

GENERAL DEVELOPMENT COMMITTEE MINUTES

November 7, 2002

The General Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on November 7, 2002 at 9:30 a.m.

COMMITTEE PRESENT

Dennis Kavanaugh
Kyle Jones
Claudia Walters

COUNCIL PRESENT

Mayor Keno Hawker
Janie Thom

OFFICERS PRESENT

Mike Hutchinson

1. Hear presentations, discuss and consider Site 21 redevelopment proposals.

Chairman Kavanaugh provided a brief overview of the process that would take place regarding the proposals for Site 21 and noted that Mr. Craig Prouty has had a medical emergency and may arrive late. He said that in order to assist Mr. Prouty, his presentation will be last in order to provide him additional time. Chairman Kavanaugh commented on the number and quality of proposals that were received and said that the applicants are clearly competitive and impressive. He added that the Council will ultimately select one of the proposals for the Site 21 project, but emphasized that the City of Mesa will continue to expend effort to identify future projects that hopefully it can partner with on together with the other three businesses that are not selected at this time. Chairman Kavanaugh complimented all of the presenters on the quality of their excellent proposals and for their interest in the City of Mesa.

Committeemember Walters indicated her intention to present some of the conclusions she has reached regarding this process and said that her views may not be shared by all of the members of the Committee. She commented on the excellent quality of the proposals that were submitted and said that she believes that there are some things to be learned as a result of the process and based upon that, presented the following recommendations to staff:

- * The importance of having a clear explanation of the differences between a Request for Proposals (RFP) and a Bid;
- * Bolding the language contained in the Submission Packet that states that the City reserves the right to go back and ask additional questions and expanding upon that;

- * The importance of defining what constitutes an “incomplete submission” and who makes the final determination on whether a submission is in fact complete, i.e. does the City want to require a complete vitae on each of the participants involved and/or should a minimum number of reference letters be required?
- * The importance of continuing to follow staff’s recommendation that submitters are advised that interviews will take place following the submission and;
- * Preparation of a report containing detailed information relative to the costs of the incentives that are being requested by the various submitters.

Committeemember Walters added that she did not come across any fatal flaws in the process from a legal standpoint, but stated the opinion that the process left people questioning whether certain elements were missing from some of the proposals. She commented on the fact that this has been a learning process and emphasized that no ill intent existed on anyone’s part. Committeemember Walters stated that she has no idea how she will vote on this agenda item and said that her decision will be based on the information she receives today, as well as the information she has been provided to date. She thanked Chairman Kavanaugh for allowing her to present her remarks.

Chairman Kavanaugh thanked Committeemember Walters for her input and said that the first presenter, Outsource, may now address the members of the Committee relative to their proposal.

Bill Stalnaker, one of the principals at Outsource, said that he has been part of the development project and would like to share with the Committee information on the project team, discuss the experience the company has in applicable areas, respond to questions from the members of the Committee regarding the company’s financial stability and share the progress that has already been made with respect to marketing the program.

Mr. Stalnaker advised that there are three major entities involved in the LLC which has been established for the project One MacDonald, LLC. Outsource International, MacShane Corporation and BPLW. He said that the company views the program as a partnership with the City of Mesa and each principal is an equity partner in the project with separate distinct responsibilities. He noted that Outsource will be responsible for participation in the marketing of the program and for property management; MacShane will be responsible for the management/actual building of the project in relation to the design by the architect, and BPLW will be the architect for the project. Mr. Stalnaker commented on the amount of successful ventures Outsource has undertaken in the community, the fact that BPLW is headquarter in Mesa and will be a tenant as well as an equity partner and discussed the MacShane Corporation’s national reputation and 20-year track record.

Discussion ensued relative to the fact that the company has contracted with Commercial Properties, Inc. and intends to recruit companies outside of Mesa for this project, their opinion that a very strong retail presence should exist on the main floor of the building with a quality restaurant component, the possibility of utilizing one and a half floors for executive offices, and the company’s intention to fulfill the City’s of Mesa’s vision for this project.

