



COUNCIL MINUTES

August 17, 2017

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on August 17, 2017 at 7:30 a.m.

COUNCIL PRESENT

John Giles
David Luna
Christopher Glover
Kevin Thompson
Jeremy Whittaker
Ryan Winkle

COUNCIL ABSENT

Mark Freeman

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

Mayor Giles excused Councilmember Freeman from the entire meeting.

1. Review items on the agenda for the August 21, 2017 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None.

Items removed from the consent agenda: None.

Deputy City Manager Natalie Lewis displayed a PowerPoint presentation (**See Attachment 1**) and discussed item 6-f (**Approving and authorizing the City Manager to accept a grant award from the Arizona Early Childhood Development and Health Board/Southeast Maricopa Regional Partnership Council (First Things First) in an amount of up to \$50,000, over a three-year period, to retain an early learning consultant to foster a cross-system collaboration to improve early learning, health programming, and service coordination for Mesa's young children and their families**) on the Regular Council Meeting agenda.

Mayor Giles thanked Ms. Lewis for the presentation.

2-a. Hear a presentation, discuss, and provide direction on the City's assistance programs for businesses impacted by the construction of the Gilbert Road Light Rail Extension Project.

Planner II Veronica Gonzalez introduced Business License and Revenue Collections Administrator Tim Meyer who displayed a PowerPoint presentation (**See Attachment 2**) related to the City's assistance programs for businesses impacted by the construction of the Gilbert Road Light Rail Extension Project.

Ms. Gonzalez explained that a utility voucher program was implemented during the summer months to assist businesses impacted by the construction along the light rail corridor. She noted that the program offered eligible businesses up to three vouchers worth \$150 each to be applied to the businesses electric or water utility bills and displayed the eligibility requirements. (See Pages 2 and 3 of Attachment 2)

In response to a question posed by Councilmember Winkle, Ms. Gonzalez replied that approximately 120 businesses were eligible and 36 businesses participated in the program. She stated that Local First Arizona contacted all of the businesses along the light rail and conducted workshops.

In response to a question from Councilmember Thompson, Ms. Gonzalez responded that staff did not work with the Chamber of Commerce due to the partnership with Local First Arizona.

City Manager Christopher Brady explained that assistance throughout construction (ex: moving barricades) will be handled by the contractor and includes accommodating access points. He added that staff is looking into additional relief for businesses during construction which includes assistance to restaurants specific to charges on liquor licenses.

Mr. Meyer stated that a liquor license assistance program will be effective beginning August 1, 2017 through the end of construction. He explained that businesses located between Ashland and east of Gilbert Road with existing and new liquor license applications, will include proposed fee reductions. (See Page 4 of Attachment 2)

Mr. Brady stated that staff is continuing to look at other options to keep businesses thriving during construction.

Mayor Giles thanked staff for the presentation.

It was moved by Councilmember Glover, seconded by Vice Mayor Luna, that staff's recommendation be approved for the City's assistance programs for businesses impacted by the construction of the Gilbert Road Light Rail Extension Project.

Mayor Giles declared the motion carried unanimously by those present.

2-b. Hear a presentation, discuss, and provide direction on the creation of East and West Redevelopment Areas and expanding the City's Central Business District.

Economic Development Director Bill Jabjiniak introduced Matrix Consultant team members Celeste Werner and Felipe Zubia, and Economic Development Project Manager Sara Sorensen who displayed a PowerPoint presentation (**See Attachment 3**) related to the creation of East and West Redevelopment Areas (RDA) and expanding the City's Central Business District.

Mr. Jabjiniak defined an RDA and emphasized that the area must show a need for revitalization and that the redevelopment is in the interest of the public health and safety. (See Page 3 of Attachment 3)

Ms. Sorensen stated that there are no limits to the number of RDA's that a municipality can have. She added that the City currently has two RDA's, one in the Town Center established in 1999, and the Southwest RDA established in 2016. (See Page 4 of Attachment 3)

Ms. Sorensen explained the importance of formally designating an area of redevelopment, due to the fact that once the criteria is met, it allows the City to target federal, state, and local resources. She noted that RDA activities include new construction, building renovations, improved streetscapes, neighborhood amenities, and duplex projects at the discretion of the City. She listed potential RDA improvements as well as common misconceptions. (See Pages 6 and 7 of Attachment 3)

