

GENERAL DEVELOPMENT COMMITTEE MINUTES

December 19, 1996

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 December 19, 1996 at 7:00 a.m.

COMMITTEE PRESENT

Wayne Pomeroy, Chairman
Pat Gilbert
Jim Stapley

COMMITTEE ABSENT

None

COUNCIL PRESENT

John Giles

STAFF PRESENT

C.K. Luster
Wayne Balmer
Linda Crocker
Mike Hutchinson

Harry Kent
Greg Marek
Frank Mizner
Patrick Murphy

Keith Nath
Ellen Pence
Bryan Raines
Denise Samuel
Debbie Vickman
Others

OTHERS PRESENT

Others

1. Update on Main Street Projects.

- a. Main Street
- b. Robson, Macdonald, Center Streets
- c. Parking Lots
- d. Mesa City Plaza

Redevelopment Director Greg Marek spoke regarding upcoming improvements to Main Street. Mr. Marek indicated that the building facades, parking lots, lighting, and landscaping are all major factors in the improvement of the downtown area. Mr. Marek noted that the projects are currently in the implementation phase and advised that a consultant has been retained to assist

in the process. Mr. Marek added that staff has been working closely with the property owners to obtain their input regarding recommended improvements. Mr. Marek explained that portions of the Connection Study and the Vision Plan are included in the proposal. Mr. Marek informed the Committee that the following suggestions have been developed: 1) removal of the colonnade; 2) extension of the sidewalk; 3) extension of trees into the parking areas; and 4) construction of 'neck downs' at the intersections to reduce the travel lanes and the distance required to cross the street.

Mr. Marek said that improvement and replacement of all the street lights in the medians, replacement and addition of trees in the medians, and sidewalk improvements would occur during the summer months. Mr. Marek noted that connecting points to the businesses would be enhanced, the median on Macdonald Street would be removed, and lighting would be improved.

Mr. Marek informed the Committee that a number of options could be utilized in the renovation of Main Street and stated that the parking lot areas may be improved with lighting. Mr. Marek stated the opinion that the addition of trees would create a 'pedestrian friendly' atmosphere. Mr. Marek explained that staff is currently reviewing costs and financing options for the proposed renovations.

In response to a question from Chairman Pomeroy, Mr. Marek indicated that staff has received positive feedback from the business owners relating to the proposed improvements. Mr. Marek said that staff would return to the Committee for additional direction following the completion of the cost estimates.

Discussion ensued regarding construction schedules, the variety of trees which would be planted in the medians, diagonal parking on Macdonald Street, lanes of traffic, parking lot access, the possibility of acquiring properties in the area, and the development of a park on the south side of the Mesa City Plaza Building.

In response to a question from Councilmember Giles, Mr. Marek stated that the City does not own the former Bank One lot and that a long-term agreement would be required prior to any improvements taking place. Mr. Marek discussed the possibility of constructing a parking structure to replace the surface parking lot.

In response to a question from City Manager Charles Luster, Mr. Marek stated the opinion that the proposed improvements to the north and south sides of the Mesa City Plaza Building could be included as part of the median project.

Community Development Manager Wayne Balmer advised that an internal project team is currently being formed to review various redevelopment concepts for the purpose of ensuring that the proposals are appropriate for the overall downtown redevelopment concept.

Committeemember Gilbert stressed the importance of proceeding with projects on Main Street and expressed concern relative to the structural reliability of the building facades' linkage to the colonnade.

2. Discuss and Consider Proceeding with Cox Communications/Hogue Printing Block Expansion Project.

Mr. Marek informed the Committee that four businesses located in the area between First Avenue, Second Avenue, Robson and Macdonald have contacted the City and requested assistance in the acquisition of land to enable them to expand and create new jobs. Mr. Marek reported that COX Communications, Spencer's Appliances, Scott Blueprint and Hogue Printing constitute the four involved businesses. Mr. Marek explained that staff has spoken to property owners in the area and determined that the consensus is favorable regarding the purchase of the land. Mr. Marek noted that staff is seeking approval from the Committee to issue a Request For Proposal (RFP) and stated that the RFP would require the businesses to provide a plan outlining the City's involvement and the companies' expansion plans.

Mr. Marek provided a brief overview of the businesses' preliminary expansion proposals to the Committee. (See Attachment 1.)

In response to a question from Chairman Pomeroy, Mr. Marek explained that Cox Communications and Hogue Printing are anxious to proceed as quickly as possible. Mr. Marek noted that the proposal represents a quality project for the neighborhood and added that the proposed Urban High School would be located in this area. Mr. Marek said that efforts would be coordinated with Dr. Zaharis, the Superintendent Mesa Public Schools, regarding the expansion of the businesses and the location of the new high school.

