

COUNCIL MINUTES

February 16, 2006

The City Council of the City of Mesa met in a Special Council Meeting in the lower level meeting room of the Council Chambers, 57 East 1st Street, on February 16, 2006 at 7:53 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Barbara Jones

1. Convene an executive session.

It was moved by Vice Mayor Walters, seconded by Councilmember Thom, that the Council enter into an Executive Session.

Carried unanimously.

2. Executive session.

3. Adjourn Executive Session.

Without objection, the Executive Session adjourned at 8:36 a.m.

4. Reconvene Special Council Meeting.

Mayor Hawker reconvened the Special Council Meeting at 8:38 a.m. with all members present.

5. Discuss and consider disposition of several City-owned properties in the Town Center Redevelopment Area.

Real Estate Services Director Doug Tessororf and Town Center Development Director Shelly Allen addressed the Council relative to this agenda item.

Ms. Allen displayed a map in the Council Chambers depicting several City-owned properties in the Town Center Development Area that staff has determined have no identified City use and are recommending be sold. (See Attachment 1.) She provided a brief analysis of the properties as follows:

1. 15 South Country Club Drive (#42 on the Town Center map). A remnant parcel from the County Club Drive widening project.
2. 360 South Center Street. (#51 on the Town Center map). The site, which is located on the northwest corner of Broadway Road and Center Street, was purchased in March 2000 from the Union Pacific Railroad in anticipation of a project that was never completed.
3. 135 South Hibbert (#62 on the Town Center map). The lot is the former Temple Court subdivision located on the east side of Hibbert between 1st Avenue and 2nd Avenue.
4. 44 South Mesa Drive (#58 on the Town Center map). The vacant lot is located directly south of Pete's Fish and Chips.
5. 225 East Main Street (#56 and #60 on the Town Center map). The site, which is located at the southeast corner of Main Street and Hibbert, consists of the former Tri-City Community Center and a paved parking lot to the east of the Tri-City Building.
6. 101 South Macdonald (#46 and #47 on the Town Center map). The property, situated at the southeast corner of 1st Avenue and Macdonald, is the former site of the proposed Aquatics Center.
7. 601 North Center Street (#63 on the Town Center map). The parcel, located at the northeast corner of Center Street and 6th Street, was purchased for the purpose of cleaning up the site and has been held for an undefined future use.

Ms. Allen reported that a majority of the properties are situated in the Town Center Core (TCC) zoning district, which allows for various land uses, including residential and commercial. She commented that staff has generated lists with the names of individuals who have expressed interest in specific properties in the downtown area. Ms. Allen noted that if the Council directs staff to sell the above-referenced properties, staff would utilize a real estate broker to meet with potential buyers.

City Manager Christopher Brady advised that he requested staff to provide him a summary of City-owned properties and their purpose for being retained. He explained that as a result of this process, it was determined that there did not appear to be an ongoing need to hold onto many of the properties and said that is the reason for bringing these items forward to the Council at this time.

Councilmember Rawles expressed support for selling the properties, especially in view of the fact that Mesa has retained many of the properties for years with no defined purpose in mind.

The Council offered input regarding the above-referenced properties as follows:

Mayor Hawker:

- Supported the sale and active marketing of #42, #58 and #63.
- Would not sell #46 and #47 until he has a better understanding of how this property might be coordinated with the South Center Campus and the Mesa Arts Center.
- Requested that staff make a presentation to the Council regarding a total City facilities build-out plan.

- Would not sell #56 and #60 until the Council is updated relative to the proposed Mesa Municipal Court construction project and its layout, including parking availability in and around the facility.
- Questioned whether #62 might be utilized for parking, office space or in conjunction with the Municipal Court Building.

