



COUNCIL MINUTES

May 7, 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 May 7, 2018 at 4:45 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

1. Review items on the agenda for the May 7, 2018 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.

City Attorney Jim Smith reported that on item 10-a, a revised proposed resolution has been provided to Council and reviewed the changes. **(See Attachment 1)** He stated that the revised resolution for the public can be accessed through the City's website. He added that when Council makes the motion at the Regular Council meeting to use the words "revised resolution."

In response to a question posed by Mayor Giles, City Manager Christopher Brady reported that he can present a short PowerPoint to the public on item 10-a at the Regular Council meeting.

In response to a question from Councilmember Whittaker, Mr. Smith responded that the budget and sales tax increase are separate concepts. He explained that the sales tax increase is for a specific purpose and reads "solely" in the resolution specific to the Police and Fire and Medical Departments for personnel.

Discussion ensued relative to the use of the sales tax and general fund.

2-a. Hear a presentation, discuss, and provide direction on two proposals for the development of City-owned land adjacent to Riverview Park.

Economic Development Director Bill Jabjiniak introduced Economic Development Project Manager J.D. Beatty who displayed a PowerPoint presentation. **(See Attachment 2)** He commented that staff is requesting direction from Council on the preferred developer for the project. He continued by saying that the next step would be to present Council a Memorandum of Understanding (MOU) at the May 21, 2018 Council meeting.

Mr. Jabjiniak explained that the City-owned land is anchored by one of the premier spring training destinations, Chicago Cubs stadium, and that the department sees this project as a destination for other City events throughout the year.

He pointed out that the Chicago Cubs currently parks 1,700 vehicles on the parcels displayed and is governed by a Facility Use Agreement, which requires the City to provide 2,500 parking spaces to the west of Riverview Drive. (See Page 2 of Attachment 1) He stated that parking is an important aspect to the project as the stadium holds 15,000 people which results in more than 2,500 cars on gameday.

Mr. Beatty reported that the Boyer Company is based out of Salt Lake City, Utah, developed over 35 million sq. ft. of property since 1972, and over \$500 million under development.

Mr. Beatty stated that the Lincoln Property Company is a National and Global brand that has developed real estate projects throughout the world and is in the top ten for total amount of office square footage managed in the world.

Mr. Jabjiniak remarked that both developers have proposed high quality projects and that the vision for the site should match what the City is looking to establish which is Class A business space with high quality and high wage jobs. He pointed out the difference between the two companies. (See Page 9 of Attachment 1)

Mr. Jabjiniak reported that the Economic Development Department recommends the Lincoln Property Company and Harvard Investments as the preferred developer.

In response to a question posed by Councilmember Freeman, Mr. Beatty replied that Lincoln Property Company and Harvard Investments will provide a minimum of 1,500 parking spaces and Boyer Company will provide a minimum 1,200 parking spaces for the Chicago Cubs.

It was moved by Councilmember Freeman, seconded by Vice Mayor Luna that staff's recommendations for Lincoln Property Company and Harvard Investments as the developer of City-owned land adjacent to Riverview Park be approved.

Carried unanimously.

Mayor Giles thanked staff for the presentation.

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

3-a. Human Relations Advisory Board meeting held on March 28, 2018.

3-b. Economic Development Advisory Board meeting held on April 3, 2018.

3-c. Historic Preservation Board meeting held on April 3, 2018.

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

Carried unanimously.

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, May 10, 2018, 7:30 a.m. – Study Session

Thursday, May 10, 2018, 7:35 a.m. – Special Council Meeting

Thursday, May 10, 2018, 8:00 a.m. – Public Safety Committee

6. Convene an Executive Session.

Council did not convene an Executive Session.

6-a Discussion or consultation for legal advice with the City Attorney. (A.R.S. §38-431.03A (3)) Discussion or consultation with designated representatives of the City in order to consider the City's position and instruct the City's representatives regarding negotiations for the purchase, sale, or lease of real property. (A.R.S. §38-431.03A (7)) Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding the City's position regarding contracts that are the subject of negotiations. (A.R.S. §38-431.03A(4))

1. Negotiations relating to the sale, lease, and development of City-owned property adjacent to Riverview Park.

7. Adjournment.

Without objection, the Study Session adjourned at 5:09 p.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 7th day of May, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

js
(Attachments – 2)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, TO SUBMIT TO THE QUALIFIED ELECTORS OF THE CITY OF MESA, ARIZONA, AT THE GENERAL ELECTION ON NOVEMBER 6, 2018, THE QUESTION OF INCREASING THE CITY'S TRANSACTION PRIVILEGE (SALES) TAX.

WHEREAS, Section 602(A) of the Mesa City Charter requires that if the City's transaction privilege tax (commonly called sales tax) shall be levied at a rate in excess of one percent (1%), such rate must be approved by a majority of the qualified electors voting on the question at a general or special election;

WHEREAS, the transaction privilege tax currently in effect is 1.75 percent (1.75%);

~~WHEREAS, the City imposes and collects a transaction privilege tax on business activities conducted within the City, including, by way of example, but not limited to, retail sales, restaurants/bars, hotel, commercial leasing, publishing, amusement, advertising, residential property rental, construction contracting and personal property rentals;~~

WHEREAS, the City Council believes it is in the best interests of the City to give the qualified electors of the City the opportunity to determine whether additional City transaction privilege tax revenues should be used/raised solely for Mesa Police services and Mesa Fire & Medical services;

WHEREAS, the City Council finds and determines that additional resources are necessary to fund personnel, equipment, facilities, and other costs incurred in providing Mesa Police services and Mesa Fire & Medical services; and, personnel, equipment, training, and related costs;

WHEREAS, the City Council, as part of its annual budget process, will have an annual plan that provides how these additional funds will be expended for the following fiscal year; and

WHEREAS, the City Council hereby submits to the qualified electors of the City the question of increasing the transaction privilege tax on all applicable taxable activities in the City by one quarter of one percent (0.25%), from 1.75 percent (1.75%) to 2.00 percent (2.00%), as set forth substantially in the form of the ballot language included within this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

The following question, as set forth substantially in the form of the ballot language below, shall be submitted to the qualified electors of the City at the November 6, 2018 General Election:

Shall the City of Mesa be authorized, for the sole purpose of funding Mesa Police and Mesa Fire & Medical services, personnel, equipment, [training](#), and [facilitiesrelated costs](#), to increase the City's transaction privilege (sales) tax, applicable to all taxable activities in the City of Mesa, by 0.25% from 1.75% to 2.00% beginning on March 1, 2019.

If approved by a majority of the qualified electors of the City, this transaction privilege (sales) tax increase will be effective on March 1, 2019.

YES _____

NO _____

"Tag Line" language:

Shall the City of Mesa be authorized, for the sole purpose of funding Mesa Police and Mesa Fire & Medical services, personnel, equipment, [training](#), and [facilitiesrelated costs](#), to increase the City's transaction privilege (sales) tax by 0.25% from 1.75% to 2.00% beginning on March 1, 2019.

PASSED AND ADOPTED by the City Council of the City of Mesa, Maricopa County, Arizona, this ____ day of _____, 2018.

APPROVED:

Mayor

ATTEST:

City Clerk

City of Mesa City-Owned Riverview Property Development Proposals May 7, 2018





- Experienced & Capable
- Proven Track Record with significant financial backing and capabilities
- **Recent Local Projects**
 - Rio 2100 Development - Tempe
 - International Biomedical Technology Campus – Tempe – City-Owned Land

Proposed Developers Under Consideration



- Experienced & Capable
- Proven Track Record with significant financial backing and capabilities
- **Recent Local Projects**
 - Waypoint - Mesa
 - The Grand - Tempe
 - Broadway 101 Commerce Park - Mesa



Boyer Company Development Proposal: The Exchange – Full Buildout Overview

- **Phase I**
 - 4-Story 160,000 SF Office Building
 - Supporting Surface Parking – 4:1,000 SF
- 3-Story 1,200+ Car Parking Garage
 - Built on City street-level parking lot
- **Phase II**
 - 5-Story 200,000 SF Office Building
- **Phase III**
 - 6-Story 210,000 SF Office Building
- **Phase IV**
 - 4-Story 168,000 SF Office Building
- Parking Garages 2 & 3 built based on Tenant Demands at Full Build-Out





