

GENERAL DEVELOPMENT COMMITTEE MINUTES

November 2, 2000

The General Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on November 2, 2000 at 10:35 a.m.

COMMITTEE PRESENT

Claudia Walters, Chairman
Jim Davidson
Mike Whalen

COMMITTEE ABSENT

None

OFFICERS PRESENT

Mike Hutchinson

1. Discuss and consider proceeding with the Main Street Streetscape project Phase 3 (Main Street, from Lewis to Mesa Drive).

Redevelopment Director Greg Marek and Sr. Redevelopment Specialist Patrick Murphy addressed the Committee relative to this agenda item. Mr. Murphy stated that Phase 3 of the project encompasses improvements to Main Street from Lewis east to Mesa Drive and noted that this phase does not include improvements to the intersection of Main Street and Mesa Drive. Mr. Murphy stated that the proposed Streetscape plan utilizes a lesser amount of "street furniture" and strives to create a more pedestrian friendly atmosphere in the downtown area. Mr. Murphy advised that Phase 3 will include pedestrian lights (from Lewis to Centennial Way only), bus bays and bus shelters, increased landscaping including trees and flowering shrubs, sidewalk improvements, directional signage and bike racks. Mr. Murphy also noted that this phase will reduce the number of travel lanes on Main Street from six lanes to four through lanes and will include a four-foot wide bike lane and nine-foot wide parallel parking spaces (adding one foot to the parking bay). Mr. Murphy also informed the members of the Committee that the narrowing of Main Street will add approximately eight feet to the sidewalk area. Mr. Murphy noted that electrical outlets will be installed for each tree along Main Street for inclusion in the City's Holiday Lighting Program.

Mr. Murphy said that during the concept development stage of the project, it was agreed that there would not be pedestrian lights east of Centennial Way, since the businesses in this area have less pedestrian traffic, the buildings are generally set back, and landscaped areas exist between the buildings and sidewalks.

Mr. Murphy stated that staff is requesting that the General Development Committee recommend to the Council that staff be directed to proceed with the advertisement of the construction plans for the Main Street Streetscape Project, Phase 3 and added that in order to complete construction by November 1, 2001, construction will have to commence no later than February 1, 2001.

Discussion ensued relative to the fact that staff is analyzing the feasibility of placing dual handicapped access ramps along 1st Avenue, the fact that staff has kept business and property owners apprised of the proposed improvements and anticipated construction schedule, the fact that aside from anticipated concerns regarding the disruption to businesses during construction, staff has not received any objections to the City's plan to proceed with the completion of this section of Main Street, the fact that a light rail transit is planned to run along Main Street, and staff's opinion that the project will remain within budget limits.

It was moved by Committeemember Davidson, seconded by Committeemember Whalen, to recommend to the Council that staff be directed to proceed with the Main Street Streetscape project Phase 3 (Main Street, from Lewis to Mesa Drive).

Carried unanimously.

2. Discuss and consider proceeding with the establishment of a new downtown redevelopment site, Site #25 for the block generally bounded by Robson Street, Main Street, Macdonald Street and 1st Avenue and issuing a Request for Proposal (RFP).

Redevelopment Director Greg Marek and MEGACORP Senior Economic Development Specialist Harold Decker addressed the Committee relative to this agenda item. Mr. Marek stated that staff is requesting that the General Development Committee recommend to the City Council the establishment of Redevelopment Site #25 (the block bounded by Robson Street, Main Street, Macdonald Street and 1st Avenue). Mr. Marek informed the Council that staff has been approached by a developer who has expressed an interest in developing premier Class A office space and added that at the same time, the Tribune Newspaper has indicated their intention to pursue the possible expansion of their facility. Mr. Marek said that if approved by the Committee and the Council, staff will issue a Request for Proposals (RFP) and stressed the importance of designating this site for office, commercial and retail type projects in addition to accommodating the potential expansion of the newspaper. Mr. Marek added that the downtown area is one of the "management" centers in the City of Mesa and should offer premier Class A office space facilities to potential lessees.

Discussion ensued relative to the fact that a consultant previously recommended a mixed-use project with anchor office/retail for this particular area, proposed Tribune Newspaper expansion/storage plans, the fact that the newspaper has also purchased 11 acres of land in Tempe, staff's opinion that Macdonald Street will become a primary pedestrian corridor for the Aquatics Center, the contents of the proposed RFP, the importance of maintaining independent retailers and working with the owners to improve their buildings, anticipated timetables, the possibility of expanding into a Site #26 in the future and the fact that the Downtown Development Committee voted unanimously in support of the Site #25 proposal.