Chairman Kavanaugh thanked Mr. Stalnaker for his presentation and requested that representatives from Equus Development Corporation outline their proposal at this time.

Doug Edgelow, President of Equus Development Corporation, addressed the members of the Committee and introduced Stu Martell, one of the owners of ADA Construction who would partner in the development of the One Macdonald Place project. He stated that one of the company's project goals is to create a strong center point for future downtown redevelopment and to create an exciting people oriented project. He discussed the importance of generating increased sales tax revenues for the City and creating 24 hour a day activity in the downtown area, and stated the opinion that the creation of office space will not accomplish these important goals.

Mr. Edgelow described his proposal as a strong "three-legged stool approach" with retail, commercial and residential components. He indicated the company's intention to follow the recommendations of a previous study that was done for the City that called for a live/work atmosphere in the downtown area. Mr. Edgelow said that they envision a lively, family-oriented, affordable restaurant with a coffee shop on the first floor, office (either independent users or executive suites) on the second floor, and office space again on the third floor. He noted that the company has a letter of intent from BPLW Architects to occupy the entire third floor and noted that the top floors would contain live/work loft condominiums for sale. He commented on the building's tie to the historical nature of the area and said that they are not proposing to make any changes to the building.

Mr. Edgelow stated that some of the analysis that staff has performed on their proposal has been negative, such as the comments regarding proposed parking garages on Pepper Street, and stated the opinion that the garages add dimension to the rear of the building. He referred to renderings displayed in the Council Chambers and outlined plans for this part of the project. He said that the garages would access directly into the building on the second floor and would contain an overhang. He also discussed the residential component and stated the opinion that this feature would create activity 24-hours a day. Mr. Edgelow noted that the company has already obtained reservations for 40% of the condominiums and discussed positive impacts, such as enhanced safety and increased sales tax revenues from people living downtown, that would occur as a result of this component. He commented on the fact that the Town Center Concept Plan encourages the development of loft housing above ground level retail businesses on Main Street.

Discussion ensued relative to the fact that the company has over \$1 million of equity committed to the project and over \$4 million of debt; the fact that the company already has a number of condominiums reserved and that 100% of the third floor will be leased by BPLW Architects, the fact that a letter of interest has been received relative to a main floor restaurant, the company's residential and commercial experience and ties to Mesa, the fact that their accounting firm, Nelson Lambson, may move their office location to that building, technological advances implemented by the company, the fact that the company has its own in-house real estate department with a sales force and broker in place, and ADA Construction Company's excellent reputation and extensive experience.

Mr. Edgelow discussed his company's intention to begin marketing and designing the project immediately. He stated the opinion that sales and promotions would begin about two months after that, with construction commencing approximately four months after the actual award of

the contract. He estimated that total construction time would take approximately eight months and would occur in phases.

Additional discussion ensued relative to background and project experience.

Mr. Edgelow stated the opinion that his company's proposal represents a well conceived and appropriate concept plan for the downtown area which supports the contents of previous market studies that have been conducted for the City of Mesa. He thanked the members of the Committee for the opportunity to present his proposal and said that Mr. Martell, representing ADA Construction, would now provide an overview of projects his company has completed.

Mr. Martell addressed the members of the Committee and reported that his company has been doing business with Equus Development for the past few years on both commercial and residential projects. He discussed their successful joint efforts to develop the 60,000 square foot Desert Schools Federal Credit Union and the challenges that were associated with that project. He outlined a number of projects his company has constructed in Mesa over the past 20 years, including the LaQuinta Motor Inn, Luby's Cafeterias, the Mesa Public Library and Homestead Villages and stated the opinion that his company and Equus Corporation, working together, represent the best team to develop a successful project for the City of Mesa.

