



COUNCIL MINUTES

October 20, 2011

The City Council of the City of Mesa met in a Special Council Meeting in the lower level meeting room of the Council Chambers, 57 East 1st Street, on October 20, 2011 at 7:35 a.m.

COUNCIL PRESENT

Scott Smith
Alex Finter
Dina Higgins
Dennis Kavanaugh
Dave Richins
Scott Somers

COUNCIL ABSENT

Christopher Glover

OFFICERS PRESENT

Kari Kent
Debbie Spinner
Linda Crocker

Mayor Smith excused Councilmember Glover from the entire meeting.

1. Discuss and take action on a contract to extend chilled water lines to the Mesa City Plaza (20 E. Main Street) and vacant building (51/55 E. Main Street) (District 4).

City Project 09-930-001. This project will extend chilled water lines into the Mesa City Plaza building at 20 E. Main Street and the vacant commercial building at 51/55 E. Main Street.

Recommend award to the lowest bidder, HACI Mechanical Contractors Inc., in the amount of \$295,850, plus an additional \$29,585 (10% allowance for change orders) for a total award of \$325,435. Funding is available in the FY 11/12 Facilities Maintenance Operating Budget.

City Engineer Beth Huning displayed a PowerPoint presentation highlighting the extension of the chilled water system to Mesa City Plaza. (MCP) **(See Attachment 1)** She displayed a map of the current chilled water system and the buildings that it serves. She pointed out that the blue lines on the map represent the dual pipeline distribution system that runs from the Central Plant located at the Mesa Arts Center (MAC). (See Page 1 of Attachment 1)

Ms. Huning advised that the City's chilled water system was installed at the time that the MAC was built. She displayed a list of the 13 buildings currently attached to the system and remarked on the convenience of having all the equipment centrally located near the MAC. (See Pages 2 and 3 of Attachment 1) Ms. Huning stated that it has been projected that cooling with a chilled water system provides approximately \$1 million in savings each year. In addition, she said that the average useful life of an air cooling system can be extended with the use of a chilled water system.

Ms. Huning explained that a “ton” is a unit of measure used in sizing cooling systems which means one ton of ice melting in a 24 hour period. She said that currently the City’s chilled water system consists of three 900 ton chillers and one 950 ton chiller.

Responding to a question from Councilmember Richins, Ms. Huning advised that the Central Plant does have the space available to expand the chilled water system.

Ms. Huning stated that the onsite chiller system located on top of Mesa City Plaza has reached the end of its useful life. She explained that it would be difficult to replace the system and it is not easy to obtain parts when repairs are needed. She reported that a mechanical engineering consultant conducted an analysis and projected the replacement cost of the system to be over \$700,000. Ms. Huning advised that to connect MCP to the existing chilled water lines located in the parking lot would cost \$270,000 and is a huge capital savings as well as an energy savings opportunity for the City.

Ms. Huning also stated that it has been proposed that the buildings located at 51/55 East Main Street also be connected to the chilled water system. She indicated that the rooftop units on these buildings are approximately 22 years old and difficult to maintain. She added that at times the drains on the roof become plugged causing the units to flood.

Ms. Huning briefly highlighted the difference between residential cooling and commercial cooling. She said that the “rule of thumb” in residential cooling is one ton for every 400 square feet and for commercial cooling it is one ton for every 190 square feet. She explained that commercial retail type facilities usually have more people, more activity and generate more heat than a residential building. Ms. Huning advised that rooftop mounted units have an Arizona rating due to the fact that they are located in the direct heat of the sun. She said as this relates to replacement of the cooling units at 51/55 East Main Street, 92 tons would be necessary if the units were installed on the ground and if the units were installed on the roof 115 tons would be necessary due to the Arizona peaking factor.

Ms. Huning indicated that hot tapping the lines from the MAC would be necessary in order to install the two 20 inch pipes needed at 51/55 E. Main Street. She stated that hot tapping the chilled water line would be done to avoid a full shutdown of the system. She noted that the system would be prepared to move into a shutdown in the event that the hot tap did not hold.

Responding to a question from Councilwoman Higgins, Ms. Huning described the process of hot tapping into the chilled water system. She explained that a clamp with a valve is placed on the outside pipe and a special machine is inserted through the valve where a “coupon” is cut out of the pipe. She said the valve is then closed and the machine is removed while the chilled water continues to flow uninterrupted through the system.