Vice Mayor Walters:

- Concurred with Mayor Hawker's comments/suggestions.
- Stated that in the last year, interest in the Town Center area has "skyrocketed" due, in large part, to the construction of the Mesa Arts Center.
- Suggested that Council action on #62 be delayed until such time as City staff meets with representatives of Mesa United Way regarding this property.
- Requested that staff provide the Council with a date certain when they would make a presentation regarding the Municipal Court Building construction project and also what additional properties may or may not be needed by the City in the future.
- Preferred that the South Center Campus parcel remain intact in order to have a greater sales value.
- Questioned whether, when the Municipal Court Building is completed, the parking in that area would ultimately impact adjacent parking, for example, at the Mesa Arts Center and the former site of the Aquatics Center.

Councilmember Griswold:

- Expressed the importance of the City bringing "new rooftops," such as high-rise condominiums and townhouses, to the downtown area in order to attract restaurants and nightlife.
- Suggested that the Temple Court area (#62) and 101 South Macdonald (#46 and #47) would be excellent locations for residential development in the Town Center area.
- Concurred with Mayor Hawker's comments that the peripheral properties displayed on the Town Center map should be sold.

Councilmember Thom:

- Preferred that the City retain #62 until it is determined whether the property would be needed for additional Municipal Court parking.
- Voiced support for the sale of #42, #51, #47 and #63.
- Commented that if #56 and #60 and also #58 were not needed for additional parking, then it would be appropriate to sell the properties.
- Expressed opposition to the sale of #46.

In response to a question from Councilmember Rawles, Development Services Manager Jack Friedline clarified that staff is currently in the process of programming various components of the Municipal Court Building project including parking, access and the facility's expansion over the next 25 years. He stated that pending completion of this process, it might be appropriate for Presiding City Magistrate Matt Tafoya to make a presentation to the Council. Mr. Friedline added that it is staff's opinion that Site #62 would not be needed for parking at the Municipal Court Building.

Mr. Brady clarified that staff does not intend to consider parking for individual buildings in the downtown area, but rather a shared parking concept to accommodate multiple users.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, to direct the City Manager to place the properties located at 15 South Country Club Drive, 44 South Mesa Drive and 601 North Center Street on the market for sale, using the assistance of a real estate broker; that staff continue to work with the Mesa United Way relative to 135 South Hibbert, in an effort to jointly market the property and improve its value for both entities; and that said property be brought back to the Council for further discussion and consideration once staff obtains specific marketing information in this regard.

Councilmember Griswold requested that staff update the Council relative to the property located at 135 South Hibbert within one month.

Councilmember Jones expressed support for the motion. He also stated that he would like to authorize the City Manager to employ a real estate broker to address other City-owned properties, especially those that Mesa has held for many years. Councilmember Jones also voiced support for the City bringing "rooftops" to the Town Center area.

Mayor Hawker reiterated his previous direction that staff develop a total City facilities build-out plan; that they evaluate the possibility of the South Center Campus being sold as one parcel and the financial impact of relocating City staff from that site if a sale were to occur; the option of selling the South Center Campus and not building on it; and an additional option of relocating staff from the City Plaza Building to the South Center Campus.

Mayor Hawker called for the vote.

Carried unanimously.

It was moved by Councilmember Rawles, seconded by Councilmember Griswold, that staff be directed to sell the property located at 360 South Center Street (#51).

Councilmember Whalen commented that even though the subject property is divided by the railroad tracks, it is only a spur line, and said that if the Council ever considers marketing the entire South Center Campus, it might be beneficial to include this property and the former Aquatics Center site as part of the package. He said that would result in a contiguous piece of property that extends from 1st Avenue directly south and would include railroad frontage. Councilmember Whalen added that the South Center Campus might be an appropriate future location for residential redevelopment and a commuter rail station.

Mayor Hawker, Vice Mayor Walters, and Councilmember Whalen voiced opposition to the motion.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

AYES - Griswold-Rawles-Thom
NAYS - Hawker-Jones-Walters-Whalen

Mayor Hawker declared the motion failed for lack of a majority vote.

