

COUNCIL MINUTES

January 22, 2004

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on January 22, 2004 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Dennis Kavanaugh
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

1. Joint meeting with the Economic Development Advisory Board.

Economic Development Advisory Board (EDAB) Chairman Gary Smith addressed the Council and reported that the mission of the 11-member citizen board is to provide advice and guidance to City staff relative to topics of import concerning Mesa's economic development (i.e., parks, transportation and zoning). He commented that although EDAB does not serve in the capacity of a Planning and Zoning Board, it does use certain examples of development in order to examine policy considerations.

a. Mesa's Economic Development Strategy.

Mr. Smith reported that the Mesa Economic Development Strategy for the City of Mesa is a major component of the Joint Master Planning Committee's efforts to update the City's General Plan. He explained that the strategy is an aggressive program to provide Mesa residents with more jobs so that they can live and work within the community and not be required to travel outside of the City for employment opportunities. Mr. Smith added that the program also provides an economic foundation for the City to become a more self-sufficient community.

The following EDAB members were in attendance at the meeting introduced themselves to the Council: Linda Flick, Jim Zaharis, Vern Mathern, Pat Schroeder, Don Evans, Mike Elliott, Jack Sellers and Mike Garcia.

Mayor Hawker welcomed the Board members to the Study Session and stated that the purpose of the joint meeting was to provide a forum for the Board and the Council to exchange ideas and input regarding the role of EDAB.

b. EDAB Role – Council desires and expectation.

Mr. Smith reiterated his previous comments that EDAB has avoided acting in the capacity of a Planning & Zoning Board, wherein individuals present projects to the Board for consideration. He stated that various members of the Council have inquired whether individual Board members have been involved in various economic development projects or attempted to attract new business to the community and noted that that has not been the case. Mr. Smith requested input from the Council regarding EDAB's current role and function and whether modifications would be warranted.

c. Education Clusters – Catalyst for economic development.

Mr. Smith reported that EDAB, as well as the Economic Development Strategy, has taken the approach that the Board must focus on various business clusters (i.e., education, aerospace, automotive). He stated that historically, the City has not pursued this process to any great extent and requested input from the Council whether it considers it a viable approach to encourage new business in the community.

Mayor Hawker commented that it is imperative that the Council address a series of issues with regard to bringing new business to Mesa including adequate land availability at build out, a business's retail prospects to generate sales tax revenues, and the creation of more jobs for Mesa residents as well. He stressed that the City is driven toward a heavily dependent sales tax revenue stream. Mayor Hawker also voiced concerns regarding land that is zoned for business and subsequently rezoned to residential, and the fact that Mesa then loses the opportunity to combine a business cluster or divides up a large tract of land into multiple parcels which may not be the most appropriate long-term land use.

In response to Mayor Hawker's comments, Mr. Smith clarified that EDAB has stressed to staff that when they communicate with a developer, that the message to be conveyed is that the Board would prefer the development of an entire plot of land or some type of tandem development (i.e., retail, office park) to ensure that the City would not have to rely on promises that may not come to fruition in the future.

Board Member Garcia commented that as more high paying jobs are brought to Mesa, in turn, that would create more disposable income and greater opportunities for generating sales tax revenues. He urged the Council to adhere with the City's voter-approved General Plan.

Board Member Flick stated that retail is often based on demographics and noted that the more high paying jobs in a community, the more likely it is to attract high-end retail establishments, which thereby draw area residents.

In response to a series of questions from Mayor Hawker, Mr. Smith stated that the draft City of Mesa Housing Master Plan plays an important role in Mesa's economic development. He explained that EDAB was provided with a presentation of the draft document, at which time the Board members offered numerous comments regarding the necessity of including additional

references to the Economic Development Strategy, especially in the objectives outlined at the conclusion of the Plan. He also noted that in the opinion of the Board members, the draft Housing Master Plan lacked not only low-income housing, but high income as well, which would be detrimental to EDAB's ability to attract high-end retail to the City. Mr. Smith stressed that a full range of housing should be addressed in the Housing Master Plan and not just a particular economic level.