Ms. Huning advised that the building located at 51/55 East Main Street would have 20” x 6” tees, two 6 inch lines and valves with 4 inch lines running into the building. She said \$36,297.00 will cover the cost of the large 20 inch, welded, insulated and wrapped for corrosion steel pipe. In addition, she stated that the cost for the tees and valves would be approximately \$20,000 and the cost to install and stub the 4 inch lines in the building is estimated to be around \$15,000. She noted that the stubs will be placed in a convenient location until a decision is made regarding the future use of the building.

Ms. Huning displayed a photograph of the roof top cooling units located on top of the 51/55 East Main Street building. (See Page 7 of Attachment 1) She pointed out some of the issues related to the cooling units as follows:

- units are 22 years old
- units are hail damaged
- no room to conduct maintenance
- no roof access from inside the building

Ms. Huning provided a brief history of the building which was built in 1989 as part of the Site 8 Redevelopment. She advised that the City purchased the property when the site was selected as the location for the MAC in early 2000. She explained that 51/55 is actually two buildings that were originally slated for demolition, however, as the project progressed funds became "tight" and the committee elected to leave the building in place. She said that currently The Shakespeare Company is renting the west end of the building for \$400 a month. In addition, she said that over the years there have been some offers to purchase the building however, those offers fell through.

Ms. Huning advised that in March of 2010 an evaluation was conducted to determine the costs to replace the roof, obtain a solid electrical service, install heating, ventilation and air conditioning (HVAC) connections and install a sprinkler system in order to bring the building up to code. She said at that time the consultant estimated the costs of connecting the building to the chiller system, as an independent project, to be approximately \$140,000. She pointed out that connecting 51/55 East Main Street to the chiller system as part of the MCP project will cost \$36,000. She noted that if the City elects to connect the building to the chilled water system at a future date the costs have been estimated to be \$50,000 to \$55,000, depending on the construction market.

Ms. Huning recommended that 20" x 6" tees, lines and valves be installed and stubbed at the building located at 51/55 East Main Street. She indicated that the majority of the expense to conduct this project at a later date relates to the costs to bring in a tapping machine and prepare for a full shutdown of the system. She said completing the project at this time and having the connections available will save the City money.

In response to a question from Councilmember Richins, Director of Facilities and Maintenance Dennis Ray advised that the Main Library is connected to the chilled water system using 6 inch lines. He said that the 6 inch lines could also serve the hotel located next to the Library should they choose to have chilled water at some point.

Ms. Huning stated that Mesa Public Schools (MPS) would have the ability to tap into the City's chilled water system if their system were to fail. She added that a rate and fee for service has been established for the use of the City's chilled water system and that currently the Methodist church is the only private entity connected to the system.

Discussion ensued regarding the size of line that can be used to feed the chilled water system into a building.

Ms. Huning clarified that 8" line is the largest line that can be used in any building.

Mayor Smith commented that having a stub in place that will allow for chilled water to be made available has its value.

Ms. Huning stated that the recommendation is for the Council to award the full amounts so the project will not need to be re-bid and staff will “change order out” the \$15,199 that this would save.

Councilmember Richins stated that he was comfortable with the recommendation as it would allow the City time to determine the long-term future of the building.

Mr. Ray remarked that Facilities and Maintenance supports district cooling as it allows staff to monitor and control temperatures in the buildings remotely, eliminating the need to send technicians out to adjust thermostats. He advised that to turn the chillers on for one small building requires the same amount of energy that it does to turn on the whole system, therefore, the goal is to run as close to capacity as possible and increase efficiency. He noted that if the buildings are not connected to the district cooling system the chillers and equipment will need to be replaced within the next 15 years. Mr. Ray invited the Council to schedule a tour of the Central Chilled Water Plant.

Discussion ensued regarding the amenities and upgrades that would need to be in place if the building located at 51/55 East Main Street were to be leased.

Councilmember Finter thanked staff for the presentation and expressed his appreciation for the money-saving ideas. He suggested that in the future the Council demonstrate their direction by a “show of hands” at the end of a presentation to avoid confusion and provide staff with clear direction.

In response to the statements made by Councilmember Finter, Mayor Smith advised that in the future the Council will make sure that staff is provided clear direction.

Mayor Smith read a statement submitted by Councilmember Glover indicating his support for the request as presented along with the suggestion that a committee be established to evaluate the long-term strategy for the property. **(See Attachment 2)**

Mayor Smith commented that the City’s Economic Development Department, as well as others, has not been provided specific direction as it relates to the property located at 51/55 East Main Street. He remarked that it would be a mistake to forge ahead and “shoehorn” something into the building that does not fit with the City’s long-term goals. Mayor Smith stated that a decision needed to be made regarding the long-term future of the property and suggested that the possibility of a public/private partnership or an iMesa initiative be explored.