Ms. Sorensen pointed out that the goal of the RDA is to reduce blight, encourage redevelopment, and adaptive reuse of vacant or underutilized structures. She displayed a map of the four RDA's and noted that they are contiguous since the City can only have one Central Business District (CBD), and this allows the benefits to be distributed across all of the RDA's. (See Page 8 of Attachment 3)

Ms. Werner reviewed Arizona Revised Statute §36-1471 and stated that it describes the process for establishing an RDA and defines both visual and non-visual blighted conditions. (See Pages 10 and 11 of Attachment 3)

Mr. Zubia emphasized the Matrix teams comprehensive approach in assessing the potential RDA. He stated that they start with an aerial survey which includes a survey of conditions and an assessment of each individual property.

Mr. Zubia displayed the boundaries of the proposed West RDA as well as the summary of results and remarked that of the nine blight conditions, approximately 56% of the parcels exhibited some form of blight. He emphasized that blight does not mean it is a slum area in need of demolishing, it means the area is impaired and brings down property values. He noted that 80% of the area exhibited at least one form of blight. (See Pages 12 and 13 of Attachment 3)

Mr. Zubia presented the proposed boundaries of the East RDA, and pointed out that Main Street is the alignment for the future light rail and included in the area for future redevelopment. He explained the summary of results and that approximately 60% of the parcels exhibited some form of blight, which is 52% of the area. (See Pages 14 and 15 of Attachment 3)

Mr. Zubia explained the differences between the West and East RDA results and that the West has larger parcels that include townhome and industrial parcels and that the East has more individual parcels. He continued by saying that the City could find that both exhibit some form of blight and can establish an RDA as described in the proposed boundaries presented.

Mr. Zubia highlighted the public outreach process that is required by statute, however, Matrix went above the one required public hearing and notified all the residents in the RDA and hosted a workshop in each area. (See Page 16 of Attachment 3)

Mr. Zubia reported that the establishment of an RDA is to improve property values. He emphasized that the RDA opens up a number of redevelopment funding opportunities and is completely voluntary for property owners.

Mr. Zubia reviewed the process and noted that the City is halfway through the timeline and that following Council approval, the next step is the redevelopment planning process. (See Page 18 of Attachment 3)

In response to questions posed by Vice Mayor Luna, Mr. Jabjiniak responded that the Government Property Lease Excise Tax (GPLET) is when a developer deeds the property to the

City in exchange for an excise tax, which is an incentive to redevelop the property. He noted that Mesa does not have a primary property tax and that the City combined a CBD and an RDA which provides businesses up to seven years of tax abatement, which is an incentive for a developer to invest in a commercial property.

In response to a question from Councilmember Winkle, Mr. Jabjiniak confirmed that labeling an area as an RDA does not affect property values.

In response to a question posed by Councilmember Winkle, Mr. Zubia stated that in addition to the GPLET, there are a number of state, federal and local programs available and provided examples.

Discussion ensued relative to who participates in the programs, property values, and benefits of participating in the RDA.

In response to questions from Councilmember Winkle, Mr. Zubia responded that he has the breakdown report for each of the nine blight conditions in each area and will provide those reports to Council. He reported that the attendance at the workshops were primarily individual property owners.

In response to a question posed by Councilmember Whittaker, Mr. Jabjiniak explained the next steps include approving the RDA's and extending the CBD.

William Frost, a Mesa resident, stated that in his opinion not all of the concerns of the residents were fully addressed, and asked what happens if a property owner chooses not to participate in the RDA. He continued by stating that one of the criteria for a blighted area is the dominance of defective or inadequate street layout and explained that since the light rail has come to Mesa, Second Avenue has become the alternative transit from the east to the west side. He added that in his opinion, that would fall under the criteria of a defective street layout and requested that speed bumps be installed during the RDA planning process or another alternative to maintain an appropriate speed for the residential area. He expressed his concern on a specific area that is included in the RDA which he considers to be well-maintained.

Mr. Brady explained that the RDA is an application process and typically a developer or an individual approaches the City to request assistance to participate in specific programs. He clarified that if a property owner is not interested in participating there is no obligation.

Mr. Brady addressed the Second Avenue traffic issue stating that staff will address the issue now to mitigate the traffic in this area.

Mr. Jabjiniak noted that the CBD needed to be expanded yet remain contiguous. He added that in order to do this and address all the properties that were identified, some properties that may not need to otherwise participate in the RDA were included.

