

**CITY OF MESA  
MINUTES OF THE DOWNTOWN DEVELOPMENT COMMITTEE  
MEETING**

**DATE:** April 20, 2006 **TIME:** 7:30 a.m.

**MEMBERS PRESENT**

Chuck Riekena, Chair  
Jeff Jarvis, Vice Chair  
Steve Chucri  
Gary Gallagher  
Nabil Abou-Haidar  
Dean Taylor

**STAFF PRESENT**

Shelly Allen  
Patrick Murphy  
Liz Kuwamoto

**STAFF ABSENT**

**MEMBERS ABSENT**

Christine Close  
Michelle Dahlke  
Adam Decker

**1. Call to Order**

The April 20, 2006 meeting of the Downtown Development Committee was called to order at 7:33 a.m. in the City Council Chambers located at 57 E. First Street by Chuck Riekena, Chair.

**2. Approval of Minutes of the February 16, 2006 Regular Meeting.**

**Correction to Amend the February 16, 2006 Regular Meeting to read: Approval of the November 17, 2005 DDC Regular Meeting.**

**It was moved by Chuck Riekena, seconded by Jeff Jarvis, to approve the minutes of the November 17, 2005.**

**Vote: 6 in favor.  
0 opposed.**

**3. Discuss Regulation of Payday Loan Stores and Non-chartered Financial Institutions.**

Mr. Gordon Sheffield, Zoning Administrator discussed an Ordinance Amendment to regulate Payday lenders. Mr. Sheffield stated that the City Council recommended that the Ordinance be reviewed due to some concerns with the number of Payday lenders throughout Mesa and is viewed as a negative impact to neighborhoods and throughout the City. City Council recommended a Zoning regulation for all Payday lenders.

Mr. Sheffield stated that in 2000 the State Legislature passed a bill authorizing the licensing of deferred presentment lenders. He stated since the bill was passed and signed by the Governor, there has been a profusion of Payday lenders throughout the City. Mr. Sheffield stated that in Mesa alone there are currently 100 Payday loan stores, all in which are legal businesses in the State of Arizona.

Mr. Sheffield stated that the current interpretation of the Zoning Code for deferred presentment lender non-chartered financial institution and general check cashing is to consider them as a financial institution. He stated that Payday lenders can operate their businesses in any Zoning district that permits commercial activity or office activity (i.e., OS, C-1, C-2 & C-3; PEP, M-1 & M-2 Districts, and in Downtown they can go to any of the TCB-1, TCB-2 & TCC Districts). Mr. Sheffield recommended that Payday lenders be required to have a use permit, where specific activity can be regulated or restricted to a specific district. Mr. Sheffield stated that the Planning and Zoning Board focuses more on the broad definition of non-chartered financial institutions more so than the narrow definition of the deferred presentment lenders, and auto title lenders. Mr. Sheffield stated that the Board discussed having a separation requirement with the use permit requirement.

Mr. Sheffield questioned the three processing options for Payday lenders: 1) If the City decides to go through a Use Permit process, should the Use Permit get completed over the counter which is then referred to as an Administrative Use Permit; or 2) If processed as a Special Use Permit it will go to the Zoning Administrator in the case of Downtown, or the Board of Adjustment would handle sites outside of Downtown; or 3) If it is a Council decision then the Downtown Development Committee (DDC) would act as an Advisory Board and hear the requests and make recommendations; and the Planning and Zoning would make recommendations for sites outside of Downtown, and submit the requests to City Council for their review.

Mr. Sheffield discussed spacing options for Payday lenders. He stated that in Pima County there is a spacing requirement between the deferred presentment lender and the non-chartered use in any residential district and a distance of 500 feet apart. Mr. Sheffield stated that he would like to keep Payday stores somewhat removed from residential areas to prevent them from locating within most strip centers within the City, and would like to see them located in larger shopping centers towards the corners. He added that larger shopping centers tend to be eight to ten acres and have frontage that exceed 800 feet and generally locate Payday lenders more toward the intersections, or toward the remote portions away from the residential areas, or located in areas that are very large commercial districts or industrial districts.

Mr. Sheffield stated that the last option would be to review Payday lenders from a use stand point and trying to control and focus them in a C-3, M-1 and M-2 districts.

Chair Riekema asked for the Committee's input prior to making any decisions on the process or separation of Payday Loan stores.

The DDC discussed the option of having all Payday Loans as restrictive as possible and restricted to limited Zoning areas; and limiting the spacing in both commercial and residential areas, and to require a Council Use Permit. They added, if restrictions are not in place the City could see an increase of about two to three hundred more Payday lenders growing in Mesa thus causing a huge problem. DDC stated that the non-chartered financial institution would be better.