In response to a question from Committeemember Davidson relative to the development of residential space above the retail space, Mr. Marek advised that based on the square footage report, residential development was not designated for this area.

Committeemember Davidson recommended that a residential component be included in the redevelopment plans for this site. Mr. Marek indicated his intention to pursue this request.

Committeemember Whalen questioned whether staff has received a commitment from Tribune Newspapers relative to proposed expansion plans. Mr. Marek reported that a letter has been received from the newspaper indicating their support for the project.

In response to additional comments from Committeemember Davidson relative to the importance of adding a residential component to the plans for Site #25, Mr. Marek pointed out that there are currently three developers who have indicated an interest in developing housing projects in the downtown area. Mr. Marek added that the developers are holding off at this time pending the development of both the Aquatics Center and the Mesa Arts Center. Mr. Marek further stated that all three developers have expressed an interest in the block between Macdonald Street and Center Street and suggested that the RFP include a request for residential development along Main Street. Mr. Marek noted that approximately 3.5 acres are required for this type of project and said that staff will include a residential component and encourage this type of development in the RFP.

In response to a question from Chairman Walters, Mr. Marek advised that Mr. Gary Brown and all of the other property owners have been contacted regarding this matter.

Chairman Walters advised that Mayor Hawker had requested that his concern regarding the prioritization of dollars in terms of redevelopment projects in the downtown area be expressed at this meeting. Chairman Walters added that the Mayor has questions regarding whether this is the best use of the monies and has suggested that staff address the site located directly across from the new Mesa Arts Center before tackling this site.

Chairman Walters stressed the importance of identifying costs and City participation and said that the budget is a major consideration.

Mr. Marek requested that Mr. Decker respond to this question and noted that there are no premier Class A office spaces anywhere in the southeast valley. Mr. Marek discussed difficulties the City has been experiencing in locating quality office space in Mesa and said that is one of the reasons why staff is recommending that the City partner with MEGACORP.

Mr. Decker addressed the Committee and reported that five clients are currently interested in locating in the downtown area, however, no space has been identified to meet their requirements. Mr. Decker stated that the downtown area currently has a 1.7 to 3.01 vacancy factor compared to 5.7 to 6.9 in the rest of the City and added that vacancies are mostly in older buildings that are no longer functional.

Additional discussion ensued relative to the fact that businesses expect fiber optic capabilities and technology and are therefore looking into newer facilities, office lease rates comparisons among other cities, and the importance of proceeding with this type of project in the downtown area.

It was moved by Committeemember Whalen, seconded by Committeemember Davidson, to recommend to the Council that Site #25 be established as a Redevelopment Project Area and that staff be directed to proceed with the issuance of a Request for Proposals.

Carried unanimously.

3. Hear an update and consider recommending proceeding with design of the improvements to the Mesa Drive and University Drive intersection.

Engineering Design Director Peter Knudson addressed the Committee relative to this agenda item and advised that a public meeting to provide information relative to proceeding with improvements to the Mesa Drive and University Drive intersection was held on August 29, 2000. Mr. Knudson reported that 1200 fliers had been mailed out informing the area residents/business owners of the meeting and said that 41 people attended and 18 written comments were received. Mr. Knudson informed the Committee that the three comments consistently raised by the citizens included landscaping issues, the pedestrian friendliness of the project and the lack of a raised median.

Mr. Knudson advised that the estimated cost for the project is \$4,790,000, which includes approximately \$1,940,000 for right-of-way acquisitions. Mr. Knudson added that the primary source of funds for this project is Street Bonds and added that once financial assurances are received from the proposed Mesa Verde Development, the anticipated project schedule for completion is 18 months.

In response to a request for clarification from Chairman Walters, Mr. Knudson stated that the "preferred roadway alignment" referred to by staff is the same one that the General Development Committee previously forwarded to the Council for their input and suggestions.

Committeemember Davidson expressed concerns relative to the proposed "merging" of traffic once it passes the intersection and questioned whether this will result in the slowing of traffic.

Transportation Director Ron Krosting stated that merging the three lanes to two does help relieve the traffic capacity travelling through the intersection and added the opinion that it is an effective method of increasing the traffic flow.

Committeemember Whalen recommended that staff meet with representatives of the YMCA in an effort to determine the scope of their proposed renovations and to discuss the feasibility of partnering with that organization on road improvements.

