

GENERAL & ECONOMIC DEVELOPMENT COMMITTEE MINUTES

June 5, 2007

The General and Economic Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on June 5, 2007 at 3:31 p.m.

COMMITTEE PRESENT

Tom Rawles, Chairman
Claudia Walters
Kyle Jones

COUNCIL PRESENT

None

STAFF PRESENT

Debra Dollar
Donna Bronski

1. Items from citizens present.

There were no items from citizens present.

2. Hear an update on the Fiesta District project.

Town Center Development Director and Acting Economic Development Director Shelly Allen introduced Fiesta Mall District Project Manager Cathy Ji. She noted that two representatives of Pacific Municipal (PMC), Loreli Cappel and Kendall Flint, were also present to provide information.

Ms. Allen advised that in response to a request for assistance from businesses and property owners in the Fiesta Mall area, the City initiated a revitalization strategy in 2004, which included a Council recommendation to hire an individual with retail revitalization expertise. She reported that a May 2006 Request for Proposals (RFP) resulted in the selection of PMC as the consultant to implement the process.

Ms. Cappel, the Project Manager, displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) that provided an overview of the project. She explained that PMC's area of responsibility includes facilitating public outreach, branding, urban design and financing. Ms. Cappel introduced representatives of Sloat Landscape Architects, the firm that will address the planning of landscape, streetscape and design, and PBS & J Corporation, the firm with responsibility for transportation planning and design. She noted that the objectives of the project, working in conjunction with the private and public sectors, include the following:

- Develop a district identity/brand.
- Identify the cost of improvements that will define a "sense of place."
- Identify transportation and pedestrian linkages.

Ms. Cappel provided a brief overview of the various elements of the project:

1. *Brand and Identity Development.* The private sector is actively working to develop plans to create a district identity that provides a “sense of place.”
2. *Urban Design* will address public and private ideas and concepts guided by the community.
3. *Circulation* is key to the functionality of the district.
4. *Community Involvement* is required to obtain the necessary data with which to develop a vision that is accepted by the private and public sectors.
5. *Implementation* includes financing options and recommendations for phasing in the various aspects of the project.

Ms. Cappel said that integrating the brand is key to creating the “sense of place.” She noted that the process would provide the stakeholders with a “toolbox” for their use in implementing all or certain facets of the final plan. She stated that proposed public improvements would be based on community input and priorities and that implementation of the project requires public and private partnerships. Ms. Cappel advised that the final product would be in the form of a “District Design Handbook,” and she outlined the project schedule (see Attachment 1), which includes periodic updates to the Council. She noted that an informational open house is being held this evening at Fiesta Mall.

In response to a series of questions from Committeemember Walters, Ms. Flint advised that participation is not mandatory and that some businesses may elect to utilize only small parts of the plan. She commented that the most surprising characteristic of the Fiesta District project has been the strong interest and commitment demonstrated by area businesses at the initial meeting and that the interest and commitment is ongoing. Ms. Flint said that one of the most challenging aspects of the project has been to obtain the participation of the residential component, and she added that a concerted effort is being made to involve residents in the process.

Chairman Rawles said he would reiterate what he said at the initial meeting. He stated the opinion that the private sector must drive the process, and that the City and the consultants should serve as the stimulus and catalysts by providing guidance and structure for the process. Chairman Rawles emphasized that the City and the consultants should not attempt to micromanage the project.

Ms. Flint confirmed that their approach to the process is to provide guidance and structure. She noted that having an objective third party facilitating the discussions between the competing interests ensures that the concerns of smaller businesses are not diminished by the larger stakeholders.

Chairman Rawles thanked the consultants and staff for the presentation.

3. Hear a presentation, discuss and make a recommendation on the creation of a new General Plan Land Use category and an accompanying new zoning district in the Zoning Ordinance for the development of mixed-use communities.

Planning Director John Wesley said that he would address the new General Plan Land Use category and that Zoning/Civil Hearing Administrator Gordon Sheffield would discuss the proposal for a zoning category related to development of mixed-use communities.

Mr. Wesley reported that developers in the current market have expressed an increased interest in mixed-use developments, and that the City presently has two mixed-use categories: Mixed-Use Employment (which allows for a mix of employment uses) and Mixed-Use Residential (which allows for up to 30 percent of the property to be utilized for residential with a minimum density of 15 units per acre). He said that staff is considering an additional mixed-use category to provide a greater number of options, and he noted that this alternative is of interest to the developer of the former General Motors' (GM) property. Mr. Wesley said that the new land use category would provide greater flexibility to create a community atmosphere, and he added that a caveat would be included relative to preserving the Williams Gateway Airport flight paths from residential incursion. He advised that a Minor General Plan Amendment would be required to implement the change.