Mr. Gordon Sheffield stated that a recommendation is open to whatever the DDC wants to recommend. The committee can make any restrictions regarding minimum distance but does caution being overly restricted to the point that it prohibits the business entirely from taking place in the community.

The DDC recommended meeting as a group to discuss the options for Payday Loan Stores in a couple of weeks.

**4. Board Member Comments.**

None.

**5. Director's Report – Shelly Allen.**

Ms. Allen reported that the Mayor recommended and Council approved for two positions to be eliminated in the Town Center Development Office in order to help balance the City's budget, regardless of whether or not the property and sales taxes are passed. She added that they are looking for other placements in the City for those who will be leaving the division. Ms. Allen stated that the division is short staffed and this has caused some delays in bringing issues forward to the DDC. Ms. Allen stated that the Town Center Development Office has combined with the Economic Development Office. Ms. Allen stated that the Economic Advisory Board would like to meet with the DDC Advisory Board to discuss the vision for Downtown and how they could work together; and to discuss the Economic strategies of the different employment centers. Jeff Jarvis was appointed to attend the Economic Advisory Board.

Ms. Allen discussed the location of the new City Court facility. She stated that there is still discussion as to where the new court building is going to be built. She stated that they are currently looking at two sites to build the new facility; 1) 1st Avenue on the vacant lot south of the Pomeroy garage, 2) southeast corner of Hibbert/Main St. Ms. Allen stated she should know more in two to three weeks.

Ms. Allen stated that a consultant has been selected for the Zoning Code update and the Downtown Development Office will be involved for input.

Ms. Allen reported that the Pedestrian Pathways had been on hold due to no funding, but a funding match has been located to continue with the project design.

Ms. Allen reported that the hundred and eighty (180) day extension for negotiating the revitalization of 51 & 55 E. Main Street has expired. Staff will request direction

from City Management and City Council regarding the disposition of 51 & 55 East Main Street.

Ms. Allen reported that plans were submitted for a Carnicería on the southeast corner of University and Country Club. She stated that the tenant requested to block all the windows facing University Drive.

Ms. Allen reported that Dennis Barney has bought Harpers Electric between Mesa Dr and Lesueur on Main Street, on the south side. Ms. Allen stated that in the interim Mr. Barney would like to demolish the buildings on Main St., and install a temporary parking lot with the same type of landscaping matching existing landscaping on Main St. She added that this is only temporary until Mr. Barney can acquire additional properties.

Ms. Allen reported Knovnanian Homes proposed to build a high-rise condo project, on the North side of Main Street at the corner of Lesueur and Main St. The project would have five stores and subsurface parking, a restaurant and retail stores on the ground floor.

Ms. Allen reported that Matta's Restaurant is looking at relocating to the Downtown Area. She stated that she recommended they get in contact with either Dennis Barney, or Knovnanian Homes to view one of their locations to see if one might work for them.

Ms. Allen reported that the MCC project is moving forward. She stated that she is preparing a presentation to update City Council in May, after the election is completed. Ms. Allen stated she will also present this to the DDC as well.

Ms. Allen reported that she has received interest from developers for different uses on Site 17, mix use, retail, residential, and commercial. She added that once a decision from Council is made DDC will be given an updated on this Site.

Ms. Allen reported that a developer is interested in constructing some high-density residential homes on the Old Temple Court site on Hibbert. Ms. Allen added that she went to Mesa United Way to gauge interest in partnering with the City to give the developer a better development Site, Mesa United Way agreed to market their property in conjunction with the City's Property. Ms. Allen added that Mesa United Way has come back to the City to make an even exchange of their piece of property for a City owned piece of property on University Dr. Currently both parcels are being appraised prior to making any sort of exchange.

Ms. Allen reported that the City placed two City owned parcels for sale and offers have been received. She added that one of the parcels is out of the downtown square mile area, on 6th St and Center. She stated that a proposal was received from a developer that wants to build town houses on the site. She added that the other property is on Country Club between the Dairy Queen and the Mexican Fast Food Restaurant. She added that six offers were received and the two highest offers are the Mexican Fast Food Restaurant on the corner of Country Club/Main St, and

the second offer is from a developer who is proposing a finance company on the ground floor and condos above.

Ms. Allen stated that there has been a lot of interest in the downtown area, primarily from residential developers with specific interest in the Macdonald and 1st Avenue property.

Ms. Allen reported that she is still in discussion with Lenhart's regarding the development around Bailey's Brakes.

**6. Items from Citizens Present (No action can be taken)**

None.

**7. Adjournment**

With there being no further business, this meeting of the Downtown Development Committee adjourned at 8:30 am.

Respectfully Submitted,

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Shelly Allen, Town Center Development Director  
Minutes prepared by Liz Kuwamoto