



AD HOC REDEVELOPMENT ADVISORY COMMITTEE

October 12, 2004

The Ad Hoc Redevelopment Advisory Committee met at the Mesa City Plaza, 20 E. Main Street, Room 170, on October 12, 2004 at 5:35 p.m.

COMMITTEE PRESENT

Rex Griswold, Chairman
Steve Adams
Art Jordan
Alan Rash
Dave Richins
Chuck Riekema
Joe Shipley
Bev Tittle-Baker

COMMITTEE ABSENT

Louise Daggs
Alex Finter
Jordan Rose

STAFF PRESENT

Paul Wenbert
Shelly Allen
Pat Granillo
Patrick Murphy

(Items were discussed out of order, but for purposes of clarity will remain as listed on the agenda.)

1. Approval of minutes.

- a. August 24, 2004 meeting
- b. September 14, 2004 meeting

It was moved by Committeemember Rash, seconded by Committeemember Shipley, that the minutes of the August 24 and September 14, 2004 meetings be approved.

Chairman Griswold declared the motion carried unanimously by those present.

2. Presentation by City of Mesa's Economic Development Director Dick Mulligan regarding Mesa's economic development activities affecting redevelopment.

Economic Development Director Dick Mulligan addressed the Committee and reported that for decades, Mesa has thrived on growth moving east and south into the community. He explained that a "second wave" of growth in terms of redevelopment and revitalization is now taking hold

in west Mesa and stated that it is important for the City to implement new and different tools with which to implement such growth.

Mr. Mulligan highlighted the following programs that the Office of Economic Development has established to attract and retain business in Mesa: corporate locates; expansion and retention of existing firms; and entrepreneurial and small business development (startup companies.) He noted that his office also performs public relations and image-building functions with regards to Mesa and is the City's official representative at various economic development agency functions and partners with those entities to promote economic development throughout the entire region. Mr. Mulligan stated that in addition, his office is responsible for the overall economic development of all employment centers in Mesa (Town Center, Williams Gateway, Falcon Field) and that it works closely with the Town Center Development Office on many redevelopment projects such as the One Macdonald Center Building

Mr. Mulligan distributed copies of the site plan for the Fiesta Mall Area Super-Regional Retail District and provided a chronological overview of the project. He advised that a task force, consisting of staff from throughout the organization, was formed to address the decline in Mesa's sales tax revenues and in particular, the aging nature of Fiesta Mall and the changing demographics in the surrounding area; that it was the recommendation of the task force to hire a panel of experts in economic development and retail development to conduct an analysis of the Fiesta Mall area; that it was the conclusion of the panel, among other things, that the areas adjacent to the mall, such as Banner Desert Hospital, Mesa Community College and various retail/commercial sites could be linked together more effectively possibly through the creation of a Business Improvement District (BID). Mr. Mulligan added that his office has successfully recruited a number of new businesses as part of the Fiesta Mall revitalization process and would continue to do so.

Mr. Mulligan provided a short synopsis of a proposed Mesa Enterprise Zone, which is located at the new Broadway 101 Commerce Park (the old Motorola plant). He reported that in 1999, staff explored the possibility of establishing an enterprise zone, but discovered that none of the State requirements were satisfied. Mr. Mulligan commented that after the 2000 Decennial Census was released, staff again reviewed the possibility of establishing a zone and at that time all of the requirements were met. He stated that last week, the City Council authorized his office to move forward with an application to the State Department of Commerce to establish an enterprise zone. Mr. Mulligan explained that the primary goal of the Arizona Enterprise Zone Program is to improve the economies of specific areas by enhancing opportunities for private investment. He also stated that enterprise zone incentives that would be available to businesses that invest and employ individuals who live within the zone would include new job tax credits and property tax reclassification. Mr. Mulligan added that an enterprise zone designation would make the area more attractive to new development and allow Mesa to become competitive with surrounding communities that offer enterprise zone benefits.

In response to a series of questions posed by the Committeemembers, Mr. Mulligan expressed the following viewpoints:

- Redevelopment efforts should continue to be used in Mesa as a means by which to attract new businesses to the community.

