



COUNCIL MINUTES

September 2, 2010

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 September 2, 2010 at 7:33 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner

1. Hear a presentation, discuss and provide direction on the Healthcare Feasibility Study.

Economic Development Department Director Bill Jabjiniak reported that the City of Mesa's Healthcare Feasibility Study, which was funded with Community Development Block Grant (CDBG) dollars, focused on downtown Mesa for the primary market area. He stated that the consultants also took a Citywide and sometimes regional approach in examining the assets of the region and recognized that "a healthcare destination" would serve more than just the local population.

Mr. Jabjiniak introduced Marketing and Business Development Manager Jaye O'Donnell, Project Manager of the study, and consultants Judy Scalise, a principal of ESI Corporation, and Jackie Lundblad a principal of NGH Consulting.

Ms. Scalise displayed a PowerPoint presentation (**See Attachment 1**) and stated that the goal of the Healthcare Market Analysis and Feasibility Study was to identify strategies and provide findings and recommendations regarding how the City should proceed in creating Mesa as a healthcare destination.

Ms. Scalise reviewed the key elements of the study, which included an asset inventory, market analysis and comparative analysis. She noted that with respect to an asset inventory, the consultants identified facilities and healthcare providers within the market trade area and primarily within the East Valley; that the market analysis examined the primary trade area as it relates to healthcare delivery and identified the socioeconomic demographic mix of population/population projections; and that the comparative analysis examined Mesa and other

East Valley communities and identified key assets that could promote healthcare economic development for the City of Mesa.

Ms. Scalise discussed various findings related to the healthcare industry in the United States and Maricopa County. (See Pages 3 through 7 of Attachment 1) She remarked that nationwide, healthcare is a \$2.5 trillion business and the largest private sector employer. Ms. Scalise stated that in Maricopa County, healthcare is a \$19.2 billion industry and added that there are over 50 healthcare facilities in the East Valley, including 14 hospitals, 6 surgical centers and 30 urgent care facilities.

Ms. Scalise also remarked that the findings reflect that Mesa has little need for Level 1 Trauma services, since similar facilities are currently available in Scottsdale and Phoenix. She said that based on current population projections, there was no need for any new Trauma 1 care at the downtown location site, although there would be a future potential as the population grows.

Responding to a question from Mayor Smith, Ms. Lundblad clarified that with respect to the downtown site, which is situated at the southwest corner of University and Mesa Drive, in order for a Level 1 Trauma Center to be well supported, it would be necessary to have significant healthcare facilities adjacent to the site.

Councilmember Kavanaugh commented that the East Valley Fire Departments and Fire Chiefs were united in their concern that Mesa and the East Valley need Level 1 Trauma services.

In response to a question from Councilmember Kavanaugh, Ms. Lundblad advised that the consultants' findings were based on data, as well as meetings with representatives of the hospital association and local hospital emergency departments. She noted, however, that the consultants did not solicit feedback from the local Fire Departments.

Ms. Lundblad reported that in reviewing the population-based data and taking a broad look at Maricopa County, the consultants concluded that there were sufficient Level 1 Trauma services in Mesa. She noted that Banner Desert Hospital had a strong emergency department and said that it was her understanding that the facility was considering going to Level 2 Trauma services. Ms. Lundblad added that Cardon Children's Hospital was exploring the need for Pediatrics Level 1 Trauma services.

Councilmember Kavanaugh, who served as the most recent Chair of Banner Desert Hospital's Community Advisory Board, remarked that the Board had strong discussions regarding the need for Level 1 Trauma services and said that included in those discussions were representatives from the East Valley medical community and the local Fire Departments. He stated that the reason Banner has not pursued the option was not because such services were not needed, but the cost of having staff and facilities available on a 24-hour basis. Councilmember Kavanaugh further remarked that the consultants did not speak with Fire personnel who deal with Mesa residents on a daily basis and added that the need for Level 1 Trauma services, in his opinion, has been documented for a decade.

Responding to a question from Councilwoman Higgins, Ms. Lundblad explained that the goal of the study was to conduct a broad asset inventory of the downtown site and to assess the specific needs in that area of the community. She stated that if the consultants conducted a

study with respect to the need for Level 1 Trauma services, it would consider the needs of the entire City of Mesa relative to Maricopa County.

Councilmember Finter concurred with Councilmember Kavanaugh's comments and suggested that the consultants "look deeper" into the need for Level 1 Trauma services in Mesa.

Mayor Smith commented that it was his understanding that Level 1 Trauma services were not "a money-making venture," but rather a community service.

Ms. Lundblad responded that if the Council was interested in Level 1 Trauma services, the consultants could study the matter further. She also noted that there were other roles that the City could play, such as developing transport teams to move the critically injured to such facilities, rather than building a Level 1 Trauma Center.

Councilmember Richins expressed concern that the consultants' report had limited source material and questioned where they garnered their assumptions concerning the need for Level 1 Trauma services in Mesa. He also noted that the consultants did not actually conduct a Level 1 Trauma Center study, but instead relied on data obtained from a study performed by Banner Desert Hospital several years ago.

Ms. Lundblad reiterated that if the consultants were to conduct an actual population-based study on the need for Level 1 Trauma services, it would be necessary to include a larger geographic area than downtown Mesa or even the City of Mesa.

Ms. Scalise further highlighted a series of potential impacts with respect to the healthcare industry. (See Page 7 of Attachment) She stated that evidence has shown that only 20% of physicians who train in Arizona actually remain in the State to practice medicine.

Councilmember Somers stated that with respect to the states that have a higher percentage of physicians who train in those states and remain to practice medicine, he would be interested in knowing what type of incentives are offered to those individuals (i.e., medical grant programs, Medicaid reimbursements).

Responding to a question from Mayor Smith, Ms. Lundblad explained that the United States was not training enough doctors and noted that in Arizona, there were not enough residency slots for certain medical specialties.

In response to a question from Councilmember Somers, Ms. Scalise advised that the osteopathic (D.O.) schools were growing their student base more than the allopathic (M.D.) schools. She stated that with respect to healthcare reform, which will focus on wellness and primary care, D.O.s were very strong in the primary care arena.

Councilmember Somers suggested that perhaps a D.O. school would fit well in a strategic initiative toward healthcare education in downtown Mesa.

Ms. Scalise continued with her presentation and discussed the Healthcare Feasibility Study findings and strategies that the City of Mesa could consider for building "a healthcare cluster." (See Pages 8 through 10 of Attachment 1) She stated that Mesa can build upon its existing

healthcare assets to become known as centers of excellence, such as Banner Health, M.D. Anderson, Cardon Children's Hospital, and A.T. Still University.

Responding to a question from Councilwoman Higgins, Ms. Scalise clarified that the recommendations and strategies apply to the City as a whole and not just the downtown area.

Ms. Scalise further spoke regarding the vision for the future, potential models for the City to study (i.e., Lake Nona Medical Center, Florida; Nashville Healthcare Council; and Minneapolis Life Sciences Corridor) and components that drive success. (See Pages 11 through 13 of Attachment 1)

Mr. Jabjiniak stated that staff would bring back an itemized budget related to a comprehensive strategy and business development plan focused on healthcare.

Mayor Smith commented that he liked the idea of the City developing "a healthplex" with world-class medical expertise in the downtown area. He also stated that he would be interested in knowing what Mesa's specific opportunities are with respect to M.D. Anderson and Banner Health's Healthcare Simulation Training Center and how to effectively focus on those opportunities.

Mayor Smith thanked everyone for the presentation.

2. Hear a presentation, discuss and provide direction on the Higher Education Feasibility Study and Recruitment Strategy.

Mr. Jabjiniak stated that similar to the previous study, the Higher Education Feasibility Study was also funded with CDBG dollars and focused on downtown Mesa. He explained that the study was the initial phase of improving the redevelopment area, with the long-term goals of creating high quality jobs, injecting new capital into the area, and revitalizing downtown Mesa.

Mr. Jabjiniak introduced Marketing and Business Development Manager Jaye O'Donnell, Project Manager of the study, John Kelly, a principal of Triadvocates, and Sarah Murley, an economist representing Applied Economics. He also acknowledged Julie Rees, also representing Applied Economics, who was present in the audience.

Mr. Kelly displayed a PowerPoint presentation (**See Attachment 2**) and reported that it was the conclusion of the study that recruiting additional higher education resources to the City of Mesa was feasible, desirable and likely to result in many direct and indirect benefits to the community. He advised that as part of the study, the consultants solicited feedback from members of the community, private sector leaders, educators and students. Mr. Kelly also noted that extensive research was conducted relative to the higher education market, feasibility and potential economic impacts.

Mr. Kelly discussed current enrollment in public universities, community colleges and private technical colleges in Arizona (See Pages 2 and 3 of Attachment 2) and the pool of potential undergraduate students in Arizona in 2006 versus 2020. (See Page 4 of Attachment 2) He explained that Arizona was well served in its public higher education and community college systems and has a greater percentage of population participating in non-traditional education

(i.e., University of Phoenix, DeVry). He noted, however, that Arizona lags behind peer communities in the percentage of population enrolled in private, traditional colleges.