In response to a question posed by Councilmember Whittaker, Mr. Brady stated that there is no impact to including properties that do not need the RDA.

In response to a question from Mr. Frost, Mayor Giles replied that staff will review the properties he has identified and work with him to address any issues prior to the Council meeting on August 21, 2017.

Mayor Giles thanked staff and the Matrix team for the presentation.

2-c. Appointments to the Independent Commission on Compensation for Elected Officials.

It was moved by Councilmember Glover, seconded by Councilmember Winkle, that the Council concur with the Mayor's recommendations and the appointments (**See Attachment 4**) be confirmed.

Mayor Giles declared the motion carried unanimously by those present.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Transportation Advisory Board meeting held on May 15, 2017.

3-b. Museum and Cultural Advisory Board meeting held on May 18, 2017.

3-c. Economic Development Advisory Board meeting held on June 6, 2017.

3-d. Audit, Finance and Enterprise Committee meeting held on July 10, 2017.

It was moved by Councilmember Glover, seconded by Vice Mayor Luna, that receipt of the above-listed minutes be acknowledged.

Mayor Giles declared the motion carried unanimously by those present.

4. Information pertaining to the current Job Order Contracting projects.

(This item was not discussed by the Council.)

5. Hear reports on meetings and/or conferences attended.

Mayor Giles: Bloomberg Harvard City Leadership
U.S. Conference of Mayors Summer Leadership Meeting

Vice Mayor Luna: Hispanic Elected Local Officials

6. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Saturday, August 19, 2017, 1:00 p.m. – Pre-Eclipse Party

Monday, August 21, 2017, 5:15 p.m. – Study Session

Monday, August 21, 2017, 5:45 p.m. – Regular Council Meeting

7. Adjournment.

Without objection, the Study Session adjourned at 8:29 a.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 17th day of August, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

js
(Attachments – 4)



mesa·az

Mesa City Council, August 2017

First Things First Grant



Background



- Up to \$50,000 over three years.
- Expert facilitator in early learning/health.
- Focus on services for families with children 0-5.
- Shared branding for cross-promotions.
- No direct city funding; staff time.



Purpose



- Establish early learning ‘system approach’ for Mesa and East Valley.
- All stakeholders invited. “Early Learning Network”
 - Shared strategies and outcomes. Maximizing existing resources; Creating system efficiencies.
- City is the convener. Ultimately, want to create a sustainable, on going system.



Next Steps



- Retaining expert facilitator (Sept)
- Setting the table (Sept)
- Meetings begin (Oct.)
- First update to City Council (Early 2018)



mesa·az

Mesa City Council, August 2017

Questions?

Gilbert Road Light Rail Extension Business Assistance Programs

August 17, 2017



Utility Voucher Program

Specifics:

- Program duration – June, July, August 2017
- \$150 voucher per month
- Maximum of 3 vouchers (\$450 value) per business
- Voucher applied to City of Mesa electric or water utility bills due in July, August and September 2017
- Eligible businesses required to participate in workshops offered by Local First Arizona



Utility Voucher Program Eligibility Requirements:

- Located between Ashland and Gilbert Road
- Direct access on Main Street
- Open and operating
- Active City of Mesa water or electric utility account
- Attend one workshop per month
- Apartment complexes, mobile home/RV parks, banks, hotels, government agencies, utilities, schools and unoccupied buildings are ineligible



Liquor License Assistance Program:

- Effective date—8/1/17 through the end of the Gilbert Road Light Rail extension project.
- Located between Ashland and just east of Gilbert Road
- Existing liquor license or a new liquor license application.
- Currently affects 7 existing businesses + 1 new application
- Proposed Fee Reduction is as follows;
 - Application Fee reduced by 50% to \$50
 - Issuance Fee reduced by 50% to \$1000
 - Annual Fee reduced to \$0 from \$500/\$550
 - Interim Fee, if applicable, \$0 from \$500/\$550





Questions???



