



COUNCIL MINUTES

November 23, 2015

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 November 23, 2015 at 5:15 p.m.

COUNCIL PRESENT	COUNCIL ABSENT	OFFICERS PRESENT
John Giles Alex Finter Christopher Glover Dennis Kavanaugh David Luna Dave Richins Kevin Thompson	None	Christopher Brady Jim Smith Dee Ann Mickelsen

1. Review items on the agenda for the November 23, 2015 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 deleted from the consent agenda: None

2-a. Hear a presentation, discuss, and provide direction on site selection of the Mesa Regional Fire and Medical Dispatch Center and Emergency Operations Center, and other public safety uses.

City Engineer Beth Huning introduced Senior Civil Engineer Dave Wilkins and Supervising Engineer John Brobeck, who were prepared to respond to any questions the Council might have.

Ms. Huning displayed a PowerPoint presentation (**See Attachment 1**) and briefly discussed the site selection process for the Mesa Regional Fire and Medical Dispatch Center and Emergency Operations Center (EOC), which was identified as a public safety bond project in conjunction with the City's 2013 Special Bond Election.

Ms. Huning stated that staff began working on the project earlier this year and have since completed the initial programming phase. She highlighted a chart illustrating current programming and future programming for the project. (See Page 2 of Attachment 1)

Ms. Huning reported that at the March 2, 2015 Public Safety Committee meeting, staff reviewed eight potential sites they had evaluated for the regional dispatch center. She explained that the Committee directed staff to research additional locations, which eventually totaled 54 sites. (See Page 3 of Attachment 1) She noted that staff was seeking the Council's input relative to the final three sites as follows: 3200 East McDowell Road, which is situated adjacent to the City's Val Vista Water Treatment Plant; 1240 East Main Street, the location of the old Mervyn's building; and 708 West Baseline Road, which previously housed Southwest Ambulance. (See Page 4 of Attachment 1)

Ms. Huning displayed a schematic drawing of the 3200 East McDowell Road site, which was reviewed by staff and the Council at a prior meeting. (See Page 5 of Attachment 1) She pointed out that the site would be a phased build-out, with Phase 1 including Fire Dispatch, the EOC being constructed in Phase 2, and a future phase for Police Dispatch functions.

Ms. Huning provided a brief background relative to the 1240 East Main Street option. (See Page 6 of Attachment 1) She remarked that staff's evaluation of this property revealed a series of findings as follows: the existing 90,092 square foot retail building sits on 7.93 acres; the building materials for the structure consist of wood frames and trusses and concrete walls; the National Fire Protection Association (NFPA) has developed certain guidelines for the construction of regional dispatch centers, such as an 82-foot setback; that the setback on the north and east sides of the building is somewhat short; and that staff would prefer to adhere to the NFPA guidelines in that regard.

Ms. Huning, in addition, highlighted some of the unique considerations of the 1240 East Main Street site as follows:

- The property has cross-access easements with Food City to the east, Denny's on the corner and a vacant store in the middle of the parcels. It would be necessary for the City to complete negotiations for Cross Access Agreements.
- An environmental assessment revealed the existence of an automotive facility on the site in the 1960s and 1970s. In 1979, the business was demolished for the purpose of constructing the Mervyn's building. Hydraulic lifts and hydraulic pits were utilized at the automotive facility. In the 1970s, the Arizona Department of Environmental Quality (ADEQ) did not require that those items be removed. Staff was unsure concerning the status of this matter and whether potential soil issues exist. It would be necessary for staff to conduct a Phase 2 environmental evaluation in this regard.
- There is currently no stormwater retention at the site.
- Certain light rail right-of-way issues must be addressed with Valley Metro as the light rail extension to Gilbert Road moves forward.
- The existing wood truss roof makes the structure a Type 3 building. A Type 2 building is required for the regional dispatch center. It would be necessary to replace the roofing with a different type of material to conform to Type 2 building requirements.
- Additional heating, ventilation, and air conditioning (HVAC) units would be required for the regional dispatch center to ensure that it is heated and cooled in an efficient manner.
- It would be necessary to upgrade the existing power supply at the site and also secure the building with site walls. Additional amenities are proposed to visually enhance the site.

Ms. Huning indicated that if the Council directed staff to acquire the 1240 East Main Street site, staff would propose, at the close of escrow, to meet with Valley Metro representatives to discuss the City acquiring the right-of-way so that Metro could pay the costs for that portion of the site.

Ms. Huning further spoke relative to the 708 West Baseline Road location. (See Page 12 of Attachment 1) She explained that the 14.53 acre site consists of four buildings, which encompass approximately 120,600 square feet. She noted that Building 1 and Building 4, which are situated at the front of the property, are framed structures and do not meet the requirements for a regional dispatch center.

Ms. Huning stated that staff evaluated Building 2, which is located at the northeast corner of the property, and would propose renovating that structure to serve as the regional dispatch center. She pointed out that with the exception of a short section in the front of Building 2, the site is secured by a wall. She added that staff further determined that one of the buildings at the front of the property could serve as a shell for a reasonable cost to the City.

Ms. Huning discussed certain considerations with respect to the 708 West Baseline Road property as follows:

- Stormwater retention exists at this site.
- The environmental evaluation of the property did not reveal any negative issues.
- The property conforms to NFPA requirements.
- Building 2 was designed to function as a warehouse, with some office space on the east side. The office space would be retained for the Fire Dispatch Center's use and a portion of the warehouse would be converted as well.
- The roof of Building 2 leaks, which would necessitate repair.
- The north side of Building 2 has doors, which would be replaced with windows to create natural light in the structure.
- Building 2's HVAC system and power supply would need to be upgraded.