Vice Mayor Somers stated that the visioning should not be limited to this one piece of property as there are many areas that can be leveraged toward the City’s economic development goals. He said that visioning should include the South Campus, Site 17, as well as other buildings around the downtown area, to determine how they will fit into the economic strategies for the downtown area. Vice Mayor Somers supported the idea of Councilmember Glover leading an effort to identify and determine the long-term vision of the assets in the downtown area. He expressed his support for the recommendation to place the chilled water connections at 51/55 East Main Street and added that any additional work to the building should be part of tenant improvements.

Councilmember Richins requested that Planning Director John Wesley provide some insight regarding the code revision that was recently completed.

Mr. Wesley advised that the Form-Based Code will be before the Council in the near future. He said that the Downtown Core District has been envisioned as an opportunity for high intensity development. He stated that the Downtown Core District will be known as the T6 Zone and is foreseen to consist of a minimum of 4-story developments.

Vice Mayor Somers commented that the building located at 51/55 East Main Street is not that old as it was built in 1989. He said the building has the potential for some interim uses before the new zoning becomes effective. He remarked that the issue is how the building and the chilled water system will tie into the City's goals over the next few years.

Councilmember Richins remarked that the issue was never about the chilled water line but about the future use of the building. He stated that the chilled water system is a fabulous investment and an asset. He stated that he hoped that the development community was paying attention as the chilled water system has a huge value that has proven itself in downtown Phoenix. He voiced his agreement to the statements made by Vice Mayor Somers in regards to installing the tees at the site. In addition, he said that the \$400 a month rent that is being collected will not cover the cost of any upgrades to the building and could be an issue if the HVAC system fails.

Mayor Smith remarked that the mindset that the City is in the rental business needed to be removed. He stated that The Shakespeare Company, as well as other local groups, use the building on a permanent interim basis and create life downtown. He said when The Shakespeare Company has a play or the bands are performing it brings people into the downtown area who would not otherwise be there. He advised that Arts and Cultural Director Cindy Ornstein is focused on the philosophy that arts and culture are part of the economy and that same philosophy should be used in determining the use of the building. He noted that at this point the building has a great interim use however, from a physical standpoint there is more that can be accomplished.

Mayor Smith requested that Ms. Huning restate staff's recommendation.

Ms. Huning responded that it was staff's recommendation to award the full contract and negotiate with the contractor to remove the cost of the two proposed 4 inch lines from the valves into the building and install the 20" x 6" tees, lines and valves.

It was moved by Vice Mayor Somers, seconded by Councilmember Kavanaugh that the recommendation as stated by Ms. Huning be approved.

Mayor Smith declared the motion carried unanimously by those present.

2. Items from citizens present.

There were no items from citizens present.

3. Adjournment.

Without objection, the Special Council Meeting adjourned at 8:12 a.m.

SCOTT SMITH, MAYOR

ATTEST:

LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Council Meeting of the City Council of Mesa, Arizona held on the 20th day of October, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