Mr. Kelly highlighted comparative annual tuition costs at various public and private Arizona universities and colleges. (See Page 6 of Attachment 2)

Ms. Murley spoke regarding three potential pro formas (law school; arts college-residential; arts college-no dorms) conducted by the consultants and their impact on the City of Mesa. (See Pages 7 through 9 of Attachment 2) She explained that the assumptions of the economic impact included enrollment, the percentage of students living in Mesa, student spending, employment, payroll and construction costs.

Mr. Kelly remarked that the feedback the consultants solicited from various entities included, but was not limited to, the following: strong support for additional higher education options; private schools must be considered (but not exclusively); higher education would complement other economic development strategies; and keen interest in fulfilling programmatic voids.

Mr. Kelly, in addition, reviewed the study's findings (See Pages 11 through 13 of Attachment 2) and reported that the Phoenix metro area has an average level of enrollment in public universities, but is a leader in private, non-traditional higher education. He also stated that the East Valley communities have a population with a slightly higher than average adult population with at least a four-year degree and an indicator of college-bound children.

Discussion ensued relative to the survey results which reflected the desire of high school students and current college students to attend a faith-based institution; and that Arizona does not have any Latter Day Saints (LDS) or Catholic higher education institutions.

Councilmember Somers stated that if the City wants to use education as a mechanism for revitalizing downtown Mesa, it would be important to have students and faculty from outside the region living, working and recreating in the area.

Councilmember Finter stated that as a father whose children are receiving their higher education out of state, he concurred that Arizona lacks private colleges. He suggested that a local delegation of civic and Catholic Diocese representatives meet with representatives from Notre Dame University to determine what it would take for the City to have an institution of that caliber in this community.

Mayor Smith concurred with Councilmember Finter's comments. He stated that he has talked with representatives of the LDS Church, private colleges, art institutions and out-of-state entities, but said those efforts have not had the backing of a formal institutional process, which is what needs to occur in order to move forward in this regard.

Councilwoman Higgins expressed concern that there was a lack of smaller schools that were "in between" the size of large universities and community colleges. She said that could be a reason that students go out of state to attend smaller liberal arts colleges, which are not available in Arizona.

Councilmember Kavanaugh recounted the City of Mesa's efforts in 1997/98 during his prior tenure on the Council to recruit Lewis University in Illinois to Mesa because the Council

recognized the importance of bringing a faith-based college to the community. He stated that although the City did not succeed in that regard, this current study clearly substantiates the need for faith-based institutions in Arizona and specifically in Mesa.

Mayor Smith stated that he hoped the study would be “a launching pad” for specific and ongoing efforts to recruit educational institutions to Mesa. He stated that the discussions he has had with various educational institutions center around an “urban-based educational experience,” which downtown Mesa can and will offer.

Mr. Jabjiniak stated that City staff has already contacted seven higher education institutions, ranging from small liberal arts colleges to larger universities. He recommended that the next steps in the process would be for staff to develop a Request for Information (RFI) to submit to educational institutions that might be interested in locating to downtown Mesa and also to begin their marketing efforts in this regard.

Mr. Kelly concurred and suggested that the City should be proactive and aggressively market those colleges and universities that it would like to see locate to Mesa. He also noted that the City’s recruitment of an educational institution to downtown Mesa was not that dissimilar from any proactive economic development recruitment or retention strategy that City would undertake except that the targets of this process are not as sophisticated or experienced in site selection.

Mayor Smith stated that the two studies confirm many things that the Council already knew, but also assist the Council in determining how much funding should be allocated with respect to developing healthcare, medical and educational arenas in Mesa.

Councilmember Richins stated that the study was also useful to demonstrate to the outside world what assets and opportunities are available in Mesa.

Mayor Smith thanked everyone for the presentation.

3. Hear a presentation, discuss and provide direction on the Zoning Code Update.

Zoning/Civil Hearing Administrator Gordon Sheffield addressed the Council regarding the Zoning Update process. He displayed a PowerPoint presentation (**See Attachment 3**) and stated that the purpose of this process was to “equalize” the Zoning Code and make it more predictable with respect to land use, impact and form.

Mr. Sheffield briefly highlighted various public workshops that staff conducted in April through July of this year; the presentations made to various Boards; and the schedule of upcoming presentations to the Council. (See Pages 2 and 3 of Attachment 3)

Mr. Sheffield advised that the purpose of today’s presentation was to highlight the revisions to the Public Review Draft released on April 6, 2010. He stated that in particular, the revisions relate to the Development Standards, most of which occur in Chapter 5, and deal with single and multi-family residences, as well as the new Residential Small Lot (RSL) zoning district.

Mr. Sheffield referred to a document titled “Revisions – Single Residence” (See Page 4 of Attachment 3) and stated that the Code Update proposes to allow 40 foot recreational vehicles

(RVs) on lots greater than 15,000 square feet, but also continue to allow 30 foot RVs on lots less than 15,000 square feet.

Councilmember Richins requested that staff confirm with RV industry representatives the length of RVs being constructed to ensure that the proposed Zoning Code conforms to industry standards.

Responding to a question from Councilmember Richins, Mr. Sheffield clarified that if a homeowner wanted to provide a covered structure for an RV or boat, it would be necessary to install the structure in the rear quarter of the property and not the side yard. He explained that if the covered structure was placed in the side yard too close to the property line, it would violate setback requirements and could potentially become a fire issue. Mr. Sheffield added that there were exceptions to the setback requirements in the rear quarter of the property.

Councilmember Richins expressed concern that residents who want to park their RVs or boats in the side yard would be unable to build a covered structure next to it.

Mr. Sheffield said that staff could consider some exceptions to encroachment for those kinds of activities on larger lots, but noted that with respect to the smaller lots, the homeowner would simply run out of space.

Responding to a question from Councilmember Richins, Mr. Sheffield indicated that he would meet with Building Safety staff to determine if there were any exceptions for the covered structures, such as the use of fireproof materials, which might be considered in this regard.

Planning Director John Wesley clarified that the challenges addressed by Councilmember Richins have been in the Zoning Code for quite some time.

Councilmember Richins noted that he did not have a solution with respect to the illegality of building shade structures, but said he would like the matter addressed during the Zoning Code Update process.

Vice Mayor Jones commented that if a homeowner had a boat or an RV and wanted it covered, the vehicle should be parked in the rear quarter of the property. He stated that if the lot is too small to accommodate the vehicle, the owner should find an alternative place to store it.

Mayor Smith concurred with Vice Mayor Jones' comments and stated that this issue was "a no win situation."

Mr. Sheffield continued with his presentation and reviewed the proposed Code Update form requirements related to Single Residence garages. (See Page 5 of Attachment 3) He explained that this section proposes that the garage would be defined by the width of the door and not necessarily the garage structure. Mr. Sheffield also remarked that an additional revision includes the Façade Articulation Alternative (See Page 6 of Attachment 3), which applies to subdivisions with greater than 25 lots, and would allow residences with two major planes to provide a minimum undulation of four feet between planes and residences with three planes to provide a minimum undulation of two feet between planes. (See diagram on Page 6 of Attachment 3)

Mr. Sheffield further remarked that the Code Update proposes to set a cap of 40% of the garages forward and 60% of the active part of the house forward (See Page 7 of Attachment 3), with the idea that this would create a visual mix of design in a subdivision. He also said that the developers would provide exhibits as part of their submittals to demonstrate the type of undulation that would occur in the subdivision design.

Responding to a question from Mayor Smith, Mr. Sheffield clarified that in 1998, the Council adopted the "Residential Development Guidelines," which address, among other things, various building and roofing materials to be used in residential developments. He stated that through the proposed Zoning Code Ordinance Update, projects in excess of four acres would be subject to those guidelines to ensure that a variety of materials are used.

Mr. Sheffield further reported that in the past, the City allowed porches and active areas of the home to have a 10-foot encroachment in the front yard, but said that was not permitted in the current Code. He explained that the current setback in the smallest district is 20 feet and noted that the Code Update proposes a 10-foot setback for porches and active areas, while keeping the garage setback at 20 feet.

Mr. Sheffield stated that the Home Builders Association of Central Arizona (HBACA) proposed that the City allow side-entry garages at the 10-foot setback, which would give some variety in form. He indicated that staff resisted the suggestion, believing that they were trying to keep the active portion of the house forward. He said that with the side-entry garage, the active portion of the house is pushed back and defeats the allowance of the active area of house coming forward on the lot. Mr. Sheffield added that staff proposes to not make the allowance as suggested by the HBACA.

Mayor Smith commented that he agreed with the HBACA in the sense that it was not "a bad thing" to allow side-entry garages, but noted that an entire subdivision of side-entry garages at the 10-foot setbacks would create visual monotony and defeat the purpose that Mr. Sheffield was speaking of. He suggested that the side-entry garages be allowed on a limited basis, whether that is a certain number or a percentage, but not, for example, five houses in a row.