Ms. Huning displayed a chart titled "Cost Analysis," which summarizes the total project costs for the above-listed sites. (See Page 16 of Attachment 1)

Vice Mayor Kavanaugh thanked Ms. Huning and her staff for their extensive evaluations of the sites. He stated that each of the three sites has unique issues and opportunities for development. He cited, for instance, that the 1240 East Main Street property would be an interesting site for development along the light rail line.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Finter, that staff be directed to acquire the southwest side of 708 West Baseline Road for the Mesa Regional Fire and Medical Dispatch Center and Emergency Operations Center and for other City uses.

Councilmember Thompson commented that although he liked all three sites, he was comfortable moving forward with the motion. He suggested that perhaps the Council could allow City Manager Christopher Brady to master plan the project, assess what City uses might be appropriate to relocate to the site, and possibly reduce some of the costs proposed by staff.

Mayor Giles stated that he did not believe Councilmember Thompson's comment was inconsistent with the pending motion. He acknowledged that the 708 West Baseline Road site was a larger campus than what is necessary for the regional dispatch center, but pointed out that the City has the opportunity to take advantage of "a really good deal." He explained that the

bank-owned building was constructed for twice the amount of money that the City anticipates paying for it. He added that the site would provide the City opportunities to “grow” public safety services and possibly other City functions as well.

City Manager Christopher Brady restated that the Council’s direction was that staff move forward with the purchase of the property located at 708 West Baseline Road. He commented that although the property was much larger than staff originally anticipated for the regional dispatch center, they recognize that there are opportunities for future growth, whether it be for public safety uses or otherwise. He also pointed out that staff was cognizant of the Council’s priority to move forward quickly with the regional dispatch center and the EOC. He noted that in reviewing the layout for the site, it might be possible for staff to reduce the \$10 million project cost in some manner. He added that once the City purchases the property, there will be ample opportunities in the future for the expansion and/or buildout of the site.

Mr. Brady further commented that he intends to speak with City Attorney Jim Smith with respect to the matter that initially, the Council and staff considered purchasing this property with public safety bonds. He noted that in the future, if non-public safety uses were proposed for the campus, the City would be restricted in using bond monies for that purpose.

Mr. Brady reiterated that staff would move forward with the purchase of the property. He suggested that perhaps it might be appropriate for the Council to give staff a certain degree of flexibility moving forward if it were determined, for instance, that ten percent of the campus could be used for non-public safety purposes. He added that staff would bring back some options for the Council to consider in this regard.

Mayor Giles commented that he appreciated the manner in which Vice Mayor Kavanaugh phrased his motion so as not to limit the use of the property only for public safety purposes.

Vice Mayor Kavanaugh confirmed Mayor Giles’ statement. He stated that his motion was designed to provide staff the flexibility, since it is a large site, to perhaps relocate various Police Department, Fire and Medical Department and other City uses to a campus setting. He added that other regional or state law enforcement agencies might express interest in locating their operations to the site and contributing to the project costs.

Vice Mayor Kavanaugh reiterated that the intent of his motion was not only for staff to move ahead with the regional dispatch center and EOC, but also to provide them as much latitude as possible in master planning the site.

In response to a question from Councilmember Finter, Mr. Brady clarified that staff would anticipate that construction of the regional dispatch center and EOC would be completed by December 2016. He noted that based on the current cost analysis, staff has determined the general location of where those facilities would be situated on the campus. He stated that beyond those projects, staff would continue to master plan other possible uses at the site, such as those suggested by Vice Mayor Kavanaugh.

Responding to a question from Councilmember Finter, Mr. Brady stated that as staff vets the professional space management for the site, they will bring back various options to both the Public Safety Committee and the entire Council for their input and consideration.

Councilmember Finter recounted the efforts of staff, Mayor Giles, Vice Mayor Kavanaugh and himself to work with the owner of the Grace property located at Southern Avenue and Alma School Road as a potential site for the regional dispatch center. He noted that the project at this site would have enabled the blighted property to be redeveloped, but stated that after extensive negotiations, the owner was unwilling to sell to the City. He stated that he highlighted such efforts simply to demonstrate to Mesa residents that the City did, in fact, evaluate sites that are blighted, but had the potential to be redeveloped and enhance the community.

Councilmember Finter further remarked that of the three sites under consideration, two have remained vacant for many years. He commented that in speaking with a real estate professional regarding the bank-owned property at 708 West Baseline Road, the person indicated that currently, the site would be worth approximately \$24 million if the City were to build the project today. He added that the City proposes to purchase the property for approximately \$13 million which, for nearly fifty cents on the dollar, is “a smart move.”

Councilmember Richins indicated that he has struggled with this project for quite some time. He acknowledged that the purchase price of \$13 million was a good deal, but noted that in his opinion, the City was spending more than the original \$15 million that was set aside for the project. He stated that for those reasons, he would oppose the motion. He added that he preferred the 3200 East McDowell Road site, the costs of which remain within the original budget.

Mayor Giles called for the motion.

Upon tabulation of votes, it showed:

AYES – Giles-Finter-Glover-Kavanaugh-Luna-Thompson
NAYS – Richins

Mayor Giles declared the motion carried by majority vote.

