



City Council Report

Date: June 15, 2000
To: City Council
Through: Mike Hutchinson
From: Bryan Raines
Subject: Mesa Town Center – FY'00/01 Parking Management & Public Space Management Contracts
Council District # 4

Purpose and Recommendation

It is recommended that the contractual agreement for FY'00/01 between the City of Mesa and the Mesa Town Center Corporation (MTCC) for public space management activities be set at \$224,125 (including \$20,000 of in-kind, Clean Sweep bin services). This amount is equivalent to a \$0.015 per square foot assessment rate for all the land, including public rights-of-way, which are currently owned by the City of Mesa.

The "for incurred cost" contract for parking management for FY'00/01 would remain at the FY'99/00 level of \$127,000. Since there is no recommended change to this contract, this report will focus on the public space management aspects.

Background

Previously the City's payment to the MTCC for public space management has been based on a combination of a negotiated contract, a \$0.0075 per square foot base assessment and in-kind, Clean Sweep, bin services. For FY'99/00, with \$20,000 of in-kind services, \$130,000 for the public space management contract and \$49,877 for the base assessment, the total amount equaled \$199,877.

The recommended amount for FY'00/01 falls at a mid-point in the options list presented previously by the MTCC to the City Council during annual budget hearings. At their hearing the MTCC presented three public space management funding levels: 1) \$179,877 which represented no change. 2) \$194,765 which added funding equal to the 10% assessment increase for private land owners and additional funding for increased maintenance, and 3) \$243,675 which would equalize the City's and the private owners funding levels. These recommendations are outlined in a attached memo. At \$204,125, plus the \$20k of in-kind services, the recommended amount equalizes the City's assessment increase with those privately holding property and allows for the increased maintenance activities.

Discussion

Each year the public space management contract was renegotiated and the base assessment amount was revised while the amount of land the City owned varied, often considerably. For FY'00/01 there have been a variety of changes which have encouraged a review of previous method of developing the allocation of funds to the MTCC for public space management. These changes include:

- A revised assessment rate: The assessment rate to private property owners is scheduled to be increased by 10%. This marks the first time since their inception in 1986 that the assessment will be increased.
- Streetscape improvements: Much of the Main Street, Streetscape project is now complete providing additional public space along Main Street, Macdonald, and soon to be completed along Robson, which requires maintenance, most notably periodic high-pressure washing.
- Increased "City" ownership of land: The City has acquired sites for the new Indoor Aquatics Center, the Arts & Entertainment Center and City offices at the South Center Street Campus (previously EVIT). While these sites are for permanent facilities, the City continues to own and acquire new sites for redevelopment purposes. One example of this is the future Mesa Verde site which comprises approximately 30 acres at the southwest corner of Mesa Drive and University.

With these changes it is proposed that the City's contract for public space management activities be increased and be based on an equivalent assessment rate of \$0.015 per square foot of land, and public rights-of-way owned by the "City." The total amount of the public space management contract would then be adjusted annually each year at the time of the annual MTCC assessment and based on the land and rights-of-way ownership of the City, be it higher, lower or equal to that of the previous year.

Using this methodology and the Mesa Verde development as an example. When the project is developed and control of the approximately 30 acres reverts to the private sector, the MTCC would obtain funding from Mesa Verde based on their assessment formula and the future public space management contract with the City would decrease by more than \$19,000 reflecting the reduction of (1,307,000) square feet of City land ownership within the Town Center.

Alternatives

A variety of alternatives are available and are as outlined in the MTCC's budget proposal discussed earlier (attached). Council also has the option to retain the present method of establishing the public space management contract levels looking at the individual components of the contract, the City's assessment, and the in-kind services.

These alternatives not are recommended because it is felt that they are not reflective of the changes in the Town Center area and changing status of land ownership by the City within the area.

Fiscal Impact

Included as an attachment is a spreadsheet summary of the recommended revision to the public space management contract with the MTCC. The FY'00/01 amount of \$224,125 (including in-kind services) represents a 12% increase over the FY'99/00 amount is more than the 10% increase in the private property assessments and allows for adjustments because of increased areas of maintenance like high-pressure sidewalk cleaning.

The parking management contract for incurred costs will remain at FY'99/00 levels of \$127,000.

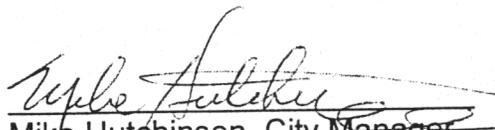
The Tentative Annual Budget adopted by the City Council on June 5 is reflective of the amounts outlined. Approval of this item has no additional budget impact.

Concurrence

These items has been discussed in-depth with Tom Verploegen, Executive Director of the MTCC.