Mayor Hawker stated he is pleased that Mesa's General Plan included an economic development component that established land uses to ensure that the City's build out and housing to job ratios could be met. He also stressed the implementation of the transportation, housing and various infrastructure elements of the Plan as well for the betterment of Mesa's future. Mayor Hawker added that recent visits to the City of Mesa by the President Bush and Vice President Cheney have demonstrated the magnitude of what Mesa, as the 40th largest city in the United States, has to offer.

Mayor Hawker requested that EDAB provide the Council with assistance relative to the following: assessing Mesa's land uses, (i.e., the 101/202) and determining the most appropriate type of development, as compared to surrounding communities that will be vying for the same type of economic development opportunities; and evaluating whether Mesa should share resources with Phoenix and become a full participant with regard to the recruitment of various educational components (for example, biotechnology) in the area.

Vice Mayor Kavanaugh commented that he views the role of EDAB as the "institutional memory" to assist the Council in understanding when a proposal is consistent with the Economic Development Strategy and also addressing issues such as does the proposal advance or detract from the strategy and the subsequent consequences, if any.

Councilmember Walters expressed appreciation for EDAB and noted that each Board member represents a rich diversity of information and knowledge and possesses many years of memories regarding the growth of the community. She stated that she envisions the Board's role not only as advisors to the Council, but also as business recruiters for the City. She added that the Council's ultimate vision is to remain focused on the goals and objectives of the General Plan.

Councilmember Jones commended the EDAB Board members for their efforts and hard work relative to the Economic Development Strategy, and in particular, the diversification of Mesa's revenue base. He stated that he looks forward to input from EDAB during the upcoming "Financing the Future" Citizen Committee meetings and added that economic development is the key to the City's survival.

Councilmember Griswold concurred with the comments of the other Councilmembers. He emphasized that one of his primary goals is for Mesa to become the most efficiently operated city in Arizona. He also invited the Board members to provide input relative to the issue of bringing more jobs to the City.

Discussion ensued relative to the Board and the Council establishing more effective feedback between each entity; the necessity to educate the citizenry regarding Mesa's goals concerning attracting more jobs and Class A office space to the City; and the attributes that a corporation considers important when relocating to a new community.

Councilmember Thom expressed appreciation to the Board members for participating in this morning's meeting. She stated the opinion that in order for Mesa to be a thriving and successful community, the City must focus its attention on the jobs per capita ratio, transportation, healthcare, commercial development and education issues. Councilmember Thom commented that in her district (District 6), there are many new subdivisions located in relatively remote areas and noted that the residents must travel certain distances to shop and obtain various services. She encouraged the Board to consider various economic development opportunities for this area of the community.

(Councilmember Whalen joined the meeting at 8:20 a.m.)

Councilmember Whalen expressed support and appreciation for the efforts and hard work of the Board members.

Additional discussion ensued relative to EDAB's position regarding the proposed bond issues and citizen initiatives on the March 9th 2004 Primary Election ballot; the necessity for increased funding for ASU East to support the growth of a polytechnic university; additional revenue options to attract new business to Mesa; an overview of the "Financing the Future" Citizen Committee; and input from the Board relative to Freeway Landmark Monuments.

Mayor Hawker expressed appreciation to everyone for the informative exchange of information and ideas.

2. Hear a report on the "Mesa Town Center: Northeast Quadrant Analysis."

Deputy City Manager Debbi Dollar reported that in the spring of 2003, staff made a presentation to the Council regarding the findings generated by the Mesa Centennial Center Partners Task Force concerning future options for the Center. She explained that the Council subsequently directed staff to conduct an analysis of the Northeast Quadrant and to assess facility needs and development opportunities in the area. Ms. Dollar stated that in the summer of 2003, the City and Mesa Community College (MCC) began to discuss an expanded downtown presence of the college and thereafter retained Hunter Interests Incorporated (HII) to conduct a survey and analysis of the current conditions in the Northeast Quadrant to facilitate planning and policy decisions regarding downtown development.