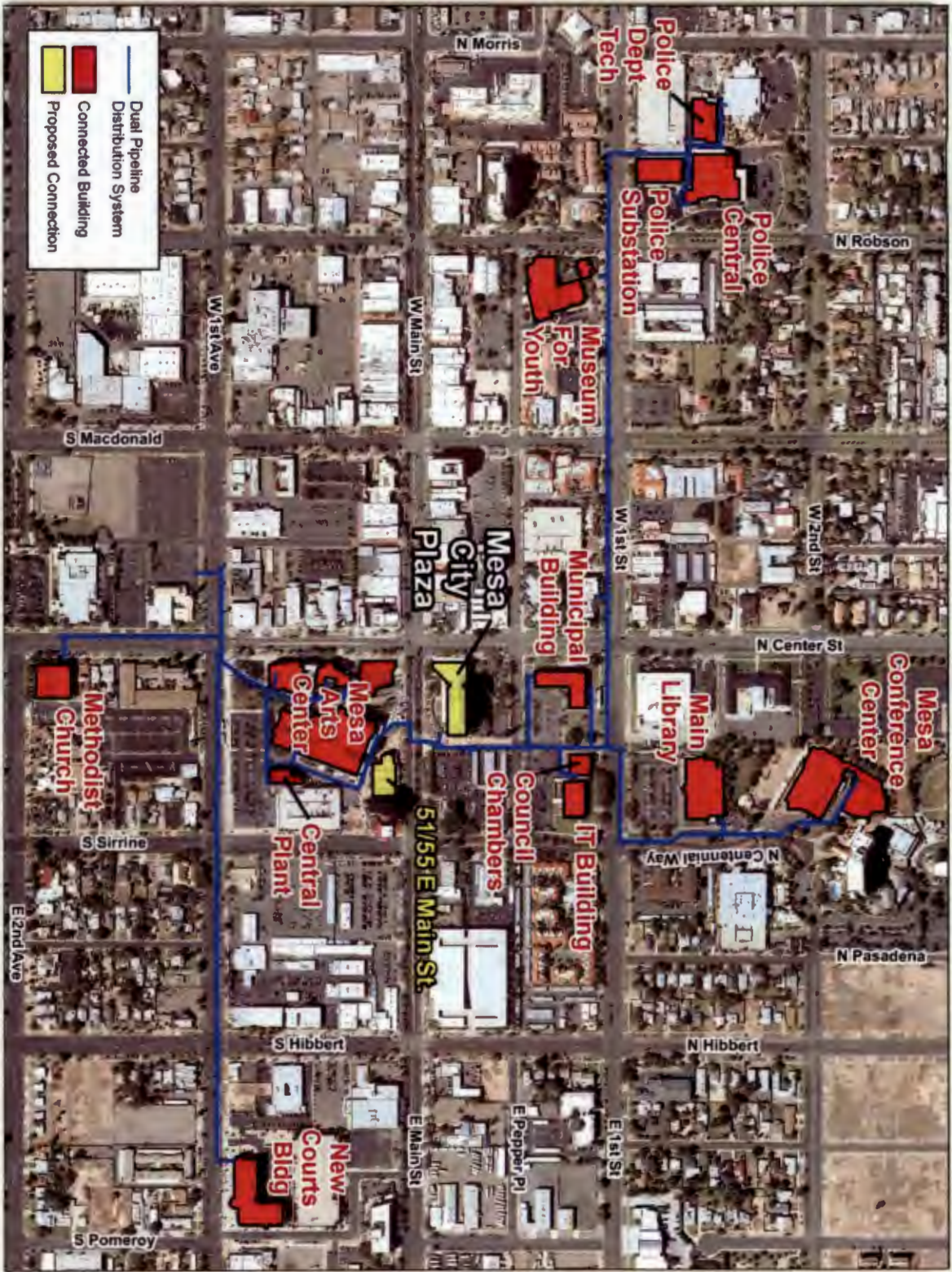
LINDA CROCKER, CITY CLERK

bdw
(attachments – 2)



October 20, 2011

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1.

Central Plant Loading	Tons
Central Plant	26
Council Chambers	30
IT Building	168
Main Library	200
Police Central	300
Mesa Arts Center	555
Mesa Conference Center	200
Methodist Church	190
Municipal Building	150
Museum for Youth	61
New Courts Building	300
PD Substation	95
PD Tech	350

Existing Connected Buildings & Loads

2.



Mesa Arts Central Plant

3.