Mr. Sheffield advised that the current zoning ordinance utilizes a series of specific districts and that certain mixed uses have been achieved with a Council Use Permit. He stated that staff recognized the need to provide additional tools in order to facilitate mixed-use development, and he added that staff has discussed this topic with the consultant retained by the City to address the zoning code update. Mr. Sheffield said that the direction proposed by staff is to create a Planned Community District that would enable the adoption of an individual zoning ordinance for large-scale developments of property. He noted that the aggregate impact of certain factors such as the requirements for infrastructure and schools would continue to be considered without micro-managing the project within a district. Mr. Sheffield said that the initial zoning would be approved by the Council, that the development of each area would be reviewed by the Planning and Zoning Board for approval of master plans, and that the individual projects would be reviewed by staff or the Design Review Board to ensure compliance with standards.

Chairman Rawles stated that additional tools and flexibility are required, and he expressed support for the concept.

Committeemember Walters also expressed support for the concept.

Committeemember Jones stated that he favored the concept, but he requested additional assurances that the flight paths and the airport would continue to be protected from residential incursion.

Mr. Wesley advised that the General Plan would provide direction and the zoning process would address the restricted uses in the flight path areas. He said staff was requesting direction from the Committee to initiate the proposed changes.

Deputy City Attorney Donna Bronski suggested that the Committee take formal action to make a recommendation to the Council.

It was moved by Committeemember Walters, seconded by Committeemember Jones, to recommend to the Council that staff's recommendation for a Minor General Plan Amendment and a new zoning district for mixed-use communities be approved.

Carried unanimously.

4. Discuss and make a recommendation on an application for the major boundary modification of the Foreign Trade Zone No. 221.

Senior Town Center Development Specialist Patrick Murphy displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and advised that although Foreign Trade Zones (FTZ) are physically located within this country, the zones are legally considered to be foreign soil. He noted that the purpose of the zones is to attract foreign trade by providing a means for importers to reduce or eliminate the payment of import duties. Mr. Murphy reported that in 1997 the City established 3,020 acres of FTZ at Williams Gateway Airport (WGA), which includes 1,609 acres of taxiways and runways (see Attachment 2) that cannot be utilized as a FTZ. He said that this area is proposed for removal from the zone and that an applicant has come forward to request that 606 acres of privately held land adjacent to WGA be added to the FTZ. Mr. Murphy stated that the applicant is proposing to develop the 606 acres as industrial warehouse space. He noted that the FTZ is a tool that the City can utilize to attract new international business, create jobs, and assist in the City's efforts to establish WGA as a center for business, employment, aviation and technology.

Mr. Murphy outlined the City's FTZ administration costs as follows:

- Staff time related to administration of the FTZ.
- A bond in the amount of \$700 per year.
- Membership dues of \$600 per year in the National Association of FTZ.

Mr. Murphy advised that the City is allowed to collect fees to cover the FTZ administration costs, and he outlined the City's current fee schedule (see Attachment 3). He stated that expenses are being tracked and, if necessary, staff would return to the Council to request a fee adjustment based on that data. Mr. Murphy said that staff is requesting a Committee recommendation to the Council for approval of the resolution to move forward with the boundary change. He reported that the Economic Development Division and the Williams Gateway Airport Authority recommend approval and that the Economic Development Advisory Board did not express any objections to the proposal. Mr. Murphy added that the City Attorney's Office has reviewed the resolution. He noted that the applicant's representative, Curtis Spencer, is present to answer any questions.

In response to questions from Chairman Rawles, Mr. Murphy advised that this applicant would be the first participant in the FTZ, and he stated the opinion that this venture would stimulate additional activity in the FTZ.

Chairman Rawles expressed support for the boundary change, and he suggested that the City's FTZ fees be reviewed by the Audit and Finance Committee at a future meeting.

Committeemember Walters, Chairman of the Audit and Finance Committee, concurred with the suggestion of Chairman Rawles.

Assistant City Manager Debra Dollar noted that this is the first FTZ application, and she advised that staff would track the expenses in order to determine the appropriateness of the fees.

Committeemember Walters noted that there does not appear to be any negatives associated with the proposal, and she thanked the applicant for developing this business in the City of Mesa.

It was moved by Committeemember Jones, seconded by Committeemember Walters, to recommend to the Council that the application for a major boundary modification to Foreign Trade Zone No. 221 be approved.

Carried unanimously.

5. Adjournment.

Without objection, the General Development Committee meeting adjourned at 4:14 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the General & Economic Development Committee of the City of Mesa, Arizona, held on the 5th day of June 2007. 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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Attachments (3)