Mayor Giles commented that another topic for consideration was whether the City ought to pursue the purchase of the Mervyn’s building. He stated that in his opinion, that remains a valid question for the Council to consider. He explained that the Mervyn’s building will be included in the next round of light rail expansion. He noted that if the City had the opportunity in the first round of light rail expansion to secure a strategic corner of commercial property for less than \$3 million at a light rail station, and did not pursue such an opportunity, the Council would look back on that as a mistake. He pointed out that the City is struggling to encourage development along the light rail. He acknowledged that the City owns a great deal of property in the downtown area, but none that is strategically located in economic areas adjacent to the light rail.

Mayor Giles indicated that he still remains interested in the Mervyn’s property. He suggested perhaps holding the property; issuing a Request for Proposals (RFP) at a future strategic date to attract the right type of development; and flipping the property to the commercial development community might hopefully result in a successful project that creates “a ripple effect” for the adjacent properties that are in need of some encouragement.

Mayor Giles inquired when it would be necessary for the City to put down hard money on the Mervyn’s property. He stated that the City has made an offer on the property and questioned if there was time between now and when the Council would need to make a firm decision to consider another use for the Mervyn’s property.

Real Estate Services Administrator Kim Fallbeck responded that it would be necessary for the Council to apprise staff of their decision prior to December 18, 2015 or else the City would lose the money it has placed in escrow.

In response to a question from Mayor Giles, Ms. Huning clarified that with respect to the unresolved questions regarding the environmental status of the Mervyn's building, it would be necessary for staff to conduct a Phase 2 environmental testing process, which would take approximately 30 days to complete.

Mr. Brady inquired if the Council would like staff to go back to the seller and ask for a 30-day extension in order for the City to conduct the environmental testing and then report back to the Council with the results.

Mayor Giles stated that if the seller were willing to allow the City to conduct its due diligence related to the environmental assessment, he would be interested in hearing back from staff in that regard.

Ms. Fallbeck clarified that the City has placed \$100,000 in escrow. She noted that she would need to contact the seller to ask for an extension.

Mr. Brady suggested that staff contact the seller and bring back this matter to the Council prior to December 18th.

Councilmember Thompson commented that he was not in support of the proposal and would prefer that the City not be "a major landowner or land baron" in the downtown area. He stated that if the City was purchasing a property that benefitted the community, he would be agreeable in that regard. He noted, however, that if the City intends to buy a property, flip it and control the zoning on the site, he would oppose such efforts.

Councilmember Glover concurred with Councilmember Thompson's comments and stated that in his opinion, the market should drive the Mervyn's property rather than the City being involved.

Mayor Giles stated that if the Mervyn's site is determined to be a financially viable property to consider, he would anticipate some lively debate among his fellow Councilmembers.

Mayor Giles thanked staff for the presentation.

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

3-a. Independent Commission on Compensation for Elected Officials meeting held November 3, 2015.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Glover, 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.

Mayor Giles invited everyone to attend Merry Main Street, which will return to downtown Mesa between November 27, 2015 and January 3, 2016. He stated that a variety of activities would be available for visitors to enjoy, such as a food truck court, an ice skating rink, music and a number of vendors located along Main Street. He added that during the month of December, between 5:00 p.m. and 10:00 p.m. every day, citizens will be able to ride the light rail for free between the Country Club Station and the Mesa Drive Station.

Mayor Giles also reported that on Friday, November 27, 2015, at 5:45 p.m., the Christmas Tree Lighting Ceremony will be held at the corner of Main Street and Macdonald.

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

Tuesday, December 1, 2015, 5:15 p.m. – Study Session

Tuesday, December 1, 2015, 5:45 p.m. – Regular Council Meeting

Thursday, December 3, 2015, 7:30 a.m. – Study Session

Tuesday, December 8, 2015, 5:00 p.m. – Study Session

Tuesday, December 8, 2015, 5:45 p.m. – Regular Council Meeting

6. Adjournment.

Without objection, the Study Session adjourned at 5:47 p.m.