Chillers



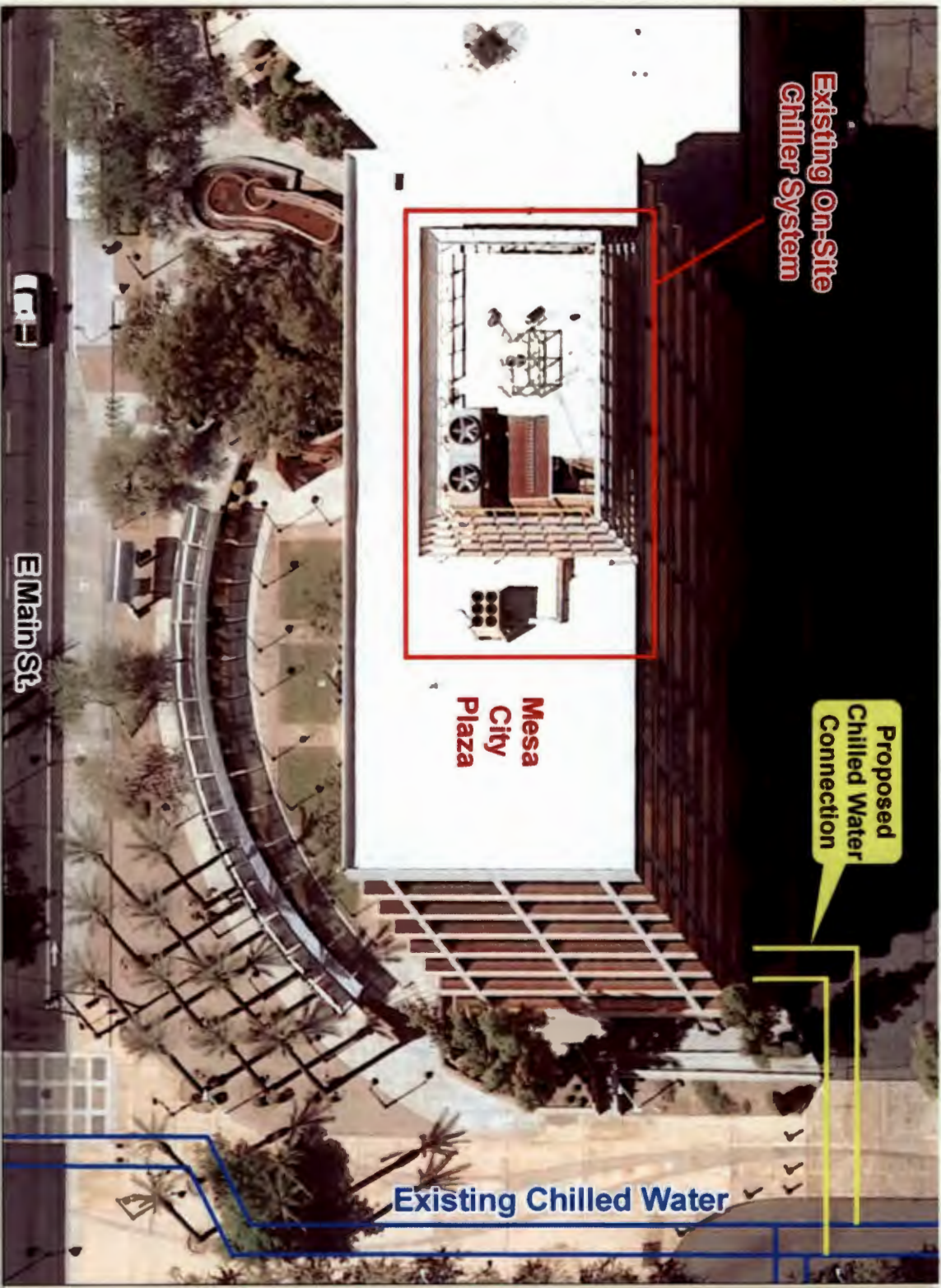
Distribution Pumps



**Cooling
Tower
Recirc.
Pumps**



**Cooling
Towers**



MCP Chilled Water System



51/55 E. Main St.

6.