Mr. Edgelow discussed the parking situation and said that his proposal calls for the construction of a 14-stall parking garage with a landscaped terrace on the roof. He said that the people who used the garages would access into the second floor of the building and would take an elevator up to their units. He noted that the top of the parking garage would be landscaped and contain a terrace. He said that people on the main floor would actually walk along under a shaded canopy that would provide a shaded walkway along the side of the parking lot and around/over to the Pepper Street garage.

Chairman Kavanaugh thanked Mr. Edgelow and Mr. Martell for their presentation and asked representatives from Continental Commercial to address the members of the Committee at this time.

Norm Solomon, a principal and managing member with the team of Continental Commercial Group, Andrew Scott, the project's designer, and Mark Appleton, an architect with the internationally acclaimed firm Appleton & Associates and also a team member, addressed the members of the Committee. Mr. Solomon noted that each of the members of the team are equity partners and said that he would like to talk to the Committee regarding the decision they will make relative to this site/building. He stated the opinion that their decision will be about philosophy, direction and commitment and represents an opportunity for them, as leaders of the community, to make a difference in the community.

Mr. Solomon commented on the fact that the Bank One Building has been a part of the City of Mesa's history for the past 40 years and said that it should be used to create a live/work foundation over a retail base. He added that this type of concept has been at the core of every successful urban revitalized center in the country and discussed the importance of establishing a residential base. He discussed the development of the Town Center Concept Plan which calls for live/work loft living over retail as a methodology by which to revitalize the downtown area and expressed the opinion that the only way to generate a vibrant downtown is to integrate it into the

Mesa Arts and Entertainment complex that is being constructed so that the building becomes a part of the community rather than a stand alone "oasis."

Mr. Solomon said that his company reviewed the BPLW plan and after extensive discussion and thought determined that it was the wrong design and represented the wrong approach. He added that his company, together with Mark Appleton, pursued a totally fresh approach that is both conscientious and respectful of the building while accomplishing an exciting, fresh and lively approach that could be successfully integrated into the community. He noted that the proposal calls for floor-to-ceiling windows, large balconies that bring the occupants out into the community, and represents an original loft adaptive reuse for the building. Mr. Solomon stated the opinion that if it is determined that a conventional office concept is potentially viable for the area, it could be built on another site, leaving the Bank One Building to be used for what it should be used for, a live/work adaptive reuse. He added the opinion that saving the Bank One Building will result in the creation of a higher historical purchase and an enhanced community value.

Andrew Scott addressed the members of the Committee relative to the design of the project and commented on the company's belief in the importance of retaining a portion of the building's history, while introducing a new identity that is more appropriate for "today," thereby acknowledging the existing building's history while giving it a new, fresher look. He said that in terms of the elevation concept, the company felt it important to exploit the primary existing design element, the curtain wall structural grid that was displayed behind the members of the Committee in the Council Chambers. He explained that the concept uses the framework as a foundation for a creative adaptive reuse of the existing grid, which provides the organizational freedom to present a multi-layered facade.

Discussion ensued relative to the fact that the layered facade consists of a glazed curtain wall, exposed structure, solar screens and shades and large recessed balconies, the fact that it would also consist of a pattern of adobe glass panels of various opacities reflective of desert landscaping, the fact that the exposed structure would allow the company to establish a second grade and organization playing upon the variation of scales, the fact that the solar shade would provide protection from local climatic conditions and the recessed balconies would provide a transition between interior and exterior spaces, allowing for the animation of the building facade, and the fact that the animated facade was created to compliment the new Arts & Entertainment Center as well as to engage a growing and young artistic community.

Mr. Scott stated that the plans contain a mixture of boutique detail and a restaurant at the prominent corner location and said that effort was also expended to establish distinct outdoor patios for dining so that the tenants could engage the exterior space. He noted that the proposal calls for maintaining the curbside parking in order to allow for impulse buying and to establish a pedestrian corridor between the landscaping and the curbside parking. He informed the members of the Committee that the second floor is where the live/work concept really begins with deep live/work units containing personal storage units behind them. He added that a community event room would also be created in addition to a gallery for events that could be hosted by the tenants themselves or for the larger community (containing a catering kitchen as well as bathrooms).