- It is especially important to provide redevelopment tools in west Mesa in conjunction with the “second wave” of growth and to address increased gang activity, security issues and vandalism taking place at businesses/residences in the area.
- Mesa should use business incentives strategically in an effort to achieve future community goals.
- In June 2002, the City Council accepted and acknowledged the Economic Development Strategy Master Plan which proposed, among other things, to increase the City’s jobs-per-capita ratio from .36 jobs per resident to .59 by 2025. (In November 2002, Mesa voters approved the Mesa General Plan update.)
- One of the biggest marketing challenges his office faces is Mesa’s image and the fact that major developers headquartered in the region often do not look as favorably on the community as the City would like.
- He has no illusions that Mesa is going to be another Scottsdale and that the most important thing the City can do is assess whether, in fact, it is moving in the right direction in terms of development/redevelopment and if not, to make the necessary changes to modify that outcome.
- In terms of the Fiesta Mall area and the Broadway corridor, the City has yet to determine whether it would be appropriate to designate those areas as redevelopment districts similar to the Town Center Redevelopment Area.
- Mesa is perceived as a very conservative community, but such a perception does not “match up” with its ability to successfully achieve community goals it sets for itself.

Committeemember Shipley cited examples wherein past Councils have yielded to the wishes of a property owner regarding the development of a project and underutilized sites. He commented that in his opinion, the City continues to deal with development decisions of past Councils that were “less than spectacular.”

Discussion ensued relative to the fact that the goal of the 2025 Joint Master Planning Committee was to create an environment in Mesa to live, work and play within a 20 minute commute of one’s home; that for many years, Mesa was not considered “business friendly”; and that many departments, including the Building Safety Division and the Planning Division, have modernized many of their systems in order to provide more effective customer service throughout the community.

Committeemember Richins stated that he views being engaged in redevelopment activities and the concept of establishing a redevelopment zone as two separate items. He questioned whether there is a way in which the City could be engaged in redevelopment without having a formal redevelopment zone designation.

Mr. Mulligan suggested that from his perspective, he would encourage the Committee to consider redevelopment in the context of community goals and maintaining consistency with Mesa’s Economic Development Strategy Master Plan to increase the jobs-per-capita ratio and achieve other long-term goals as well.

Committeemember Jordan commended Mr. Mulligan for his informative presentation and his ability to effectively communicate the concept of community goals. He contrasted differences between Scottsdale and Mesa’s philosophies regarding signage and noted that in his opinion, “good businesses find ways to attract customers without resorting to glaring signage.” Committeemember Jordan noted that the new Target store located on Longmore and Southern

is a prime example of successful redevelopment and added that effective project management is a key component of such success.

Further discussion ensued relative to the Town Center Development Office's "one stop shop" approach in assisting developers with various planning and redevelopment functions; the effectiveness of designating project coordinators to assist developers throughout the duration of a project; and the contrasting perspectives of Mr. Mulligan and Tim Keller, Executive Director of the Arizona Chapter of the Institute of Justice, regarding the issue of redevelopment (Mr. Keller expressed the opinion that redevelopment areas are an impediment to revitalization of downtown areas, and that the City of Mesa should focus on eliminating the downtown redevelopment areas rather than eliminating a particular City department).

Chairman Griswold commented that Mesa has a designated redevelopment area and "has paid for it dearly" via negative press coverage. He stated that the City would not use eminent domain as a redevelopment tool in the future and noted that in his opinion, he did not believe that businesses would hesitate to locate in Mesa because of the fear of eminent domain. Chairman Griswold added that he is uncertain whether he would support the creation of other redevelopment areas and commented that he would prefer the utilization of more effective redevelopment tools such as business opportunity zones.

Committeemember Riekema concurred with Chairman Griswold's comments and expressed the opinion that redevelopment is a political issue. He stated that he is unwilling to "tie people's hands regarding redevelopment because somebody politically (i.e., the Institute of Justice) wants to win battles with condemnation." Committeemember Riekema added that he takes great umbrage at organizations such as that wanting to make fun of the City.

Committeemember Richins clarified his previous comments and stated that although, in his opinion, the redevelopment area has "run its course," he was not inferring that it should be removed from the "toolbox." He questioned whether the redevelopment designation is "an albatross" and businesses are afraid to invest in the City because of that definition. Committeemember Richins questioned the purpose of keeping the redevelopment area designation when the City is no longer able to utilize eminent domain as a redevelopment tool. He emphasized that he is opposed to eliminating the Town Center Redevelopment Office. Committeemember Richins added that the City should focus greater attention on Citywide redevelopment due to an abundance of redevelopment/infill projects.