Ernie Bleinberger, Senior Vice President of Hunter Interests Incorporated, displayed graphics in the Council Chambers and provided a brief overview of the "Mesa Town Center: Northeast Quadrant Analysis." (The complete report is available for review in the City Clerk's Office.)

Mr. Bleinberger referred to Page 89 of the report entitled "Public Policy Discussion/Next Steps" and outlined the following policy recommendations:

- The City initiate a process to create a comprehensive Development Agreement with the Maricopa Community Colleges on behalf of MCC to structure a relationship that will result in an expanded downtown campus to be anchored by an Advanced Technology Center.
- The City Council adopt a resolution(s) that requires the City of Mesa to take action with regard to the disposition of all components of the Centennial Complex.

- The City pursue the development of the Mesa Aquatic Center on its current site in view of its ability to cause revitalization and adjunct development to occur in this portion of the downtown, and more generally because of the wide range of benefits to the community it can generate, including but not limited to, health and wellness, physical fitness, recreation, economic impacts and raising the profile of Mesa as a destination.
- The City proceed with a Request for Proposals (RFP) from developers with regards to Site 17.
- The City proceed immediately with an RFP from developers interested in the office/residential projects conceptualized for Site 7, with the understanding that another nearby site could be an alternative location for one or more of the building components.
- That the Maricopa Community College District on behalf of Mesa Community College enter into negotiations with the City of Mesa, pursuant to the comprehensive Development Agreement mentioned above, to enable these various policy recommendations to be implemented in a timely fashion. It is also recommended that the Maricopa Community Colleges take the appropriate actions to secure the capital and operational funds needed to accomplish the policy action it agrees to, through the Development Agreement and subsequent negotiations.

Mayor Hawker congratulated Dr. Larry Christiansen, President of Mesa Community College, and his staff for hosting President George Bush during his recent visit to MCC.

Dr. Christiansen addressed the Council and provided a brief overview of MCC's master plan for expansion. He stated, among other things, that the Southern and Dobson and Red Mountain campuses will ultimately serve 50,000 students; that MCC continues to expand its offering of Internet classes, with a proposal for students to obtain an A.A. degree via the Internet; and that the concept of a downtown campus would involve institutional expansion and revitalization of the area based on the components of an Advanced Technology Center (including an Extended Campus, a Network Academy, a Community Partnerships Center and a Community Outreach Center). Dr. Christiansen added that the primary goals for a downtown campus include educational programs to respond to Mesa's changing demographics, promoting economic development through training programs and business partnerships, developing new and unique programs focused on downtown, combining leased space into owned facilities, and utilizing existing parking and library services.

Dr. Christiansen suggested that MCC and the City of Mesa host a biotechnology summit in either late spring or early fall to explore the community and MCC's educational mission. He also encouraged the Council to consider MCC's acquisition of leased space at Centennial Way and the shared usage of City and private facilities (i.e., Aquatic Center, Performing Arts Center, YMCA).

Mayor Hawker thanked MCC's Governing Board for its willingness to enter into a dialogue with the City regarding a downtown campus. He expressed support for the City's relationship with MCC and the college's willingness to utilize taxpayer resources in the most efficient manner possible. Mayor Hawker added that the concept of a downtown campus is also a catalyst to determine the best use, if any, for the Mesa Centennial Center.

Councilmember Griswold concurred with Mayor Hawker's comments and also voiced appreciation to Dr. Christiansen for his innovative and progressive vision relative to MCC's expanded presence in downtown Mesa.

Councilmember Walters expressed enthusiasm for a downtown campus and noted that it would create a much-needed urban core in the City. She concurred with the shared usage of facilities by the City and MCC and also endorsed Dr. Christiansen's suggestion regarding a biotechnology summit.

Mayor Hawker stated that he would prefer that a downtown campus be a "high tech destination" and that the other two campuses focus on general studies programs. He added that the proposed "Advanced Technology Center" would highlight the downtown area and not mimic programs that are already in place at MCC's other campuses.

Vice Mayor Kavanaugh commented that the proposed downtown campus would serve not only the needs of MCC, but the district and the community as well. He stated that he envisions downtown Mesa as an area that includes a variety of 24-hour uses and advances Hunter's recommendations for housing, restaurants and office space in the area. Vice Mayor Kavanaugh also commended Hunter for the comprehensive nature of the "Northeast Quadrant Analysis."