It was moved by Councilmember Rawles to direct staff to sell the properties located at 225 East Main Street (#56 and #60) and 101 South Macdonald (#46 and #47).

Councilmember Whalen stated he would second the motion if Councilmember Rawles excluded the sale of the property at 101 South Macdonald from his motion.

Councilmember Rawles modified his motion to direct staff to sell the property located at 225 East Main Street (#56 and #60).

Councilmember Whalen seconded the motion.

Mayor Hawker commented that prior to voting on this item, he would like to hear a presentation by Presiding Magistrate Tafoya regarding the Municipal Court Building construction project, the plans for expansion of the facility at build-out, and also the proposed parking accommodations.

Vice Mayor Walters stated that given Mayor Hawker's comments, she would support a motion to bring back this item after the Council has heard Presiding Magistrate Tafoya's presentation. She added that she would oppose the current motion.

Councilmember Thom voiced support for the motion and stated the opinion that it would be cost prohibitive for the City to keep the buildings currently situated on the property at 225 East Main Street. She commented that this location may attract a significant development opportunity and added that the property would not be needed to provide parking for the Municipal Court Building, unless the Council determined that that would be an appropriate location for the facility.

In response to an inquiry from Mayor Hawker, Mr. Brady recounted the details of a recent conversation he had with Presiding Magistrate Tafoya. He stated, among other things, that Magistrate Tafoya had inquired regarding "trading" sites for the Municipal Court Building from its currently proposed location to the corner of Main Street and Hibbert; that Magistrate Tafoya wanted a more prominent location for the facility and also more space for future build-out; and that Mr. Brady advised Magistrate Tafoya that in his opinion, the placement of the facility at the alternative location was not the highest and best use of the property from a downtown development perspective. Mr. Brady voiced concerns that staff is already discussing the fact that the City may not be able to fully operate the proposed Municipal Court Building because of budget shortfall issues. He added that if the proposed site is not adequate, it might be necessary to consider other locations within the community.

Councilmember Rawles and Councilmember Whalen withdrew their motion and second to the motion.

Councilmember Rawles requested that staff at an upcoming Study Session make a presentation relative to the Municipal Court Building construction project; that the presentation include staff's proposal for parking in and near the facility; and that the proposed sale of the property located at 225 East Main Street also be agendaized for further Council discussion/consideration following the presentation.

It was moved by Councilmember Rawles, seconded by Councilmember Griswold, that staff be directed to sell the property located at 101 South Macdonald (#46 and #47).

Discussion ensued among the Council relative to the potential marketing of the property with the South Center Campus; that the property would be an appropriate location for a high-rise condominium project; that staff should inquire whether there is any interest within the development community in that regard; that staff would review the current zoning designations to assess possible uses for the property; and that the South Center Campus might be a suitable location for residential development.

Mr. Brady stated that per Council's direction, staff could begin to combine the South Center Campus and adjacent properties into a package to go out to the market. He explained that the proposal would not necessarily include the details of the development, but would address the financial issues with regards to relocating the employees from the South Center Campus and the City's ability to recover said costs to do so.

Vice Mayor Walters voiced opposition to the motion. She suggested however, that staff bring back the issue regarding whether the property at 101 South Macdonald should be rezoned; whether the City should begin to market the South Center Campus as outlined by Mr. Brady; and that staff bring back a master plan addressing the relocation of the employees from the South Center Campus.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

AYES - Griswold-Rawles
NAYS - Hawker-Jones-Thom-Walters-Whalen

Mayor Hawker declared the motion failed for lack of a majority vote.

Councilmembers Whalen and Griswold requested that at a future Study Session, staff provide the Council with updates regarding Site 17, the Escobedo Apartments, and the property located at Country Club Drive and Main Street.

6. Items from citizens present.

There were no items from citizens present.

7. Adjournment.

Without objection, the Special Council meeting adjourned at 9:28 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 Special Council Meeting of the City Council of Mesa, Arizona held on the 16th day of February 2006. 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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(attachment)