Mr. Sheffield responded that one possibility would be to allow the side-entry garages as part of the allowance for the Façade Articulation Plan.

Councilwoman Higgins concurred with Mayor Smith's suggestion.

Mr. Sheffield continued his presentation and discussed the proposed revisions to the RSL Standards. (See Page 10 of Attachment 3) He stated that the revisions include a reduction in the number of design standards so that developers can gain higher density; clarification with regard to the Open Space minimum requirement at 400 square feet per Dwelling Unit, individual lots; revised Common Open Space Alternatives; and reduced Open Space minimum on-lot dimension to 10 feet from 15 feet. (See Page 11 of Attachment 3)

Mr. Sheffield also remarked that Councilmember Finter requested that the Code Update address the small utility sheds, which residents generally purchase at Home Depot or Lowe's, and place in their side yards, which is technically a Zoning Code violation. He explained that one of the issues with regard to these structures is that certain materials stored in the buildings

can become a fire hazard, and said that and if a fire occurred, it could spread to a neighbor's property.

Mr. Sheffield briefly highlighted the draft language in the Code Update that would allow Detached Accessory Buildings in any required side yard and be closer than six feet to a primary residence provided that a number of requirements are met. (See Page 12 of Attachment 3) He stated that in particular, it would be necessary for the homeowner to attach a minimum 5/8th inch thick Type X gypsum wallboard to the inside of all side walls parallel to the residence and property lines. Mr. Sheffield added that a homeowner would not be required to obtain a permit for the structure.

Mayor Smith stated that he appreciated what Mr. Sheffield was trying to accomplish, but wondered why the City makes rules that it has no chance of enforcing.

Mr. Sheffield stated that staff was trying to recognize the condition and give residents an option to make the buildings somewhat safer without going through a Board of Adjustment hearing to seek a variance for the structure.

Councilmember Finter expressed thanks to staff for finding a more reasonable and flexible solution to address this issue.

Mr. Sheffield, in addition, advised that Public Storage Containers (PSC) were currently prohibited in Single Residence districts. He stated that during a public meeting in District 1, the Lehi Association proposed allowing the PSCs by design so that the structure does not look like a storage container. Mr. Sheffield briefly reviewed staff's pros and cons regarding the proposal. (See Page 13 of Attachment 3) and noted that such a proposal would place staff in the position to judge aesthetics of Single Residence related activity.

Councilmember Richins stated that he has seen examples of individuals who have used PSCs to build architecturally interesting structures and suggested that it adds a layer of variety to the City.

Mr. Sheffield stated that the issue is whether the City should allow a resident to place the PSC on the back of a property and not take any action in that regard. He noted that if the PSC qualified as a building, it would be placed on a permanent foundation and located in the rear quarter of the yard.

Councilwoman Higgins stated that the larger lots in the more rural areas of the City, such as Lehi, could accommodate PSCs and suggested that it was an issue worth looking into further.

Mayor Smith commented that no matter how large a lot may be, if a PSC is left as is, it creates the appearance of "a junkyard."

Councilmember Richins noted that he was aware of individuals in Lehi who were operating contracting businesses out of their homes and using PSCs to store materials for their businesses.

Mr. Sheffield responded that such a use would be a violation of the Zoning Code due to the fact that it is commercial use in a residential area.

Councilmember Richins commented that he did not want to “close the door” on saying any use of PSCs in the City was prohibited. He stated that an individual might have an idea to re-use the structure, for instance, as a restaurant.

Mayor Smith suggested that Mr. Sheffield meet with Councilwoman Higgins and Councilmember Richins to consider some type of “workable exception” with respect to the use of PSCs.

Mr. Sheffield clarified that aside from the issue related to PSCs, it was his understanding that he had Council concurrence with respect to the proposed revisions to the Code Update.

Mayor Smith confirmed Mr. Sheffield’s statement.

Mayor Smith thanked Mr. Sheffield and his staff for their efforts and hard work on this project.

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

Councilwoman Higgins: Falcon Field Airport Open House

Councilmember Kavanaugh: Mesa Convention & Visitors Bureau Meeting

5. Scheduling of meetings and general information.

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

Thursday, September 9, 2010, 7:30 a.m. – Study Session

Thursday, September 9, 2010, TBA – Community & Neighborhood Services Committee

Monday, September 13, 2010, TBA – Study Session

Monday, September 13, 2010, 5:45 p.m. – Regular Council Meeting

6. Items from citizens present.

There were no items from citizens present.

7. Adjournment.

Without objection, the Study Session adjourned at 10:04 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 Study Session of the City Council of Mesa, Arizona, held on the 2nd day of September, 2010. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

pag
(attachments – 3)

CITY OF MESA HEALTHCARE FEASIBILITY STUDY

CITY COUNCIL STUDY SESSION
STUDY FINDINGS AND
RECOMMENDATIONS

PREPARED BY ESI CORP AND NGH
CONSULTING



September 2, 2010

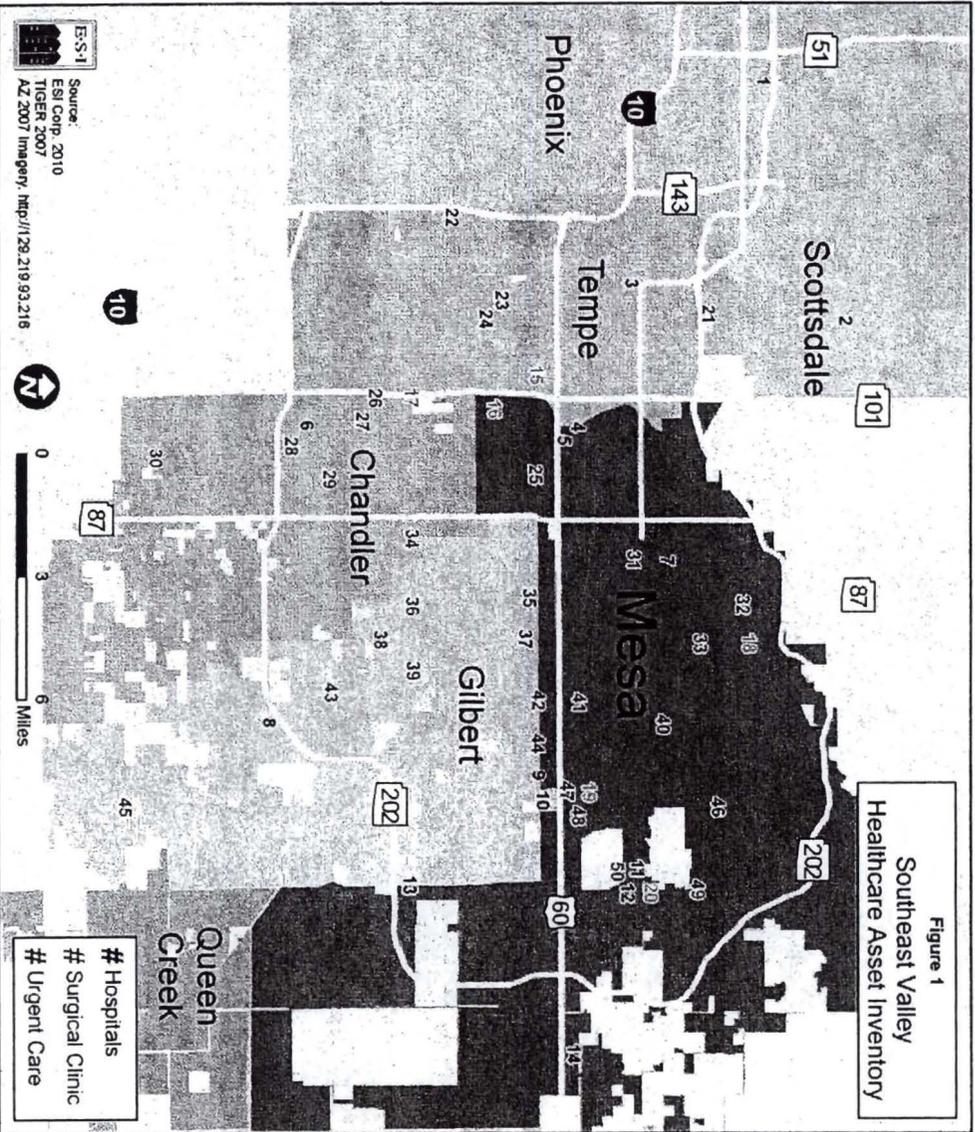
Project Overview

- **Key Elements for Healthcare Feasibility Study**
 - Asset Inventory
 - Market Analysis
 - Comparative Analysis

Findings

- **Healthcare in the US:**
 - \$2.5 trillion business
 - Largest private sector employer with 17 million people
 - 3.2 million new jobs expected over next 10 years
 - Every \$1 spent in healthcare generates more than \$2 in purchased goods and services
- **Healthcare in Maricopa County:**
 - \$19.2 billion industry
 - Supporting 167,153 jobs
 - Median wage of \$56,406

Findings



Asset Inventory:

- 14 hospitals
- 6 Surgical Centers
- 30 Urgent Care Facilities

Findings

- **Hospital capacity is adequate**
 - 1,300+ beds in Mesa now. Additional beds may be necessary by 2013.
 - No additional beds planned due to cost (\$1 m/bed) and healthcare reform impact not known.
 - Most hospital providers are focused on expanding physician services, outpatient delivery, and chronic care management

Findings

- Mesa has little need for Level I Trauma services.
- 7 and 12 miles away: Scottsdale Health Osborn and Maricopa Medical Center.
- Banner Ironwood Medical Center: Opening November 2010, adjacent to Queen Creek with full service emergency care
- A recent hospital study indicates a possible need for Pediatrics Level I Trauma, so Cardon Children's is exploring the option but difficulty is cost and 24/7 physician coverage.