Bryan Raines, Assistant to the City Manager



Mike Hutchinson, City Manager

Attachments

1. Public Space Management Contract Component spreadsheet
2. MTCC Memo - FY'2000-2001 MTCC Contract Budget for City Council Review

Public Space Management Contract Components	Current Contract	FY'00/01 Recommended	
		Additional	Proposed Contract
Public Space Management (including pressure washing of additional square footage)	\$130,000	\$19,260	\$149,260
SID (at \$0.0075 per sq.ft.)	\$49,877	\$4,988	\$54,865
In-kind Clean Sweep bin service (not to exceed amount)	\$20,000	No change	\$20,000
Total	\$199,877	\$24,248	\$224,125
Equalivent Assessment (per square foot of land)	\$0.0134		\$0.0150
Total Percentage Change			12%
Type of Land			
	Acres		Square Footage
City of Mesa Land & Facilities in the Town Center	119		5,183,640
Public Rights-of-Way in the Town Center	224		9,757,440
Total	343		14,941,080



May 11, 2000

Mayor Brown and Mesa City Council
 City of Mesa
 P O Box 1466
 Mesa, Az 85211-1466

Re: F/Y 2000-2001 MTCC Contract Budgets For City Council Review

Dear Mayor Brown and Councilmembers:

Please find attached F/Y 2000-2001 Mesa Town Center Corporation (MTCC) budget contract proposals with the City of Mesa for your consideration as follows:

- | | | |
|----|--|-----------|
| 1. | Mesa Town Center Improvement District Contract | \$242,397 |
| 2. | Parking Management Contract | \$127,000 |
| 3. | Public Space Management Contract | |
| | Alternate A | \$179,877 |
| | Alternate B | \$194,765 |
| | Alternate C | \$243,675 |

MTCC met with Town Center property owners during the assessment rate increase process and received input on future committee priorities and programming. Property owners overall were receptive to a 10% increase and will consider future increases based upon programming in the future. Property owners also thought the City of Mesa should participate more in public space management assessments because of increasing land ownership in City facilities and redevelopment properties.

The MTCC Personnel Committee and Executive Committee have met. They are recommending the three attached contract budgets, specifically recommending Alternative Budget C, for final review and approval by the MTCC Board which will occur at our May 25 Board meeting.

1. The **\$242,397 improvement district assessment** to be paid by Town Center commercial property owners will be further address by City Council at your June 26, 2000 public hearing. The MTCC Committee Priorities (Executive, Policy Development, Business Development, and Programs and Operations Committees) were previously submitted in the MTCC Board Packet provided to you.

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The **proposed F/Y 2000-2001 Parking Management contract of \$127,000** is an at-incurred-cost contract. This contract represents leasing and issuing decals at 4 garages and 8 parking lots (more than 2800 lease parkers), management and cleanliness of 27 public lots and garages in Town Center, back-up landscaping at three parking garages and one public lot, and monitoring of 14,000 on-street and off-street spaces. This contract budget amount is recommended to remain the same as 1999 as a few landscape duties have shifted.

3. There are three alternative F/Y 2000-2001 budget proposals for the **Public Space Management Contract** budget.

Proposal A assumes the same level as in 1999 or \$179,877 City participation in public space management contract.

Proposal B would increase the 1999 level by adding 10% (or a \$4,988 increase) to the City assessment participation and adding \$9,900 to provide adequate pressure cleaning for the expanded streetscape sidewalks or a total of \$194,765 for public space management contract.

Proposal C would include Proposals A and B and have the City pay for all public space management in Town Center for a total of \$243,675 which would match Town Center owner's and Mesa Public School assessments of \$243,675.

TCC Executive Committee recommends Public Space Management Proposed Budget C for the reasons detailed in the attached report, primarily because of increasing City purchase and ownership of previously assessed properties. City of Mesa land ownership including all rights-of-way is 54% of Town Center's mile square. Commercial property owners own 26% of Town Center's land.

Public Space Management includes public rights-of-way cleanliness (36 miles of sidewalks and alleys), weed reduction (sidewalks, rights-of-way), pigeon control, graffiti eradication, clean-up campaigns of vacant properties utilizing community service workers, etc. on a 6-day week schedule for the entire mile square district of 640 acres. MTCC's definition of public space management in Proposal C would also include security and safety coordination, business liaison in areas of redevelopment; zoning, code compliance and design review liaison; and business liaison in traffic and transportation issues affecting Town Center.

Mesa Town Center Corporation will have eight employees to carry out the directives from our board and implement the particulars of these three contracts: executive director, office/operations manager, communication coordinator, administrative assistant, and four maintenance personnel. Additionally, independent contractors provide services in the following areas: accounting/auditing, pigeon control, weed control, tree trimming, high pressure spray cleaning, and the like.

Hopefully, these materials provide you with an adequate overview. We look forward to discussing them further with you at our May 12 budget plan review meeting.

commendation

MTCC Executive Committee recommends to the Mayor, City Council and City Staff that the three proposed contract budgets (improvement district, parking management and Alternative C public space management) be approved as submitted.

Sincerely,

A handwritten signature in black ink, appearing to read "Vince DiBella". The signature is fluid and cursive, with a long horizontal stroke at the end.

Vince DiBella
MTCC President

VDB\mb

attachments

c: Mike Hutchinson, City Manager
Brian Raines, Assistant To City Manager
Greg Marek, Redevelopment Director