EAST

Redevelopment
Area Study

WEST

Redevelopment
Area Study

**Study to Assess
Blight Conditions**
City Council Study Session
August 17, 2017

Introductions

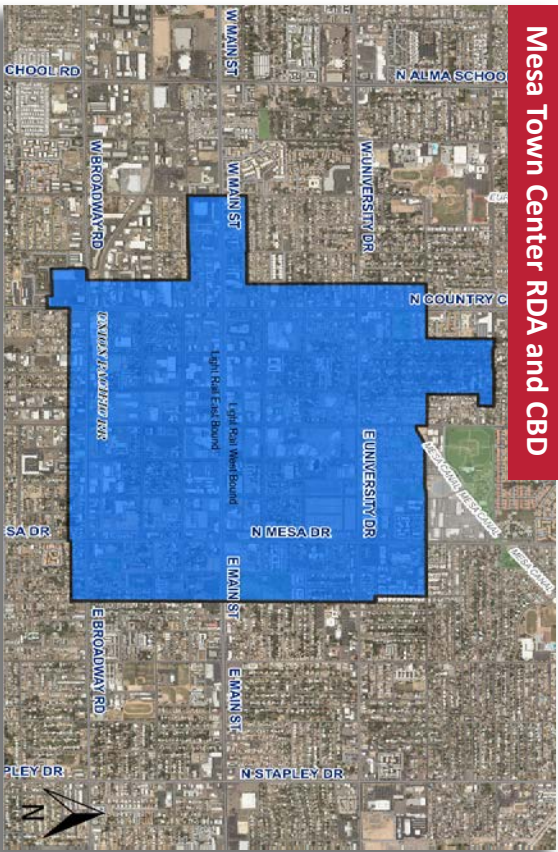
- **Matrix Team**
 - Celeste Werner, Project Manager
 - Felipe Zubia, Deputy Project Manager
 - Jeff Donohoe, Economist / Real Estate Specialist
 - Karrin Kunasek-Taylor, A.R.S. Compliance Review
- **City of Mesa**
 - Bill Jabjiniak, Economic Development Director
 - Sara Sorensen, Project Manager

What is a Redevelopment Area?

- A Redevelopment Area (RDA) is an area designated by the City Council to be in need of revitalization.
- Redevelopment Areas are governed by a group of state statutes contained within **Title 36, Chapter 12, Article 3**
- Mayor and Council to adopt a resolution finding both of the following:
 1. One or more blighted areas exist
 2. Redevelopment of the area is necessary in the interest of the public health and safety
- Mayor and Council to adopt a resolution extending the Central Business District

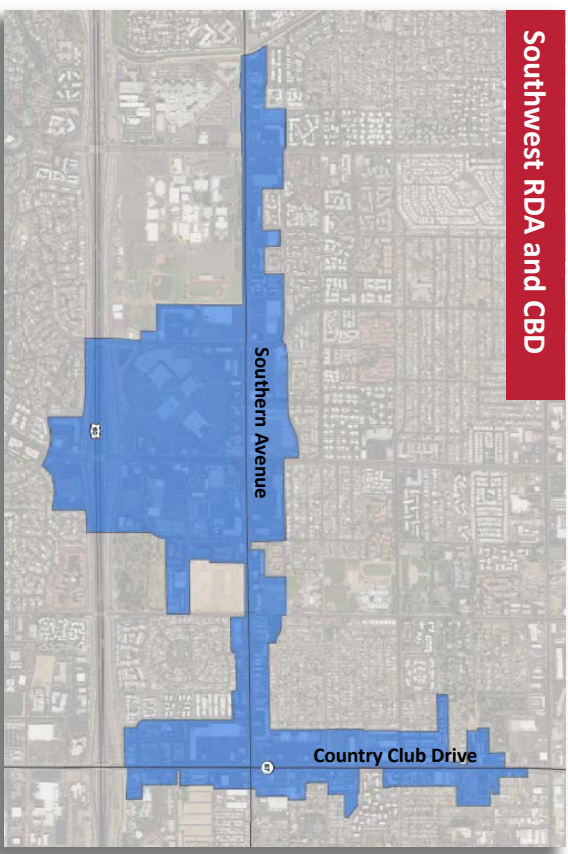
Town Center RDA established in 1999

Mesa Town Center RDA and CBD



Southwest RDA established in 2016

Southwest RDA and CBD



How is a Redevelopment Area Beneficial?