Findings

- Shortage of 122 physicians, nearly every specialty.
 - Primary care 60% of shortfall; psychiatry 20%
 - Arizona cut \$42 million to fund graduate medical education – could potentially lose 100 resident positions
 - 20% of the physicians who train in Arizona stay in Arizona
 - Other challenges with AHCCCS, insurance reimbursements and the “costs” of practicing in AZ dissuade physicians to stay or relocate to AZ

Recommendations

- **Healthcare Feasibility Study Findings**
 - Build upon existing assets to become known for centers of excellence:
 - Healthcare Simulation Training (Banner Health)
 - Oncology (M.D. Anderson)
 - Pediatrics (Cardon Children's Hospital)
 - Community Medicine (A.T. Still University)

Recommendations

- **Strategies to consider for building a healthcare cluster**
 - Develop a Healthplex with World-Class Medical Expertise in Downtown
 - Work with M.D. Anderson to develop commercial infrastructure (hotels, office, retail, etc.) and attract bioscience start-ups, clinical research or cancer-related vendors
 - Partner with Banner to develop Simulation Center - study feasibility of expanding the mission

Recommendations

- **Strategies to consider for building a healthcare cluster:**
 - Continue to cultivate existing relationships to help accelerate expansion plans (A.T. Still University, IASIS Mountain Vista, Cardon Children's, etc.)
 - Continue to foster a relationship with Mayo Clinic and their Aerospace Program
 - Strengthen the supply of Physicians by offering grants for medical school students, partnering with hospitals to increase number of residents

Recommendations

■ Vision for the Future

- Establish Mesa as a Healthcare City, dedicated to providing next generation healthcare.
- Integrate: personal health portals, medical fitness, wellness facilities, outpatient services, medical training and education and centers of excellence.
- Partner with local healthcare providers to develop the infrastructure.

Recommendations

- **Vision for the Future – Models to Study**
 - Lake Nona Medical City, FL; Nashville, TN
Healthcare Council; Minneapolis, MN Life Sciences
Corridor
- **Components that Drive Success:**
 - Public-Private Partnerships that facilitate healthcare
cluster development
 - Unified vision and an overall strategy plan
 - University or college as an anchor
 - Presence of clinical research

Next Steps

- **A healthcare strategy must be engrained into Mesa's economic development plan.**
 - Prepare a long-term healthcare strategy plan for the City, building upon the healthcare assets described in the report and begin implementing the recommendations.
 - Consider creating a staff position that focuses on or specializes in this industry.
 - Analyze the marketability of the 25 acre redevelopment site (potential Healthplex), and specify how the City will move forward.

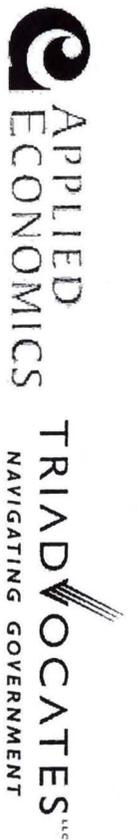
STRICTLY PRIVATE AND CONFIDENTIAL

City of Mesa Higher Education Recruitment

September 2, 2010

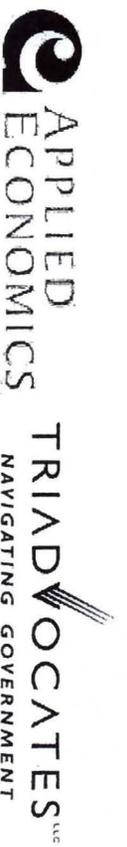
TRIADVOCATES^{L.L.C.}
NAVIGATING GOVERNMENT

 **APPLIED
ECONOMICS**



Higher Education in Arizona

Higher Education in Arizona



- Public Universities - 110,000 enrolled (FTE)
- Public Community Colleges - 120,000 enrolled (FTE) (20,000 in Mesa CC)
- Private Colleges in Maricopa County - Hundreds of Private Technical Colleges; 10 Degree Granting
- Mesa-based - DeVry, ITT, Everest, UofPhoenix, Ottawa, AT Still

Arizona Higher Education Enrollment



- Average or better in public enrollment;
- Below some larger Western metro areas in private "traditional" school enrollment (but catching up quickly);
- Leading in Private non-traditional enrollment as a share of total population

	Public	Private-Traditional	Private-Non Traditional
Phoenix	16.1%	10.7% 	3.8%

Maricopa County's Potential Pool of Eligible Undergraduates Growing



APPLIED
ECONOMICS

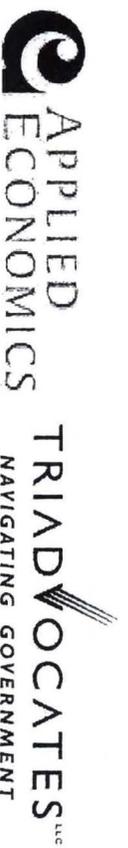
TRIADVOCATES
NAVIGATING GOVERNMENT

Pool of potential undergraduate students in Arizona

	<u>2006</u>	<u>2020</u>
18-24	24,000	30,300
25 plus	24,600	32,400

Source: Arizona Department of Economic
Security; American Community Survey; Applied
Economics.

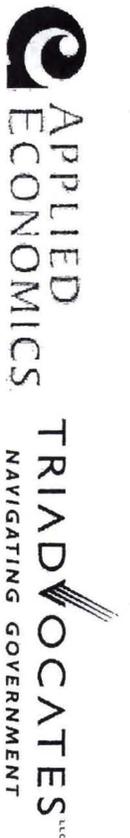
Interesting Facts...



■ Arizona is 38th among 50 states in the proportion of young adults who have some form of postsecondary degree.

■ 25% of Arizonans between the ages of 25-44 have a Bachelor's degree, compared to 30% national average and 42% for the highest state

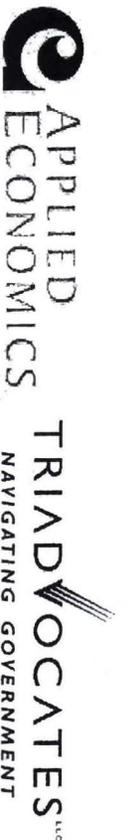
Comparative Annual Costs



Type of School	Total Costs*
Arizona State University	\$7,000 (resident) \$20,600 (non-resident)
Grand Canyon University	\$17,100
Collins College	\$34,100
U of Advancing Technology	\$18,400
University of Phoenix	\$9,400