In response to Committeemember Richins' comments, Committeemember Riekema stated that in his opinion, new businesses are attracted to the downtown area (i.e., JusticeTrax and the developers of the One Macdonald Center Building) and not "scared away" by condemnation. He attributed the Mesa Art Center as a primary reason for such entities wanting to locate to the Town Center area.

Committeemember Jordan stated that it is more advantageous for the City to create a positive image regarding the manner in which it intends to improve west Mesa and other areas of the community and "not grab the headlines" that it is attempting to eliminate a redevelopment area when, in reality, the primary area of concern is the issue of eminent domain.

Committeemember Rash commented that he does not necessarily support doing away with the redevelopment area, but noted that he was struggling to comprehend the charge of the Committee at this point in time.

Additional discussion ensued and the Committeemembers offered the following comments relative to redevelopment:

- It would be appropriate for the City to “partner” with neighborhood and business-driven redevelopment efforts. The City could provide assistance in the facilitation of those efforts.
- The City could identify two or three neighborhoods in west Mesa that are in dire need of assistance. A designated staff member could be assigned to those neighborhoods to meet with the residents and identify their priorities and concerns and bring the issues to the attention of the City Council. The City could also provide those neighborhoods with project management and design tools in an effort to achieve their goals.
- An alternative approach to assigning City staff to the particular neighborhoods would be the formation of a neighborhood organization; the establishment of a Community Development Corporation (CDC) or an incorporated neighborhood; and obtaining funding through Community Development Block Grant (CDBG) or CDC programs, foundations and the private sector.
- Mesa’s Neighborhood Outreach Office is a great resource that could interface with the neighbors to assist with capacity building and technical assistance.
- Sustainable mechanisms must be in place to ensure that the efforts of neighborhood organizations are not jeopardized by the political whims of present or future City Councils.
- City leadership changes just like residents in a neighborhood and it is crucial that common redevelopment goals are established between the City and the neighborhood entities to ensure the success of a particular project.
- The City would also provide insight relative to various infrastructure projects that could impact the goals of the neighborhood.

Chairman Griswold expressed appreciation to his fellow Committeemembers for engaging in an open and informative dialogue. He encouraged everyone to submit any ideas they may have regarding redevelopment to Town Center Development Administrator Shelly Allen so she could forward them on to the City Council for consideration. Chairman Griswold said that he was not willing to lose all City redevelopment over a redevelopment district. He added that if he had to give up the redevelopment district to save redevelopment, infill and other tools, he would.

Committeemember Riekema thanked Mr. Mulligan for his informative and insightful presentation.

Committeemember Shipley commented that in his opinion, there are two methods by which the City can entice businesses to locate to Mesa, the first being the Economic Development Office’s programs as previously outlined by Mr. Mulligan. He stated that a second method is to “lead by example” with regard to the types of projects that are approved by the Council. Committeemember Shipley noted that this would demonstrate to developers in other communities that Mesa is truly interested in high quality development projects and possibly sway those developers to locate to Mesa as well. He added that there may be some projects that the City is better off not approving simply because they are of a lesser quality than they could be.

Chairman Griswold suggested that Committeemember Shipley submit those comments in writing for City Council discussion and consideration.

3. Discuss and consider a recommendation that legislation should be prepared to modify Arizona Revised Statutes Section 4-207, which pertains to liquor license separation requirements from a church and/or school.

Due to time constraints, this agenda item was continued to a future meeting.

4. Discuss and consider the key recommendations of the Committee, which will be included in the report to the City Council.

Deputy City Manager Paul Wenbert referred to an October 12, 2004 Memo outlining a Draft List of Recommendations that the Committee may wish to include in its final report to the City Council. (See Attachment 1.) He commented that item I.3 is contrary to items I.1 and I.2 as follows:

I. Decision Points Town Center Redevelopment Area

1. Retain existing area designation, and retain existing DDC structure.
2. Adopt a policy to not use eminent domain authority unless requested by individual property owners.
3. Remove redevelopment area designation, but retain focus on downtown with existing DDC structure. (The City Attorney's Office will analyze the impact this decision would have on existing agreements.)

Following a discussion among the Committeemembers, a consensus was reached relative to the wording of recommendation I.1; that item I.2 should include language reflecting that the Committee recognizes the limitations of eminent domain based on Proposition 105; that item I.3 be eliminated; that the title "Decision Points Town Center Redevelopment Area" be modified to reflect "Decision Points Town Center **Development** Area"; that the Committeemembers would be permitted to submit recommendations to Mr. Wenbert relative to the development of City-owned property within the redevelopment area; that the Town Center Development Office should be elevated to a higher level of importance within the organization; and that there was Committee consensus regarding items II and III. (Attached)

5. Identify a future meeting date to consider the report to the City Council.

Mr. Wenbert advised that the next Committee meeting would be held on November 9, 2004 at 5:30 p.m. (The location of the meeting has yet to be determined.)