Additional discussion ensued relative to the fact that the third, fourth and fifth floor units represent more of a traditional layout live/work unit that takes advantage of the exterior from all

sides, the fact that the proposed configuration supports a 24-hour, 7-day a week usage and represents a unique program with a specific identity, the fact that it is crucial that the ground floor consist of a semi-public/private configuration to ensure that the tenants engage the exterior space and is used, the company's opinion that Main Street contains the necessary existing infrastructure to support a 24-hour, 7-day a week urban vitality, their belief that the project's residential component will support an extended urban activity because of its prime location and close proximity to creative institutions such as the new Mesa Arts Center and their opinion that the project would be located in a conceptually familiar building containing a dense enough scale to foster an intimate community, while encouraging future commercial development as a result of its success.

Mr. Solomon commented on the fact that several procedural issues had been raised by staff and confirmed that the company's loan is unconditional and that their equity is in place. He reported that the four members of the team are all equity partners and have raised over \$1 million and can access more if needed. He explained that it was never the intention of the company to sell the units but rather to lease them initially and let the market determine the appropriate time for sales. He said that during the past few days the company has obtained letters of commitment for more than the total square footage of the ground floor of retail users interested at this point in signing letters of commitment to go forward. In addition, the company has obtained more than 12 written letters of intent from people to purchase or lease the units upstairs.

Mr. Solomon commented that the company's request for parking represents an effort to ensure the success of the project but indicated their willingness to negotiate and work with the City to meet its parking requirements. He added that the Pepper Street garage would work and the project would remain viable even if the additional parking is not included. He added the opinion that once the project has been completed and a successful model is in place, other private developers will follow suit. He emphasized the importance of using the existing building for adaptive reuse to show how successful it can be. He also discussed the importance of creating a lively, exciting and vibrant 24-hours, 7-day a week environment integrating this building downtown and the Arts Center into a community that will significantly change downtown Mesa while serving as a catalyst and a spark for other developers to follow.

Mr. Solomon noted that the company has prepared a supplemental package that shows the concept and contains some of this information for the Committee's review.

Chairman Kavanaugh thanked Mr. Solomon and Mr. Scott for their presentations.

Chairman Kavanaugh stated that the last presenters will be speaking on behalf of Lexington's proposal and noted that Mr. Prouty is ill and unable to attend the meeting. He said that a request has been received to allow representatives from the company to distribute supplemental information to the members of the Committee, since Mr. Prouty is unable to do the presentation, and he added that the other members will be able to respond to questions from the members of the Committee relative to the various information that has been supplied.

Committeemember Walters requested a five-minute recess so that in lieu of a verbal presentation, the members of the Committee will have ample opportunity to review the supplemental documentation submitted by Lexington's representatives.

(At this time, Chairman Kavanaugh declared a five-minute recess.)

Chairman Kavanaugh stated that the Committee has requested that staff present some remarks at this time and said that following their comments, the meeting will be opened up for Committee and Council discussion and questions.

Redevelopment Director Greg Marek and Senior Redevelopment Specialist Patrick Murphy, who has been serving as the project manager on this issue, addressed the members of the Committee. Mr. Marek agreed that there are four quality proposals under consideration at this time and added that they are fortunate that Don Hunter included Site 21 as part of his contract. He noted that this project was one of five parcels that was part of the Hunter Interest Report, so the company had been familiar with Site 21 from the very beginning relative to developing requests for qualification, requests for proposals, and the evaluation process. He advised that in addition to Don Hunter and Ernie Bleinberger, the City's internal team also included Economic Development Director Dick Mulligan, as well as Shelly Allen, Patrick Murphy and himself from the Redevelopment staff.

