

COUNCIL MINUTES

September 7, 2004

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 September 7, 2004 at 4:00 p.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Tom Rawles
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

1. Review items on the agenda for the September 7, 2004 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts of interest declared: 4a (Hawker)

Items removed from the consent agenda: 5o, 7.1a.

2. Hear a presentation, discuss and consider recommendations contained in the final report of the Infill Working Committee.

Vice Mayor Walters stated that the City of Mesa would soon approach build-out and noted that the Infill Working Committee (IWC) was formed to establish an infill policy to address the development of many by-passed or vacant land parcels throughout the community. She expressed appreciation to the IWC and staff who spent countless hours in researching the issue and ultimately drafting the final report at the conclusion of a long and arduous process.

Senior Planner Gordon Sheffield addressed the Council and provided a chronological overview of the process undertaken by the IWC that resulted in four key areas of recommendations relative to infill-related projects in Mesa. He explained that during the process, the IWC concluded, among other things, that west and central Mesa are largely developed with some notable exceptions; that the areas in northeast and southeast Mesa are rapidly developing; that large residential DMP sites (outside of the GM site) are no longer available; and that with the

City's impending build-out, development would once again focus on the center of Mesa as opposed to its outer edges. Mr. Sheffield also highlighted examples of present and future development opportunities that have and would occur as a result of build-out as follows:

- Commercial/retail area of Stapley Drive and US 60 corridor.
- West Main Street – Light Rail Line, Transit Oriented Development (TOD).
- Town Center Area.
- Riverview/Hurley Farm Site.
- The connection of large land uses located along the Fiesta Mall/Southern Avenue corridor.

Mr. Sheffield outlined the process undertaken by the IWC to assess various barriers associated with infill development (i.e., "upside down" parcels, insufficient residential density to support additional commercial development in the area, inadequate utility infrastructure, and the high cost of mandated improvements), as well as benefits to infill (reduction in sprawl, viability of transit with increased densities).

Mr. Sheffield explained that the IWC, composed of citizens serving on a variety of land-development related boards, met on a monthly basis for approximately one year. He commented that during that time, the Committeemembers established four key areas of recommendations relative to infill projects in the City of Mesa. He referred to the August 15, 2004 City Council Report and briefly highlighted the IWC's four recommendations and alternatives for each recommendation. (See Attachment 1.)

Mr. Sheffield further indicated that Planning staff presented the final report to the Planning and Zoning Board, the Downtown Development Committee, the Design Review Board and the Ad Hoc Redevelopment Advisory Committee and received many positive comments. He explained that various boardmembers expressed concerns regarding the cost to implement the recommendations if consultants were used. He advised that if in-house staff completed such tasks, the cost would be less, but the time to complete a project would increase due to staff's competing responsibilities. Mr. Sheffield noted that the Design Review Board also commented that the report was "a starting point," but should be more advanced and aggressive in its pursuit of infill policies. He stated, in response to the Board's comments, that the IWC wanted the report to remain more "open-ended." Mr. Sheffield added that Specific Plans and Infill Development Incentive Districts are unique tools that have not been used before in Mesa and that the Committeemembers wanted to "start slow and build into the idea of what constitutes infill."

Mr. Sheffield requested input from the Councilmembers regarding whether the four recommendations are worth pursuing, whether the IWC should proceed in a different direction or focus more attention, for example, on land use types of policies.

Discussion ensued relative to the financial impact on the City to increase sewer/water line capacities in order to accommodate infill projects; the function of the pre-submittal process; and the importance of encouraging property owners to enter into a dialogue with developers of infill projects nearby.

In response to a series of questions from Councilmember Thom, Mr. Sheffield clarified that staff has presented the IWC final report to the Development Advisory Forum on several occasions,

which has enabled the development community to offer comments and suggestions regarding the proposed infill policy; that pending Council support of the four key areas of recommendations regarding infill related policy objectives, staff would subsequently make presentations to neighborhood groups to solicit their input as well; and that the IWC did not include as part of its final report traffic studies relating to specific areas of the community that could potentially be impacted by infill projects.

Councilmember Thom stated that in her opinion, infill projects could significantly impact neighborhoods as a result of street widening and increased traffic congestion. She suggested that conducting traffic studies to research this issue now, as opposed to in the future, would be appropriate.