Chairman Walters commented on the difficulties associated with this issue and said that although she supports the City's efforts to become more pedestrian friendly, she is also cognizant of the significant traffic issues that exist in this area. Chairman Walters discussed concerns relative to pedestrians, particularly senior citizens, and the fact that many require added time in order to safely maneuver across major intersections such as the one under discussion. Chairman Walters noted the absence of any "pedestrian refuge" in the center of the intersection and questioned whether this safety feature could be added to the project. Chairman Walters commented on the fact that Mesa's population is aging and stressed the importance of not adding more situations that will negatively impact this sector of our community.

Mr. Krosting stated that in order to accommodate a raised median in the center of the roadway, the width of the roadway would have to be increased and said that most people prefer a 6 foot rather than 4 foot median. Mr. Krosting recommended that a longer crossing time adjustment be made to the traffic signal at Pasadena and said that this might alleviate concerns in the area and provide added safety for senior pedestrians.

Committeemember Davidson said that another option would be not to proceed with the proposed improvements. Chairman Walters stated that the improvements are also being proposed in anticipation of traffic that will be generated as a result of the Mesa Verde project and said that if the project does come to fruition, the number of vehicles utilizing those streets will be significantly increased.

It was moved by Committeemember Whalen, seconded by Committeemember Davidson, to recommend to the Council that staff be directed to proceed with the design of improvements for the University Drive and Mesa Drive intersection and that staff's recommendation that that right-of-way acquisition and construction be delayed pending confirmation that the Mesa Verde project will proceed as planned.

Carried unanimously.

4. Discuss and consider recommendations concerning physical improvements and other changes to the operation of the Mesa Community and Conference Center.

Community Services Manager Wayne Korinek and Acting Community Center Director Eric Norenberg addressed the Committee relative to this agenda item. Mr. Korinek stated that staff met with the Committee approximately two weeks ago following Pricewaterhouse-Coopers' recommendations and in response to requests for additional information has prepared recommended strategies and timetables for establishing both short and long-term changes to the operation of the Mesa Community Center.

Mr. Korinek said that staff agrees with Pricewaterhouse-Coopers' opinion that until the City of Mesa develops additional amenities, the Mesa Community and Conference Center needs to operate as both a convention and community center. Mr. Korinek added that a number of recommendations have been identified, some more expensive than others, and stated that the list of improvements includes a number of cosmetic refurbishment items.

Mr. Korinek outlined the proposed near-term recommendations which could be implemented within the next 6 to 12 months, as well as long-term recommendations (See Attachment).

Discussion ensued relative to the possibility of reducing the booking policy from 18 months to 12 months, the importance of increasing cooperation and coordination of activities between the Mesa Convention & Visitors' Bureau and the Community Center, improving the coordination of marketing efforts, a proposed name change to the Mesa Centennial Center and retaining the name of the Mesa Amphitheatre for the current time, retaining the current management structure, long-term recommendations including a building program to expand the Center, the construction of a new multipurpose exhibit hall and the renovation and refurbishment of the remaining facilities.

In response to a question from Committeemember Whalen, Mr. Norenberg advised that the Center is currently operating at a \$600 to \$700,000 annual loss and said that this is typical for facilities of this type. Mr. Korinek said that he is not aware of any community centers in the United States that are making a profit.

Committeemember Whalen said that he is supportive of the proposed name change and urged staff to proceed with the proposed revised booking policy as quickly as possible. Committeemember Whalen added that effort should be initiated to preparing a bond issue for the next ballot and said the citizens should have an opportunity to decide whether Mesa should be a convention center city.

In response to a request for clarification from Committeemember Davidson, Mr. Korinek said it is staff's intention to coordinate rather than centralize the reservation booking systems for the Mesa Arts Center and the Aquatics facility. Mr. Korinek added that this issue will require further discussion and analysis.

It was moved by Committeemember Davidson, seconded by Committeemember Whalen, to recommend to the Council that staff's recommendations relative to the Community and Conference Center and Amphitheatre be approved.

Chairman Walters agreed that the facility should be renamed but encouraged staff to contact both Wayne Pomeroy and Don Strauch, who were involved in the original naming of the facility, prior to proceeding. Chairman Walters also indicated support for staff's recommendations and thanked them for the time and effort that has been expended in preparing the report which reflects following a prudent course of action while waiting to see the final outcome of the Mesa Verde project.

Carried unanimously.

