the efforts of jurisdictions to preserve open space, conserve water, and ensure a high quality of life for their residents.

Mr. Bleinberger indicated that individuals often do not think that revitalization and redevelopment efforts have any connection to the outer reaches of suburban growth when, in reality, more and more communities are facing growth issues and are looking to downtown development and increased development densities as one of the counterweights to the impact of runaway growth and the fiscal impacts on the environment.

Mr. Bleinberger provided the Committee with the following comparative analysis of redevelopment and revitalization efforts on a national basis:

- **The northeast:** redevelopment initiatives in this area of the country are the most aggressive due to the severity and length of disinvestment.
- **The southeast:** redevelopment and revitalization is occurring as a result of the collapse of the textile industry, despite the fact that moderate population growth is aiding revitalization efforts.
- **The northwest:** fosters a “laissez faire” approach; however, Portland, Oregon is regarded as a revitalization “success story.”
- **The southwest:** has ridden a wave of sustained growth to prosperity, but the suburban dynamic has created problems in the downtown areas.

Mr. Bleinberger highlighted the Rio Nuevo Plan (Tucson, Arizona) and the USA Niagara Development Strategy (Niagara Falls, New York), two revitalization projects that he was personally involved in, and offered a brief analysis of the cultural and philosophical differences,

as well as various redevelopment tools implemented in each project. (Case studies are available for review in the City Clerk's Office.)

Discussion ensued relative to the multiple roles of a public partner in a redevelopment project; a comparison of the USA Niagara Development Corporation (which operates freely in terms of its latitude of power, including taking eminent domain action independent of the City of Niagara Falls) and the Mesa Town Center Corporation (an entity formed for the purpose of managing a municipal improvement district); the fact that a development corporation could enhance Mesa's effectiveness from a redevelopment and revitalization perspective; the benefits of a tax increment financing district; and various studies conducted by Hunter Interests for the City of Mesa.

Mr. Bleinberger concluded his remarks by commenting that there are many exciting downtown redevelopment opportunities for the City of Mesa, including the Mesa Aquatic Center, Mesa Community College's increased presence in the downtown area, and an area located in close proximity to the South Center Campus which could be the site of a mixed-use project including a hotel, sports-oriented retail, and restaurants. He stressed, however, that an essential element for the success of such projects is the coordination efforts of Mesa's Redevelopment Office.

Chairman Griswold expressed appreciation to Mr. Bleinberger for his informative presentation.

3. Hear a presentation regarding development and redevelopment tools and current organizational structure of the Redevelopment Division.

Redevelopment Director Greg Marek furnished the Committeemembers with copies of a document outlining a series of tools and incentives currently available for development projects in Mesa's redevelopment areas and Citywide. He also provided a short overview of his office's operations, including the seven staff members' duties and responsibilities, and a brief review of the current operating budget.

In response to a series of questions by Committeemember Finter regarding the possible effect of the City's new infill policy on downtown development, Mr. Marek clarified that the type of projects that the Redevelopment Office has completed in the downtown area could be considered infill development. He stressed, however, that revitalization is not necessarily confined to just the Town Center area, but aging locations throughout Mesa.

Mr. Marek further explained that in 1989, the City Council established specific zoning districts for the downtown area that were more urban in nature. He advised that the Redevelopment Office has generally focused its efforts on the redevelopment of older properties in the Town Center area (with an economic development overview) and the Planning Division has focused its attention on new development projects outside of the downtown area. Mr. Marek noted that because the Redevelopment Office has streamlined the development process within the designated redevelopment area, it is able to accommodate a developer's rezoning, variance requests and design review issues at a single meeting and provide ongoing assistance throughout the process up until the developer obtains his Certificate of Occupancy. He added that as Mesa reaches build out, in his opinion, the Planning Division would eventually be required to transition away from new development and focus its efforts on redevelopment and revitalization in the community's aging areas.

Committeemember Riekema commented that as a member of the Design Review Board and the Downtown Development Committee, he views the Redevelopment Office as “concierges” who do whatever is necessary to bring developers into the downtown area. He stated that he is not in disagreement with the separate tracks pursued by the Planning Division and Redevelopment Office and added that in his opinion, the Redevelopment Office plays an important role in the community.