- **Benefits and Goals of Redevelopment**
 - A Redevelopment Area designation is a necessary step for utilizing economic development tools available today
 - Could create access to certain federal funds and city general funds that can be used for infrastructure improvements and other enhancements



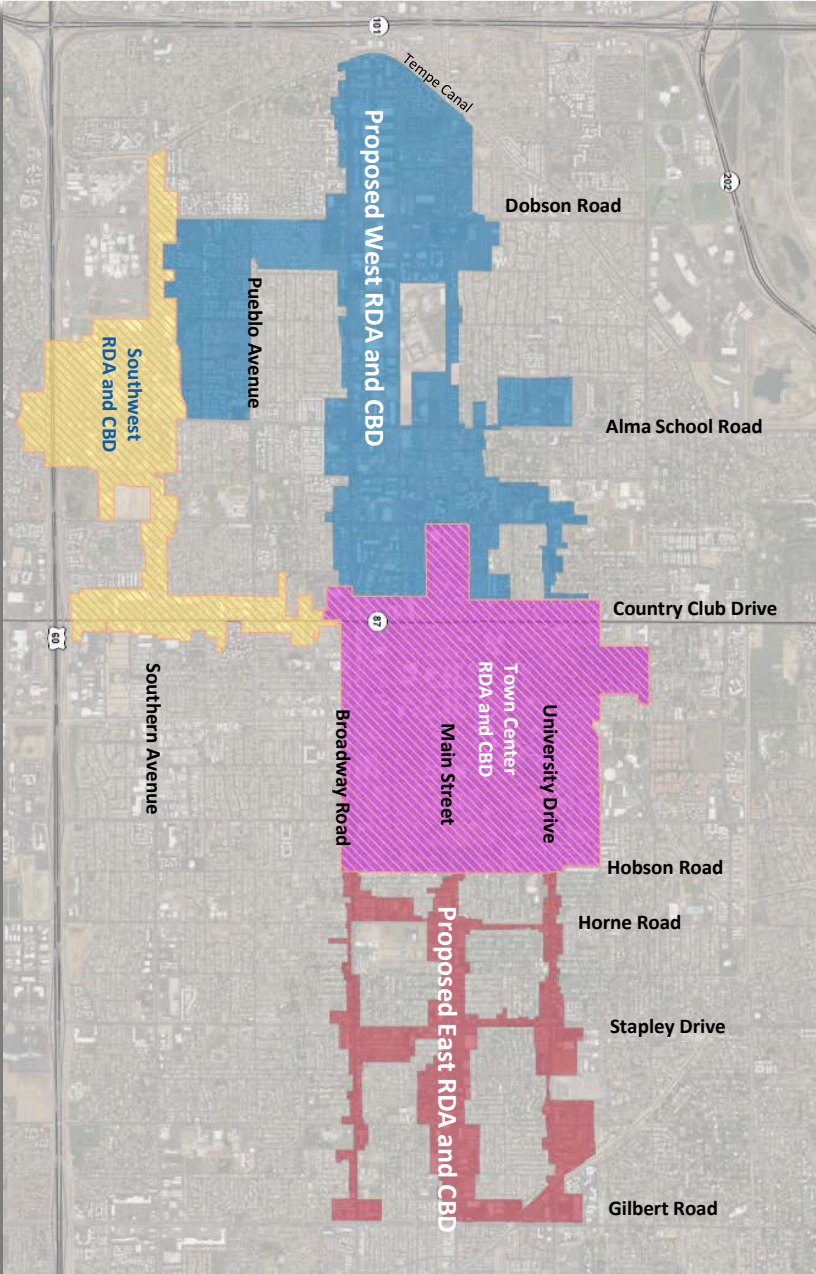
Why is Mesa Undertaking This Project?

- Improve quality of life for residents and visitors
- Enhance and revitalize the areas adjacent to the City of Mesa's Downtown and along light rail / supporting corridors
- Increase property values
- Attract new infill development
- Encourage reinvestment

What is a Redevelopment Area?

- A Redevelopment Area does **NOT** mean:
 - Eminent Domain
 - Loss of Personal Property
 - Compensation