5. Adjournment.

Without objection, the meeting adjourned at 11:45 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the General Development Committee of the City of Mesa, Arizona, held on the 2nd day of November, 2000. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 2000

BARBARA JONES, CITY CLERK

lgc

Attachment

City Council Report

Date: October 30, 2000
To: General Development Committee
Through: Mike Hutchinson
Through: Debra Dollar
From: Wayne Korinek
Subject: Further Consideration of the Community and Conference Center and Amphitheatre Study
"Citywide" Project

Purpose and Recommendation

In response to requests made at the October 16 General Development Committee meeting, this report provides further information on the Community and Conference Center's mission and recommendations presented in the recent Pricewaterhouse-Coopers study, including and recommended strategies and timetables for accomplishing the various short-term and long-term recommendations.

Background

On September 14, the City Council heard a presentation from Pricewaterhouse-Coopers on their study of the Mesa Community and Conference Center and Amphitheatre and agreed that the General Development Committee of the City Council would conduct further review of that study and recommendations. At the October 16 General Development Committee meeting, the Committee agreed that there were particular recommendations that could be addressed in the near-term and that other recommendations would take longer to review and consider for implementation.

Discussion

Pricewaterhouse-Coopers (PWC) was asked to examine the most appropriate market(s) for the Mesa Community and Conference Center to serve. That is, should the Center focus its efforts more heavily on the convention and meeting market and move away from community events. Or, given the resources, amenities, and other market factors, should Mesa concentrate more on local events and leave the convention and meeting market to others. The PWC study found that a blend was appropriate:

Due to the limited hotel rooms, restaurants, and entertainment proximate to the Center, the Mesa CCC is limited in its ability to effectively compete for conventions and trade shows. The majority of these groups prefer holding their events in Phoenix or Scottsdale because of the destination amenities. However, an addition of 10,000 to 15,000 square feet of multipurpose space

would provide the Center with necessary space to begin to market to these events. As downtown Mesa continues to develop and offer more hotel rooms, the Center would have the space to accommodate a larger number of conventions and trade shows. Until the Center is more heavily used by conventions and trade shows, this additional space could be marketed to consumer shows and other local events. In order to maximize the Center utilization, until more proximate convention quality hotel rooms are developed, **the Center should continue to be marketed and operated to serve both community and convention events** The vast majority of events will continue to be of a local nature and, while some increase in convention/conference/trade show activity may occur, the lack of downtown convention class hotel rooms and related amenities (restaurants and entertainment) will continue to limit growth in high-impact events.

Thus, PWC determined the mission of the Center to be both a community and a convention center (much as it is now) until more hotel rooms and amenities are available downtown.

Near-term Recommendations - Could be implemented in the next six to 12 months:

- Booking Policy Issues: The current booking policy allows clients to book events for the Center which are up to 18 months in the future. Exceptions are granted to "high impact" events which will bring many visitors and/or room nights to Mesa. PWC recommends reducing the 18 month window to 12 months. City staff and representatives of the Mesa Convention and Visitor's Bureau (MCVB) have discussed the possibility of implementing this change as part of a move to greater coordination between the City and MCVB to market the Center for meetings and trade show events.

A risk in shortening the booking window for all but "high impact" events is the likely loss of some lower impact events that must lock in their event schedules greater than one year out and may book elsewhere to have the security of a commitment greater than 12 months in advance.

Staff Recommendation: That a joint meeting be held with representatives of the Mesa Community and Conference Center and MCVB to prepare a three year strategy for marketing the Center for conventions, meetings and trade shows. As part of this process, the group will review the PWC findings related to booking policies and determine the most appropriate booking policy to implement, including examining the booking window and criteria for events that may be allowed to contract outside the booking window. This meeting would be facilitated by a representative of the City's Quality and Organizational Development Office.

- Transfer of Long-term Booking Responsibility to MCVB: Given the MCVB's mission to market Mesa as a destination, PWC recommended that MCVB take the responsibility for marketing and booking the Center for "high impact" conferences, trade shows, conventions and meetings. The MCVB does not feel that this shift is warranted. Given the plans to develop a cooperative marketing and

booking effort (as noted above), MCVB felt the booking responsibility should stay with the Center staff.

Staff Recommendation: Retain the current marketing and booking responsibilities, while increasing the cooperation and coordination (as described above) between the Center and the MCVB.

- Cooperative Marketing Efforts: Currently marketing for the Center is done by the Center's Sales and Marketing staff, the MCVB, the Sheraton Mesa Hotel and Arizona Catering. There is currently a cooperative relationship among these entities to bring events to the facility (though Arizona Catering and the Sheraton Mesa Hotel compete for the same business).

