

# GENERAL DEVELOPMENT COMMITTEE MINUTES

July 25, 2000

The General Development Committee of the City of Mesa met in the lower level meeting room of the Council Chambers, 57 East 1st Street, on July 25, 2000 at 2:00 p.m.

**COMMITTEE PRESENT**

Claudia Walters, Chairman  
Jim Davidson  
Mike Whalen

**COMMITTEE ABSENT**

None

**OFFICERS PRESENT**

Mike Hutchinson

Chairman Walters welcomed everyone to the meeting.

1. Discuss and consider the Memorandum of Understanding for the redevelopment of the Former Bank One Building located at 66 West Main Street (Site 21).

Redevelopment Director Greg Marek and Senior Redevelopment Specialist Patrick Murphy addressed the General Development Committee relative to this agenda item.

Mr. Murphy stated that in 1998, the City executed a Redevelopment Agreement with the Voit Companies for the redevelopment of the subject property, but as a result of Voit's inability to perform, negotiations were terminated. Mr. Murphy advised that a subsequent Request for Proposals (RFP) was issued in October, 1999 and the City received one response from Malcom Ross, President of Interactive Leisure Resources (ILR). On April 3, 2000, the City Council approved the recommendation of the General Development Committee and the Downtown Development Committee that the City enter into a 120-day exclusive negotiation period with ILR for the redevelopment of Site 21. Mr. Murphy delineated the various issues agreed upon by the parties during the negotiation period, which are included in the Memorandum of Understanding (MOU). (See Attachment.)

Mr. Murphy encouraged the members of the General Development Committee to recommend approval of the MOU, and that upon such approval, the Redevelopment Agreement be presented to the Council within 60 days.

Ron Peters, Chairman of BPLW Architects & Engineers, referred to an architectural rendering of the proposed structure displayed in the Council Chambers. Mr. Peters emphasized that this building will combine a unique blend of uses including a microbrewery restaurant with outdoor seating, corporate meeting rooms and Class A type office space. Mr. Peters noted that there would also be historical detailing with the use of stone cornices and native materials and sandstone utilized in the originally constructed buildings in downtown Mesa.

Chairman Walters expressed appreciation to Mr. Peters for his presentation.

In response to a question from Chairman Walters relative to asbestos abatement, Mr. Ross indicated that in the event ILR defaulted on loan payments, the City would remain the owner of the property and would retain all associated assets.

Mr. Murphy clarified an error that was contained on Page 3 of the staff report.

Discussion ensued relative to the fact that the proposed site would utilize City utilities for eight years after the completion of construction; the fact that a Chilled Water District cooling system distributed from Mesa Verde would not be cost effective; the fact that ILR would reimburse the City for the cost of removal of the asbestos over an eight-year period, and projected schedules for the MOU.

In response to a question from Committeemember Davidson, Mr. Murphy advised that in staff's opinion, ILR's proposal would provide a unique and exciting opportunity for the Mesa Town Center and the entire City of Mesa.

In response to a question from Councilmember Davidson, Mr. Peters stated that the proposed building is structurally sound and that with various system upgrades, the City should endorse restoration rather than demolition of the structure.

Committeemember Davidson stated that although additional study will be required relative to the financial components of this proposal, he is in support of the project. Committeemember Davidson also commended Malcom Ross and BPLW for their efforts.

It was moved by Committeemember Davidson, seconded by Committeemember Whalen, to recommend to the Council that staff's recommendation relative to the Memorandum of Understanding for the redevelopment of the Former Bank One Building be approved.

Discussion ensued relative to sales tax projections; the fact that the project is slated to be a multi-use and multi-dimensional project; the fact that there will be a kitchen serving three levels that will include meeting rooms on the ground floor and board rooms and meeting rooms on an executive office level which will all be an integrated business unit; the fact that BPLW will be a major tenant; the fact that there is a great demand for office space in the Town Center and the fact that 250 parking spaces will be available to ILR at the Pepper Street Parking Garage.

In response to a question from Committeemember Whalen, Mr. Murphy clarified that the proposed project will coincide with the redesign of North Macdonald Street and the museum pathways.

Committeemember Whalen emphasized the fact that it is imperative that the citizens of Mesa be informed of the value of the downtown redevelopment project and be more aware of its long-term benefits to the community. Committeemember Whalen also spoke in appreciation of the effort expended by Ron Peters.

Discussion ensued relative to the importance of an accurate estimated timetable for the permit process through building completion and the fact that fiber optic line is available for the project.

Chairman Walters spoke in support of the motion and also expressed appreciation for the creation of a project which encourages a pedestrian friendly downtown area. Chairman Walters also concurred with City Manager Hutchinson relative to the importance of developing specific timetables.

Chairman Walters thanked everyone for their input.

2. Further discussion and consideration of various alternatives for the improvement to Mesa Drive and University Drive related to the Mesa Verde Project.

City Manager Mike Hutchinson informed the members of the Committee that following direction from the

Council, staff has attempted to incorporate all of the Councilmembers' input and recommendations into the proposed alignment proposals that are being presented at this time. Mr. Hutchinson commented on the difficulties associated with a redevelopment project of this magnitude, particularly scheduling issues, and noted that the estimated groundbreaking deadline has been rescheduled to January 2001 to provide additional time.

Public Works Manager Jack Friedline, City Engineer Keith Nath and Supervising Engineer Ross Renner addressed the members of the Committee relative to this agenda item. Mr. Friedline commented that following direction from the Council, staff has been diligently working to improve the preferred alignment and added that extensive landscaping has also been added to the proposal. Mr. Friedline commented that staff is prepared to discuss options with the members of the Committee.