Mr. Marek noted that three of the four proposals contain the BPLW design and three of the four proposals also have BPLW as a tenant in the building. He discussed Mr. Hunter's opinion that all four proposals are doable and that all four developers are capable of financing their projects. He added, however, that staff has advised the Downtown Development Committee that although the developers have obtained financing commitments, it is still considered "soft financing" and until a Letter of Credit is actually in hand, nothing is final. He reiterated that staff and the members of the team believe all four developers have the ability to do the financing, but added that once the developer has been designated, he may be required to obtain a signed Redevelopment Agreement with the City prior to being approved for the actual "hard financing."

Discussion ensued relative to the fact that significant discussion occurred among the members of the team regarding residential versus office development, staff's support for the fact that all four projects include retail uses on the ground floor, Mr. Hunter's recommendation that the City focus on office/retail rather than residential/retail projects and his opinion that should the City select a plan that contains residential units that they be rental units with the ability to convert to condominiums at a later date, which is in fact reflected in both projects that contain a residential component.

Mr. Marek stated that the members of the internal team agreed with Mr. Hunter's recommendation relative to focusing on the office/retail projects, which narrowed the field down to Lexington and Outsource's projects. He said that the difference that separated those two projects was the level of the experience of the development team and he discussed Mr. Hunter's opinion that Outsource has a stronger, more experienced team and should be designated as the developer for this project. He added that Mr. Hunter also strongly emphasized the need to utilize all of the three remaining developers in future downtown projects and noted the high quality of all of the development companies.

Mr. Marek said that once the City Council has designated the developer for this project, staff recommends that a 90-day exclusive negotiation period be entered into during which time the developers will be required to complete their financing arrangements and City staff will prepare a Redevelopment Agreement. Mr. Marek added that this recommendation was presented to the members of the DDC and each of the presenters highlighted a presentation similar to those just

highlighted for the benefit of the DDC members. He explained that the DDC indicated that they wanted to reduce the 90-day exclusive negotiation period to 60 days and said that the members did not recommend one final project. He said that the members of the DDC felt they couldn't make a determination relative to residential versus office uses and therefore recommended by a 5 to 3 vote that if the Council decides to pursue an office project, that Outsource be designated the developer. In addition, if the Council decides to pursue a residential project, they recommended that Continental be designated the developer for that project. Mr. Marek explained that much of this had to do with Art Jordan and his comments regarding the architectural design of the building. He said that Mr. Jordan felt that the design was an issue that should be considered for "downtown."

In response to a question from Committeemember Walters relative to the fact that the Equus submission talked about the possibility of adding two floors to the building if the market warranted the additional space, Mr. Murphy confirmed that it would be possible to add two floors to the existing building.

Mayor Hawker asked what the negative impacts of additional parking would be and Mr. Marek stated that from staff's perspective, a parking structure along Macdonald Street, at the pedestrian level, would create a blank wall where no activity could occur. He added that staff believes that 10 to 15 years down the road, the area of the surface parking lot could be redeveloped and accommodate another building. He said that in keeping with urban type development, loft housing or another retail operation on the ground floor could be developed and the placement of a parking structure at the proposed location would prevent that future development from occurring.

Mayor Hawker stated that he is pleased with all four proposals, with Outsource and Lexington zeroing in on office use, Equus being split between the two, and Continental dealing with retail and residential units.

In response to a question from the Mayor, Mr. Marek explained that staff met with the developers before the residential proposals were submitted and discussed concerns regarding their ability to provide secured parking and access for possible future tenants. He commented on the fact that when the Voit proposal was developed, the City said that it would provide up to 250 spaces in the Pepper Street garage (to be paid for by the developer) and discussed the challenges that would accompany providing that many spaces. He also noted that although staff is convinced they can provide the spaces, the development of a residential type project does negate the need for the 250 additional spaces and is a plus for selecting that type of project, since residential would require less parking than an office project.