Staff Recommendation: Retain the current relationships, but improve coordination. The means for improving coordination can be determined at the joint Center/MCVB meeting referred to above.

- Renaming the Community and Conference Center: Inclusion of the word "community" discourages some potential renters because they may believe the Center does not have the space or resources for their needs. Further, the term also yields many misdirected and confused telephone callers. The term "conference center" is now an industry term that indicates certain amenities and services are provided, some of which are not now available from the Center. PWC's report offered several suggestions including: Mesa Convention Center, Mesa Center, and Mesa Centennial Center.

Staff Recommendation: Due to the name recognition and community significance of the Centennial Hall name, staff recommends changing the name of the Mesa Community and Conference Center to Mesa Centennial Center and retaining the name of the Mesa Amphitheatre, unless and until a commercial naming opportunity is proposed.

- Center Management: PWC recommends the City continue to manage the facility under the current structure within the Community Services Department.

Staff Recommendation: Retain the current management structure as recommended. The Community Services Manager has initiated the recruitment process to fill the Director position.

Long Term Recommendations -- Will take longer to consider and plan:

- Building Program: PWC recommended a building program to expand the Center to offer a 45,000-50,000 square feet of function space, including 25,000-30,000 square feet of contiguous space. This would likely be accomplished through construction of a new multipurpose exhibit hall that is 25,000-30,000 square feet and renovation of Centennial Hall (15,000 square feet). The remaining facilities should be renovated and updated to meet the needs of today's and tomorrow's

clients; for example, making high speed data connections available in lobbies, exhibit spaces, and meeting rooms.

PWC also recommends expanding the Amphitheatre from its current 4,200 capacity to 5,000-7,000 capacity and improving entry areas, food and beverage points of sale, restrooms, and back-of-house support areas.

As a basis for consideration of the information above, the following summarizes current conditions of the facility:

- Engineering is working with an architect to prepare plans for bidding repairs in the Conference Center to replace the leaking kitchen floor with a new epoxy floor, repair damage in the basement, and replace the 16 year old dishwasher with a water and energy-efficient model. It is expected that this project will be ready to bid in January.
- Engineering is also working with an engineering firm to design a replacement lighting system for the Conference Center. The current system has components which are failing and for which replacement parts are no longer available. Engineering expects to bid this project in the Spring.
- Sound system components have been replaced over the past year in Centennial Hall and the Rendezvous Center. Next will be replacement of systems in the Conference Center to improve sound quality and customer satisfaction.
- None of the customer areas of the Community and Conference Center have Internet access (except via telephone line and modem). Staff is evaluating various technologies and provider options to be able to offer high speed Internet services within the next year.
- Recent upkeep work includes: Repainting the Conference Center interior was during FY99-01 and recarpeting of Centennial Hall/Mesa Room during the Summer of 1999.

Staff Recommendation: It is recommended that the following steps be taken to approach these issues:

1. Renovation and Upgrade: Staff should develop an inventory of upgrade and renovation needs for the Center and Amphitheatre, taking into account the PWC findings, input from MCVB, and clients and partners. This review and inventory, with cost estimates could be completed by March 2001
2. Plan for the Future: Staff should plan for the future as the Mesa Verde project continues to be developed (including cooperating with Redevelopment staff, MCVB, and Mesa Verde developers to evaluate how the meeting and event facilities planned for that project will address the needs identified by PWC) and should work closely with Redevelopment and Engineering staff in master planning efforts for the northeastern portion of the Town Center to identify possible locations for future new/expanded Center facilities, as recommended by PWC.

Alternatives

Any or all of the above recommendations could be delayed. Another name for the Center could be selected through another process.

Fiscal Impact

Booking Policy: The cost of changing the booking policy is uncertain. It is likely that in the short run, there will be lost business that cannot book within a shortened window; however, if that business is ultimately replaced with "higher impact" clients, there will be greater economic impact to the community as a whole.

Name Change: The cost to replace signage related to the name change is estimated to be \$6,100 for various directional signs, \$1,500 for the marquee, and no charge to change the ADOT-owned signs on the Superstition Freeway.

Building Program: The fiscal impact of renovations or expansion options will be evaluated in the future as each stage is considered.

Concurrence

Robert Brinton of the Mesa Convention and Visitors Bureau supports the staff recommendations in this report.

Eric Norenberg, Acting
Community Center Director

Debra Dollar
Deputy City Manager

Wayne Korinek, Community
Services Manager

Mike Hutchinson, City Manager