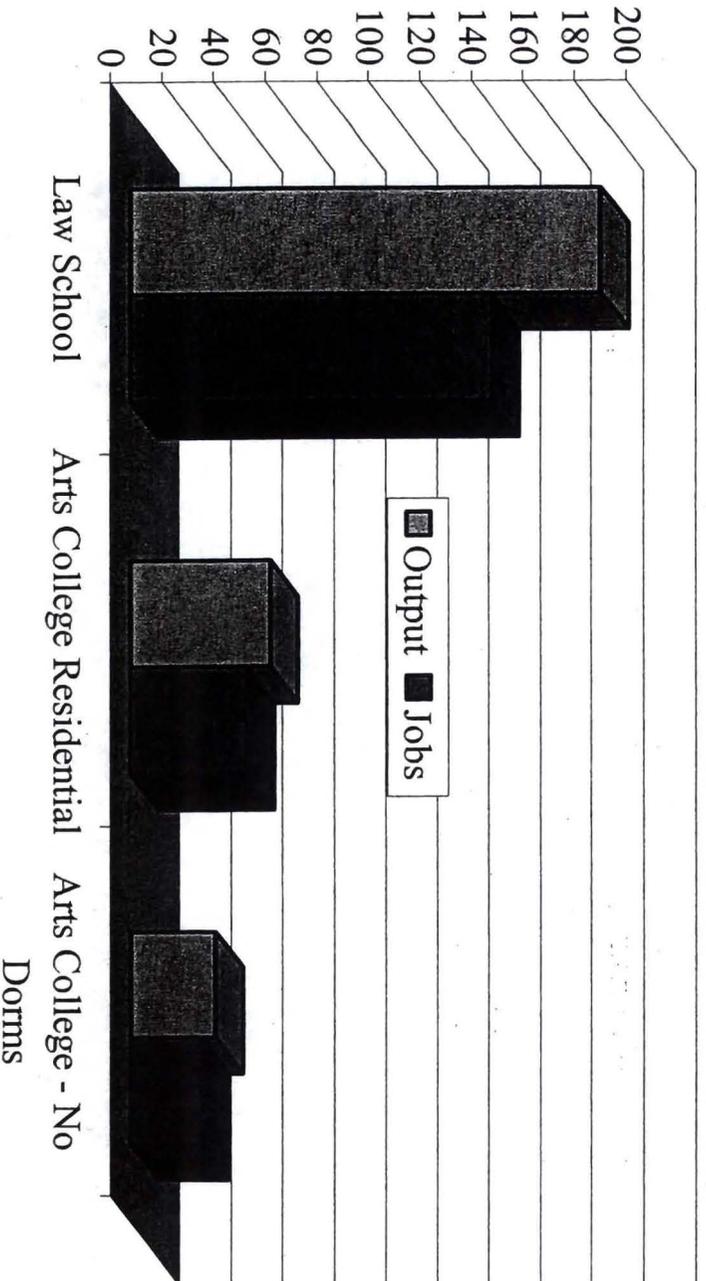
*tuition only

Economic Impact from Colleges and Universities



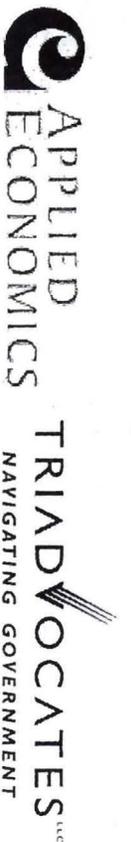
Average overall output multiplier for higher education is 1.67

(for every \$1 million in economic activity, an additional \$670,000 results indirectly);
 consisting of employee, student and visitor and local institutional spending.



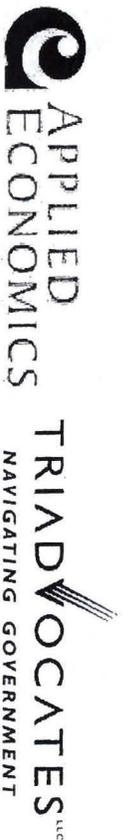
Note: Output in hundreds of thousands.

College Pro-Formas



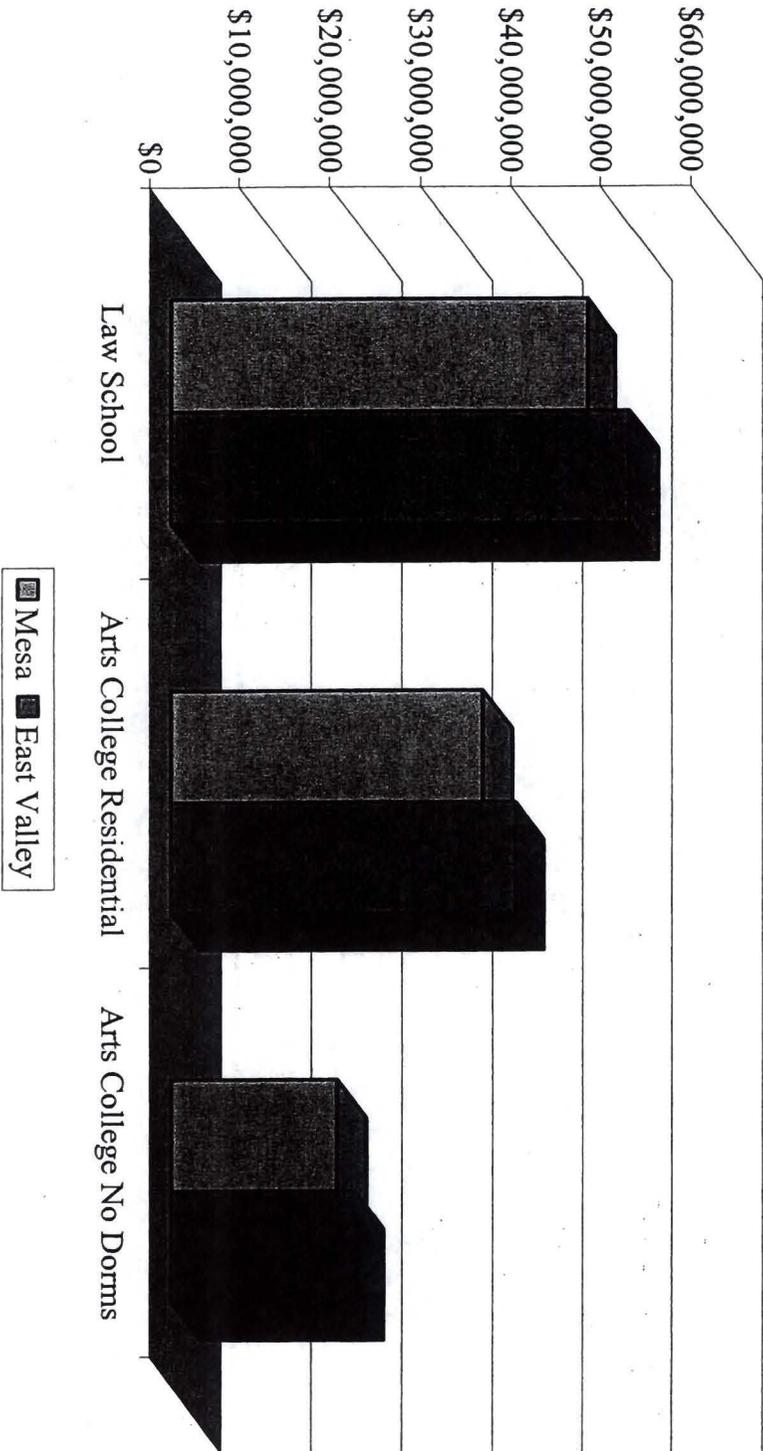
	Law School	Arts College-Residential	Arts College-No Dorms
Enrollment	500	200	100 FT/100 PT
% Students Living in Mesa	15%	100%	50%
Student Spending	\$1,056,000	\$2,000,000	\$500,000
Employment	15 FT	15 FT	67 FT/31 PT
Payroll	\$6,400,000	\$825,000	\$825,000
Construction Cost	\$30.0 million	\$22.4 million	\$12.0 million

Economic Impacts (cont'd)

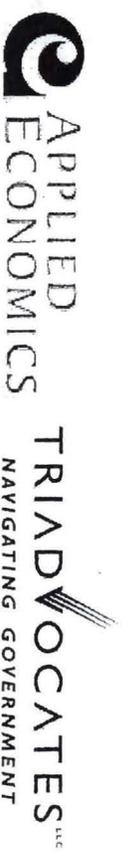


Construction impacts are proportionally greater for residential campuses. Every \$1 million of construction activity generates \$540,000 of additional economic activity in Mesa.

CONSTRUCTION IMPACTS CITY OF MESA AND EAST VALLEY

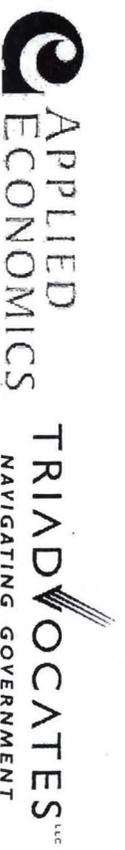


SUMMARY



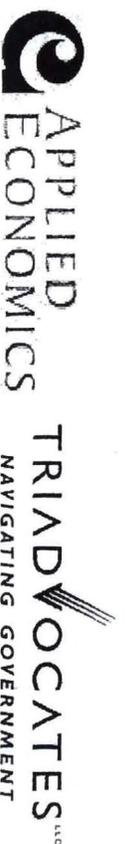
- Mesa needs more higher education options; Private schools must be considered (but not exclusively).
- Recruitment of higher education is complementary to other economic development strategies; Mesa's current asset mix will benefit recruitment;
- Preference expressed for Private, Traditional institutions with new and emerging educational delivery model and a known, recognizable "brand". But also interest in Public or Faith-based or On-line models.

1. Findings



- Greater Phoenix has an average level of enrollment in public universities (compared to "peer" regions); but is a leader in enrollment for private, non-traditional higher ed;
- Five years ago, Greater Phoenix only had 3.4% of its population enrolled in private traditional colleges; now 22 institutions enroll 10.7% of 18-24 year olds;
- East Valley communities have a population with slightly higher than average adult population with at least a four-year degree; an indicator of college-bound children;

2. Findings



- Current public institutions are valued opportunities for expansion;
- The State's fiscal condition has forced public institutions to reorganize, refocus and, in some cases "disestablish" certain programs;
- Arizona's population trends and in-migration are historically net positive both absolutely and relative to other regions.

3. Findings

■ Data indicate that of those students attending a four year institution as their first college, only 23% of Mesa Public School graduates attend a private school. But of those attending out of state four-year colleges, 69% attend private schools.

■ In a recent report from Brophy College Preparatory, a private-Jesuit high school in Phoenix, more than 50% of their 2010 graduating class will be attending colleges outside of Arizona.