It was moved by Committeemember Stapley, seconded by Committeemember Gilbert, to recommend to Council that the proposed expansion project and issuance of a Request For Proposal (RFP) be approved.

In response to a question from City Manager Charles Luster, Mr. Marek stated that the cost of the project would be approximately \$800,000. Community Development Manager Wayne Balmer noted that the initial cost to the City to acquire the property would be in excess of \$800,000 but explained that the businesses would repay the land acquisition costs to the City over a five- to six-year period of time.

City Manager Charles Luster requested that an itemization of costs be prepared for the proposed project.

Carried unanimously.

3. Update on Potential Ice Rink/Sports Complex Project for Northeast Quadrant.

Mr. Marek informed the Committee that the Phoenix Coyotes are currently seeking a practice ice skating facility and discussed the possibility of developing a rink in the Northeast Quadrant of Mesa as part of the proposed "Sports Complex." Mr. Marek indicated that the team is seeking a practice facility that would be operational by August 1997 and noted that the team would utilize the ice skating facility five percent of the time. Mr. Marek advised that an Economic Feasibility Study is being prepared to provide an overview of the facility, costs, and

economic impacts. Mr. Marek added that the study will also include multi-use proposals and amenities.

Mr. Marek commented that he has been contacted by the owners of a sand volleyball organization who have expressed an interest in the project and stated that Dr. Zaharis has also discussed the possibility of constructing an aquatics facility at that site. Mr. Marek also informed the Committee that in addition, a private citizen has expressed interest in building and operating the proposed ice skating facility.

In response to a question from Chairman Pomeroy, Mr. Marek stated that the feasibility study should be completed by the end of January 1997.

Discussion ensued relative to utility costs, land acquisition, and private-sector involvement in the project.

Committeemember Gilbert expressed the opinion that Dr. Zaharis and the City should combine the ice facility and aquatics center. Committeemember Gilbert said that he would encourage staff to utilize 'street scape' as an additional method of acquiring property. Committeemember Gilbert expressed concerns regarding the economic viability of the rink outside of a subsidized facet.

In response to a question from Chairman Pomeroy, Mr. Marek noted that a portion of the feasibility study will address the possibility of locating a pro-shop and restaurant within the facility.

4. Update on Mesa Main Corporate Center (66 W. Main - Old Bank One Building).

Mr. Marek informed the Committee that studies have been initiated regarding the former Bank One building, located on Main Street, to determine costs to ensure that the building meets current building standards. Mr. Marek stated the opinion that the size of the building lends itself to multi-tenant usage with retail establishments on the ground level. Mr. Marek noted that staff is currently researching steps of attracting 'Class A' tenants to the building. Mr. Marek said that the parking area currently accommodates 160 vehicles and noted that 250 spaces are required for 'Class A' tenants. Mr. Marek reported that a new parking structure could accommodate 400 vehicles.

In response to a question from Chairman Pomeroy, Mr. Marek indicated that the owners of the building have expressed a willingness to expend funds to renovate the building, but stated that a study prepared by Mesa Public Schools estimates the cost of renovation to be approximately \$2 to \$2.5 million. Mr. Marek reported that the value of the building is approximately \$1 to \$1.5 million.

Community Development Manager Wayne Balmer stated that the building is encapsulated in asbestos and noted that demolition costs have not been determined.

Chairman Pomeroy expressed the opinion that demolition of the building may be a viable solution and that the cost of demolition should be analyzed.

5. Update on F.Y. 1996-97 and 1997-98 Budget Priorities.

Mr. Marek presented the Committee with a current list of redevelopment projects and indicated that the Downtown Development Committee has assigned a liaison to each project. Mr. Marek briefly highlighted the various projects for the Committee. (See Attachment 2.)

Community Development Manager Wayne Balmer informed the Committee that \$5 million has been budgeted for the proposed projects and added that contingency funds would be utilized for expenses exceeding that amount.

Mr. Balmer discussed the Town Center Program costs and noted that additional resources will be required to meet the anticipated activity level in this area.

Mr. Balmer introduced newly hired Redevelopment Specialist Patrick Murphy to the Committee.

6. Update on Changes to Colonnade On- and Off-Street Customer Parking.

Mr. Balmer presented the Committee with a survey that will be utilized by staff to obtain merchants' comments regarding parking in the downtown area. Mr. Balmer explained that when parking limits were changed to one hour on-street and three hour rear parking, the staff was directed to prepare a survey within six months of implementation to determine the effects of the parking limit changes on the involved businesses. Mr. Balmer advised that the results of the survey, when completed and analyzed, will be presented at a future meeting.