JOHN GILES, MAYOR

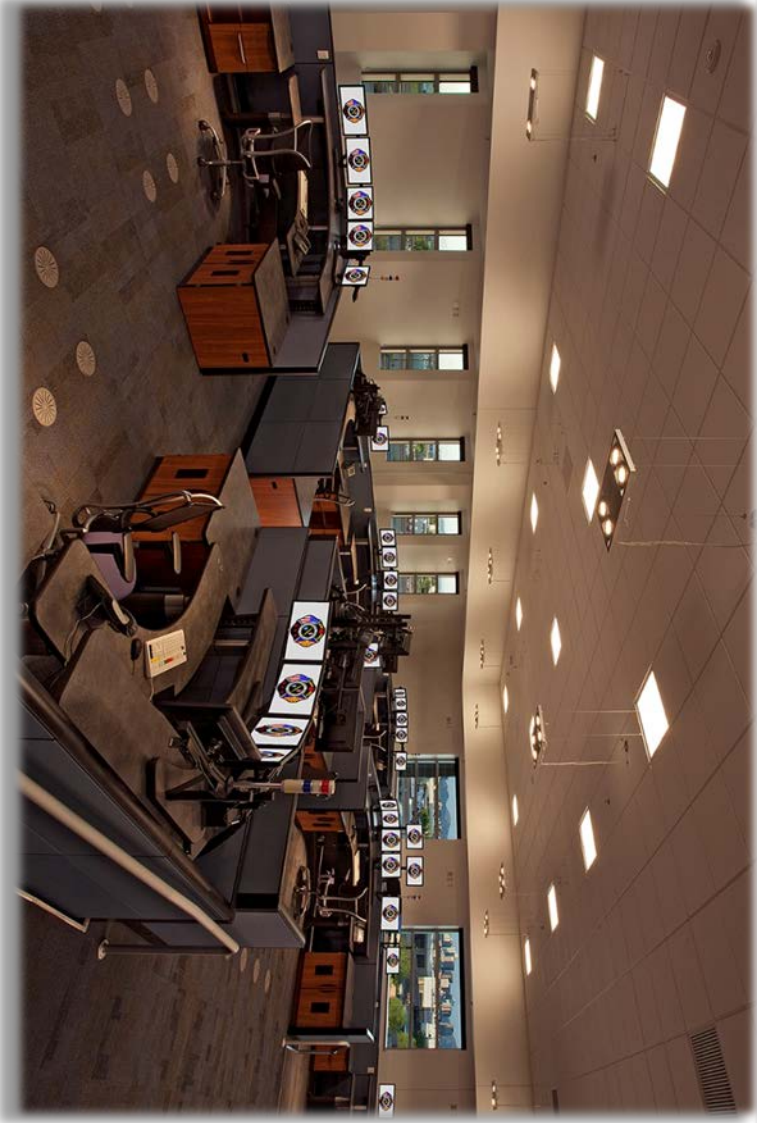
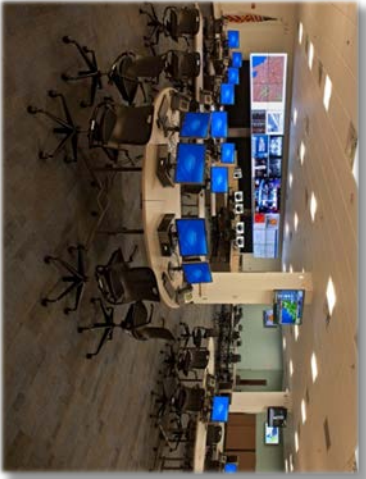
ATTEST:

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 23rd day of November, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

MESA REGIONAL FIRE AND MEDICAL DISPATCH CENTER & EMERGENCY OPERATIONS CENTER (EOC)



November 23, 2015

Proposed Programming

Current Program

Fire Department Services	14,297 SF
Computer	2,732 SF
Public Lobby	253 SF
Building Services	1,529 SF