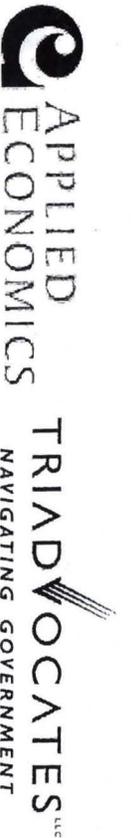


Recruitment



- Stable
- Well-established community
- Mature infrastructure
- Local and regional community assets
- Diverse economic interests
- Transit options
- Culture
- Complementary educational resources

Recruitment Targets



Higher Education
Institutions, Associations
and "Trade" Media

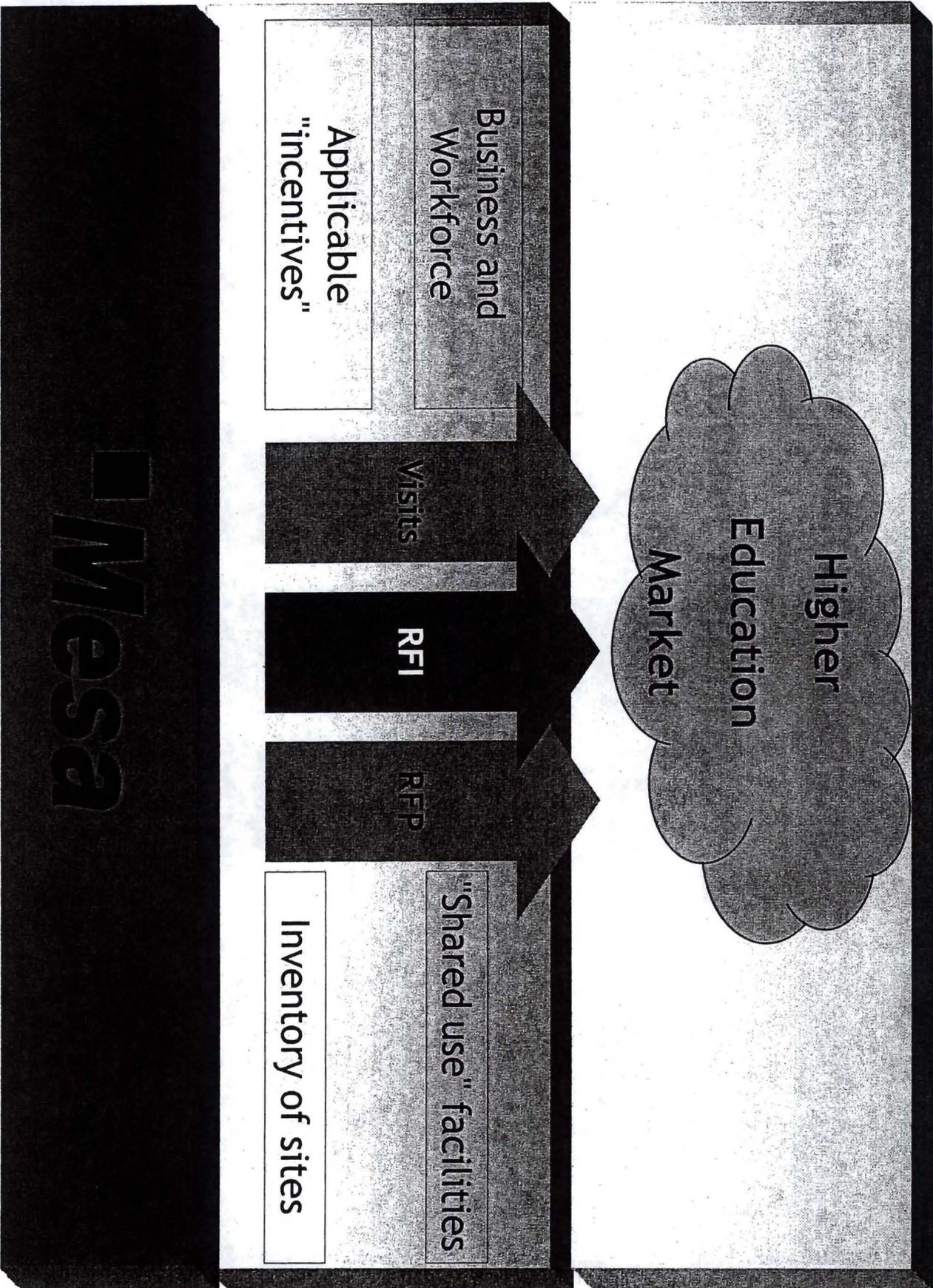
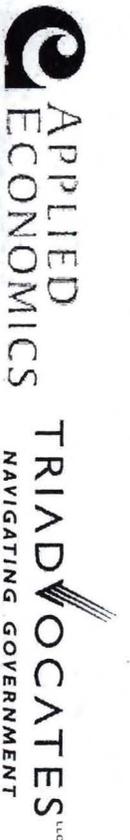
Site requirements

Institutional Type

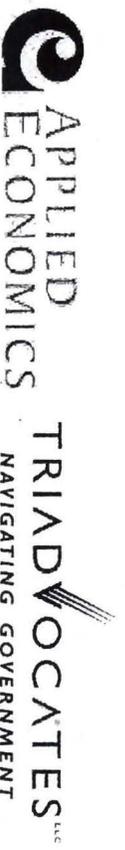
Institutional
strength

Mission and
Programs

3. Marketing and Recruitment



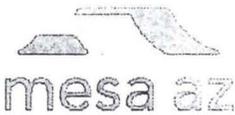
Next Steps



- Develop matrix of targeted institution types, and potential incentive packages appropriate to investments and site;
- Design and execute pre-proposal outreach initiative
- Develop, issue and promote a public solicitation (RFI/RFP) to recruit institutions;
- Host site visits, regional briefings

Goals

1. Determine range of compatible institutions;
2. Promote city and regional economic and educational strategies;
3. Put best foot forward consistent with HEAT strategy.
4. Select and build



Zoning Ordinance Update

Progress Report & Proposed Revisions to Public Review Draft of 4/6/2010

Presentation to
City Council Study Session
September 2, 2010

Land Use - Impact - Form

Balanced Emphasis Leads to More Predictable Results

Current Ordinance	Land Use	Impact	Form
	Activities, Use, Res Density	Spacing, Buffering, Orientation	Aesthetics, Bulk, Site Design
Proposed Update	Land Use	Impact	Form

2

Single Topic Public Workshops

- 4/12 Single Residence & new RSL district
- 4/22 Multiple Res & General Landscaping
- 4/27 Commercial – Part 1: Retail & Office
- 5/4 Commercial – Part 2: Transit, Mixed Use and Urban; & Parking Reqs
- 5/13 Industrial & Telecomm Facilities
- 5/20 Downtown and Infill
- 5/25 Single Residence, RSL, Planned Area Developments & Planned Community Districts

3

General Topic Public Workshops

- 6/1 Superstition Com. Room (CD-6)
- 6/10 Fire Sta. 216 Com. Room (CD-5)
- 6/14 Fire Sta. 206 Com. Room (CD-2)
- 6/15 Fire Sta. 218 Com. Room (CD-1)
- 6/29 Fire Sta. 202 Com. Room (CD-4)
- 6/30 La Casita – Dobson Ranch (CD-3)

Special Interest Presentations

- 7/19 Home Builder's Assoc (There)
- 7/22 SE Valley Commercial Brokers
- Various Real Estate Attorneys

4

Board/Hearing Schedule

- Design Review Board
 - *May 5, June 2, July 7*
- Economic Development Advisory Board
 - *May 4*
- Planning & Zoning Board
 - *Jan 20, Feb 17, Mar 24, Apr 21, May 19, June 16*
 - *July 21, August 18: - Information*
 - *Sept 15: Ask for direction before Final Draft released*

5

Board/Hearing Schedule

City Council

Scheduled Discussion of Changes Since
Public Review Draft released on April 6, 2010

