

GENERAL DEVELOPMENT COMMITTEE MINUTES

July 15, 1997

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 July 15, 1997, at 8:41 a.m.

COMMITTEE PRESENT

Wayne Pomeroy, Chairman
John Giles
Pat Gilbert

COMMITTEE ABSENT

None

COUNCIL PRESENT

Jim Stapley

STAFF PRESENT

C.K. Luster
Wayne Balmer
Neal Beets
Linda Crocker
Barbara Jones
Harry Kent
Greg Marek
Patrick Murphy
Tom Remes
Denise Samuel
Others

OTHERS PRESENT

Reverend Bussey
Dan Coury
Gary Crosby
Paul Gilbert
Victor Linoff
Chris Moeser
Dan Nowicki
Marilynn Wennerstrom
Others

1. Discuss and consider a request for expansion of the First United Methodist church located at 15 East First Avenue.

Redevelopment Director Greg Marek and Senior Redevelopment Specialist Patrick Murphy addressed the Committee relative to this agenda item. Mr. Marek advised that the City of Mesa was approached by the First United Methodist Church relative to an expansion. Mr. Marek added that the Church's goal is to add a family life center and expand the parking lot. Mr. Marek noted that the Church has been unable to acquire parcels on the block and has asked the City of Mesa for assistance in assembling the property, demolishing the structures and relocation costs.

Discussion ensued relative to the fact that the project was reviewed during the budget process, estimated costs, future reimbursement by the Church to the City for all land acquisition costs, and the originally underestimated land acquisition costs.

Mr. Marek noted that the Downtown Development Committee has recommended that a Request for Proposals (RFP) be issued and that the financing of the project be addressed following that process. Mr. Marek commented on the Church's intention to generate the required funding and said that it is staff's intention to continue discussions with the Church relative to fund raising to cover revised land acquisition costs. Mr. Marek informed the Committee that proceeding with the RFP at this time does not commit the City to any future participation in the project.

Reverend Jim Bussey, representing the First United Methodist Church, commented on the Church's intention to move forward with the project despite increased costs. Reverend Bussey expressed the opinion that the project is vital to the downtown area and estimated that it will take approximately five years to generate sufficient funding for the project.

In response to a question from Committeemember Gilbert, Mr. Beets stated that the identification of a redevelopment site is a necessary step in the issuance of the RFP. Mr. Beets stressed the importance of ensuring that the language of the RFP adequately protects the City of Mesa.

City Manager Charles Luster expressed concerns relative to the increased costs of the project and indicated that he does not support approval at this time.

Community Development Manager Wayne Balmer stated that the Committee is being asked to determine whether an RFP should be issued and added that additional matters would be discussed and considered at a future time. Mr. Balmer noted that once the area is classified as a redevelopment site, the City still maintains the latitude of deciding the manner in which to proceed.

Committeemember Giles added that he would not object to the City's limited financial involvement in the project. Committeemember Giles stated that costs such as relocation and moving allowances may be borne by the City to facilitate the project.

It was moved by Committeemember Giles, seconded by Committeemember Gilbert, to recommend to the Council that staff be directed to proceed with the issuance of an RFP for the project.

Committeemember Gilbert concurred that the City's financial involvement should be limited and added that discussions should occur in the future relative to whether the City will affirm the \$150,000 originally discussed funding amount as a possible investment for demolition and other incidental expenses.

Committeemember Giles recommended that rather than reaffirm lump-sum funding in the amount of \$150,000, the motion be amended to also recommend to the Council that previously proposed budgeted City funding, in an amount not to exceed \$150,000, be reaffirmed and utilized for specific ancillary expenses (moving allowances, demolition, etc.) and that the City's participation in the project be limited to that of a facilitator rather than a financier.

Committeemember Gilbert seconded the amendment to the original motion.

Carried unanimously.

2. Discuss and consider a request for an 80 room hotel to be located at the southwest corner of Main and LeSueur.

Redevelopment Director Greg Marek and Senior Redevelopment Specialist Patrick Murphy provided the Committee with a brief synopsis of this agenda item. Mr. Marek noted that the Redevelopment Office has been approached by Mr. Gary Crosby of Crosby Enterprises, Inc., regarding the development of an 80-room hotel located on the southwest corner of Main Street and LeSueur in the block bounded Main Street, Udall and LeSueur. Mr. Marek explained that in order for the City to participate in the project, the City Council is required to designate the site as a Redevelopment Project Area and direct staff to issue a Request for Proposals (RFP). Mr. Marek stressed that the issuance of the RFP does not commit the City to accept any proposal in the future.

Discussion ensued relative to the fact that funding, in the amount of \$100,000, was allocated for this project during the budget process with the stipulation that Mr. Crosby would reimburse the City for all land acquisition costs; significantly increased revised cost estimates; estimated sales tax and utility revenues to be generated from the project; the fact that Mr. Crosby has indicated that he possesses limited property acquisition funds, and the fact that it would take approximately seven years for the City to be reimbursed.

Mr. Marek recommended that the Committee direct staff to proceed with the issuance of an RFP and added that additional matters would be discussed and considered following that process. Mr. Marek noted that additional hotel proposals may be generated as a result of the RFP. Mr. Marek also informed the Committee that the Downtown Development Committee has also recommended that the RFP process be initiated but stressed the importance of ensuring that a future hotel at this location is a quality establishment.

Mr. Gary Crosby, representing Crosby Enterprises, provided the Committee with a brief synopsis of the proposal.

Discussion ensued relative to additional vacant properties in the area and the importance of long-term planning.

