



# COUNCIL MINUTES

February 15, 2018

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 February 15, 2018 at 7:30 a.m.

## COUNCIL PRESENT

John Giles  
David Luna  
Christopher Glover  
Francisco Heredia  
Kevin Thompson  
Jeremy Whittaker

## COUNCIL ABSENT

Mark Freeman

## OFFICERS PRESENT

Christopher Brady  
Dee Ann Mickelsen  
Jim Smith

Mayor Giles excused Councilmember Freeman from the entire meeting.

1-a. Hear a presentation and discuss the strategies and priorities to reduce homelessness in Mesa, as recommended by a cross-sector 'coalition' of service agencies, non-profits, faith-based institutions and City departments.

Deputy City Manager Natalie Lewis introduced Mark Young, CEO of Mesa United Way and displayed a PowerPoint presentation. **(See Attachment 1)** She stated that homelessness is not a parochial issue and that the department is connecting to the region and the East Valley through shared ownership. She noted that the department organized the priorities and strategies and placed them into three categories. (See Pages 2 through 4 of Attachment 1)

Mr. Young highlighted service coordination and noted that the hours at St. Vincent de Paul will be extended until noon, Paz de Cristo will open at noon, and Marc Community Resources, Inc. will offer navigation services and job training at the two locations. He reported that Community Bridges Inc. (CBI) will be adding two downtown navigators and emphasized that this relationship and the community are key to assisting people. He reviewed a potential pilot program to study the Panhandler Mobile Van/Work Program which may include a visit to Albuquerque, New Mexico to observe their program. (See Page 6 of Attachment 1)

Ms. Lewis reported on safety enhancements and pointed out that encampments have been identified citywide and that East Mesa has larger scale encampments due to the vast desert space. She stated that the Mesa Court, Prosecutors Office, and Police Department have worked together to establish a Community Court, which mirrors the Veterans Court. She explained that the idea is to minimize court costs in addition to connecting the homeless to services. (See Page 8 of Attachment 1)

In response to a question posed by Councilmember Glover, Presiding Magistrate Matt Tafoya responded that staff met on February 14, 2018 and discussed the implementation of the Community Court that will handle a variety of homeless issues and provide services.

Court Administrator Paul Thomas added that the Mesa courts made improvements such as two dedicated arraignment divisions, in order to allow the courts to centralize cases. He pointed out that the Mesa Court was a pilot for competency hearings and that previously they were only handled by the Superior Court. He noted that State Law now permits all local courts to handle competency issues. He pointed out that the Community Court pilot program may begin in 90 days.

In response to a question from Councilmember Thompson, Presiding Magistrate Matt Tafoya reported that the courts have a large number of people in jail due to chronic panhandlers on business property. He noted that the issue is safety for the merchants and is a nuisance crime. He stated that arrests and incarcerations are not solutions and that the Mesa courts are being aggressive on the issue.

In response to a question posed by Vice Mayor Luna, Ms. Lewis remarked that staff is working at a regional level with a team of East Valley City Managers' that includes the City of Phoenix. She commented that a region-wide redistribution of homelessness has occurred. She noted that the discussions with the City Managers' have resulted in the East Valley Navigation Center for additional access and to create efficiency.

In response to a question from Councilmember Thompson, Ms. Lewis stated that staff is aware of the travel times from Districts 5 and 6 to downtown Mesa and is working with the Police Department to create a better system.

City Manager Christopher Brady emphasized that Council look at the allocation of the Community Development Block Grant (CDBG) funding, specifically on how funds are allocated to nonprofits, while still addressing homelessness and verifying funding is distributed on a citywide basis.

In response to a question posed by Vice Mayor Luna, Ms. Lewis confirmed that staff will reach out to public schools in the Cities of Gilbert and Queen Creek regarding federal funding for homeless youth that attend their schools.

In response to a question from Mayor Giles, Mr. Brady clarified that discussions for CDBG funding will be held in March and homelessness in the far East Valley of the City can be addressed at that time.

Discussion ensued relative to the panhandler's mobile van/work program, chronic homelessness, non-profit funding, and emergency and bridge housing such as Conestoga huts.

Mr. Young highlighted areas of need such as the continuum of care and continual communication between Council and nonprofits in order to stay up to date on programs and services. (See Page 10 of Attachment 1)

In response to a question posed by Councilmember Heredia, Ms. Lewis confirmed that City Departments and nonprofits are working together to mitigate duplication of services such as a shared database.

Mayor Giles requested that staff provide a written document to Council showing the breakdown of specific items related to homelessness priorities, service coordination, safety enhancements, and supportive housing that will be occurring over the next couple of months.

Mayor Giles thanked them for the presentation.

1-b. Hear a presentation, discuss, and provide direction on the continuation of the alternative expenditure limitation - Home Rule option.

Management and Budget Director Candace Cannistraro introduced Operating Budget Coordinator Robert Baer who displayed a PowerPoint presentation. **(See Attachment 2)** She explained that the Arizona Constitution requires adoption of a balanced budget, expenditure limitation alternatives, and sanctions for exceeding the expenditure limitation. (See Pages 2 through 4 of Attachment 2)

In response to a question posed by Vice Mayor Luna, Ms. Cannistraro clarified that the Home Rule is placed on a ballot for voters to approve every four years.

Ms. Cannistraro highlighted the City's current Home Rule that was approved by voters in 2000. She noted that the Home Rule will be placed on the November 2018 General Election ballot for voters to renew. She reported on the State limitation formula. (See Pages 5 and 6 of Attachment 2)

Discussion ensued relative to the Home Rule being placed on a ballot in a Primary election versus a General election and legal obligations.

City Clerk Dee Ann Mickelsen clarified that placement of the Home Rule on the August Primary 2018 ballot is not viable due to timeline constraints since the Primary election will be called in April, 2018.

Ms. Cannistraro reviewed the effect of a nonrenewal of a Home Rule, a Home Rule election, and the Home Rule actions. (See Pages 7 through 9 of Attachment 2)

Mayor Giles thanked staff for the presentation.

1-c. Hear a presentation and discuss a proposed Memorandum of Understanding with R^3 MESA, LLC, for a mixed-use development of approximately 1.0 acre of City-owned property located near the southeast corner of West Pepper Place and North Robson (the Pepper Place surface parking lot).

Manager of Downtown Transformation Jeff McVay introduced Economic Development Project Manager Sara Sorenson, and Tim Sprague, Manager of R^3 Mesa, LLC and displayed a PowerPoint presentation. **(See Attachment 3)**

Mr. Sprague displayed a project overview and stated that R^3 stands for rethink, recycle, and reside. He explained that the design will be from six to seven stories in height, R^3 to maintain parking, and provide parking for the apartment complex. He explained that solar panels on the roof of the complex will maintain sustainability by providing 85% to 95% of the electrical needs of the building. He noted that on the North side of the complex there will be 5,000 square feet of retail space to create pedestrian activity. He added that R^3 will provide their own fiber to the project to provide high speed internet service as well as a building wide energy management

system. He pointed out that there will be a minimum of 70 units averaging 1,000 square feet each. (See Pages 3 through 7 of Attachment 3)

In response to questions posed by Councilmember Whittaker, Mr. Sprague responded that the focus of the building is sustainability and if the opportunity arises to produce more energy off-site, R^3 Mesa, LLC would approach the City of Mesa to negotiate a transmission fee for the use of the City's energy grid.