Committeemember Rose concurred with Committeemember Riekema’s comments. She stated that as a land use attorney representing developers who have done projects in Mesa’s downtown development district, it has been a pleasure working with a group of individuals who have an economic development mindset, which is different than working through most planning departments, in that they understand the cost of doing business is somewhat higher than just doing a redevelopment project. Committeemember Rose added that while she does not agree with the eminent domain aspect of redevelopment, in her opinion, the Redevelopment Office staff, with their emphasis on economic development, is a great asset to the City of Mesa.

Committeemember Jordan stated that as a member of the Downtown Development Committee, it has not gone unnoticed that the Redevelopment Office’s small staff is akin to working with an architectural firm. He noted that this includes principal involvement, in the form of Mr. Marek’s years of expertise and experience, on every project. Committeemember Jordan added that in his opinion, a sophisticated developer would be desirous of working with someone of Mr. Marek’s caliber.

Committeemember Richins commented that he is currently conducting an economic development study in west Mesa, including an inventory of the area’s existing businesses. He expressed support for the streamlined development process that the Redevelopment Office presently utilizes within the Town Center area (as previously described by Mr. Marek) and questioned why, if infill/revitalization is not necessarily confined to just the Town Center area but aging locations throughout Mesa, that such a process is not implemented Citywide.

Discussion ensued relative to the composition and role of the Downtown Development Committee.

4. Discuss and consider the viability of redevelopment areas for Mesa and possible modifications to current area.

Chairman Griswold proposed that the Committeemembers consider and possibly vote this evening on the issue of whether the City of Mesa should continue to utilize its current redevelopment district, to modify or expand the area, or eliminate it entirely.

Discussion ensued among the Committeemembers relative to the fact that Chairman Griswold’s suggestion was somewhat premature and they were not prepared to vote on the matter tonight; that they had anticipated that additional presentations would be made to the Committee prior to any deliberations on the item; and that it is imperative that public input be obtained from stakeholders in the redevelopment area who may ultimately be impacted by the Committee’s decision.

In response to the Committeemembers' concerns, Chairman Griswold stated that in his opinion, there is no reason for the Committee to continue this process if it is the consensus of the members that the redevelopment district be eliminated and they have sufficient information with which to make such a recommendation to the City Manager. He suggested that it might be appropriate for the Committeemembers to take a straw poll to gauge their interest in continuing on with its charge. Chairman Griswold added that City Manager Mike Hutchinson recently asked the Committee to assess how redevelopment/revitalization could be accomplished on a citywide basis as needed.

Committeemember Finter expressed concerns that during the budget hearings, Mayor Hawker had asked for a budget that did not include the Redevelopment Office. He questioned whether the Committee was merely "going through the motions" at this point in time.

In response to Committeemember Finter's concerns, Deputy City Manager Paul Wenbert clarified that Mayor Hawker did raise such issues at the budget hearings. He explained that the City Manager's response to the Council subsequent to the hearings was that the Committee could broaden its charge and not consider the organizational structure of the Redevelopment Office per se, but rather the future of redevelopment, which would thereby result in a broader recommendation to the Council. Mr. Wenbert added that it was the City Manager's feeling that the Council was not prepared to make a decision regarding the issue of redevelopment until such time as it received the Committee's recommendations.

Mr. Marek requested that the Committeemembers consider postponing a vote on Chairman Griswold's proposal until such time as the developers of the Bank One Building are in receipt of the final bank loan documents, which should be completed shortly, so that they can proceed with the project.

Further discussion ensued relative to the fact that any Committee policy recommendations would be forwarded on to the Council for consideration, and any recommendations regarding organizational structure, which is regulated by the City Charter, would be forwarded on to the City Manager; the advantages of utilizing a development corporation in redevelopment areas; and that it was the consensus of the Committeemembers to proceed forward with a revised charge to consider the potential for establishing new redevelopment areas throughout the City of Mesa and that a redevelopment district would be just one tool within the Committee's ultimate recommendations to the Council.

5. Future items.

Discussion ensued among the Committeemembers relative to possible agenda items at the upcoming meetings. That discussion resulted in the following schedule for future agendas:

- August 10 – Infill development policy and neighborhood development corporations
- August 24 – Impact of Proposition 105 on use of eminent domain for land acquisition for redevelopment and Institute for Justice's perspective on redevelopment
- September 14 – Public input
- September 28 – Committee recommendation

Chairman Griswold announced that the next meeting would be held on August 10, 2004, at 5:30 p.m.

6. Adjournment.

Without objection, the Ad Hoc Redevelopment Advisory Committee adjourned at 7:55 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 22nd day of June 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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