Vice Mayor Walters commented that she has spoken with a number of developers who expressed interest in the final report moving forward and are seeking assistance in the development of infill parcels. She stated that generally speaking, infill projects would constitute small isolated parcels of land approximately one to one and a half acres in size. Vice Mayor Walters indicated that other cities have developed purpose statements and commented that she was particularly drawn to the one from Sacramento, California. She also said that she would prefer not to hire additional staff partway through the fiscal year, but to address the issue in the context of all the hiring decisions during the budget hearing process.

Vice Mayor Walters further stated that in terms of direction, she is supportive of staff moving forward with the report. She said that Planning staff familiar with infill should prioritize the specific land use plans and assess dollar amounts in the event incentives were offered by the City. Vice Mayor Walters said that the information that is gathered should be presented to the Council at a future meeting. She commented that she would like to see components of the final report move forward and added that whatever ordinance changes are necessary, she would support such action. Vice Mayor Walters also expressed interest in the concept of vertical zoning, as opposed to horizontal zoning, as a use "by right" in certain areas.

Councilmember Griswold commented that the original mission of the IWC was to examine barriers associated with redevelopment and infill and commended the Committeemembers for identifying those barriers and ways in which to remove them. He stated that he has attended Development Advisory Forum meetings and noted that builders have been willing to express their concerns regarding the manner in which the City has inhibited them from utilizing infill parcels.

Councilmember Rawles indicated that due to time constraints, he was unable to review all of the backup materials related to this agenda item and requested that any action on this matter be delayed until the September 16, 2004 Study Session.

City Manager Mike Hutchinson suggested that at the September 16, 2004 Study Session, it may be appropriate for staff to present an outline indicating key decisions the Council may wish to make in the short-term and to briefly review those for the Council's benefit.

Mayor Hawker thanked staff for the presentation.

3. Hear an update on the E-Mesa project.

Information Technology Services Leader Diane Gardner displayed a Power Point presentation and highlighted the efforts initiated by the Information Services Division (ISD) to develop new strategies for delivering services online, implementing Web and computer usage policies, and dedicating Web coordinators in various City departments.

Ms. Gardner outlined a series of Mesa's current online services as follows:

- Topics are efficiently organized for easier access.
- Improved government access to residents via Mesa Channel 11 broadcasts on the Internet.
- City Council and citizen advisory boards and committees' minutes and agendas.
- Ongoing progress of Mesa Art Center construction can be viewed via a Web cam.
- Vendor bid lists, election results, and library book reservations can be reviewed on line.
- Kids' site and Citywide events calendar.
- A variety of City business can be conducted online including health claims information for employees and retirees, payment of utilities and court fees, and registration for parks and recreation programs.

Ms. Gardner stated that in October, ISD is slated to launch an upgraded InsideMesa Intranet site and would continue to implement new guidelines as technology changes.

Councilmember Griswold expressed appreciation to staff for the development of various online services that have created a more user-friendly City website. He questioned the potential, through Charter and legislative changes, of recognizing this medium as an appropriate way in which to communicate, and thereby eliminating the need for hard copy documentation.

In response to Councilmember Griswold's comment, City Attorney Debbie Spinner clarified that the City of Mesa is required to retain hard copies of various public records and that Charter and State statute changes would be necessary in order to modify those requirements.

Councilmember Thom expressed appreciation to Ms. Gardner for her presentation.

4. Acknowledge receipt of minutes of boards and committees.

- a. Police Committee meeting held August 30, 2004.

It was moved by Vice Mayor Walters, seconded by Councilmember Jones, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

5. Hear reports on meetings and/or conferences attended.

Councilmember Griswold
Mayor Hawker
Councilmember Jones

Tonto National Forest Access Trail Meeting
Arizona League of Cities and Towns Conference
Police Academy Graduation Ceremony

6. Scheduling of meetings and general information.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Thursday, September 9, 2004, 7:30 a.m. – Study Session

Thursday, September 16, 2004, 7:30 a.m. – Study Session

Monday, September 20, 2004, 3:00 p.m. – Fire Committee Meeting

Monday, September 20, 2004, TBA – Study Session

Monday, September 20, 2004, 5:45 p.m. – Regular Council Meeting

Thursday, September 23, 2004, 7:30 a.m. – Study Session

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Adjournment.

Without objection, the Study Session adjourned at 5:25 p.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, 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 7th day of September 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

City Council Report

Date: August 15, 2004

To: Mayor Hawker and City Council Members

Through: Mike Hutchinson, City Manager
Paul Wenbert, Deputy City Manager

From: Jack Friedline, Development Services Manager

Subject: Infill Working Committee Final Report
(Citywide)

Purpose and Recommendation

A year ago last February, the General Development Committee of the City Council supported the organization of a citizen working committee to study infill development in Mesa. The Infill Working Committee (IWC) that was formed consisted of several sitting members of citizen boards that reviewed and advised the Council on land use, design and economic development issues. This Final Report completes the work of the Infill Working Committee, and provides four key areas of recommendations regarding infill related policy objectives.