Mr. Balmer added that staff is also analyzing methods of enhancing directional signage in the downtown area.

7. Discuss and Consider Mesa Town Center Corporation Proposals.

a. Banners

Mr. Marek discussed a proposal received from the Mesa Town Center Corporation (MTCC) requesting that the City assume full costs and responsibility for the installation of pole banners in the Town Center area. Mr. Marek estimated that it would cost approximately \$2,400 for three banners and added that the MTCC has expressed a willingness to continue erecting and maintaining the street banners on Main Street. Mr. Marek indicated that the Downtown Development Committee considered the issue at their last meeting and recommended that the City approve the request. Mr. Marek informed the Committee that the use expectancy of the banners is 4 to 5 years and the cost to totally replace them would be approximately \$30,000.

City Manager Charles Luster expressed concern regarding the City's on-going financial assistance to the MTCC for various projects.

Discussion ensued relative to in-kind services provided by the City, the purpose of the MTCC, the possibility of the MTCC obtaining sponsors for the signs and relevant sign codes, and the fact that discussion is occurring relative to eliminating the annual Fine Folk Festival in Mesa.

Chairman Pomeroy expressed the opinion that the banners are important to Town Center and noted that the MTCC's budget contains funding for this purpose.

Mr. Luster expressed the opinion that this item should be readdressed during the budget review sessions.

Committeemember Gilbert stated the opinion that the feasibility of identifying sponsors for 'across the street' banners should be explored. Assistant City Manager Mike Hutchinson noted that City Sign Code regulations would also need to be reviewed.

b. Conference Committee

Mr. Marek requested input from the Committee regarding the creation of a Joint Conference Committee. Mr. Marek stated the opinion that the Committee would assist in ensuring that issues presented to the Council have been thoroughly reviewed by all concerned parties and would assist in building consensus and presenting a uniform approach to various issues.

Committeemember Stapley noted that a similar approach proved unsuccessful but added that should the Committee be formed, strong emphasis must be placed on ensuring that the composition of the Committee includes representatives from all concerned areas.

Committeemember Gilbert expressed concern relative to the appointment of the proposed Committee and noted that a Joint Conference Committee would not guarantee the decision of full Council.

Community Development Manager Wayne Balmer stated that another option may be to schedule the proposed Joint Conference Committee meetings during General Development Committee meetings.

In response to a question from Chairman Pomeroy, Mr. Marek stated that Downtown Development Committee Chairman Julie Pace had discussed the possibility of sending a delegation to Portland, Oregon to attend the National Main Street Conference to be held April 27 - 30, 1997.

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8. Adjournment.

It was moved by Committeemember Stapley, seconded by Committeemember Gilbert, that the General Development Committee meeting adjourn at 8:22 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 19th day of December, 1996. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 7th day of January 1997

BARBARA JONES, CITY CLERK

ATTACHMENT 1

COX COMMUNICATION/HOGUE PRINTING/SPENCER'S TV & APPLIANCE/ SCOTT BLUEPRINT BLOCK EXPANSION

Project Description

The City has been approached by four businesses (Cox Communications, Hogue Printing, Scott Blueprint, and Spencer's TV & Appliance) located in the block bounded by Robson Street, Second Avenue, Macdonald Street, and First Avenue. All plan major expansions and have requested City assistance for property assemblage and demolition. Two of the businesses, Cox Communication and Hogue Printing, have immediate expansion needs and have indicated they will have to relocate to adjacent cities if they cannot expand at their current location.

Cox Communication needs to add 6,000 s.f. to its building plus expand its parking area. Cox needs the land from its current location west to Robson Street. As part of its expansion, Cox plans to add 30 employees to the existing 120 employees who are already at that office. They also will remove all of the dish antennas and relocate them to the Cox new site in Chandler at Stellar Air Park. The Mesa location will become the regional office location. Without additional land to expand at their Mesa location, Cox will probably close this location and consolidate existing functions at their Chandler site.

Hogue Printing plans a 10,000 s.f. expansion, and a later expansion of an additional 15,000 s.f. With the planned expansion they plan to add 10 employees to the existing 58 employee base. In addition to the building expansion, Hogue has also purchased equipment. Currently, they lease 4,000 s.f. off-site to accommodate their space needs. If they are unable to expand at their current location, they have selected a site in Tempe where they will build a new and larger plant.

Scott Blueprint plans a 4,000 s.f. expansion of its building. Spencer's plans a 15,000 s.f. expansion primarily for warehousing space. Spencer's can expand on its own property, but will need to have an alley easement relocated. Scott will add three employees to their base and Spencer's will add four employees.