9/2: Revisions to Development Standards

9/9: Revisions to Land Uses and Districts

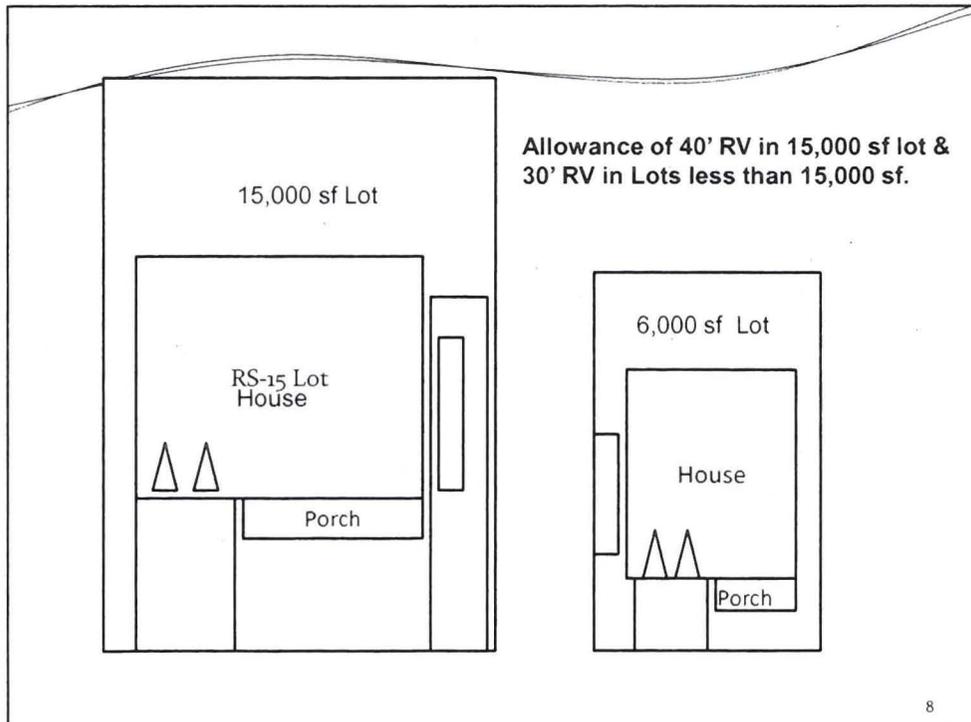
*9/16: Revisions to Administration &
Processing*

6

Revisions – Single Residence

1. Allow 40' RVs on Lots Greater than 15,000 sf, & Continue to allow 30' for lots less than 15,000 sf.
2. Adjust Min Lot Depth from 94' to 90'
3. Reduce Min Lot Width by 5' for each district (min lot area remains at current standard)
4. Clarify some language
5. Correct Spelling and Grammatical Errors

7



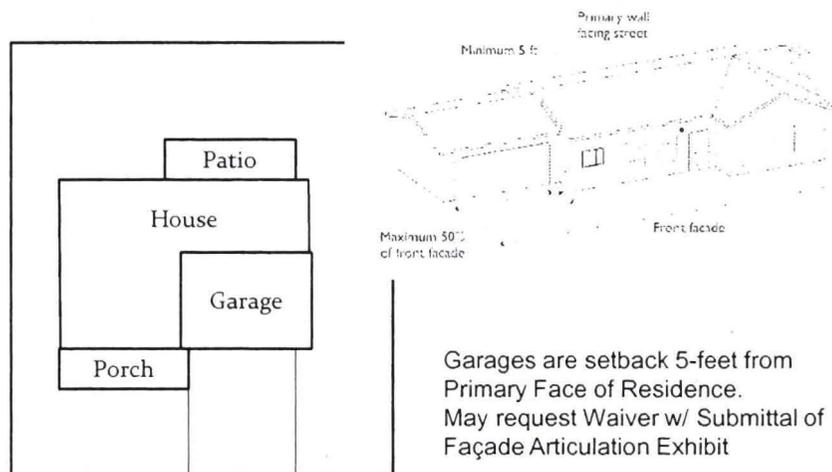
Revisions – Single Residence

Garages

- Define 50% Garage Front as applying to the width of garage door
- Narrowed minimum lot width for 3 or more garage doors to 75' from 85'
- Clarified Exceptions to separation requirements (side facing doors, doors set 1.5 times the front setback)
- Façade Articulation Alternative:

9

Garage Placement



Garages are setback 5-feet from Primary Face of Residence.
May request Waiver w/ Submittal of Façade Articulation Exhibit

10

Revisions – Single Residence

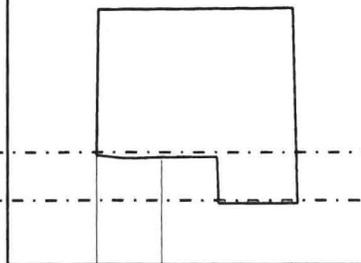
Façade Articulation Alternative:

- Subdivisions w/ greater than 25 lots may:
 - Request a waiver to allow up to 40% of lots in same subdivision to be closer or in front of the primary wall of a residence.
 - Document a maximum of 60-percent of the front elevation of any individual residence shall occur on the same plane, and
 - Residences with 2 planes shall provide a minimum undulation of 4-feet, and
 - Residences with 3 planes shall have a minimum undulation of 2-feet between planes.

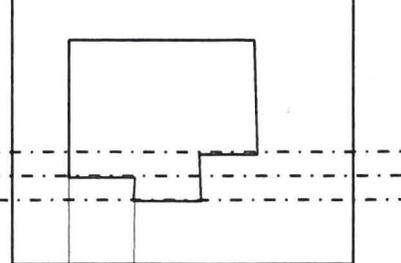
11

Façade Articulation Alternative

Residence with 2 Major Planes
Have 4-feet of Undulation



Residence with 3 Major Planes
Have 2-feet of Undulation



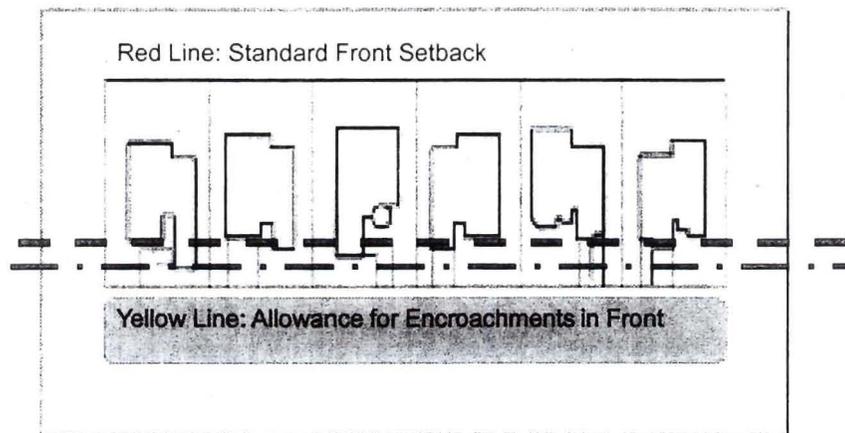
12

Garage Placement in RS & RSL

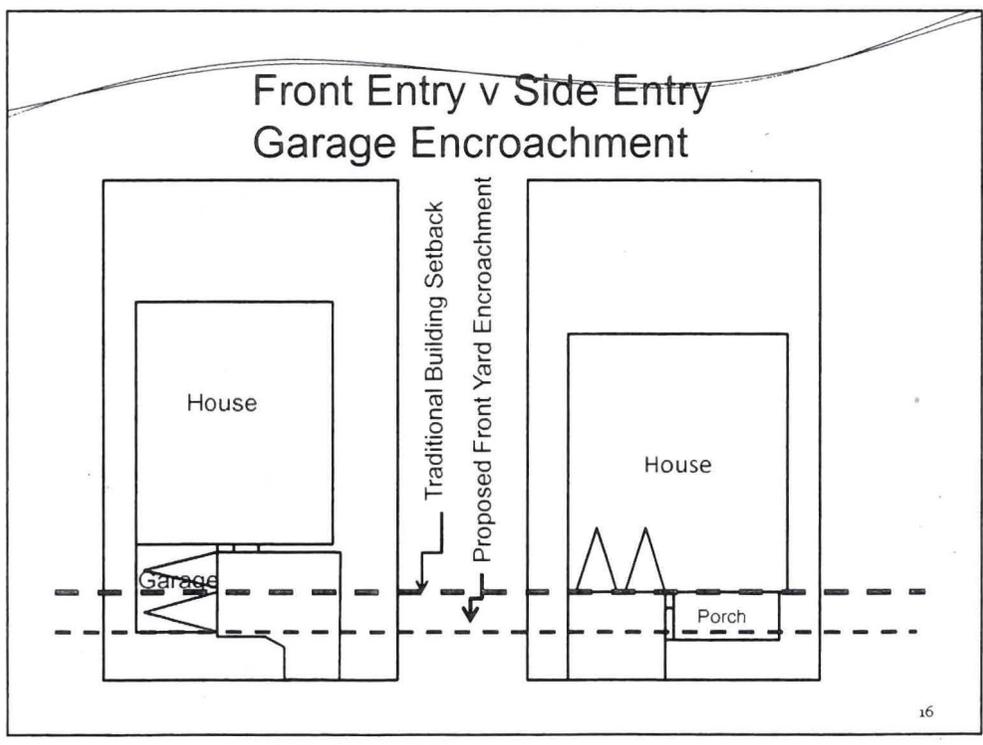
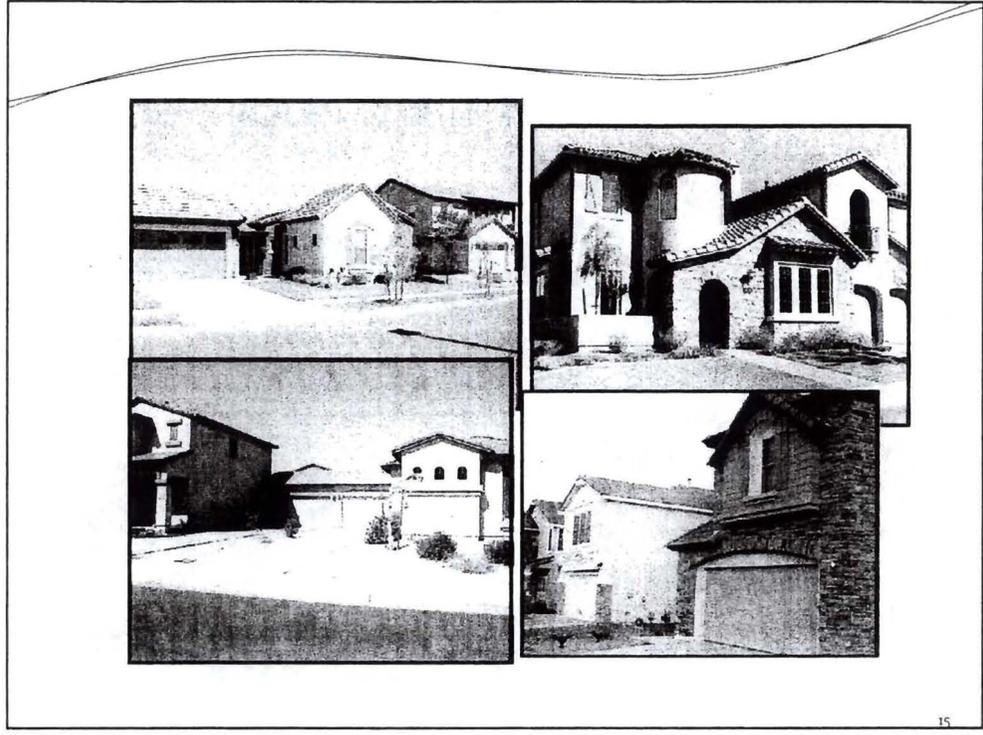