Councilmember Whalen concurred with the other Councilmembers' comments and stated that he looks forward to discussing the relocation of the City Court facility at a future Study Session. He also voiced support for Hunter's recommendation that the Mesa Aquatic Center remain at its current site and that the City forgo further studies to assess alternative locations for the facility.

Councilmember Thom voiced support for MCC's goal of combining leased space into owned facilities. She also noted that Hunter's report does not address the issue of street widening in the downtown area in anticipation of increased traffic in the future.

In response to a question from Councilmember Thom, Mr. Bleinberger clarified that the Northeast Quadrant Analysis does address the widening of the intersection at University and Mesa Drives relative to future development in the area. He noted, however, that much of the development highlighted in the report is compatible, to a large extent, with the existing road system and to a lesser degree with the existing parking spaces.

Discussion ensued relative to various development options as suggested by HII for the Mesa Centennial Center; that in 2003, in a down economy, the Center realized its second largest revenue gain in the facility's history; that whatever option is ultimately selected for the Center would significantly impact the synergy in the downtown area; and that the Sheraton Hotel, which has been acquired by Marriott, is undergoing major renovations and should be completed in the April/May timeframe.

Mr. Bleinberger noted that due to time constraints this morning, he is unable to address all aspects of the Northeast Quadrant Analysis. He commented, however, that he would like to address the Council at a future Study Session and highlight the remaining components of the report including the Mesa Aquatic Center; the City Block and Mesa's need for additional space; the South Center Campus; the Escobedo Neighborhood; the Mesa Post Office; the Irving School; the Mesa Library; and the redevelopment of Sites 17 and 7.

(Mayor Hawker left the meeting at 9:50 a.m.)

Vice Mayor Kavanaugh stated that it is the consensus of the Council that staff initiate a process to create a comprehensive Development Agreement with the Maricopa Community Colleges on

behalf of Mesa Community College to structure a relationship that will result in an expanded downtown campus to be anchored by an Advanced Technology Center. He added that the remaining policy recommendations, as previously outlined by Mr. Bleinberger, also be discussed and considered at a future Study Session.

Councilmember Whalen encouraged staff that the residents in the Escobedo/Washington Park area be given the opportunity to participate in the decision-making process regarding their neighborhood.

Ms. Dollar noted that the Councilmembers received a letter from Maureen Chaisson-Stewart, Chair of the Museum and Cultural Advisory Board, who has requested that her committee be given the opportunity to participate in the discussions related to Irving School.

Vice Mayor Kavanaugh expressed appreciation to everyone for the informative presentation.

3. Acknowledge receipt of minutes of boards and committees.

a. Utility Committee Meeting held January 8, 2004.

It was moved by Councilmember Griswold, seconded by Councilmember Jones, that receipt of the above-listed minutes be acknowledged.

4. Hear reports on meetings and/or conferences attended.

There were no reports on meetings and/or conferences attended.

5. Scheduling of meetings and general information.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Thursday, January 29, 2004, 7:30 a.m. – Study Session

Saturday, January 31, 2004, 10:00 a.m. – Dedication of Fire Station No. 201

Monday, February 2, 2004, TBA – Study Session

Monday, February 2, 2004, 5:45 p.m. – Regular Council Meeting

Thursday, February 5, 2004 – Study Session Cancelled

Thursday, February 5, 2004, 9:00 a.m. – General Development Committee Meeting

Thursday, February 12, 2004, 7:30 a.m. – Study Session

Tuesday, February 17, 2004, TBA – Study Session

Tuesday, February 17, 2004, 5:45 p.m. – Regular Council Meeting

Wednesday, February 18, 2004, 7:30 a.m. – Joint Meeting with Mesa Public Schools

6. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

7. Items from citizens present.

There were no items from citizens present.

8. Adjournment.

Without objection, the Study Session adjourned at 9:58 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 Study Session of the City Council of Mesa, Arizona, held on the 22nd day of January 2004. 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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