Alternative B, which encompasses all four options described by the report, is recommended for approval.

When presented to the General Development Committee last May, staff indicated that it would present the report to each of the land development related citizen advisory boards. To date, the Planning and Zoning Board and the Downtown Development Committee have both recommended approval of Alternative B.

Background

The Mesa 2025 General Plan recognized the need to begin planning the development of bypassed, or vacant land parcels. It also recognized that older, existing development in the City may no longer be economically viable in its present form, and newer land uses or buildings may be needed to serve that general vicinity. The Infill Working Committee, with the help of many City Staff members, researched the question of what constitutes an "infill project", and what policies may need to be adopted or changed to facilitate high quality projects of this kind.

In researching the infill question, it was discovered that infill development could become the dominant form of development in Mesa within the next 10 to 20 years unless new tracts of vacant land are "annexed" into the Mesa Planning Area. Large tracts of vacant land on the eastern and southern edge of the City are no longer available to a great extent. New projects will need to focus on older sites that were by-passed during the initial development wave (Fiesta Quadrant), or the reuse of old sites for new projects (the Target store at the SWC Longmore and Southern, or the reuse of the "old" Target site at the SWC Dobson and Main.).

Initially, the IWC presented their findings in a draft report that was presented to the General Development Committee a year ago last July. After reviewing the findings, the GDC asked the IWC to reassess its recommendation on fee waivers and rebates, and bring back a new report. The IWC researched the waiver/rebate question by listening to staff planners from neighboring cities explain the methods used in their cities for infill projects, and by asking a member of the development community that develops infill sites and has used financial incentives to discuss the impact of development fee related incentive rebates or waivers. After this presentation, the Committee agreed that financial incentives could be used when appropriate, and included a fee waiver/rebate program (Infill Development Incentive Districts) as part of their pre-planning recommendation (#4). The IWC also reorganized their report from seven recommendations to four, and placed an emphasis on pre-planning efforts along four west Mesa transportation corridors.

Discussion

The recommendations of the Infill Working Committee Final Report center on the development of an enhanced regulatory tool kit for infill projects. In some cases, the tool kit would use similar processes to those already used, such as overlay zoning districts and the Development Incentive Permit/Substantial Conformance Improvement Permit (DIP/SCIP) processes. In other cases, the Committee recommended the initiation of City sponsored land use studies centered on transportation corridors and the surrounding neighborhoods. The Committee also recommended a review of the Zoning Ordinance with an eye towards the development of proportional development standards for smaller sites, a Transit Oriented Design (TOD) policy for the West Main Street light rail corridor, and the provision of mixed land use zoning district options for infill sites. Two methods of expediting public hearing related development reviews are provided. The idea behind recommending the implementation of four broad alternatives was to provide as many options as possible. Infill sites are generally associated with some "problem" that may have prevented initial development earlier, and providing several alternatives could provide means by which answers to these problems may be found.

The following outline summarizes the four alternatives recommended by the IWC:

- 1) USE EXISTING PLANNING AND ENGINEERING RELATED PROGRAMS AND PROCESSES, including:
 - A) Increasing awareness and use of BIZ and PAD Overlay Districts, and the use of Council Use Permits (CUPs) authorizing mixed land use projects;
 - B) Increasing awareness and use of the DIP and SCIP review processes; and
 - C) Providing better awareness of existing appeal processes (including both zoning and non-zoning related appeals).
- 2) DEVELOP MODIFICATIONS TO EXISTING ZONING ORDINANCE REQUIREMENTS, including:
 - A) Develop "proportional" modifications to existing development standards in order to permit economically competitive development for smaller land parcels.
 - B) Modify the list of permitted uses in zoning districts to create opportunities for "by right" mixed land use zoning districts; i.e.: permit multiple residential uses in commercial districts or possibly permit small service or office uses such as barber shops and beauty salons in residential districts through the approval of Special Use Permits. Part of this discussion should also be focused on the development of a

Transit Oriented Development (TOD) ordinance to take advantage of opportunities for land use changes along the forthcoming light rail line on West Main Street.