Committeemember Walters commented on the fact that she was on the losing side of a vote on the parking garage because she had serious concerns about placing the garage at that location. She said she believed that in the future that was a good building pad, and if underground parking was developed instead, the site could accommodate both parking and an additional building that would generate revenue and activity in the area. She added that the possibility also existed to construct a parking structure on the other side of Macdonald. Committeemember Walters asked Mr. Marek whether a provision could be built into the contract, if Equus was selected as the developer, that would allow in the future the possible development of alternative parking options. She asked whether the City was deeding the land over to the them for the parking structure.

Mr. Marek explained that discussions regarding the deeding of land have not taken place and said that the City owns the property. He stated the opinion that the City would pursue entering into some type of lease agreement and said they would prefer not to deed the property over to anyone. He added that once the project has been completed, the parking spaces could potentially be integrated into the project but added that a number of temporary parking areas, would have to be identified, possibly in the Pepper Street garage, that could be used while the project was underway. He noted that this could occur as far out as ten years from now and agreed that in the future that particular parcel will be in great demand. Mr. Marek said that the location may be ideal for future loft housing (live/work housing) in the downtown core.

Committeemember Jones also commented on the high quality of the four proposals that were received and said that in his opinion any one of them would work in the downtown area. He advised that he has received a number of comments from citizens interested in having the City pursue a residential component in that particular area of downtown as well as comments from citizens who have reservations regarding residential development and believe that more office space is needed at that location. He stated the opinion that both residential and office development are needed to ensure the success of the downtown area and stressed the importance of careful planning in order to accomplish this task.

Committeemember Jones said that he too had concerns regarding the overall process and the importance of explaining the difference between a Request for Proposals (RFP) and a Bid. He said that his biggest concern has to do with the negative public perception that exists regarding City processes and services provided and stressed the importance of exercising caution in approaching issues and ensuring that accurate and thorough clarifications are provided whenever possible. Committeemember Jones added that although he has some concerns regarding what has transpired over the last couple of months, at this time he would prefer to concentrate on the various options that are currently before the members of the Committee. He indicated that at this point he supports "mixed use" development and explained that by this he means a component that contains retail on the bottom floor. He added that he likes both business and residential uses and is probably leaning in the direction of a total "mixed use" approach.

Chairman Kavanaugh commented on the fact that this process involves both an exciting and difficult task because of the high quality of all of the proposals that have been submitted. He stated the opinion that the Downtown Development Committee (DDC) issued a very appropriate challenge to the Councilmembers to look at their philosophy in terms of what they would like to see developed at this particular site. He said that after reviewing the discussion the members of that Committee had regarding this issue and reviewing the proposals, his opinion is that a mixed use project, a live/work project, would be the most appropriate use for this site. He added that he can see the need for office development as well, but is focusing on the live/work project because it has been his experience that tenants pursuing "Class A" office construction in downtown Mesa will seek out new buildings rather than adaptive reuses. He added that the City already has a number of sites that have been identified as being appropriate for "Class A" office construction, and said that he believes those site could be successfully developed for that purpose in the future.

Chairman Kavanaugh added the opinion that the live/work concept represents the most appropriate use for this site and said that he likes the design submitted by Continental

Commercial. He said that when he first reviewed the design proposal, it struck him as being quite different and his first reaction was that he preferred the BPLW design, which he does. He added, however, that in thinking about the context of adaptive reuse projects, he believes it is important to pay attention to the context of the building that is being redone and to the history, heritage and use of that building. He added the opinion that the best example of adaptive reuse is to take the architecture from a period of time when the structure was originally built and enhance and improve rather than remove it. He stated the opinion that this is what Continental Commercial's proposal accomplishes and spoke in support of the mix of residential units combined with retail to create an urban presence/residential setting.