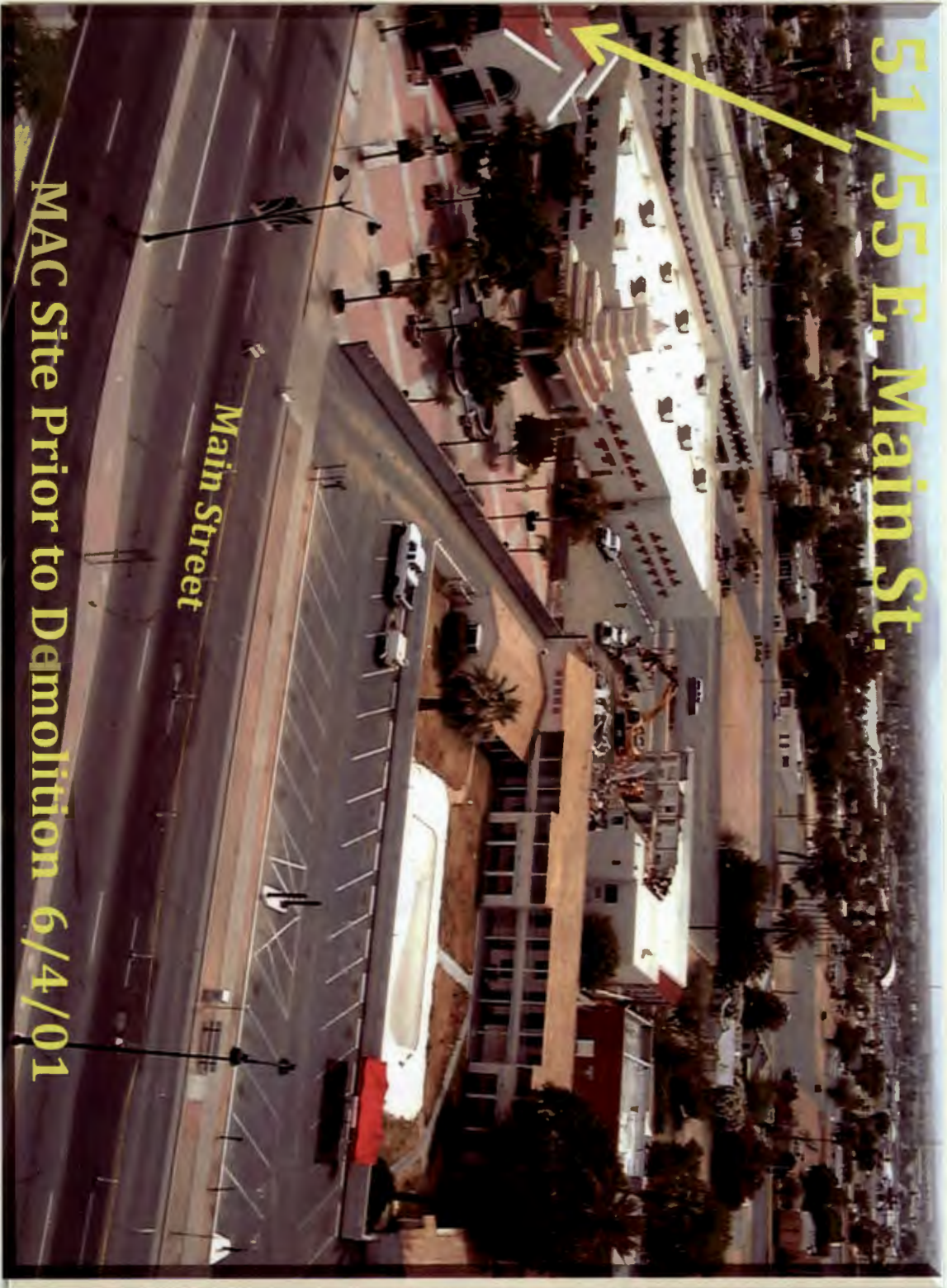
Minimal Room to Maintain



Existing 51/55 Roof Top Unit

22 Year Old Unit

Hail Damage



Questions?

Barbara Woods

From: Councilmember Glover
Sent: Monday, October 31, 2011 7:55 PM
To: Barbara Woods
Subject: Fwd: Chilled water statement

Sorry it took so long!

-I think the purpose of life is to be useful, to be responsible, to be honorable, to be compassionate. It is, after all, to matter: to count, to stand for something, to have made some difference that you lived at all.

Sent from my iPhone

Begin forwarded message:

From: Councilmember Glover <Councilmember.Glover@MesaAZ.gov>
Date: October 20, 2011 6:58:14 AM PDT
To: S Smith <SSmith@mesaaz.gov>
Cc: Chris Brady <Chris.Brady@mesaaz.gov>
Subject: Chilled water statement

Thanks Mayor!

While I support investment in maintaining City-owned properties (assets) such as the property at 51-55 E, Main, I also understand that we as a Council have not established a long-term strategy (vision) for this property. I believe it is safe to say that we all agree that utilization of this property has been a component of Mesa's economic development efforts. I do not believe that this approach should be changed. Rather, I believe that we are presented with the opportunity to achieve both goals by supporting the recommendation before us. By doing so, we proceed forward immediately with the chilled water program for Mesa City Plaza. We will continue to market the property for our higher education initiative until an agreed-upon strategy is developed for the property. If in the interim a serious user is presented, we as a Council recognize that the chilled water will need to be provided.

I recognize that each Council member thinks of Downtown as an extension of his/her district. While I can appreciate the thoughtful options that been proposed, I do believe we need to explore these options with a group of staff and perhaps other stakeholders so that a thoughtful, strategic set of recommendations can be placed before this Council. To that end, I am offering to chair this committee if the Council is agreeable.

With all of this said, I think that we need approve the request as presented and that a committee be established to evaluate the long-term strategy for this property.

-I think the purpose of life is to be useful, to be responsible, to be honorable, to be compassionate. It is, after all, to matter: to count, to stand for something, to have made some difference that you lived at all.

Sent from my iPhone