- 3) PUBLIC HEARING PROCESS IMPROVEMENTS, in particular:
 - A) The use of a zoning hearing officer for minor rezoning and site plan related hearing requirements; and
 - B) Concurrent review of zoning and design review cases for "consent" type proposals. To a certain extent, this particular suggestion already takes place.

- 4) PRE-PLAN NEIGHBORHOOD/TRANSPORTATION CORRIDORS AND THE CREATION OF SPECIAL DISTRICTS:
 - A) Specific Plans are a tool used to implement general plans, but are designed to address the specific land uses and development standards of a specific geographic area. This enabling statute permits a city to address any land use or site related development issues with requirements unique to the area governed by that plan.
 - B) Infill Development Incentive Districts (IDIDs) are similar to a Specific Plan, but takes the concept one step further by also allowing a City Council to permit some waivers of development related fees, such a development impact fees or building permits. The catch is that fees from projects in other areas of the community cannot be raised to offset the cost of the waivers. In addition, the IDID may be used to develop expedited review processes or development standards unique to that geographic area. The authority to establish an IDID would rest with the City Council, who would have the option to review individual projects.
 - C) Develop, consider and adopt studies (such as Specific Plans and Infill Development Incentive Districts) that focus on transportation related corridors. The IWC identified the West Main Street light rail line, West Broadway Road, West University Drive and all of Country Club Drive. Other corridors that may warrant study may be identified later, but these four were brought up initially by the IWC as worthy of study, empirically different from one another, as well as different from other areas of Mesa.
 - D) As part of the implementation of this recommendation, it is also recommended that a Planning Infill Specialist be hired. This position would be filled by a person with specific knowledge of the development of infill related policies, IDIDs, specific plans and the application of these policies on infill related sites. The idea is to provide a specialist who understands the difficulties inherent in the development of infill sites and can provide suggestions to facilitate the development of the project. The individual hired for the position should also be skilled in facilitating neighborhood meetings to help coordinate the citizen input required for developing specific plans and IDIDs.

*Such a position is only needed if all or portions of the Pre-planning Alternatives (identified as 4A through 4C) are adopted as part of a comprehensive approach to infill development. The first three IWC recommendations (Alternatives 1 through 3) described could be accommodated through the use of existing staff members and/or by using consultants.

Alternatives

- A) DO NOT ACCEPT THE RECOMMENDATIONS OF THE INFILL WORKING COMMITTEE REPORT:
Infill related projects would continue to be processed as

existing Zoning and other development related codes require. There would be no set policy for infill sites, and projects involving by-passed or underutilized parcels will continue to be processed in a standard manner, with no special attention.

- B) ACCEPT THE RECOMMENDATIONS OF THE INFILL WORKING COMMITTEE IN TOTAL: Several small changes will be needed to initiate and enact the recommendations, including a presentation to the Design Guideline Review Committee regarding the development of proportional development standards for smaller sites. Other changes may include the use of a consultant or additional in-house staff to review permitted land uses in zoning districts and the development of small changes to the use of existing overlay districts, such as the BIZ and PAD districts. Also, discussions would begin on the development of city sponsored specific plans or infill incentive districts. Such plans would, of necessity, ask for neighborhood and local business input into how that neighborhood or corridor should develop.
- C) MODIFY THE RECOMMENDATIONS OF THE INFILL WORKING COMMITTEE: The Report identifies four broad categories that could be used for facilitating infill related projects. Each of the four broad categories is further divided into sub-recommendations, such as modifying the land use categories in the zoning ordinance to accommodate mixed-use projects and modifying the development standards in the zoning ordinance to accommodate proportional standards for smaller sites. It is possible that the City Council could adopt portions of this report and develop a hybrid approach that suits their particular needs. If a modified approach is taken, the result may be fewer options to address some of the problems associated with the development of infill sites.

Fiscal Impact

- A) DO NOT ACCEPT ANY OF THE RECOMMENDATIONS: There would be no change to the existing budget if the City Council chooses not to adopt any of the recommended alternatives identified by the IWC Final Report.
- B) ACCEPT ALL FOUR RECOMMENDATIONS IN TOTAL: The fiscal impact of implementing all four alternatives identified by the IWC Final Report is broken down by each recommended alternative found in the report. If in-house staff members were used, the implementation of all four alternatives would total about \$100,000 annually. If consultants are used, implementation of all four alternatives over time (say two to three years) may reach as high as \$676,500. The \$100,000 estimate does not include funding for infill development incentive district rebates/fee waivers. The \$676,500 estimate does include a \$250,000 fund for such rebates/waivers, based on the City of Chandler model described below.
 - B1) RECOMMENDED ALTERNATIVE 1 - USE OF EXISTING PROGRAMS: The use of this alternative will have very little or no fiscal impact on City processes, as many of these programs are already in place and have already been budgeted.
 - B2) RECOMMENDED ALTERNATIVE 2 - MODIFICATIONS TO THE ZONING ORDINANCE: The cost of this alternative depends on the use of in-house staff or the hiring of a consultant. Present estimates of updating the entire Zoning Ordinance through the use of a consultant range in the neighborhood of \$150,000 to \$160,000. If in-house staff (without an increase in the number of staff present)