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Façade Articulation Exhibit



14

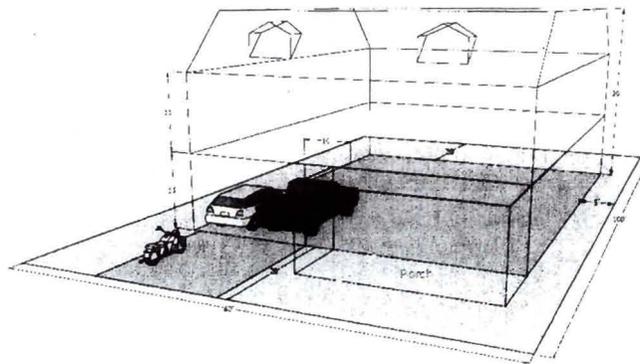


Side-entry Garages

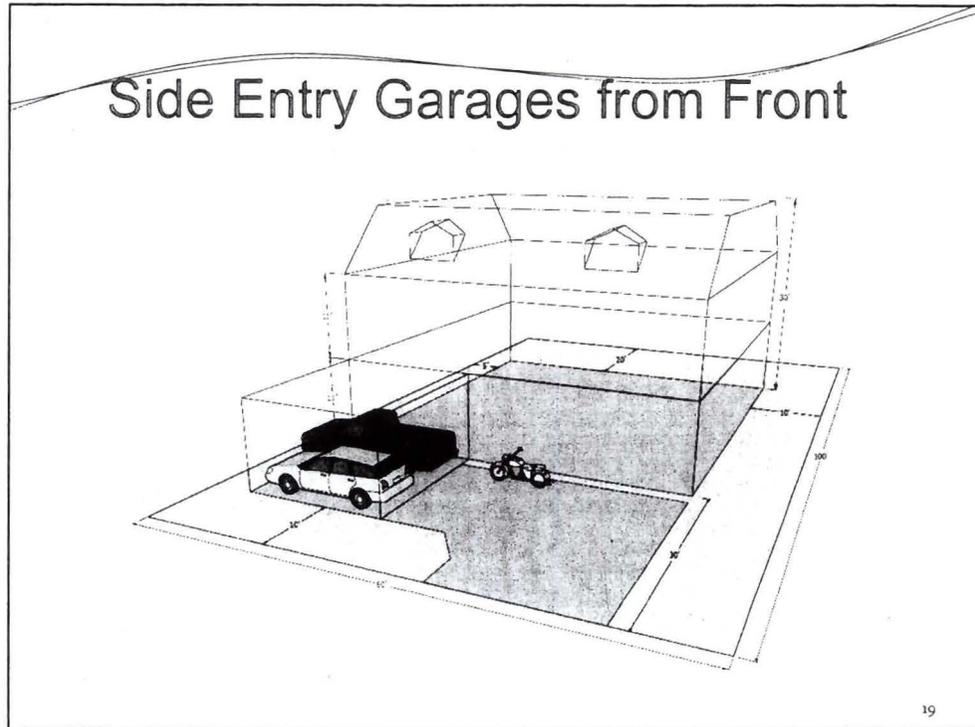


17

Porch or Living Area in Front



18



- ## Revisions to RSL Standards
- Allowed Decks, Courtyards, Porches and Upper Story Balconies to be counted towards Open Space Minimums
 - Clarified Landscaping Req for Open Space
 - Reduced Garage Rear Setback for Alley and Common Drive Loaded Designs to 13-feet from Centerline of Drive/Alley
 - Eliminate Maximum Lot Coverage in RSL district
 - Reduce Garage Setback from Primary Building Elevation from 5-feet to 3-feet in RSL
- 20

Revisions to RSL Standards

Reduction to Number of Design Standards
 to Gain Higher Density

Table 11-5-4 A: Lot Size and Minimum Number of Required Design Elements for a Small-Lot Subdivision

<i>Average Lot Area (sq. ft.)</i>	<i>Streetscape Elements</i>	<i>Site Design Elements</i>	<i>Building Design Elements</i>	<i>Total</i>
2,500 - 2,999	2	1	2	5
3,000 - 3,999	2	1	1	4
4,000 - 4,499	1	1	1	3

21

Revisions to RSL Standards

- Clarified Open Space minimum requirement at 400 sqft. per Dwelling Unit, individual lots
- Revised Common Open Space Alternatives
 - **RSL-4.5 or 4.0:** Combination of 350 sqft. on-lot and 100 sqft. per unit common area
 - **RSL-3.0 or 2.5:** Combination of 280 sqft. on-lot and 120 sqft. per unit common area
 - Min Common Area is ¼ Acre (10,890 sqft)
- Reduced Open Space minimum on-lot dimension to 10-feet from 15-feet

22

Detached Accessory Buildings

Within required rear yard, outside of required side yard
• Max height: 15 ft

Within required rear and side yards and in rear 1/4 of lot
• Max height: 10 ft

Within required side yard, outside of rear 1/4 of lot
• Max height: 8 ft
• Max roof area: 150 square feet
• Not within area required for vehicle access

Within required front yard or in front of front line of dwelling
• Not permitted

Within ANY sideyard, 6-feet high, 120 sqft, line w/ 5/8" gypsum board, no permanent anchors

23

Detached Accessory Buildings

May be allowed in ANY required side yard, & be closer than 6' to primary residence, provided:

- Does not exceed 6-feet at the peak of the roof & 120 sqft;
- No permanent attachment to the ground or foundation;
- Min 5/8-inch thick Type X gypsum wallboard attached to the inside of all side walls parallel to residence and property line;
- No electrical or plumbing fixtures installed; and
- Shall drain all stormwater back to the same lot or parcel as the accessory structure.

24

Public Comments

Portable Storage Containers (PSC)

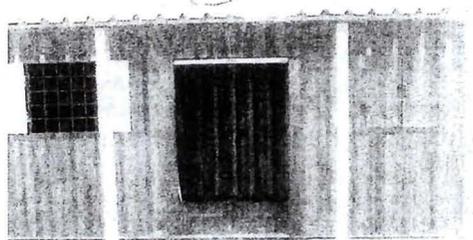
- PCS's : Prohibited In Single Residence
(except Packing to Move or Unload)
- Proposal by Lehi Association:
Allow by Design rather than Prohibit
- Commercial PSC's: Exception allows PSC during on-site construction, or as temporary device during annual "crunch" times
(example: layaway storage for retail at holidays)

25

Portable Storage Containers

Cons:

- ✓ Difficult to Regulate Quality
- ✓ If Aesthetics are used to regulate, It places Staff in position to judge Aesthetics of Single Residence Related Activity
- ✓ Technically, Not a Building
- ✓ Quasi -manufactured Structure

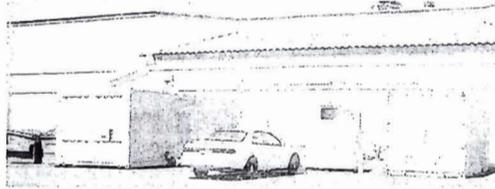


26

Portable Storage Containers

Pros:

- Consistent Size
- Inexpensive Storage
- Durable
- Need Crane or Towing Device to Move



27

**Does the Council Concur
with these Revisions?**

Questions?

Planning.Info@MesaAz.gov

www.MesaAz.gov