Mr. McVay confirmed that the MOU is for discussion purposes only.

Discussion ensued relative to parking capacities and possible expansion of parking lots.

Mr. Sprague remarked that a parking analysis was completed in the past year and will provide the analysis to Council.

In response to a question from Vice Mayor Luna, Mr. Sprague replied that the market analysis that R^3 Mesa, LLC has completed looked at what kind of projects are being forecasted for the City and where R^3 Mesa, LLC believes the market is at, in addition to the uniqueness of the project and that the project will attract a particular group of people.

Mayor Giles thanked them for the presentation.

1-d. Hear a presentation and discuss a proposed Intergovernmental Agreement with Arizona State University for the development, operation, and maintenance of educational facilities in downtown Mesa.

Manager of Downtown Transformation Jeff McVay introduced Rick Naimark, Associate Vice President of Arizona State University Planners Office and displayed a PowerPoint presentation. **(See Attachment 4)**

Mr. McVay reviewed the history of the ASU project and pointed out that the current proposal is half the size of the 2016 proposal. He noted that building D is not noted in the presentation, however, that building D is the City's Information Technology (IT) building and will become available for other uses. He stated that the IGA would commit the City to add 6,000 square feet to the IT building for innovation space also known as the Innovation Studios. (See pages 2 and 3 of Attachment 4)

Mr. Naimark stated that ASU is focused on innovation, entrepreneurship, and community impact. He explained that the academic programs are to cross disciplines and to expand beyond the film, media, and gaming programs offered. He noted that ASU has the fastest growing and most diverse film program in the Country. He added that the students attending the programs are the upper division majors and students connected to the bachelor of arts and film programs. He pointed out that ASU will be accessible to engage corporate partners, innovators in the community, community organizations, and Mesa residents. He stated the opinion that by having ASU in downtown, Mesa would be transformed into an environment for investment, just as it has for other communities, such as downtown Phoenix. (See Pages 4 through 7 of Attachment 4)

Mr. McVay reviewed the primary business points on future phases for the City and ASU commitments, cooperative commitments, and additional terms. He pointed out that if the City is unable or unwilling to move forward with additional phases, that provisions in the IGA allows ASU the option to move forward on their own. He added that ASU would fully fund and design the

construction of either buildings B or C and be consistent with the City's Master Plan. (See Pages 8 through 11 of Attachment 4)

In response to a question posed by Mayor Giles, City Manager Christopher Brady explained that in order to consider the ASU project, a Master Plan would need to be developed for the entire campus area, the municipal operations, and anticipated future growth. He added that a design team would be selected to work with the City on the project budget and Master Plan, which would be brought to Council for discussion.

Mayor Giles remarked that the economic impact statement that was completed on the 2016 ASU plan was revised and that the City would have a return of approximately one billion dollars on economic activity.

Discussion ensued relative to the comparison of the Benedictine University project and the ASU project, specific to funding and the economic investment projects through the Economic Fund.

Councilmember Thompson stated that the programs should focus on Freshman and Sophomore students, due to the fact that they would stay longer and frequent local businesses. He suggested that staff reach out to Benedictine University and Mesa Community College regarding programs for core curriculum classes that would be transformational to downtown. He added that he would prefer to use the Economic Funds towards existing City buildings, such as building D in lieu of a new building.

In response to a question posed by Vice Mayor Luna, Mr. Naimark responded that the City is requesting that building D be an entrepreneurial hub for an Innovation Center, not an ASU center, however, ASU would assist with the planning of the physical aspects and programs. He pointed out that a team at ASU is dedicated to engaging with people such as corporations to assist with creating training programs, with the possibility of partnering with companies such as CO+HOOTS.

Discussion ensued relative to company partnerships, collaborative efforts between other universities/colleges and High Schools, and creating full courses specifically offered in Mesa.

Mr. Brady clarified that building D is to be a community collaborative space for a variety of people and ages to use not just to students.

In response to a question from Councilmember Whittaker, Mr. McVay reported that in the IGA, ASU would be responsible for security on the ASU property and within the building. He noted that the City would be responsible for the City-owned property.

Discussion ensued relative to public safety coverage, increase of the City's officers in downtown, and collaboration of ASU officers and Mesa Police.

In response to a question posed by Councilmember Whittaker, Mr. McVay responded that the proposed IGA would be funded by the City and voter approval is not necessary.

In response to questions from Councilmember Whittaker, Mr. Brady stated that the ballot measure in 2016 was for approval of the sales tax associated with both public safety and the improvements related to ASU. He added that the funding for the current ASU proposal would be through the Economic Fund, called revenue bonds. He noted that the City's excise tax collections cover the debt service payment. He clarified that the City has refunded bonds that created savings from

Debt Service and anticipate the ASU project as an economic stimulator to create additional revenues to the Enterprise Fund to offset project costs.

In response to a question posed by Councilmember Whittaker, Mr. McVay reported that the City has negotiated as part of the IGA that ASU would have control over the entire building area, including the first floor. He stated that ASU would be responsible for the leasing, management of the spaces, and collection of rent, however, any net rent over the necessary operations and management would be returned to the City at net revenues. He noted that no other University had been contacted regarding the space for a project.

Mr. Brady added that conversations with Northern Arizona University (NAU) and MCC have occurred and that Benedictine University is engaged with CO+HOOTS with possible interest in the Innovation Studio.

Mayor Giles stated the opinion that ASU would be an anchor to downtown with the emphasis on higher education. He clarified that the other universities/colleges would collaborate with the programs ASU would bring to downtown and ASU would not take away from the programs that the other universities/colleges offer.

In response to a question from Councilmember Whittaker, Mr. Brady reported that if ASU was to vacate the area during the term of the bond, ASU would be obligated to pay off the bond balance.

Councilmember Thompson commented that the Enterprise Fund could be used in District 5 for a Police Station, or in District 6 for a Fire Station, instead of an ASU campus downtown. He added that he would prefer exploration of those opportunities without additional bonds.

Mr. Brady clarified that over \$100 million is allocated from the Enterprise Fund to support public safety. He added that this project is reinvesting into the City to generate more activity to increase revenues to enhance the City's quality of service which includes public safety, libraries, and parks.

Mayor Giles pointed out that the number one request from the Imagine Mesa program was to build an ASU campus without raising taxes and that this proposal is a response to the community's request.