Project Overview



East and West Preliminary Findings



East and West Redevelopment
Area Studies

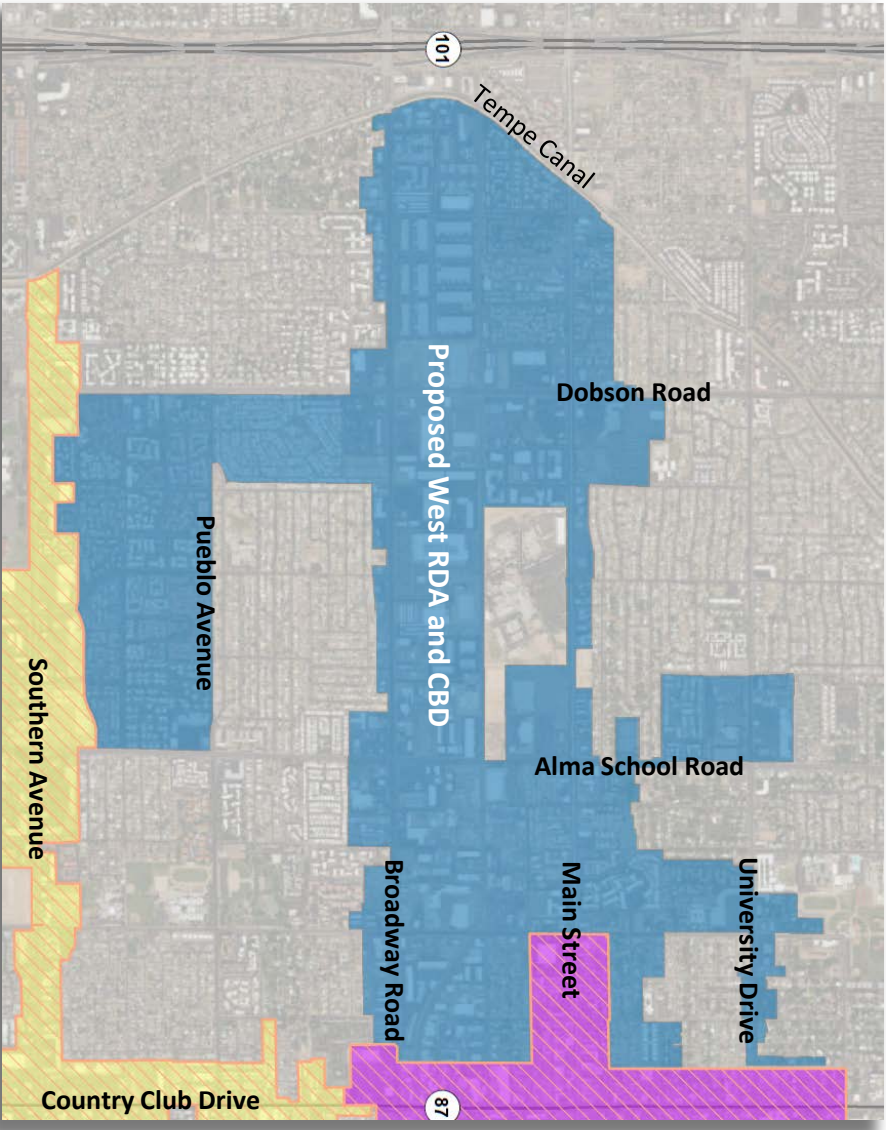
Project Overview

Arizona Revised Statutes §36-1471:

“Blighted area” means an area, other than a slum area, where sound municipal growth and the provision of housing accommodations is substantially retarded or arrested in a predominance of the properties by any of the following:

- a) Dominance of defective or inadequate street layout.*
- b) Faulty lot layout in relation to size, adequacy, accessibility or usefulness. **(non-visual)***
- c) Unsanitary or unsafe conditions.*
- d) Deterioration of site or other improvements.*
- e) Diversity of ownership. **(non-visual)***
- f) Tax or special assessment delinquency exceeding the fair value of the land. **(non-visual)***
- g) Defective or unusual conditions of title. **(non-visual)***
- h) Improper or obsolete subdivision platting.*
- i) The existence of conditions that endanger life or property by fire or other causes. **(can be non-visual, e.g. crime)***