Chairman Kavanaugh commented on the fact that a low vacancy rate exists in terms of offices in downtown Mesa that is enviable compared to the rest of the Valley, 3%, and expressed the opinion that for a project such as this, focusing on the residential component in conjunction with the Arts Center which will be used 365 days a year, is a very positive approach. He added that in terms of a close ranking of all of the applications, his preference for this particular site would be a mixed-use live/work concept and of the two worthy submittals that have been received, he prefers Continental Commercial's design.

Committeemember Walters said that after considering all of the information at hand, she is thoroughly impressed with every one of the presentations, both the verbal and the written. She stated that she did have the opportunity to meet with Mr. Prouty from Lexington earlier on and added that he too did an excellent job of presenting his materials.

Committeemember Walters said that although she reserves the right to change her mind later on when this is brought to the full Council for consideration and action, at this point in time she is leaning towards the Equus proposal and spoke in support of the total mix of uses contained in that submittal. She indicated her intention to bring forward a motion at this time.

Chairman Kavanaugh clarified for the members of the audience that the Committee's task at this time is to prepare a recommendation for review and consideration by the entire City Council. He added that Mayor Hawker will review the proposals and decide on a format for presentation/discussion/action by the full Council.

It was moved by Committeemember Walters that the Committee refer this matter to the full Council with a recommendation for a "total mix" use that will include live/work and retail.

(Committeemember Walters said that she is willing to recommend that Equus be selected as the developer but would prefer to make a motion to approve all of the components of the live/work submittal and allow further discussion relative to the proposals to take place before the full Council. She asked for Committeemember direction relative to the crafting of the motion.)

Committeemember Jones said that from his perspective, he prefers the whole total package mix as submitted by Equus.

In response to a question from Committeemember Jones, Chairman Kavanaugh stated the opinion that the recommendation to the Council should be specific in nature.

Committeemember Walters said that she agrees with Chairman Kavanaugh and clarified her motion.

It was moved by Committeemember Walters that the Committee refer this matter to the full Council with a recommendation that a "total mix" of uses, including residential, business and retail, be approved.

Committeemember Jones seconded the motion.

In response to a question from Mayor Hawker, Mr. Marek explained that the RFP was written to reflect that during the selection process, which included the General Development Committee meeting, additional information/clarifications can be requested if deemed appropriate and necessary by the members of the Committees/Council/staff. He added that it was also noted that the Council could reject any or all of the proposals. Mr. Marek stated the opinion, however, that to allow someone to come in and substantially change the overall concept cannot take place unless all of the proposals are rejected and a new RFP process is initiated.

Committeemember Jones stated the opinion that a significant need exists for a residential component in the downtown area as well as a need for more office space. He commented on the fact that the City of Mesa and Mesa Public Schools are the primary tenants in the downtown area in terms of office space. He stressed the importance of attracting a wide variety of businesses into this area.

Chairman Kavanaugh said he would be voting against the motion and would like to explain the reasoning behind his vote. He stated that at this time, his position is that Continental Commercial's project contains a greater concentration of residential units and therefore has a better chance of being successful. He added that he also prefers the design and believes it better "respects" the history of the area as well as the building. Chairman Kavanaugh said that he believes that the proposal submitted by Equus is a good one as well.

In response to a question from Chairman Kavanaugh, Assistant City Manager Paul Wenbert advised that the recommendation will be scheduled for placement on the agenda of a future meeting as soon as the minutes have been completed. He noted that the next Council meeting will take place on November 18th.

Chairman Kavanaugh declared the motion carried by majority vote.

Chairman Kavanaugh indicated that staff will work towards placing this item on the agenda of the November 18th meeting, but noted that effort will have to be expended to work with all of the applicants in order to provide them adequate notice of the meeting date.

2. Adjournment.

Without objection, the General Development Committee meeting adjourned at 11:23 a.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the General Development Committee of the City of Mesa, Arizona, held on the 7th day of November 2002. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK