



AD HOC REDEVELOPMENT ADVISORY COMMITTEE

September 14, 2004

The Ad Hoc Redevelopment Advisory Committee met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on September 14, 2004 at 5:35 p.m.

COMMITTEE PRESENT

Rex Griswold, Chairman
Steve Adams
Louise Daggs
Alex Finter
Art Jordan
Alan Rash
Dave Richins
Chuck Riekema
Joe Shipley
Bev Tittle-Baker

COMMITTEE ABSENT

Jordan Rose

COUNCIL PRESENT

Mayor Keno Hawker

STAFF PRESENT

Paul Wenbert
Shelly Allen
Lisha Garcia
Pat Granillo
Patrick Murphy

OTHERS PRESENT

Tom Verploegen

1. Approve minutes from the August 10, 2004 meeting.

It was moved by Committeemember Riekema, seconded by Committeemember Adams, that the August 10, 2004 minutes be approved.

Chairman Griswold declared the motion carried unanimously by those present.

2. Receive a slide-show presentation from Mesa Town Center Corporation regarding Town Center improvements during the past 20 years.

Tom Verploegen, Executive Director of the Mesa Town Center Corporation (MTCC), addressed the Committee relative to this agenda item. He reported that this year marks the 20th anniversary of the formation of the MTCC. He commented that during that time, there have been approximately 263 commercial developments and renovations throughout the square mile, 231 City-assisted demolitions and 11 projects are currently underway. Mr. Verploegen advised that the successful completion of the projects has been the result of a public, private and

nonprofit collaboration. He displayed a slide presentation depicting a series of “before and after” residential, commercial and retail projects in the downtown area.

Mr. Verploegen stated that the future vision for the Town Center area includes the following:

- High intensity uses, including office development and high density from a residential component (i.e., condominiums, apartments, town homes).
- Additional cultural, arts, recreational, entertainment and sports venues.
- “New economy” facilities such as Mesa Community College’s (MCC) presence in the downtown area.
- Flexible building design and mixed uses (i.e., retail on the ground level and office or residential located on the above floors).
- High-end specialty destination type retail.
- The integration of diverse development.

Mr. Verploegen concluded his presentation by noting that he frequently meets with developers, investors and businessmen who continue to express excitement and enthusiasm for the ongoing projects in the downtown area and the direction in which the area is headed.

Chairman Griswold expressed appreciation to Mr. Verploegen for the informative presentation.

3. Hear public comments regarding the Town Center Redevelopment Area.

Chairman Griswold commented that in speaking for himself and not the Committee as a whole, he has received input from many individuals who consider redevelopment an important tool not only in the downtown area, but also throughout the entire City. He explained that as the City moves toward buildout and the number of aging neighborhoods and infill projects grows, it is imperative that Mesa “get a handle” on this important issue. Chairman Griswold added that in June, the City Manager asked the Committee to broaden its charge and to assess how redevelopment/revitalization could be accomplished on a Citywide basis as needed.

Chairman Griswold encouraged the public to take this opportunity to address the Committee and offer suggestions and insight regarding how to effectively encourage investment and growth in the community and also provide personal experiences they may have had with regard to redevelopment projects in the Town Center area. He noted that the issue of eminent domain would not be discussed as it relates to redevelopment.

Virginia Aguero, 150 W. 3rd Place, a long-time resident of the downtown area, expressed support for greater business expansion in the Town Center area, but commented that it is important that the local residents are apprised of the types of businesses that intend to locate to the area. She also noted that the Redevelopment Office (**now known as the Town Center Development and Historic Preservation Division**) also ensures that the integrity of the homes in the historic neighborhoods are maintained and not negatively impacted by inappropriate development.

Donavon Ostrom, 2554 E. Emerald Avenue, Managing Director of Outsource International, one of the developers of the One Macdonald Center Building, commented that his firm has committed significant resources to Mesa in the redevelopment of the old Bank One Building. He

acknowledged the Town Center Development Office for the assistance it has provided to his firm during this process. Mr. Ostrom noted that Outsource International believes strongly in the redevelopment of downtown Mesa and is already considering the development of another project in the area. He stated that in order for the downtown area to be ultimately successful, it is essential that a residential component be added.

In response to Mr. Ostrom's comments, Chairman Griswold advised that the City has traditionally zoned land, but never implemented any type of "layered zoning" wherein one floor of a building could be zoned for one use and the next floor another use. He commented that it might be appropriate to examine such zoning, especially in redevelopment areas where a residential component could be included, for example, above office or retail uses.

Ralph S. Larsen, 1550 E. McKellips, #117, also associated with the development of the One Macdonald Center Building, voiced enthusiasm for the project, which is anticipated to be completed by mid-April 2005. He explained that it is the only privately held mid-rise in the Town Center area and commented that it sends a message to the rest of the community that downtown Mesa is "a great place to be." Mr. Larsen also expressed appreciation to the Town Center Development Office's "one stop shop" approach in assisting him with a variety of planning and redevelopment functions regarding the project. He reiterated the previous speaker's comment that a residential component for singles, families and the elderly would greatly enhance the Town Center area, and agreed that a need exists for more restaurants and entertainment venues.

In response to a question from Committeemember Shipley, Mr. Larsen clarified that if the City of Mesa had not offered incentives to the developer to proceed with the One Macdonald Center project, it would not have been financially feasible to do so. He explained that he envisions a point in time when private investors would be attracted to the downtown area and not require such incentives.

Discussion ensued relative to the role that light rail would play in the development of the Town Center area; and parking issues in the downtown area.

Phillip A. Austin, 215 N. Robson, a long-time Mesa resident and business owner in the redevelopment area, expressed appreciation to the City for implementing many positive changes in the Town Center area over the past 20 years. He urged the Committee to continue to support redevelopment in the downtown area and to preserve "the heart" of the City. Mr. Austin noted that there are other areas of the City in which the tool of redevelopment could be utilized as well. He also stated that approximately 48% of the population in Council District 4 is Hispanic and questioned the composition of the Committee and its lack of diversity. Mr. Austin added that in order to create a well-balanced approach to the issue of redevelopment, in addition to business and residential components, cultural diversity should also be included as a fundamental element.

Chairman Griswold acknowledged that the City of Mesa has great cultural diversity and has questioned himself whether, in fact, the Committee represents the entire community. He noted that two of the original members of the Committee had conflicts of interest with regard to the downtown redevelopment district (which was the Committee's original area of focus) and became ineligible to continue their service on the Committee.

Committeemember Tittle-Baker concurred with Mr. Austin's comment and noted that when the Committee first met, it did have a more diverse membership. She stated that in her opinion, the residents who live and work in the Town Center area are the true stakeholders and should be participating as Committeemembers.

Councilmember Adams suggested that once the Committee has made its recommendations to the Council, that the Committee's membership be reassessed as it proceeds forward.

Tim Nielsen, 3220 E. Ellis, a representative of Farnsworth Construction currently working on a redevelopment project at 444 West Main Street, addressed the Committee. He stated that whatever direction the Committee takes, he hopes that a spirit of cooperation is perpetuated with regard to redevelopment in the downtown area. He also commented that important issues for the Committee to consider relative to redevelopment include transportation, possible modifications to setbacks and engineering standards.

Star Davis, 1655 E. Glade, a representative of Theme Team Signature Events, expressed interest in locating her business to the downtown area. She thanked Town Center Development Administrator Shelly Allen for meeting with her on several occasions and providing her valuable insight into the process. Ms. Davis noted that although she would like to be a part of Mesa's "downtown vision," she would hope that the City would continue to offer incentives to prospective businesses.

Rob McCabe, P.O. Box 163, Gilbert, discussed his experiences regarding the purchase, renovation and construction of several rental properties in the redevelopment area. He commended the Town Center Development Office, and in particular Shelly Allen, for being so accommodating and helping him to "stay on track" in order to complete the project. He also expressed enthusiasm for an MCC downtown campus and discussed his ability to provide affordable housing to students.

Ron Peters, 1711 E. Brown Road, addressed the Committee and commented on a variety of issues. He stated the opinion that there is diversity on the Committee; that Sheridan, Wyoming is a prime example of a community that has made significant retail, commercial and residential investments in its vital and historic downtown area; that it is important for the City of Mesa not only to retain its roots, but also to assess its many gains and investments in the Town Center as a redevelopment area; and that the Committee should not abandon the redevelopment area, but expand it into other locations within the community (Falcon Field, Williams Gateway, Dobson Ranch). Mr. Peters noted that Mr. Verploegen has been an invaluable asset to the City and also expressed appreciation to the Downtown Development Committee for its dedication to improving Mesa's quality of life. He concurred with the comments of the previous speakers relative to bringing a residential component into the downtown area and also the importance of light rail for its successful development.

Dan Brock, 145 E. University Drive, a Mesa architect, expressed support for downtown redevelopment, particularly in the absence of the eminent domain issue. He commented that although it is necessary to redevelop Mesa's existing neighborhoods in the downtown area, he is also a proponent of increased densities in other areas of the City where appropriate. Mr. Brock added that if higher densities were brought into the Town Center area, retail uses such as grocery stores, drugstores and barbershops would follow to serve the needs of the local

residents. Mr. Brock suggested that instead of the City implementing an RFP process to obtain redevelopment proposals, he would propose that the City dispose of the property and exercise control through zoning and the design review process.

Wayne Pomeroy, 136 W. Main Street, a business owner in downtown Mesa since 1951, urged the Committee to allow the Town Center Development Office to continue its work in the redevelopment of the square mile. He commented that it has been a great asset to those businesses located in the downtown area. Mr. Pomeroy added that the infrastructure is in place in the downtown area and would serve as an attractive incentive to those individuals who wish to establish a business in the area.

John Rosenkrans, 138 W. Main Street, owner of M & S Sporting Goods, stated that he was invited to attend tonight's meeting to discuss a negative experience he had with the Town Center Development Office regarding a redevelopment proposal for the property at 146 West Main Street. He provided a brief historical chronology of the events that occurred, including the fact that his and two other proposals were reviewed by the Town Center Development Office, the Downtown Development Committee and the General Development Committee, all of whom made recommendations to the City Council. Mr. Rosenkrans noted that subsequent presentations were made to the City Council, at which time the Council rejected all of the proposals and elected to place the property on the open market for sale or auction. He commented that although he was disappointed that his proposal was not selected, he was more upset regarding the time and money both he and the other individuals spent during the four-month RFP process and the fact that no one from the City, including Councilmembers, ever contacted him to discuss what had transpired.

Chairman Griswold commented that the redevelopment process has always been challenging and that Mr. Rosenkrans was an unfortunate victim of that process. He stated that he is hopeful that the Committee would make recommendations to the Council to ensure that business owners are not "run over" by the system in the future and added that the system must serve the people and not vice versa.

Committeemember Jordan expressed appreciation to Mr. Rosenkrans for appearing before the Committee and commented that he was Chairman of the DDC at the time Mr. Rosenkrans' case was under consideration. He explained that in speaking for the entire DDC, all of the members enthusiastically reviewed each proposal in an effort to make the best decision possible. Committeemember Jordan stated that the DDC shared Mr. Rosenkrans' disappointment in that without consulting the members, the process was changed overnight and the proposals submitted under the RFP were rejected by the City Council. He added that although he understands that the process must be evolutionary, what transpired was a clear lack of communication among a team of downtown redevelopment managers.

Chairman Griswold stated that during its deliberations, the Committee would also consider the pros and cons of the RFP process with regards to a redevelopment proposal as compared to the property being placed on the open market for sale or auction.

Committeemember Finter thanked Mr. Rosenkrans for his input and stated that there is "an ugly side" to the RFP process that must be thoroughly examined by the Committeemembers.

Committeemember Riekema advised that he too was a member of the DDC at the time that Mr. Rosenkrans' proposal was considered. He explained that as a citizen volunteer, it is very frustrating to study a case, visit a property, make a reasonable and rational decision based on all of the information provided to the Committee, and then at the last minute "have the political process get involved." He commented that he has come to the realization that the Councilmembers are politicians as well as citizen volunteers, but noted they are sometimes influenced by certain things that would not necessarily affect citizen boardmembers. Committeemember Riekema added that the DDC was frustrated when its recommendation was rejected by the Council, and noted that he would have appreciated more effective communication between the Council and the DDC relative to Council's decision.

Committeemember Jordan stated that in addition to Mr. Rosenkrans' negative experience, the Committee has also heard many success stories this evening concerning a variety of redevelopment projects. He stated that it is important not only to acknowledge that there have been more successes than failures, but also to learn from the negative experiences and correct them in the future.

Chairman Griswold thanked all of the speakers for their input.

4. Other items.

There were no other items discussed.

5. Adjournment.

Without objection, the Ad Hoc Redevelopment Advisory Committee adjourned at 7:10 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Ad Hoc Redevelopment Advisory Committee meeting of the City of Mesa, Arizona, held on the 14th 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