Proposed West RDA/CBD Boundaries

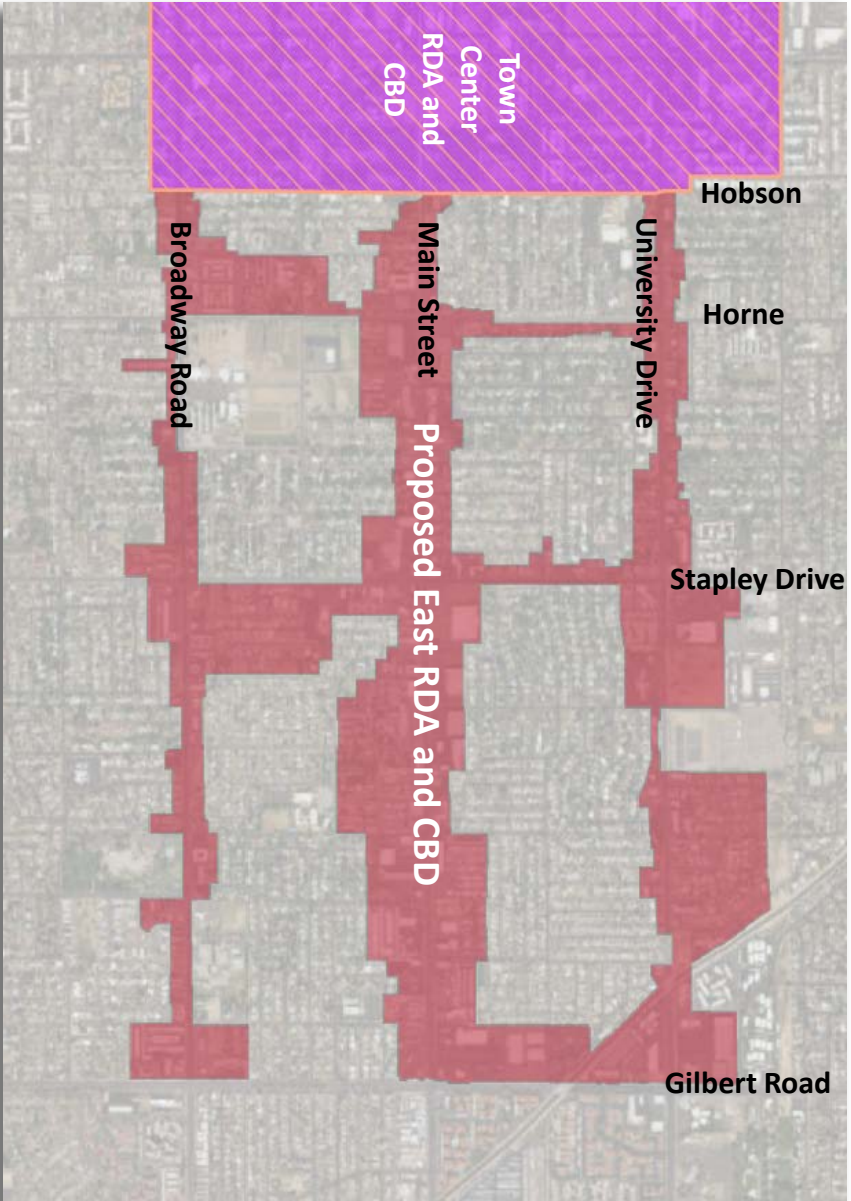


Blight Assessed

- **2,141** of **3,794** parcels in the West RDA were identified to have at least **1** blight factor
 - **56.4%** of all parcels
 - **80.5%** of the total land area

	Parcels	Percent (%)		Acres	Percent (%)
Blighted	2,141	56.4%	Blighted	1,012	80.5%
Not Blighted	1,653	43.6%	Not Blighted	246	19.5%

Proposed East RDA/CBD Boundaries



Blight Assessed

- **684** of **1,196** parcels in the East RDA were identified to have at least 1 blight factor
 - **57.2%** of all parcels
 - **51.5%** of the total land area

	Parcels	Percent (%)		Acres	Percent (%)
Blighted	684	57.2%	Blighted	231	51.5%
Not Blighted	512	42.8%	Not Blighted	218	48.5%