Total 18,811 SF

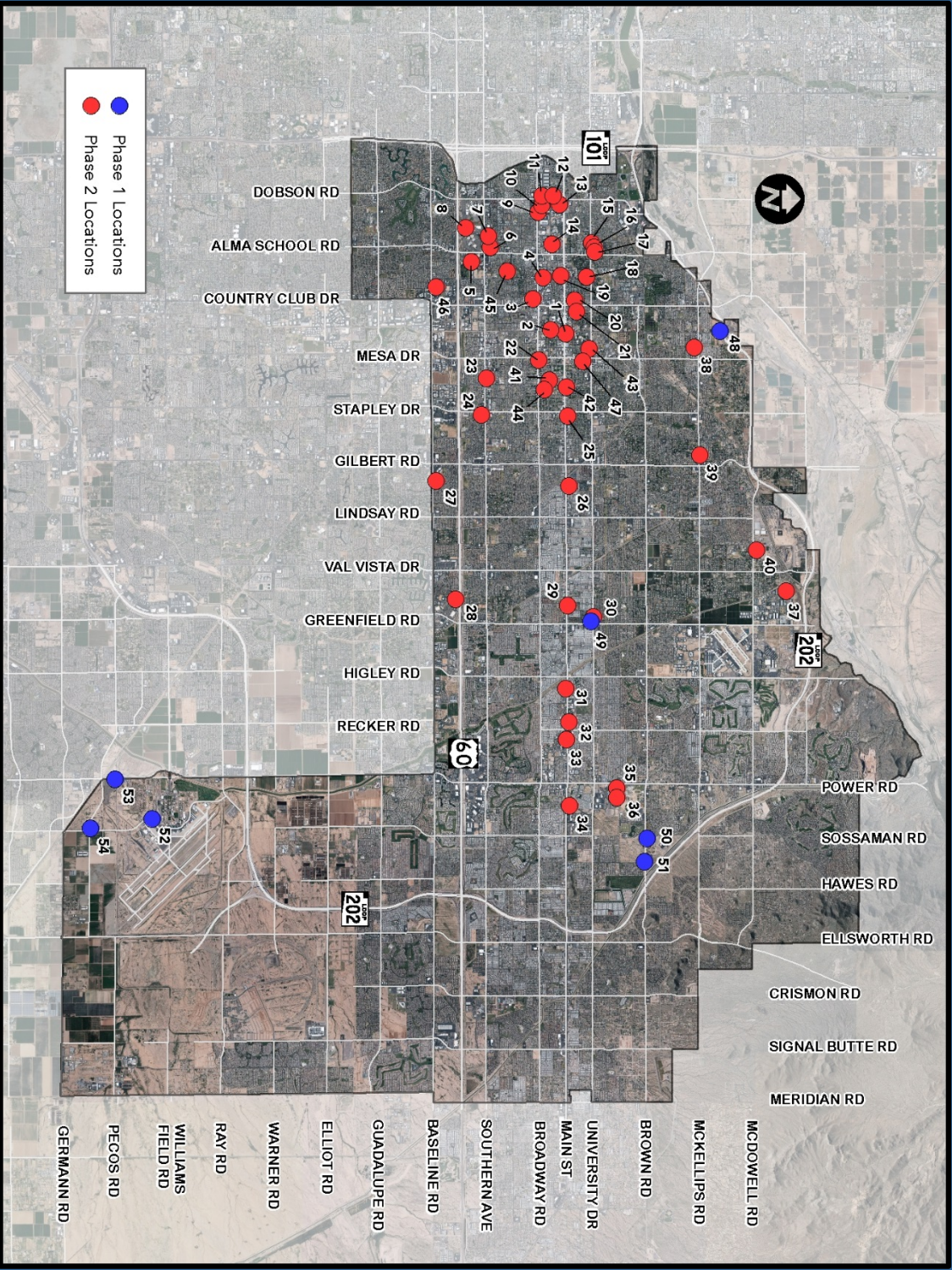
Future Program

Emergency Operations Center	6,207 SF
Police Department Services	22,286 SF
Employee Services	1,214 SF
Fire Tech Services	3,015SF

