

COUNCIL MINUTES

April 15, 2004

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 April 15, 2004 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

Dennis Kavanaugh

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

(Mayor Hawker excused Vice Mayor Kavanaugh from the Council meeting.)

1. Review items on the agenda for the April 19, 2004 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts of interest declared: 4h, 4i (Hawker); 6e (Hawker) (Whalen)

Items removed from the consent agenda: 5b, 6i

2. Joint meeting with the Downtown Development Committee.

a. Welcome/Introductions.

Mayor Hawker expressed appreciation to the members of the Downtown Development Committee (DDC) for their willingness to attend a joint meeting with the Council.

The following DDC members introduced themselves to the Council: Chuck Riekema, Jeff Jarvis, Art Jordan, Marshall Poe and Theresa Carmichael.

b. Discuss and consider the Request for Proposals (RFP) for Redevelopment Site 17.

Chairman Jordan reported that at a recent Committee retreat, Site 17 was one of the primary areas of interest and discussion among the members. He explained that although the Committee has considered a variety of development concepts for the project, it also realized the

necessity of seeking Council direction regarding the matter. Chairman Jordan stated that in particular, the Committee is seeking guidance concerning whether to proceed with the issuance of the RFP for Site 17 at this time or delay action until decisions are made concerning the Mesa Convention Center and the Aquatic Center.

Chairman Jordan commented that with regard to the RFP process, the Council might wish to consider alternative methods that would enable the City to accomplish the same goal. He cited, as an example, the efforts of Phoenix businessman Jerry Colangelo to “jump start” a project in downtown Phoenix by meeting with developers and utilizing private funding for the initial design work, as opposed to the City of Phoenix initiating the development process through an RFP. Chairman Jordan suggested that it might be meaningful for the City of Mesa to consider a similar approach for Site 17, through the solicitation of input from local developers on an informal basis, to determine whether they think the mixed-use concept would be successful and if, in fact, they would be willing to invest funds in the development of such a project.

Committeemember Riekema reported that Hunter Interests, Inc., (HII) was retained by the City to assist with the implementation of the Mesa Town Center Concept Plan, with a focus on preparing financially feasible development concepts for five key sites including Site 17. He explained that HII recommended the area be developed as a mixed-use project (housing, retail and office). Committeemember Riekema noted that it is the consensus of the Committee that Site 17 is a valuable and important urban property in Mesa and should afford individuals the opportunity to live, work and play within the area. Committeemember Riekema requested input from the Council relative to HII’s recommendation.

Committeemember Carmichael stressed the importance of Site 17 having a strong commercial component. She urged the Council to be bold and take this opportunity to create a unique and innovative development plan for the site.

Committeemember Poe requested that the residents in the area surrounding Site 17 be permitted to participate in the RFP process, especially in light of the fact that they have been frustrated in the past by previous proposals that were delayed and ultimately withdrawn.

Committeemember Jarvis stressed the importance of incorporating architectural features at Site 17 that enhance, as well as mitigate, the extremes of Arizona’s climate and also tie into Mesa’s transit/transportation concepts.

Discussion ensued relative to a comparison of private sector development efforts as opposed to the RFP process; HII’s Conceptual Building Program for Site 17; the fact that it may be appropriate to delay the issuance of an RFP for the development of Site 17 until after the November 2004 General Election, which includes various ballot issues that may affect the project (i.e., community college bond election and half-cent transportation sales tax extension); and that in the interim, the Council could engage in private negotiations with various leaders in the real estate and development community to solicit input relative to potential development options.

In response to a question from Mayor Hawker regarding his one-time suggestion that the Aquatic Center be relocated to Site 17 (which ultimately did not receive full Council support), Committeemember Carmichael clarified that it was the unanimous recommendation of the Committee that the facility be moved, but not per staff’s recommendation. She stated that the

members preferred an alternative realignment of the building that would offer greater synergy with the Sheraton Hotel and future development in the area.

Councilmember Thom expressed support for locating the Aquatic Center on Site 17 and commented that the on-site parking at that location would be a major asset. She also stated that it is imperative that street improvements be made in the area of Mesa Drive and University Drive to accommodate the increased traffic that would occur as a result of the proposed mixed-use development project.

Councilmember Walters expressed support for the implementation of a mixed-use redevelopment project at Site 17. She said that although she is supportive of delaying the issuance of the RFP until after the November election, in her opinion, it would be inappropriate to further postpone the issuance until a decision has been reached regarding the Mesa Convention Center. Councilmember Walters added that the City would encourage the surrounding residents' involvement in the RFP process to ensure an appropriate transition between the residential neighborhoods and the development area.

Councilmember Jones remarked that during his tenure on the Council, he has come to realize that the City of Mesa has not always achieved great success relative to the issuance and submittal of RFPs and stated that he would like to review the process in greater detail. He voiced support for the mixed-use development concept and stressed that in order for the downtown area to be sustainable on a long-term basis, it is crucial that Site 17 contain a residential component as part of the overall project.