Public Outreach

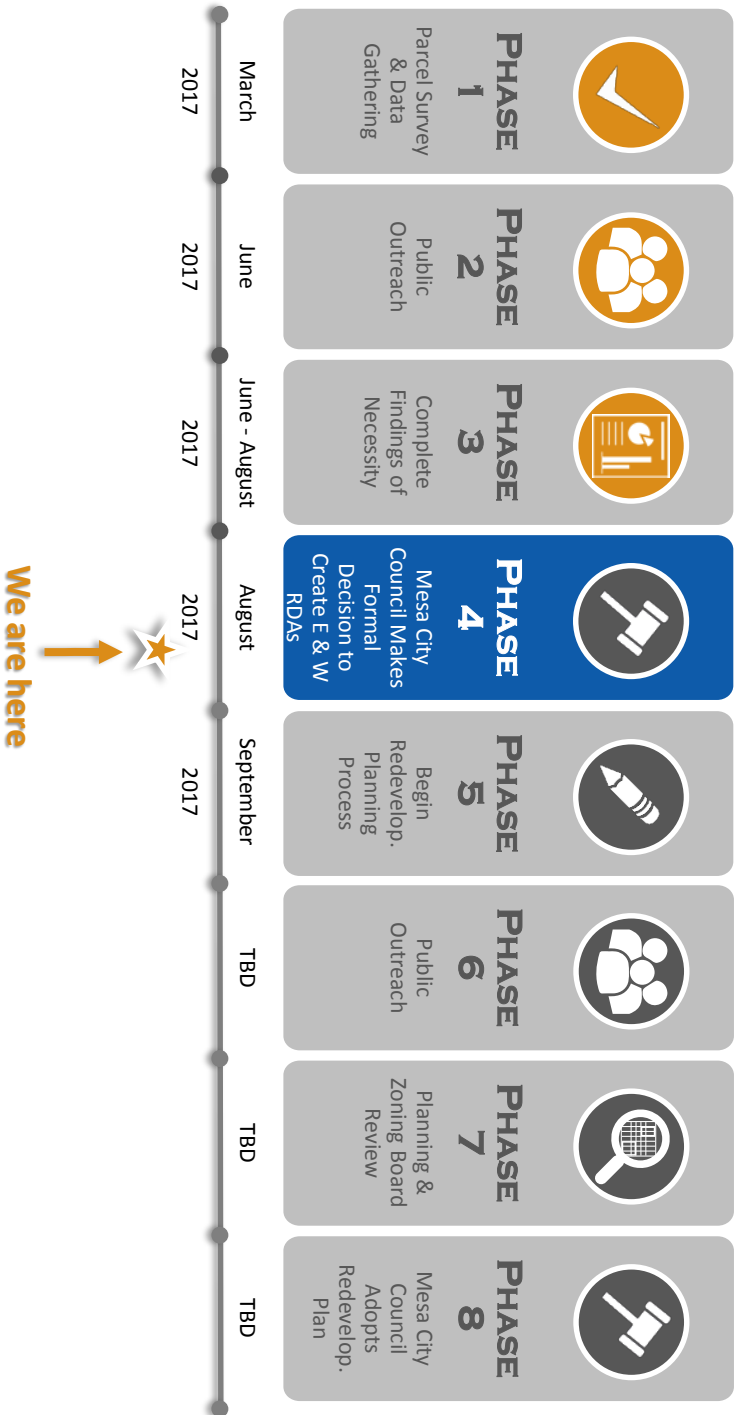
- **Phone Calls**
 - Approximately 40 calls received from public – most inquired about process, some questions were asked regarding impact to property values.
- **Public Workshops**
 - West – June 20, 2017
 - East – June 21, 2017
- **Attendance**
 - West – 19 Attended
 - East – 14 Attended
- **Summary**
 - Generally, participants in both Workshops agreed with the summary of blight findings. No opposition was voiced during either workshop; however several questions were raised and answered regarding process and next steps.

Next Steps



East and West Redevelopment
Area Studies

Process



Questions



East and West Redevelopment
Area Studies

August 17, 2017

TO: CITY COUNCILMEMBERS

FROM: MAYOR JOHN GILES

SUBJECT: Appointments to the Independent Commission on Compensation for Elected Officials

Below are my recommendations for appointments to the Independent Commission on Compensation for Elected Officials, a five member board with two new appointments. All terms will begin on September 25, 2017:

Rich Adams (Business Representative)

Mr. Adams is the president and CEO of Southwest Business Credit Services. He is a founding director of Gateway Commercial Bank of Mesa with over 38 years experience in credit management and business operations. Mr. Adams was a previous chair of the City of Mesa Economic Development Advisory Board, the Falcon Field Strategic Visioning Commission, and the City of Mesa Planning and Zoning Board. Mr. Adams' partial term will expire September 25, 2019.

Jo Wilson (Non Profit Representative)

Ms. Wilson recently retired as the Start Up Administrator of Benedictine University at Mesa. She's been previously honored as Mesa Community College Woman of Distinction and Mesa Woman of the Year. She has served the community through a wide variety of activities including the Mesa Arts Center Foundation Board, Mesa Rotary, the Mesa United Way and many other community agencies and committees. Ms. Wilson's term will expire September 25, 2020.