Courtney Guinn, a Mesa resident, commented that he had the opportunity to visit the ASU campus in Tempe with his son and that ASU is known for their reputation, education, and funding. He stated that if the City is receiving a return on all of the investments through the Enterprise Fund, that the debt would not continue to rise, instead that debt should decrease. He suggested the City use the Enterprise Fund for public safety. He explained that he voted for the Imagine Mesa ASU campus with no sales tax increase, with the assumption that ASU would pay for the investment, not the City of Mesa.

Mayor Giles thanked them for the presentation.

2. Information pertaining to the current Job Order Contracting Projects.

(This item was not discussed by the Council.)

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

3-a. Judicial Advisory Board meeting held on October 2, 2017.

3-b. Historic Preservation Board meeting held on December 5, 2017 and January 2, 2018.

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

Mayor Giles declared the motion carried unanimously by those present.

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

There were no reports on meetings and/or conferences attended.

5. Scheduling of meetings and general information.

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

Thursday, February 22, 2018, 7:30 a.m. – Study Session

Monday, March 5, 2018, TBD – Strategic Planning

6. Adjournment.

Without objection, the Study Session adjourned at 10:21 a.m.

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JOHN GILES, MAYOR

ATTEST:

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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 15<sup>th</sup> day of February 2018. I further certify that the meeting was duly called and held and that a quorum was present.

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DEE ANN MICKELSEN, CITY CLERK

# Mayor and City Council February 15, 2018



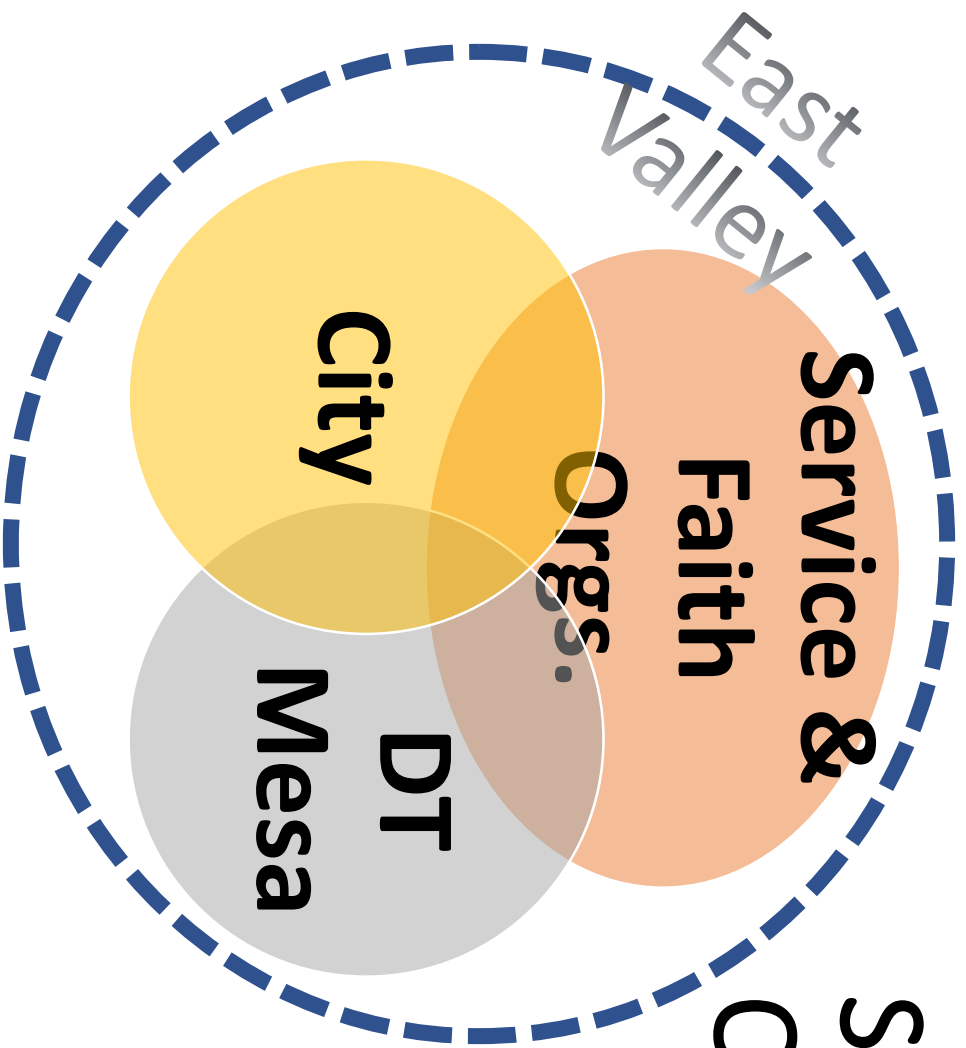
## Strategies and Priorities to Reduce Homelessness

### **PRESENTERS:**

**Mark Young, CEO Mesa United Way**

**Natalie Lewis, Deputy City Manager, City of Mesa**





# SHARED OWNERSHIP

# COMMUNITY PRIORITIES



**NOW**

Years 2-3

Years 3+

# OUTCOME-FOCUSED

# S3

Service Coordination  
Safety Enhancements  
Supportive Housing

# S3 SERVICE



# NOW

- Existing navigation center and hours expanded
  - Paz de Cristo , St. Vincent de Paul, Marc Community Resources
- Add two downtown navigators
- Quantify homeless population
- Designated staff member – service coordination.

# Y2-3

- Panhandler mobile van/work program
- No wrong door capacities created, including common information resource tool.
- East Valley Navigation Center

# Y3+

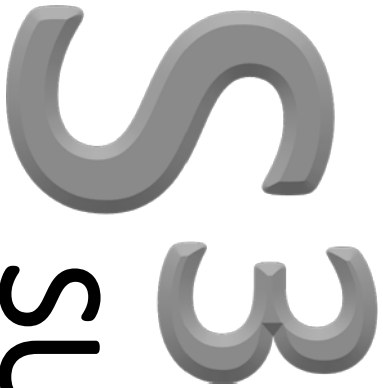
- Strategic Plan and Priority updates

# S3 SAFETY



# NOW

- **Top 15 connected to services, housed.**
  - **Greatest impact on existing resources/time.**
- **Mesa Libraries and Arts Center— updated safety and security policies.**
- **Encampments citywide identified, cross-sector steps to connect people to health and housing resources, and when needed, steps for safety/security enforcement.**
- **Community Court researched and implemented.**



# SUPPORTIVE HOUSING





# NOW

- **Emergency and bridge housing**
  - Pilot program with Conestoga huts, faith community
  - Seek partnerships with existing hoteliers, recovery housing

# Y2-3

- **Expand collaborations & opportunities w/ churches**
- **Create a Mesa-based landlord incentive program**

# Y3+

- **Increase housing options citywide**
- **Consider other transitional and affordable housing options, such as tiny homes**

# **What we need.**

Advocacy and support, e.g. during upcoming federal funding process, housing master plan, Council strategic priorities, Continuum of Care.