is used, the cost goes down but the time to complete the project goes up because of competing responsibilities.

- B3) **RECOMMENDED ALTERNATIVE 3 - PROCESS IMPROVEMENTS:** There are minor fiscal impacts to the use of a Zoning Hearing Officer (ZHO) or to the concurrent review of Design Review Board and rezoning requests. The "cost" of concurrent review would be paid in additional time if the requests are delayed or if staff and applicant guess wrong and the case is rerouted back a step or two. The ZHO option could make use of the existing hearing officer process and its hearing officer. If an outside hearing officer(s) would be used, set compensation amounts on a per case basis are possible. For example, Civil Hearing Officers are currently paid \$100 per case per hearing. If a hearing officer heard one-half the number of zoning cases heard last year, this cost would total \$3500 per year.

The City of Phoenix currently uses contract zoning hearing officers, and pays them at a rate of \$65 per hour. Simple cases may run two hours in time (including preparation time for the hearing officer before the actual public hearing). More complex cases may run five hours in preparation and public hearing time, and therefore cost \$325 each. Assuming 85% of 35 cases per year are "simple" and 15% are "complex", paying a contract-hearing officer would cost about \$6500 a year, based on the Phoenix model.

- B4) **RECOMMENDED ALTERNATIVE 4 - PRE-PLANNING OPTIONS:** Again, the cost of implementing this alternative is dependent on the use of in-house staff or an outside consultant. This option does include the hiring of a mid to senior level planner at a cost of roughly \$60,000 to \$70,000 annually. This staff member would be responsible for developing specific plans, infill incentive districts, and working with applicants that wish to develop individual infill projects. Individual neighborhood/corridor specific plans or infill development incentive districts may cost \$50,000 to \$75,000 each, if a consultant is used. That cost may be reduced, according to local consultants, depending upon the degree of work completed in partnership with in-house staff.

In addition, monies would need to be budgeted for fee waivers and/or rebates related to the Infill Development Incentive District. As stated in the Report, a related raise in development related fees could not compensate the cost of the fee waivers/rebates. Rather, this incentive is paid through the use of General Fund monies. As an example, the City of Chandler sets aside \$250,000 annually for their owner occupied housing incentive, which is limited to a designated "infill" district (primarily the North Chandler area).

- C) **ADOPT A LIMITED PROGRAM BASED ON SOME (NOT ALL) OF THE RECOMMENDED ALTERNATIVES:** If only the first three recommended alternatives are adopted, without the fourth (Pre-planning), most of the work could be done in-house, without hiring additional staff or a consultant. The trade-off would be additional time to complete the project. Hiring additional staff or consultants would result in costs that would range anywhere within the \$100,000 to \$676,500 range identified in Fiscal Impact B above, based on the combination of recommended alternatives chosen by the City Council.

CONCURRENCE

Planning Division staff coordinated the writing of the Infill Working Committee Final Report, with IWC members, and provided copies of the report to all participants and contributors from other City Departments and Divisions. The Infill Working Committee, concurs with the recommendation to accept the report and all four of the alternatives described therein.

Planning Division staff has also presented this report to the Planning and Zoning Board, the Downtown Development Committee, the Design Review Board and the Ad hoc Redevelopment Advisory Committee. Both the Planning and Zoning Board and the Downtown Development Committee boards recommended approval with one dissension. In both cases, the dissenting vote came because of concerns regarding the overall cost of implementing the recommended projects. Also attached is a memo that more fully develops the idea of how the costs of these programs may be spread over a period of time. No formal votes were taken at the Design Review Board or Ad Hoc Redevelopment Advisory Committee, although several members voiced support of the recommendations.

Gordon Sheffield, Senior Planner
Staff Originator

John Wesley, Planning Director

Jack Friedline
Development Services Manager

Paul Wenbert
Deputy City Manager

Mike Hutchinson
City Manager