Boyer Company Development Proposal: The Exchange – Conceptual Design





Lincoln Property Co. Development Proposal: The Union – Full Buildout Overview

- **Phase I – Office A**
 - 4-Story 225,000 SF Office Building
 - 5-Story 2,400 Car Parking Garage
 - Built on City street-level parking lot
- **Phase II – Office B**
 - 6-Story 337,500 SF Office Building
- **Phase III – Office C**
 - 6-Story 337,500 SF Office Building
- **Phase IV – Office D**
 - 8-Story 450,000 SF Office Building
- East Garage based on Tenant Demands at Build-Out



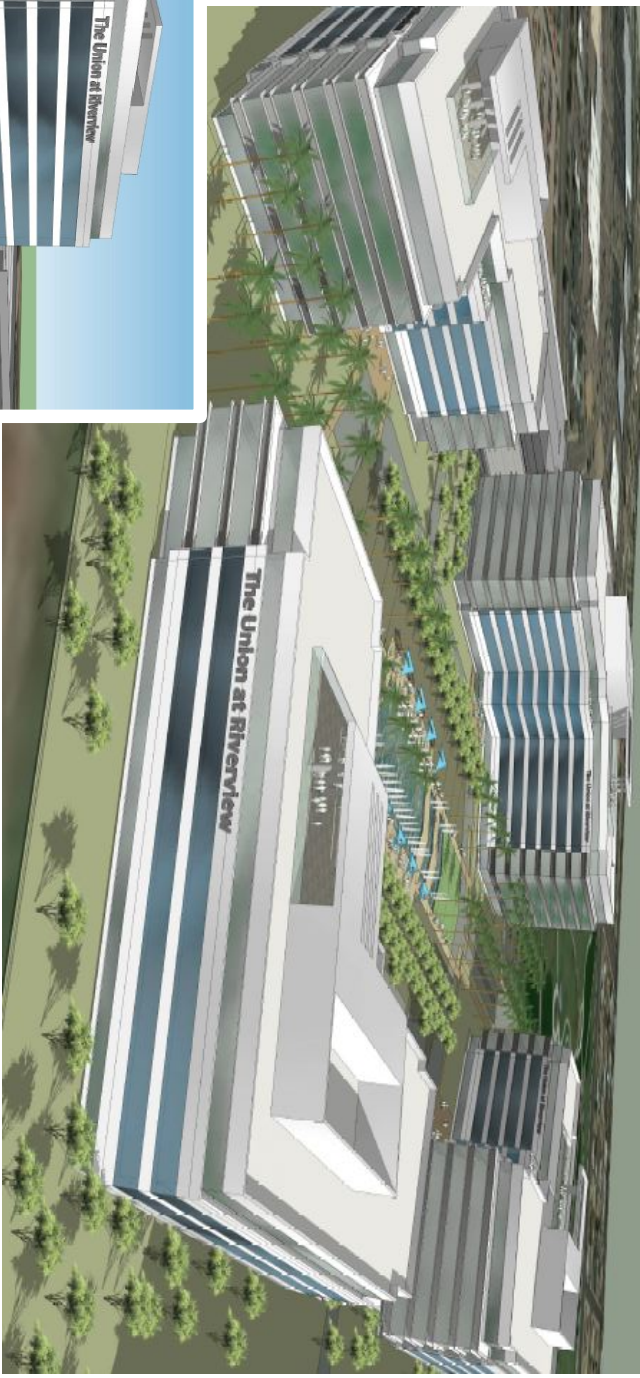


Lincoln Property Co. Development Proposal: The Union – Conceptual Design





Lincoln Property Co. Development Proposal: The Union – Conceptual Design





Summary & Comparison

- **The Boyer Company – The Exchange**
 - 738,000 SF of Class A Office Space
 - Specifies Minimum Improvement of 150,000 SF, as per MOU
 - ~3,900+ Total Parking Spaces
 - 3 Garages + Surface Parking
 - Will dedicate minimum of 1,200 Spaces to Cubs & City Use
 - Completion of Phase I Office Building and Garage by no later than Feb. 2020
- **Lincoln Property Co. – The Union**
 - 1,350,000 SF of Class A Office
 - Specifies Minimum Improvement of 750,000 SF, as per MOU
 - 6,500 Total Parking Spaces
 - 2 Garages + Surface Parking
 - Will dedicate minimum of 1,500 Spaces to Cubs & City Use
 - Completion of Phase I Office Building and Garage by no later than May 2021



Questions?