Learn about programs, services so that you can help community understand what we are doing, and how they can help.

Understanding and patience. Solutions take time; and in the end our goal is to reach 'functional zero.'

# Thank you.

Mesa United Way, Mesa New Leaf, Save the Family, Marc Community Resources, Paz de Cristo, Society of St. Vincent de Paul, Lutheran Social Services, Catholic Charities, Community Bridges, House of Refuge, Downtown Mesa Association, Mesa Public Schools, and City of Mesa: Parks, Fire, Police, Courts, Prosecutors Office, Housing and Community Development, Diversity, Libraries, Arts and Culture, Solid Waste, and City Manager's Office.

# QUESTIONS?



Priorities and Strategies  
to Reduce Homelessness

# Measuring success

## Goals

- Team secures ability to track/verify Mesa’s unsheltered/sheltered homeless.
- Partnerships established with Mesa’s churches, hoteliers, recovery homes—bridge housing.
- Existing team resources optimized through collaboration; added funding secured, where needed.
- Mesa’s residents and businesses more informed about efforts underway, how they can help.
- General sense of reduced concern in the community about safety, security in shared public spaces.

# Measuring success

## Metrics (\*)

- Numbers of individuals/families served and those housed with services.
- Number of new bridge housing units provided and how many individuals/nights served.
- Number of panhandlers who choose to work; \$value of work provided.
- Number of cases adjudicated at community court; tracking caseloads related to homeless.
- Number of landlords in Mesa accepting vouchers/rental assistance tenants increase.
- Number of housing units/options citywide continue to grow, based on population needs (which includes affordable housing).

\* All metrics assume success in goals already stated in prior slide.

# City of Mesa

## State Imposed Expenditure Limitation

### Home Rule Continuation

February 15, 2018

Presented by:

Candace Cannistraro, Management and Budget Director  
Robert Baer, Operating Budget Coordinator



mesa·az

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# The Arizona Constitution

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- Requires the adoption of a balanced budget. Estimated revenues and resources equal to appropriated expenditures.
- Imposes an expenditure limitation for all cities and towns based on FY1979/80, adjusted for population growth and inflation.
- Allows for local election approval of an Expenditure Limitation Alternative.



# Types of Expenditure Limitation Alternatives

## Home Rule

Allows the city to maintain local control of the annual budget amount and determine the necessary expenditure limitation while remaining within available revenues and resources.  
Effective for four

years.

## Permanent Adjustment of Expenditure Base

Allows the City to permanently adjust the expenditure base to a level other than the FY1979/80 amount. The new base is then adjusted for population and

inflation in future years.

## One-Time Override Alternative

Allows for exceeding the State imposed expenditure limitation for one fiscal year.

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# Sanctions for Exceeding the Expenditure Limitation

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If the State Auditor General determines a city has exceeded the expenditure limitation, a portion of its share of the state income tax allocation is withheld.

The penalty is assessed as follows:

- **Exceeding by less than 5%**  
penalty will equal the amount of the excess.
- **Exceeding by more than 5%, but less than 10%**  
penalty will be three times the excess.
- **Exceeding by more than 10%**  
penalty will be five times the excess or 1/3 of the state income tax allocation, whichever is less.

# City of Mesa Current Home Rule

A home rule  
alternative was  
approved by  
voters in March  
2000

It was renewed  
in March 2004,  
March 2008,  
November 2010,  
and November  
2014

The current  
authorization  
will expire June  
30, 2019

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# The State Limitation Formula

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- The State imposed expenditure limitation is adjusted for population growth and inflation.
- Locally approved funds are not taken into consideration.
  - Examples are Mesa’s Quality of Life sales tax, Local Streets sales tax and the Proposition 400 regional transportation improvements.
  - Mesa’s Quality of Life sales tax currently funds 120 police officers and 65 firefighters.
  - The Local Street sales tax partially funds the operations of the Transportation Department while the Prop 400 revenues are used for construction projects to improve roads.

# Effect of Nonrenewal of Home Rule

If an expenditure limitation alternative had **not** been in effect for FY2017/18, the City would have been required to **reduce** its budget by about \$200M to comply with the State imposed expenditure limitation.

If the State limitation had been **exceeded** by more than 10%, the expected penalty applied to FY2018/19 would have been **\$19.8M** (based on one-third of the FY2018/19 state shared revenue).

## \_\_\_\_\_ A Home Rule Election \_\_\_\_\_

May be referred to voters by a **2/3** vote of the City Council.  
(5 votes)

Is required to be presented at a regularly scheduled election for the nomination or election of City Councilmembers.

If approved, it will apply to the **four** succeeding fiscal years.

A November 2018 approval would apply to fiscal years  
**2019/20 - 2022/23.**

# Home Rule Actions

For submission of a Home Rule Alternative  
on the November 2018 Ballot:                      June 18

May 19 and

26

Notice of  
public  
hearings  
published  
in  
newspaper

June 4

Regular  
Council  
Meeting –  
First public  
hearing

Special

Council  
Meeting –  
Second  
public  
hearing,  
considerati  
on of  
resolution