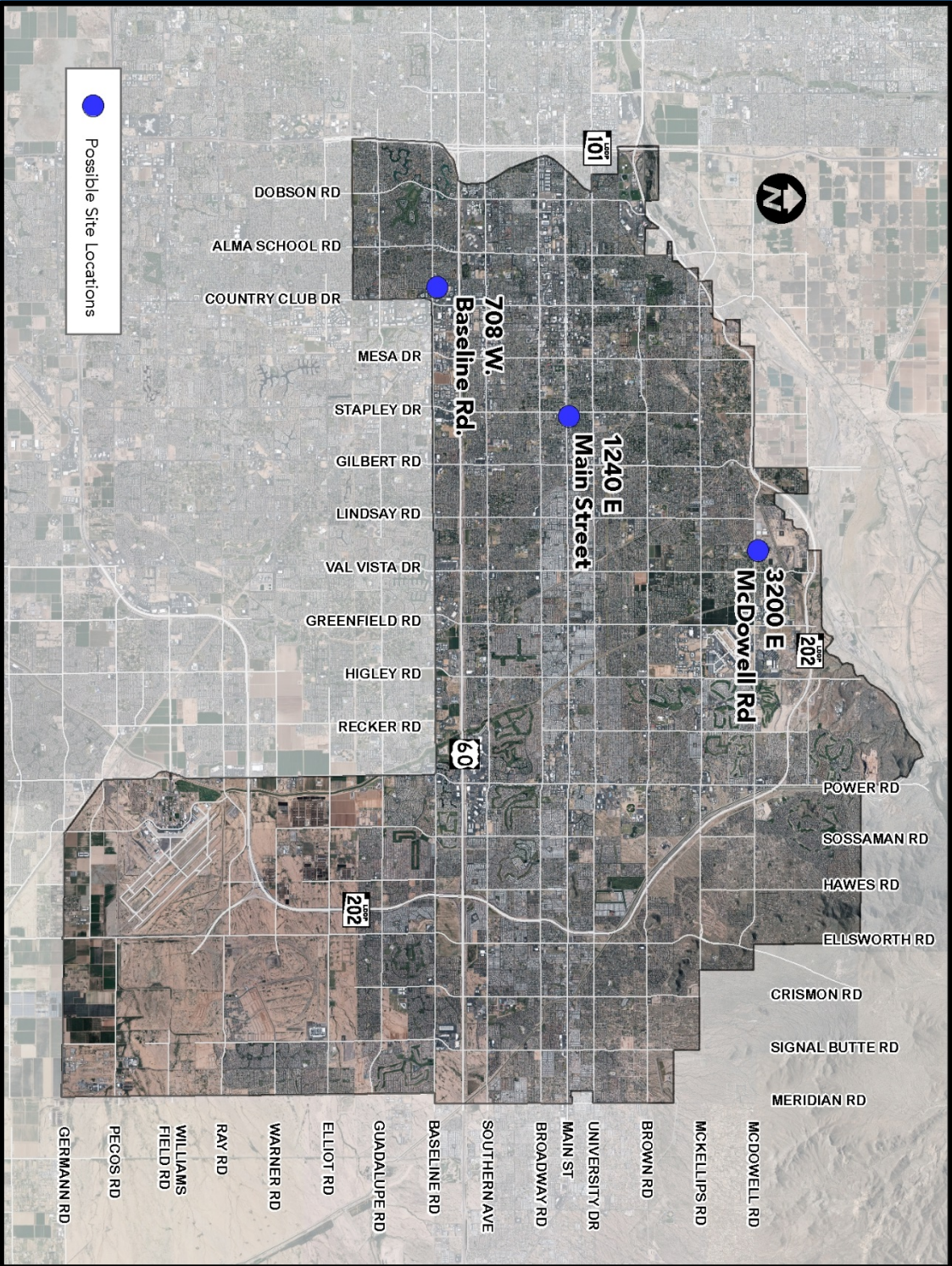
Total 32,722 SF

Current and Future Program 51,533 SF

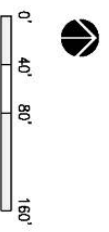
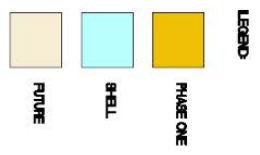
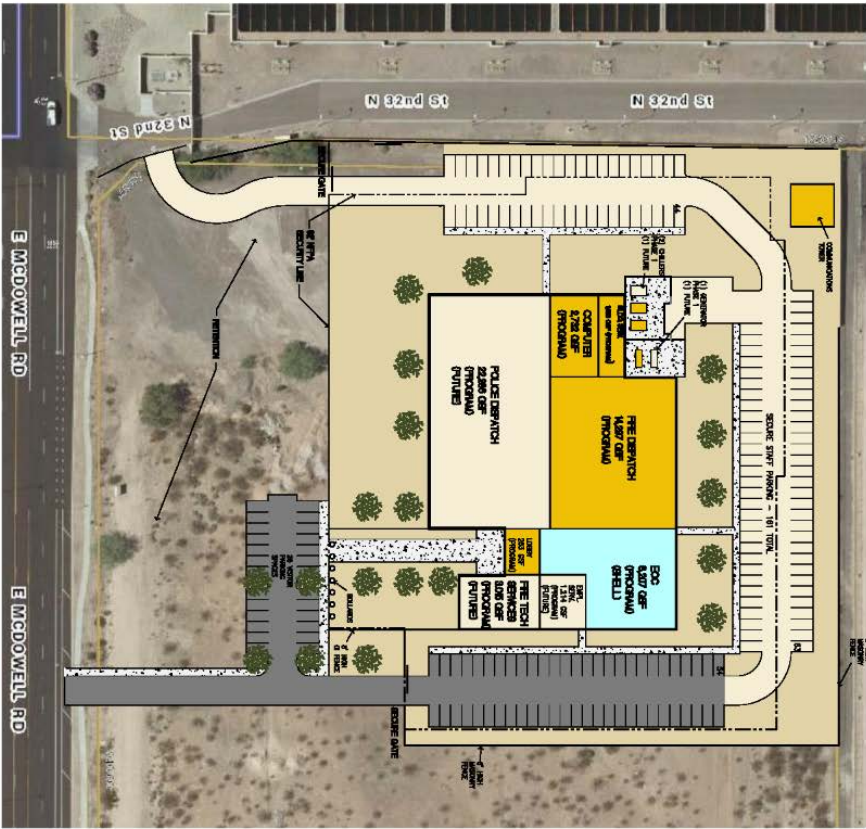
All Sites Evaluated



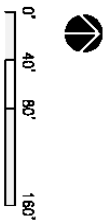
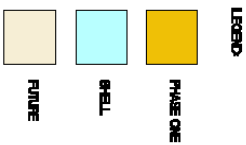
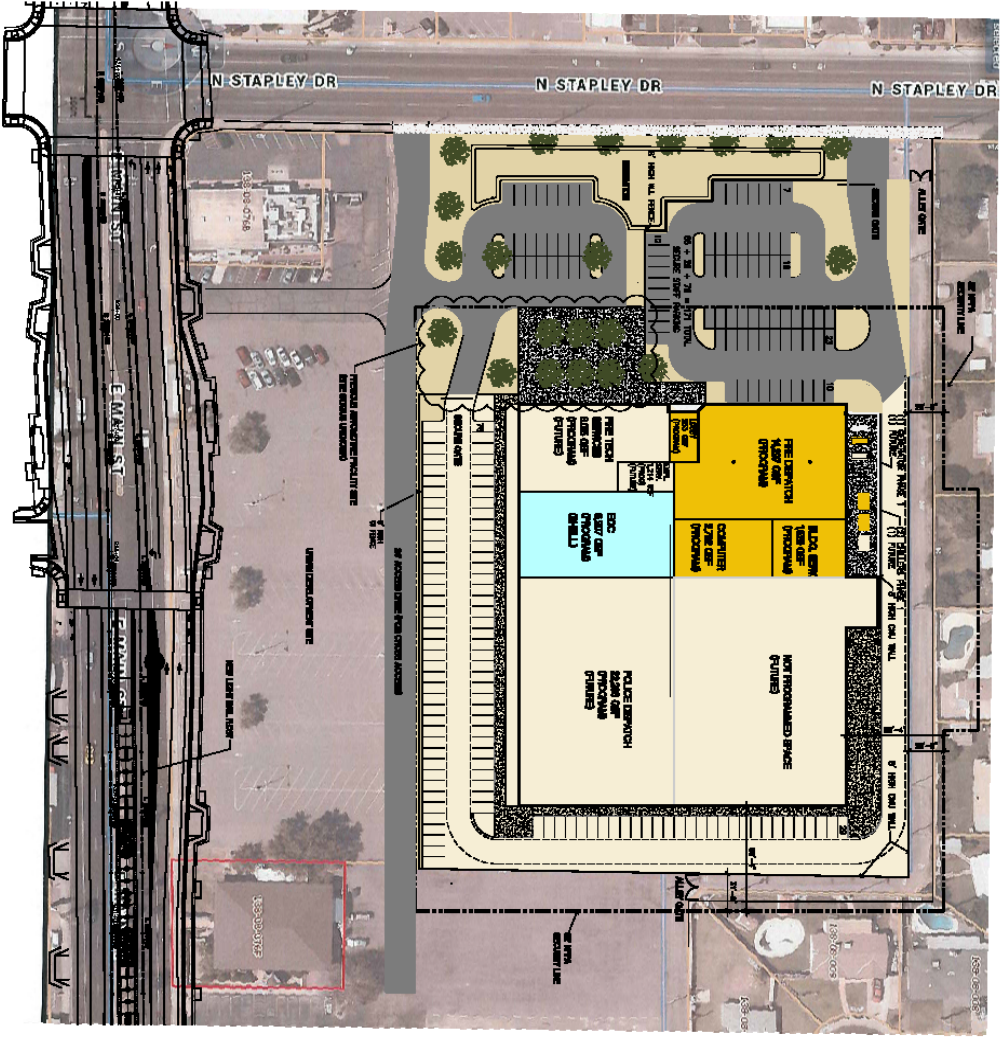
Detailed Evaluation of Three Sites