Councilmember Griswold stated that he has seen instances where a municipality has forced its vision for a development project onto a community, only to learn that it was not the best use of a specific property. He also expressed support for Chairman Jordan's suggestion that the Council meet with developers and real estate experts to solicit input regarding Site 17.

Councilmember Whalen concurred with Councilmember Griswold's comments. He also suggested that the City seek advice from developers relative to what direction it should take in regards to the Mesa Convention Center and the synergy that would be created at Site 17 if the Aquatic Center was located there.

Mayor Hawker stated the opinion that the Hunter report is a concise and well-written document and he concurred with their recommendation that Site 17 be developed as a mixed-use project. He commented that the Aquatic Center would provide synergy at Site 17, but said he cannot justify the \$2-\$3 million redesign costs that the City would incur. He added, however, if the Center served as an anchor project for a community college or hotel, he would reconsider the long-term benefits of such a move.

Further discussion ensued relative to the fact that postponing the issuance of the RFP for Site 17 would be beneficial to the Ad Hoc Redevelopment Advisory Committee in terms of possible recommendations it may present to the Council; and the recommendation expressed by the DDC that when the RFP for Site 17 is issued, that it be made very clear that the project must include residential, retail and an office component and that the first phase of the project cannot be used for residential uses only.

Committeemember Jarvis stated that the Committeemembers concur with the Council's decision to delay the issuance of the RFP until after the November election. He also commended the Redevelopment staff for responding to the Committee's requests in a prompt, courteous and efficient manner.

c. Other issues.

1. Future budget allocations.

Chairman Jordan stated that due to time constraints, this item would be deferred until a future meeting. He noted, however, that the DDC is advocating that it continue to receive, as it has in the past, public money that is earmarked for the downtown area on a one-year, two-year and five-year cycle.

Mayor Hawker thanked the Committeemembers for their participation and attendance.

3. Hear, discuss and consider a Federal legislative update.

Assistant to the City Manager Jim Huling provided the Council with a brief overview of various Federal legislative issues of importance to Mesa. He explained that next week, he and Mayor Hawker would be in Washington, D.C. to attend a series of meetings with Arizona's Congressional delegation as well as key agency personnel.

Mr. Huling reported that the second session of Congress has been dominated by presidential election year politics and that as a result, the Senate is in a state of "total gridlock." He also commented there is speculation that the Congress would be unable to complete work on appropriations until after the election. Mr. Huling advised that in particular, the Congress has yet to reauthorize TEA 21 (Transportation Efficiency Act), which expired last year. He added that there have been discussions regarding the overall budget and funding for surface transportation and transit and raising to 95% the return of gas tax dollars to donor states.

Mr. Huling provided a short synopsis of various requests for appropriations that the City of Mesa is supporting including: \$1.5 million in the Energy & Water Development Appropriations Bill to begin preconstruction engineering and design for the Va Shly'ay Akimel Salt River Restoration project; \$3 million to the Transportation, Treasury and Independent Agencies Appropriations Bill for the construction of a parallel taxiway at Williams Gateway Airport; \$75 million for the Light Rail Starter Segment (in conjunction with Valley Metro and Valley Metro Rail); and \$2.5 million from Valley Metro for a Job Access/Reversed Commute Grant to provide funding for an East Valley Shuttle.

Discussion ensued relative to the Internet Tax Moratorium, Homeland Security, immigration issues; potential appropriations to assist the City in the cleanup of abandoned gas station sites; the City's ability to facilitate its major employees (i.e., Boeing) in their efforts to seek Federal contracts; the GRIC (Gila River Indian Community) water rights settlement; and funding to implement security improvements at Falcon Field Airport.

Mayor Hawker expressed appreciation to Mr. Huling for his presentation.

4. Acknowledge receipt of minutes of boards and committees.

- a. Downtown Development Committee meeting held March 18, 2004.
- b. Economic Development Advisory Board meeting held March 2, 2004.
- c. Human Relations Advisory Board meeting held January 28, 2004.

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

Mayor Hawker declared the motion carried unanimously by those present.

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

Councilmember Griswold	MCC Committee on Excellence in Education
Councilmember Thom	Joint meeting with the City of Apache Junction

6. Scheduling of meetings and general information.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Monday, April 19, 2004, 3:00 p.m. – Finance Committee Meeting

Monday, April 19, 2004, TBA – Study Session

Monday, April 19, 2004, 5:45 p.m. – Regular Council Meeting

Thursday, April 22, 2004, 7:30 a.m. – Study Session

Thursday, April 22, 2004, 9:30 a.m. – Utility Committee Meeting

Thursday, April 29, 2004, 7:30 a.m. – Study Session

Monday, May 3, 2004, TBA – Study Session

Monday, May 3, 2004, 5:45 p.m. – Regular Council Meeting

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Adjournment.

Without objection, the Study Session adjourned at 9:15 a.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, 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 15th day of April 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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