Project Requirements

To accomplish these expansions, the following City participation is needed:

1. Land acquisition
2. Demolition
3. Relocation of alley easement for Spencer's.

Land necessary for acquisition are the following properties:

1. Sanctuary Church property 135 and 163 S. Robson
2. 5-plex at 150 W. 2nd Avenue
3. Triplex at 121 S. Robson Street
4. Residential house at 125 S. Robson Street
5. Two 4-plexes occupied by the Tri-City Behavioral Services Center

The businesses' contributions to the project will be in form of money to help with the land acquisitions, and new building construction. To complete this project, it will be necessary to make this block a redevelopment project area and issue a Request for Proposals.

Project Analysis

This project not only represents expansion of four businesses, it also concerns retaining two businesses. Cox Communications and Hogue Printing, who will have to relocate to adjacent cities if they cannot expand at their current location. The planned expansion of all four businesses represents 35,000 s.f. in new construction at a value of \$1.4 million, 47 new employees, \$2 million in new equipment, and an estimated \$10 million in new annual taxable revenue. The planned expansions represent an estimated \$100,000/year in new revenue to the City, and over \$83,000 per year in retained revenue by not having Cox and Hogue relocate out of Mesa.

To make this project happen, five properties must be acquired. These properties are: Sanctuary Church property, one 5-plex, a residential house, and a triplex, and two 4-plexes occupied by the Tri-City Behavioral Center. Spencer's has asked that the City relocate an existing alley easement so they can expand on their own property. This should not be a problem and there would be little cost to the city to accommodate Spencer's.

Hogue, Scott, and Cox have committed to paying a portion of the land acquisition costs, but they want the City of Mesa responsible for the total land assembly, as well as participating in the cost to acquire the properties. The City has also been asked to pay for demolition. The estimated total project cost is \$4.4 million, with the businesses contributing \$3.7 million (84%) of the costs and the City contributing \$732,000 (16%). This represents a ratio of 1 public dollar for every 5 private dollars, an acceptable return on public investment in redevelopment projects.

Summary

This is a good business expansion and retention project. It accomplishes redevelopment goals by totally redeveloping an entire block, removing blighting conditions, and making it an economically productive area. If the City Council decides to proceed with this project, we will need to create a redevelopment project area of the entire block, issue a Request for Proposals, receive a proposal from the entire group of businesses, and then enter into individual redevelopment agreements with each businesses. Staff recommends that the City participate in this project, and proceed with the Request for Proposals.

ATTACHMENT 2
CURRENT PROJECTS IN TOWN CENTER

- Main Street Median (Erin)
- Main Street Streetscape Design Concept w/Cost Estimates (Country Club-Mesa Dr.) (Greg)
- Robson/Mcdonald/Center Street Lighting/Streetscape Design w/Cost Estimates (1st St. to 1st Ave.) (Greg)
- Colonnade Removal and Lighting (Patrick)
- Main Street Parking Lot Lighting/Landscaping (4 Lots) (Patrick)
- Civic Plaza Park (Patrick)
- Facade Program (revision of the current loan program) (Greg)
- Zoning and Sign ordinance revisions for Town Center (Patrick)
- Brown & Brown Redevelopment Project (Erin)
- Cox/Hogue/Spencer's/Scott Expansion (Patrick)
- Redevelopment of Methodist Church Block (Erin)
- Urban High School property acquisitions (Erin)
- Mesa Cold Storage Expansion (Erin)
- Lenhart's Expansion (Erin)
- Redevelopment of parcel at the northwest corner of 1st Street and Mcdonald (Erin)
- Ice Skating Rink/Sports Complex for Northeast Quadrant (Patrick)
- Northeast Quadrant property acquisitions (Erin)
- Redevelopment project southeast corner of Main and Country Club (Erin)
- Art Park (Erin)
- Performing Arts Center Feasibility Study (Greg)
- LDS Hotel Site (Patrick)
- Southeast Corner 2nd Avenue and Country Club (Erin)
- Library Expansion (Patrick)
- Police Station Expansion/Parking Garage (Patrick)
- Southwest Museum Expansion (Patrick)
- Main Center Corporate Office (66 W. Main--Old Bank One building) (Patrick)
- Irving School (Greg)
- Architecture Company Historic Surveys (Lois)
- Parking Program/Leases (Pam)
- Seasonal Lighting Program (Pam)
- Portland Trip (Ruth Anne)
- Directional Signage (Patrick)
- Revisions to Rezoning/Design Review applications (Erin)

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