# MEMORANDUM OF UNDERSTANDING: PEPPER PLACE PARKING LOT

City Council  
Study Session  
February 15, 2018

Jeff McVay  
Manager of Downtown  
Transformation

Sara Sorensen  
Project Manager,  
Economic Development

# PROJECT SITE



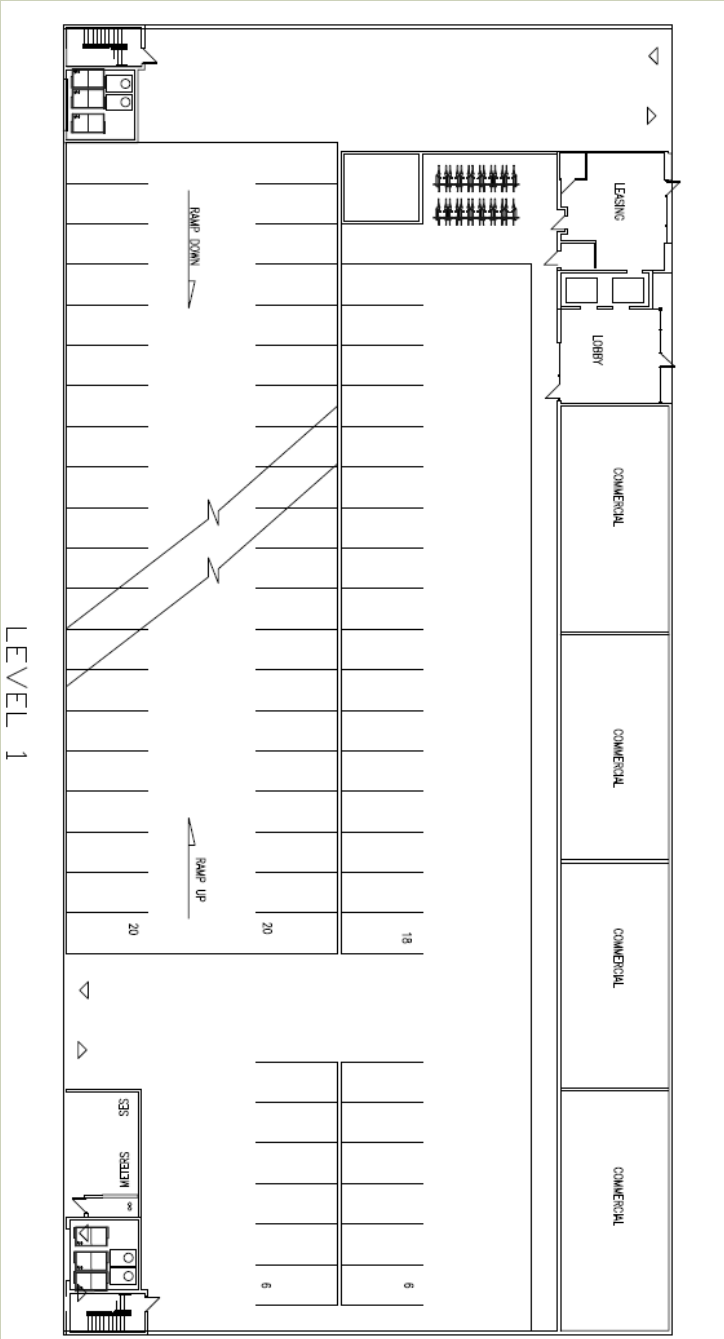
- “Pepper Place Lot” - Southeast corner Pepper/Robson
- Approximately 1 acre (38,628 sq. ft.)
- 76 City-owned parking spaces