It was moved by Committeemember Giles, seconded by Committeemember Gilbert, to recommend to the Council that staff be directed to issue a Request for Proposals for the project.

Carried unanimously.

3. Discuss and consider a request for expansion of Mesa Cold Storage located at 146 South County Club Drive.

Redevelopment Director Greg Marek and Senior Redevelopment Specialist Patrick Murphy informed the Committee that the Redevelopment Office has been approached by Mr. Daniel Coury, owner of Mesa Cold Storage, relative to a proposed expansion of his business located at 146 South County Club Drive. Mr. Marek explained that the successful growth of Mr. Coury's business has necessitated an immediate expansion. Mr. Marek stated that Mr. Coury is proposing to construct a new building that will connect to this existing building and extend to Vineyard Street.

Mr. Marek noted that in order for the City to participate in this project, the Council will have to designate the site a Redevelopment Project Area and direct redevelopment staff to issue a Request for Proposals (RFP). Mr. Marek stressed that the issuance of an RFP does not commit the City to accept any proposal in the future.

Discussion ensued relative to the fact that during the budget process \$120,000 was allocated for this project with the understanding that Mr. Coury would reimburse the City for the land value; the fact that estimated City costs currently exceed the budgeted amount; staff's recommendation that staff be directed to issue an RFP and that the City proceed with the project, including additional estimated costs, and anticipated utility revenue and sales tax to be generated by the business in the future.

In response to a question from Committeemember Gilbert, City Manager Charles Luster stated that although he supports proceeding with the RFP, in his opinion the City's share of costs is excessive and should be further explored in the future.

Committeemembers Gilbert and Giles spoke in favor of the business expansion and redevelopment efforts in this area.

It was moved by Committeemember Gilbert, seconded by Committeemember Giles, to recommend to the Council that staff be directed to issue a Request for Proposals for the project.

Carried unanimously.

(Chairman Pomeroy excused Committeemember Gilbert from the remainder of the meeting at 9:36 a.m.)

4. Discuss and consider proposals received in response to the City's request for proposals (RFP) for the development of a multipurpose ice facility in a portion of the northeast quadrant of downtown Mesa and consider other commercial development options in conjunction with the ice facility.

Redevelopment Director Greg Marek and Senior Redevelopment Specialist Patrick Murphy addressed the Committee relative to this agenda item. Mr. Marek advised that four proposals have been received in response to a Request for Proposals (RFP) which was issued for the development of a multipurpose ice facility in a portion of the northeast quadrant in downtown Mesa.

Mr. Marek reported that AZ Ice, of Carefree, Arizona, ranked the highest of the four proposals and discussed staff's recommendation that representations from AZ Ice be requested to appear before the Council to present their proposal and respond to questions. Mr. Marek informed the Committee that Interactive Leisure Resources, Inc., of Vancouver British Columbia, Canada, which ranked the lowest of the four proposals, submitted a unique proposal to develop a 20-acre indoor operation consisting of hotel rooms, an indoor athletic facility, indoor water park, etc. Mr. Marek discussed the project team's recommendation that this proposal be further explored in the future as a possible use for land in the remaining portions of the northeast quadrant.

Mr. Marek reported that since the issuance of the RFP, a letter has been received from Mr. Paul Gilbert, stating the opinion that a general RFP should have been issued for the development of the northeast quadrant. Mr. Marek stated that staff's recommendation is to proceed to evaluate the proposals received in response to the existing RFP and added that should an acceptable proposal not be received, the issuance of a second RFP may be considered.

Paul Gilbert, 3200 North Central, Phoenix, an attorney representing Albertson's food chain, informed the Committee that his client supports the development of an ice facility at the site currently under discussion. Mr. Gilbert added that his client is also interested in developing a retail center/commercial component for the site and stressed the importance of this type of development in downtown areas. Mr. Gilbert stated the opinion that a neighborhood retail/commercial center would serve the needs of the area residents and support the principles of the City's downtown redevelopment plan. Mr. Gilbert urged the Committee to delay action on the current RFP and expand the request to include a neighborhood retail center in addition to or in lieu of the proposed rink.

Committeemember Giles stated that discussion relative to the development of a retail center would be premature at this time and indicated that issues such as this would be discussed following the RFP process. Committeemember Giles concurred that the proposal submitted by Interactive Leisure Resources, Inc. should be further for future redevelopment consideration.

Chairman Pomeroy thanked Mr. Gilbert for his comments.

Discussion ensued relative to the proposed ice facility and staff was directed to contact AZ Ice, of Carefree, Arizona, and invite representatives of the company to discuss their proposal at the Friday, July 25, 1997 Council Study Session. Staff was also directed to obtain additional information relative to Interactive Leisure Resources, Inc.'s proposal for future discussion.

5. Hear a report concerning the Portland redevelopment program.

Victor Linoff, former member of the Downtown Development Committee, highlighted a brief slide presentation of the Portland, Oregon redevelopment program. Mr. Linoff commented on the positive redevelopment efforts exhibited by the City of Portland.

Chairman Pomeroy expressed appreciation to Mr. Linoff for his presentation.

6. Adjournment.

It was moved by Committeemember Giles, seconded by Chairman Pomeroy, that the General Development Committee meeting adjourn at 10:15 a.m.

Carried unanimously.

I hereby certify that the foregoing minutes are a true and correct copy of the General Development Committee meeting of the City of Mesa, Arizona, held on the 15th day of July, 1997. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 22nd day of July 1997

BARBARA JONES, CITY CLERK