3200 E. McDowell



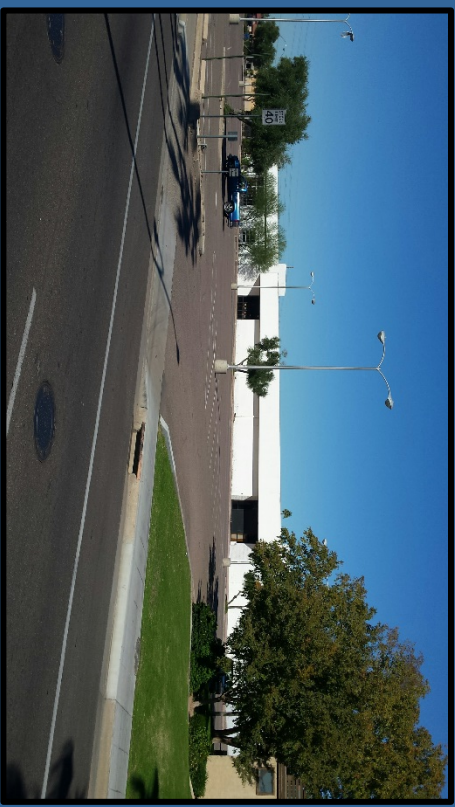
1240 E. Main Street



Site Considerations

1240 E. Main Street

- NFPA Setbacks
- Cross Access Agreements
- Environmental
- Stormwater Retention
- Light Rail Right-Of-Way



Stapley Rd. Frontage



SW Corner Location of automotive facility



North side with Adjacent Property Walls

Building Considerations 1240 E. Main Street Roof



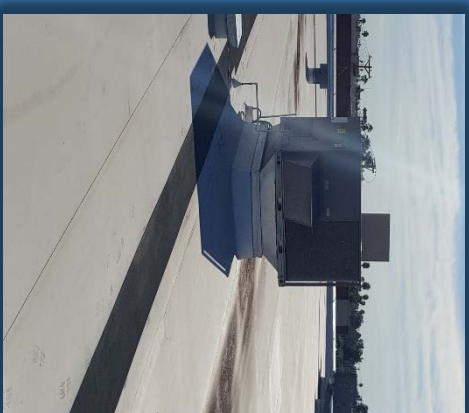
**Wood
Truss Roof**

Building Considerations 1240 E. Main Street

HVAC



Required HVAC
(Exist. Communications Bldg. Chillers)