Mr. Nath stated that based on input received at the July 6, 2000 meeting, staff has developed additional options responding to concerns that were raised. Mr. Nath advised that Option 1 responds to concerns regarding aesthetics and existing landscaping and noted that staff has modified the "preferred" alignment to develop this option. Mr. Keith added that Option 2 is a "bare-bones" option which responds to concerns/input regarding the Mesa Verde project and bus pullouts for the intersection.

Mr. Renner referred to the charts displayed in the Council Chambers and presented an overview of the two options, as compared to the "preferred" alignment from the previous meeting.

Mr. Renner commented on Option 1 which proposes to widen University Drive to provide six (6) through lanes (3 in each direction) with a painted median and dual left-turn lanes at the intersection. Mr. Renner added that this option also proposes to widen Mesa Drive to two through lanes in each direction with dual left-turn lanes at the intersection. Mr. Renner informed the members of the Committee that staff also proposes a northbound right-turn lane onto eastbound University Drive, bus pullouts at all four legs of the intersection and dedicated right-turn lanes at Mesa Verde's four entrances. Mr. Renner noted that this option reduces traffic congestion and delays but to a lesser degree when compared to staff's "preferred" alignment.

Discussion ensued relative to "total takes" to accomplish the project, landscaping buffers and associated costs, estimated timetables and proposed costs.

Mr. Renner outlined Option 2 which proposes to install four dedicated right-turn lanes directly into the Mesa Verde development along both University Drive and Mesa Drive and five bus pullouts. Mr. Renner noted that this option proposes minimal improvements to alleviate delays at bus stops and facilitate the flow of traffic into the proposed Mesa Verde development. Mr. Renner pointed out that the improvements minimize the effect on the existing landscaping at the Mesa Drive and University Drive intersection and will enhance the landscaping adjacent to the proposed improvements.

Discussion ensued relative to "total takes," landscaping, and costs.

Mr. Renner explained that the estimated cost for the "preferred" alignment is \$4.9 million, which includes approximately \$1.8 million for right-of-way acquisitions. Mr. Renner added that this proposal includes the acquisition of seven feet of right-of-way.

Mr. Renner reported that the estimated cost of Option 1 is \$6.4 million, which includes \$3.6 million for right-of-way acquisitions. Mr. Renner informed the members of the Committee that this alignment includes the acquisition of 15 feet of right-of-way and said that the higher real estate acquisition costs are the result of several total property acquisitions required for the 15-foot landscaping strip.

Additional discussion ensued relative to staff's recommendations with regard to reducing landscaping at various locations along the alignment in order to reduce the acquisition costs and the loss of affordable housing units as

a result of the takings.

Mr. Renner briefly outlined Option 3, the "bare bones" proposal, which contains separate right-turn lanes on University Drive and bus pullouts at intersections and has no additional through lanes or turn lanes. Mr. Renner noted that the plan calls for separate right-turn lanes and a combination right-turn lane and bus pullout.

Chairman Walters encouraged staff to focus their landscaping efforts on the intersection corners to accomplish an entry-type appearance, while limiting the amount of "takings" necessary to develop the project. Chairman Walters emphasized that the City is not trying to eliminate businesses and every effort should be made to avoid this type of action from occurring.

Committeemember Davidson stated that the Committee previously stressed the importance of developing an aesthetically pleasing project that is a step above the typical alignment project. Committeemember Davidson concurred with Chairman Walters' remarks and urged staff to pursue this matter further and develop an enhanced proposal that will accomplish staff's goals while at the same time preserving businesses and ensuring that the final product is attractive and enhances the Town Center area.

Mr. Hutchinson commented that a modified Option 1 appears to be more in the direction of what the Committee prefers.

Mr. Friedline noted that staff has discussed the possibility of engaging the services of an experienced landscape architect to review the intersection and develop enhanced landscaping "entryway" plans for the area.

Additional discussion ensued relative to traffic projections for Mesa Drive and the fact that MAG estimates that by the year 2020, traffic volumes will be as extensive on Mesa Drive as they are now on University Drive, and the fact that more serious traffic congestion problems exist south of University at this time

Committeemember Davidson spoke in support of maintaining a "pedestrian scale" in the Town Center area and approving Option 1.

Committeemember Whalen commented on the fact that concerts at the amphitheater draw over 25,000 people to that portion of the City now and the redevelopment efforts will only increase the traffic problems. Committeemember Whalen said that whatever proposal is ultimately approved, the plans can only help to minimize traffic congestion and benefit that area.

It was moved by Committeemember Whalen, seconded by Committeemember Davidson, to recommend to the Council that Option 1, modified as discussed at this meeting (to include reducing the amount of the landscaping and takings and developing enhanced landscaped entries on the corners of the intersection), be approved.

In response to a question from Committeemember Walters, Mr. Friedline discussed estimated construction deadlines and said that every effort will be expended to complete the project as quickly as possible.

Discussion ensued relative to construction phasing and the fact that this process delays rather than speeds up construction time, the importance of completing the project as quickly as possible, and direction to staff to continue to pursue this critical component of the project.

Without objection, the General Development Committee Meeting adjourned at 3:20 p.m.

General Development Committee

July 25, 2000

Page 5

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the meeting of the General Development Committee of the City of Mesa, Arizona, held on the 25th day of July, 2000. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 2000

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BARBARA JONES, CITY CLERK