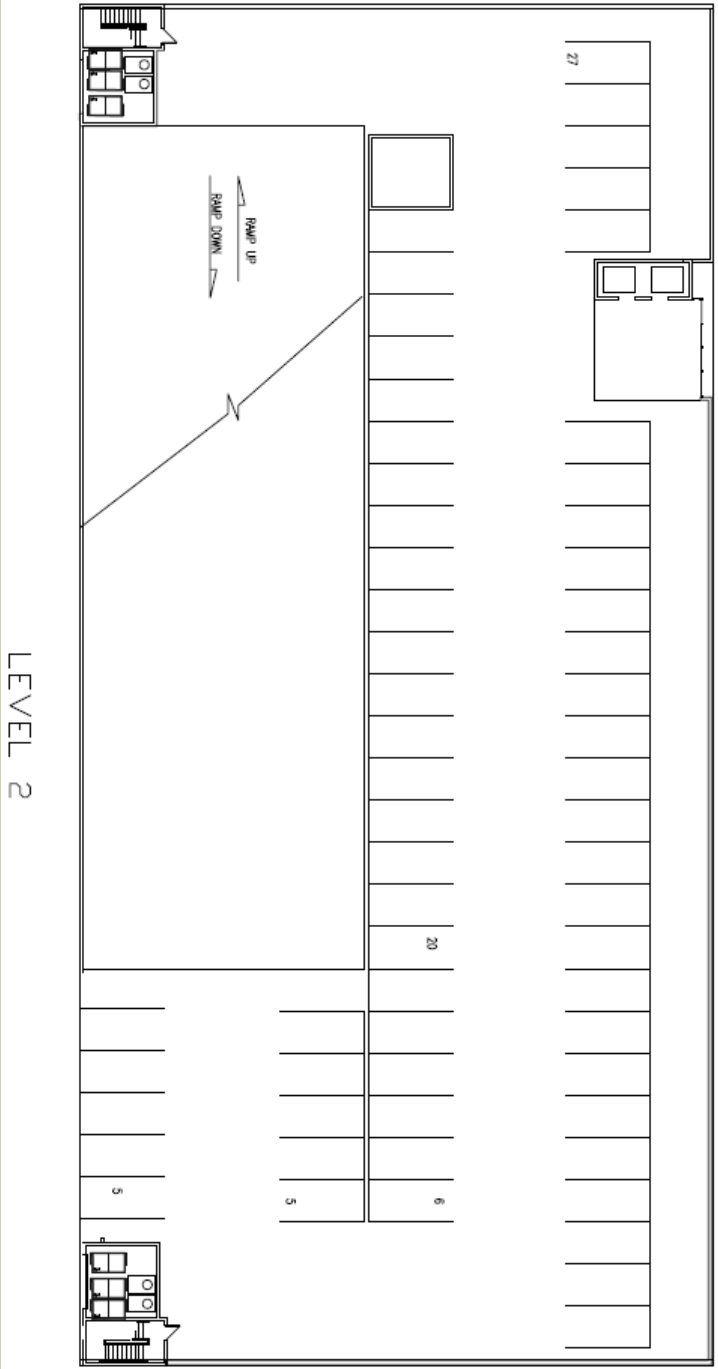
# PROJECT OVERVIEW



# PROJECT OVERVIEW

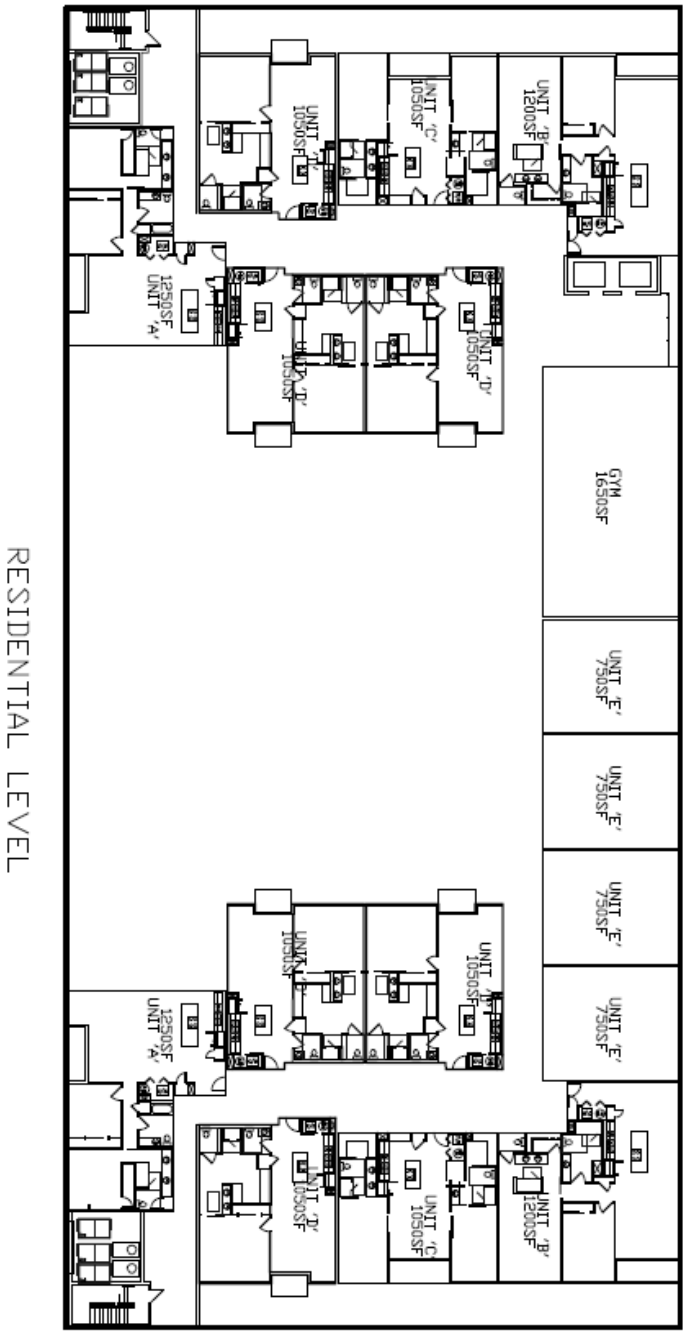


# PROJECT OVERVIEW



# PROJECT OVERVIEW

# PROJECT OVERVIEW



RESIDENTIAL LEVEL

# PRIMARY DEVELOPER COMMITMENTS

- Minimum 70 market rate/luxury sustainable apartments
  - 5,000 sq. ft. commercial space
  - Replacement of surface parking with parking structure that includes equivalent amount of public parking and project parking at no cost to City
  - Ground lease with option to purchase
    - Long term lease with reduced rent for first 15 years
    - After 15 years, Developer pays market rate
- \*OR\***
- Real Estate Purchase Agreement
    - Purchase Price will be fair market value
    - Perpetual Easement
    - Consideration of GPLET
  - Structural and Capital Repair/Replacement



# PRIMARY CITY COMMITMENTS

- Enter into a long-term lease or purchase and sale agreement
- City Parking will still be owned and controlled by City and remain open for public use
- Possible construction or reimbursement for public infrastructure, subject to a cap
- Impact Fee Offsets
- Planning, zoning, and building entitlements through a customized review schedule
  - Rezoning to appropriate Form-Based Code transect if needed
  - Assignment of Development Services Project Manager through zoning and development entitlements

# COOPERATIVE COMMITMENTS

- Parking structure redevelopment
- Cost sharing for parking structure Operations & Maintenance
  - For 15 years, Developer is solely responsible for O&M of ALL parking and drive aisles
  - After 15 years, City is responsible for O&M of City Parking and City and Developer will equitably share the O&M of common drive aisles
- Consideration of options to provide electricity from renewable energy source
- MOU expires December 31, 2018

# PEPPER PLACE LOT - MEMORANDUM OF UNDERSTANDING

## QUESTIONS?

# INTERGOVERNMENTAL AGREEMENT: ARIZONA STATE UNIVERSITY

City Council  
Study Session

February 15, 2018

Jeff McVay  
Manager of Downtown  
Transformation

# PRIMARY BUSINESS POINTS

## Phase I - City Commitments

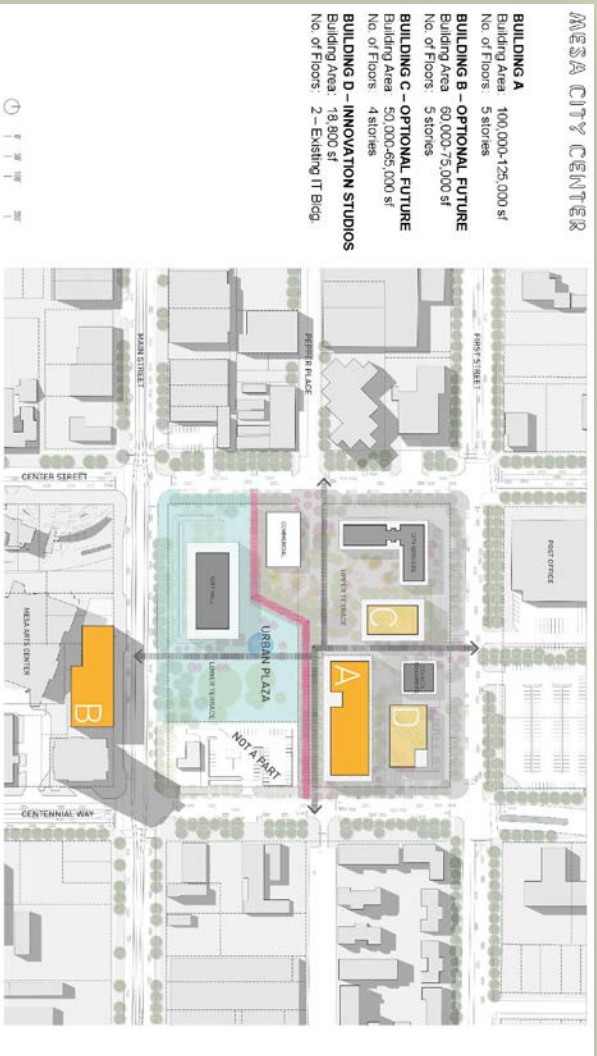
- Design and construction of Building A - 100,000-125,000 s.f.
- Tenant Improvements, less FF&E
- Design and construction of infrastructure improvements
  - Approximately two acre public open space



# PRIMARY BUSINESS POINTS

## Phase I – ASU Commitments

- Minimum 750 students and 40 faculty and staff (within 5 years)
  - Film/Media/Gaming
  - Advanced Visualization/VR/Rapid Prototyping
  - Experience Design
- Est. \$10M FF&E
- Est. \$1.3M annual O&M
- Reserve and Replacement Fund
- Film/Innovation/Entrepreneurial events
- ASU staff member to serve on an innovation district committee



# ACADEMIC PROGRAMS



**FILM**  
+  
**MEDIA**  
+  
**GAMING**

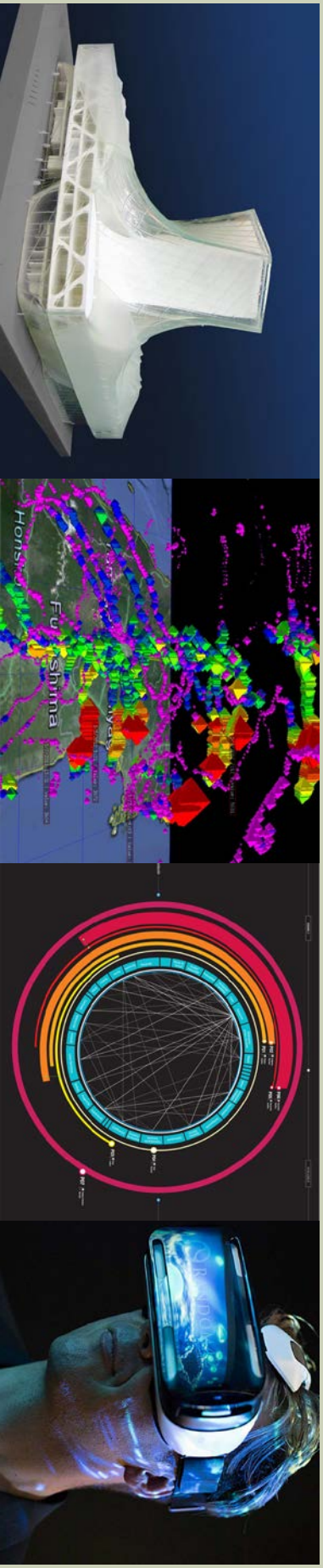
Feature development, short form media, documentary, music video, public screenings, mobile media, social impact gaming, visual FX, motion capture, and interactive systems.