Exist. Rooftop
HVAC

Building Considerations 1240 E. Main Street Power Supply



Existing Power Supply

Required Power Supply

Building Considerations 1240 E. Main Street

Site Walls

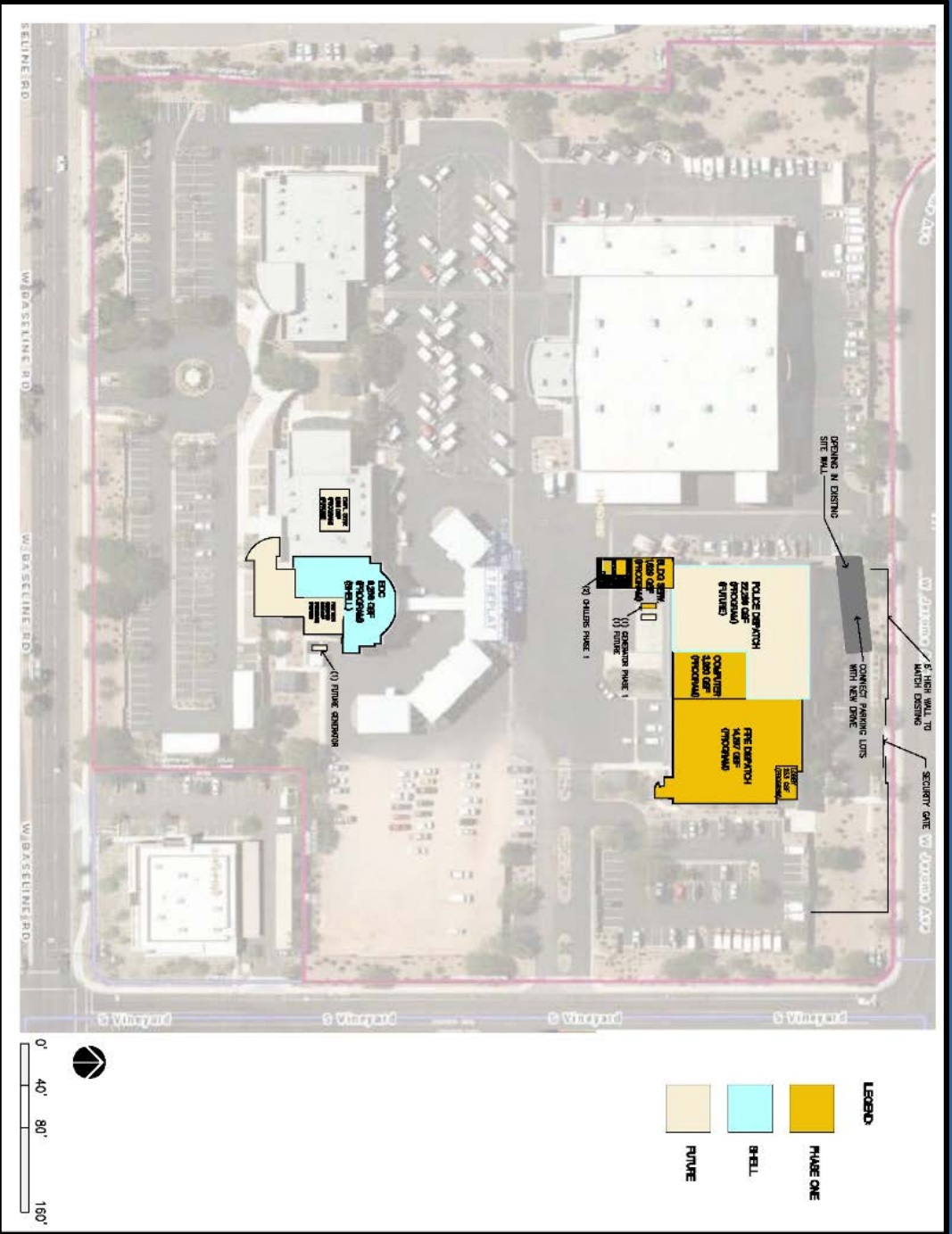
East Side



West Side



708 W. Baseline Rd.



Building Considerations *708 W. Baseline Rd.*

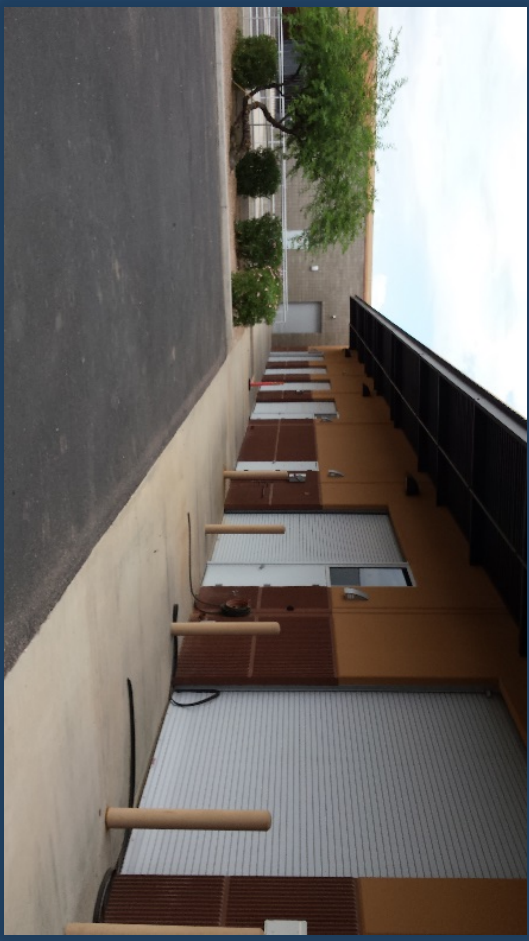
Building Design



Roof

Building Considerations *708 W. Baseline Rd.*

Doors / Windows



HVAC

Building Considerations 708 W. Baseline Rd. Power Supply






Site Walls



Existing Power Supply

Cost Analysis

3200 E McDowell Rd.	1240 E Main St.	708 W Baseline Rd.
 <p>Fire Dispatch Square Footage: 78,811 SF Total Site SF: 78,811 SF Site Acreage: +/- 7 Acres</p>	 <p>Fire Dispatch Square Footage: 78,811 SF Total Site SF: 90,092 SF Site Acreage: +/- 5 Acres</p>	 <p>Fire Dispatch Square Footage: 78,811 SF Total Site SF: 120,670 SF Site Acreage: +/- 4 Acres</p>
<p>Site Construction Costs: \$1,455,000 Building Construction Costs: \$6,800,000 Total for Construction: \$8,255,000 Technology Costs: \$4,100,000 Real Estate Costs: \$0 Owner Contingency (0%): \$0 Consulting/Impact/CIP Fees & PM/Inspection/Testing Costs: \$2,245,000</p>	<p>Site Construction Costs: \$1,875,000 Building Construction Costs: \$6,960,000 Total for Construction: \$8,835,000 Technology Costs: \$4,100,000 Real Estate Costs: \$2,660,000 Owner Contingency (5%): \$604,000 Consulting/Impact/CIP Fees & PM/Inspection/Testing Costs: \$2,582,000</p>	<p>Site Construction Costs: \$350,000 Building Construction Costs: \$4,940,000 Total for Construction: \$5,290,000 Technology Costs: \$4,100,000 Real Estate Costs: \$13,034,000 Owner Contingency (5%): \$422,000 Consulting/Impact/CIP Fees & PM/Inspection/Testing Costs: \$2,406,000</p>
<p>TOTAL PROJECT COST: \$14,600,000</p> <p><i>Add Air #1 - FOC Shell: \$2,200,000</i></p>	<p>TOTAL PROJECT COST: \$18,781,000</p> <p><i>Add Air #1 - FOC Shell: \$700,000</i></p>	<p>TOTAL PROJECT COST: \$25,252,000</p> <p><i>Add Air #1 - FOC Shell: \$0</i></p>

Questions?

Building Elevations-1240 E. Main St.



North Elevation



East Elevation



South Elevation



West Elevation

Building Elevations-708 W. Baseline Rd.



North elevation



East elevation



South elevation



West elevation