6. Other items.

Committeemember Jordan requested staff to research whether the Committee, at the beginning of its tenure, instituted certain criteria regarding qualifying a Committeemember to vote on the Committee's final recommendations to the Council based on his or her attendance.

7. Adjournment.

Without objection the Ad Hoc Redevelopment Committee was adjourned at 8:00 p.m.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Ad Hoc Redevelopment Advisory Committee meeting of the City of Mesa, Arizona, held on the 12th day of October 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

pag

Attachment

Town Center

20 E. Main Street, Suite 200
Mesa, AZ 85201

(480) 644-3959

Fax (480) 644-3458

DEVELOPMENT

MEMO

To: Ad Hoc Redevelopment Advisory Committee
Through: Lisha Garcia, Neighborhood Services Manager
From: Patrick Murphy, Senior Town Center Development Specialist
Subject: Report to the City Council --- Draft List of Key Recommendations
Date: October 12, 2004

The purpose of this memorandum is to provide the Ad Hoc Redevelopment Advisory Committee (Committee) with a draft list of key recommendations that the Committee may want to include in the report to the City Council. As discussed at the first Committee meeting held on March 22, 2004, the Committee was charged with determining whether the Town Center Redevelopment Area (TCRA) boundaries should change and examining the advantages and disadvantages of such a decision. Since March the Committee has solicited input from various property owners and lessees in the TCRA, and has had presentations on the following topics:

1. State laws governing redevelopment, including available redevelopment tools
2. Functions of Mesa's Town Center Development Division
3. Functions of the Mesa Town Center Corporation
4. Improvements to TCRA over the past 20 years, including a tour of the TCRA
5. City of Tempe's Redevelopment Program, Dave Fackler
6. Valley-wide perspective on redevelopment, Grady Gammage, Morrison Institute
7. National perspective on redevelopment, Ernie Bleinberger, Hunter Interests Inc.
8. Proposed City of Mesa Infill Development Policy
9. Neighborhood Development Corporations, Karen LaFrance, NEDCO
10. Impact of Proposition 105 --- Use of Eminent Domain
11. Conservative perspective on redevelopment, Tim Keller, Institute for Justice

These presentations generated a substantial amount of discussion among the Committee. As a result the scope of work for the committee has expanded. Staff has conceptualized the comments expressed by the Committee members over the past few months into the following key recommendations.

10/21/2004

Page # 2

I. Decision Points Town Center Redevelopment Area

1. Retain existing area designation, and retain existing DDC structure.
2. Adopt a policy to not use eminent domain authority unless requested by individual property owners.
3. Remove redevelopment area designation but retain focus on downtown with existing DDC structure. (The City Attorney's office will analyze the impact this decision would have on existing agreements.)

II. Create new Community Investment Areas (CIA) in Mesa that would combine P & Z and Economic Development functions

1. Create a new committee that handles infill and all projects in CIA(s), which would follow the Downtown Development Committee (DDC) structure. This structure grants the DDC the duties of the Planning and Zoning Board and the Design Review Board. The new committee will include members from several existing boards, such as Planning and Zoning, Design Review and DDC, as well as neighborhood representatives.
2. Develop criteria and tools for CIA(s)
3. Build capacity for Community Development Corporations (CDC) within CIA(s).
4. Develop funding strategies for CDC(s). Assist in identifying grant opportunities, including possible CDBG application, etc.
5. Develop concept plans for the CIA(s).

III. Level of customer service of Town Center Development staff applicable to other areas of the City of Mesa

City staff has recently formed an internal team to work on customer service and staffing issues relating to new development. Some of the issues that may be included in this team's report to the City Council are:

1. Streamline the development process for zoning and design review approval for the entire City.
2. Implement a "one-stop shop" concept and promote internal City coordination.
3. Ways to assist small businesses through the development permit process.
4. Ways to facilitate Infill Development.
5. An analysis of the staffing needs to implement the above recommendations.

Based on the Committee's actions on the above draft list of recommendations, staff will prepare a draft report of the Committee's recommendations, which will be considered by the Committee at a future meeting prior to forwarding the report to the City Council.