# ACADEMIC PROGRAMS

## ADVANCED VISUALIZATION

- + VIRTUAL & BLENDED REALITIES
- + RAPID PROTOTYPING

Augmented reality, decision systems engineering, data visualization, 3D animation, informatics, modeling of real world environments and problems.

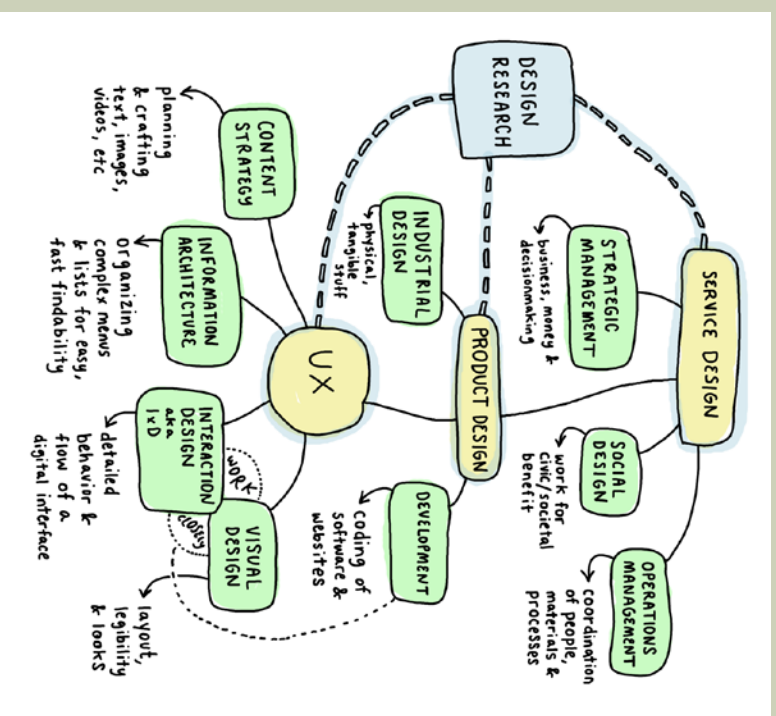




# ACADEMIC PROGRAMS

## EXPERIENCE DESIGN + VERTICALLY INTEGRATED PROBLEM-SOLVING

Transdisciplinary, human centered, community engaged, social impact, integrated processes, and community prototyping.



# ACADEMIC PROGRAMS



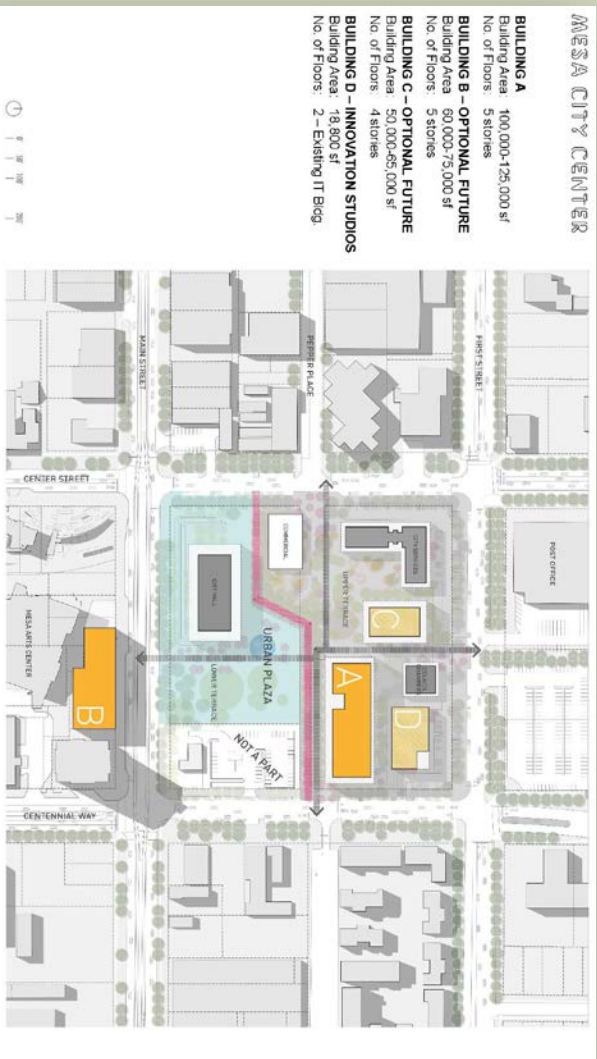
**WORLD CLASS CENTER FOR  
CREATIVE TECHNOLOGIES  
+  
MISSION OF SOCIAL  
EMBEDDEDNESS & USE-  
INSPIRED RESEARCH  
=  
VITAL RESOURCE FOR  
COMMUNITY, INDUSTRY &  
CITY**



# PRIMARY BUSINESS POINTS

## Future Phases – City Commitments

- Development at City's discretion
    - Requires five new private downtown (re)developments following ASU opening
    - Requires identification of adequate funding source
  - Design and construction of Building B (approx. 60,000-75,000 s.f.) and/or Building C (approx. 50,000-65,000 s.f.)
  - Tenant Improvements, less FF&E
  - Design and construction of infrastructure improvements
- OR**
- Allow ASU to fund design and construction of Building B and/or Building C consistent with master plan, within 5 years of Phase I/II



# PRIMARY BUSINESS POINTS

## Future Phases – ASU Commitments

### Building B

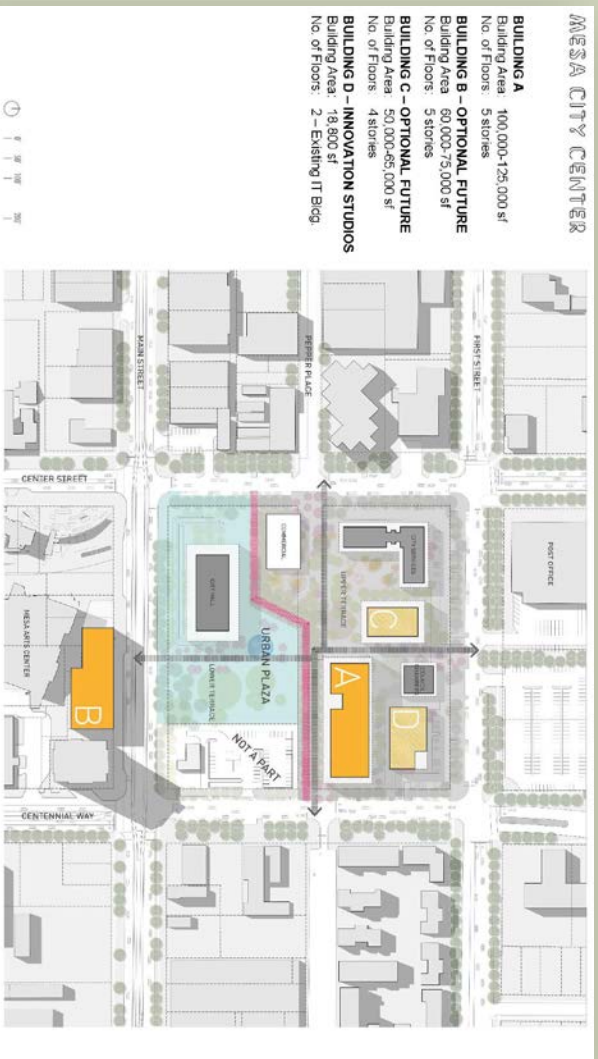
- Minimum 1,500 students and 150 faculty and staff, within 3 years of Building B
  - Expansion of existing academic programs or addition of new academic programs
- Est. \$3-4M FF&E (Building B)
- Est. \$1.7M annual O&M, (Buildings A&B)

### Building C

- Minimum 2,000 students and 200 faculty and staff, within 3 years of Building C
  - Expansion of existing academic programs or addition of new academic programs

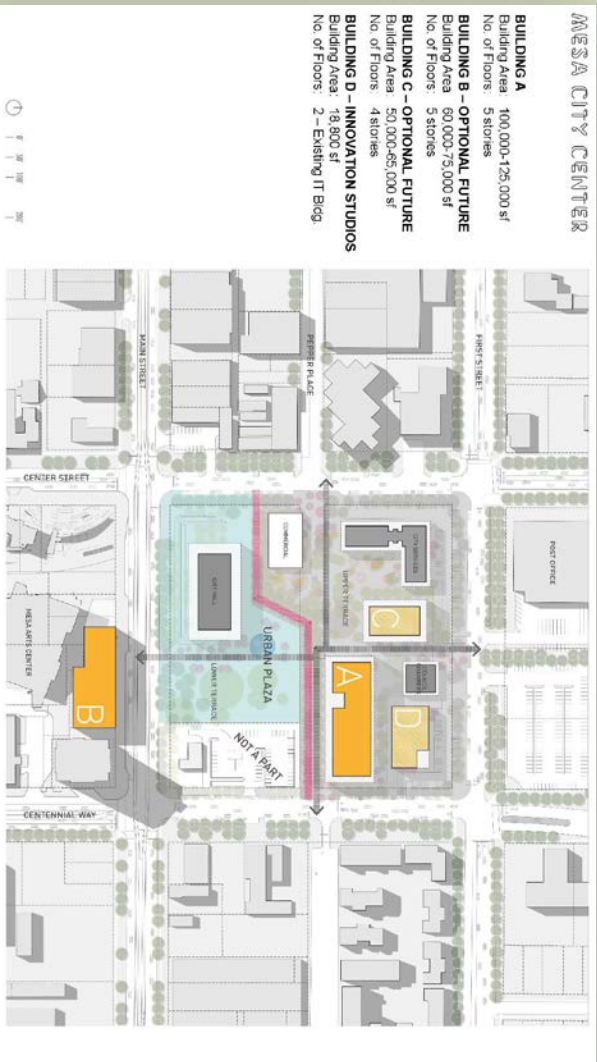
### Phase II and III

- Reserve and Replacement Fund
- Film/Innovation/Entrepreneurial events
- ASU staff member to serve on committee on an innovation district



# COOPERATIVE COMMITMENTS

- **Project budgets (building, infrastructure, and overall)**
- **Design consultant(s) selection**
- **Master plan and design guidelines (buildings and civic space)**
- **Infrastructure plan (utilities and streets)**
- **Sub-leasing commercial space**
- **Fundraising**



# ADDITIONAL TERMS

## Financing:

- Municipal bonds (amount and debt service at City's discretion)

## Lease Term:

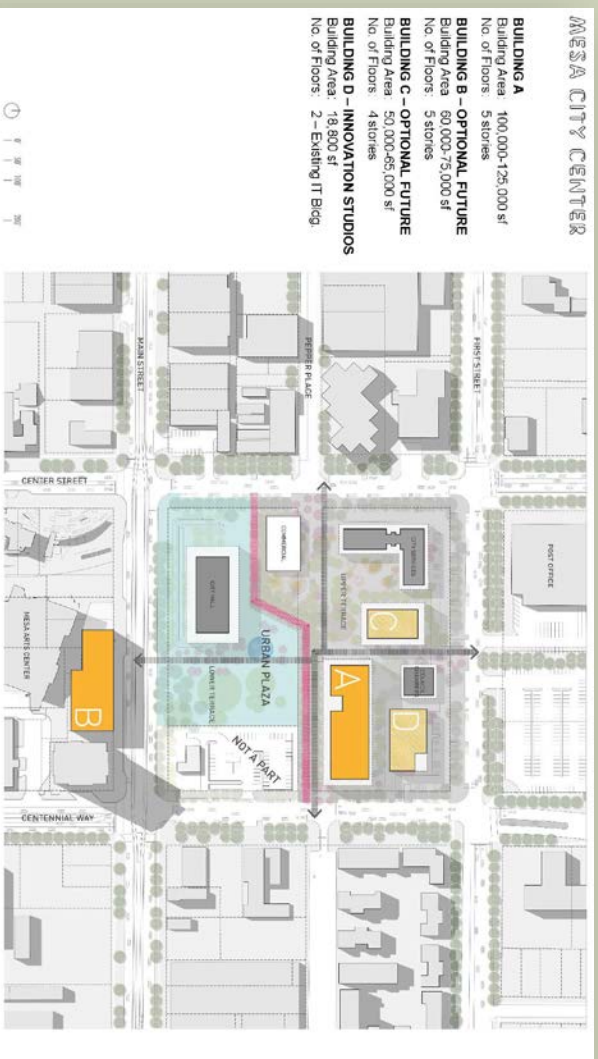
- 99 years
- Can be extended with certain ASU capital investments in facilities

## ASU Rent:

- \$100,000/year
- Reimbursement for the salary of a City Facilities Manager

## Additional Revenues:

- Commercial subleases
- Permitted parking
- Utilities



# INTERGOVERNMENTAL AGREEMENT - ASU

## DISCUSSION AND QUESTIONS