

GENERAL DEVELOPMENT COMMITTEE MINUTES

January 10, 2002

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 January 10, 2002 at 9:35 a.m.

COMMITTEE PRESENT

Claudia Walters, Chairman
Jim Davidson
Mike Whalen

COUNCIL PRESENT

None

OFFICERS PRESENT

Mike Hutchinson

1. Discuss and consider the Planning and Zoning and Design Review process and jurisdiction for potential future Redevelopment Areas.

Planning Director Frank Mizner and Redevelopment Director Greg Marek addressed the General Development Committee relative to this agenda item. Mr. Mizner provided brief historical background and stated that in 1981, formal redevelopment efforts in Mesa began with the establishment of the Town Center Redevelopment Area (TCRA) and the creation of the Downtown Redevelopment Commission. He explained that over the next ten years, redevelopment efforts were directed primarily within the Original Square Mile (OSM) bordered by Country Club Drive, Mesa Drive, Broadway Road and University Drive. Mr. Mizner commented that the designated advisory board, which went through several name changes, is currently the Downtown Development Committee (DDC).

Mr. Mizner noted that in 1987, the Town Center Districts were established, and all requests for rezoning, site plan review and design review approval were initially sent to the Redevelopment Advisory Board (RAB) for review and recommendation and subsequently forwarded on to the Design Review Board (DRB) or the Planning and Zoning Board (P&Z). He stated that the DRB and/or the P&Z Board would conduct a public hearing and forward a formal recommendation to the City Council. Mr. Mizner added that the procedure extended the review process for cases in the Redevelopment Area and was viewed by many as being counterproductive to redevelopment efforts.

Mr. Mizner advised that in 1990, the City Council adopted amendments to the Zoning Ordinance which transferred to the RAB (currently the DDC) those duties and powers otherwise granted to the P&Z Board and the DRB for projects within a designated Redevelopment Area.

Mr. Mizner stated that over the past several years, the boundaries of the TCRA have expanded beyond the OSM to include Extension Road to the west, 6th Street to the north and Hobson to the east.

Mr. Mizner reported that discussions have ensued over the past year regarding the possible establishment of new redevelopment areas within the City that are not contiguous to the OSM. He noted that in response to the question of which citizen board should have jurisdiction in matters involving future redevelopment areas not within the current TCRA, staff is presenting two alternatives: 1. Retain the current ordinance that states the DDC has jurisdiction in all designated redevelopment areas and rename it the "Redevelopment Commission;" or 2. Create a new five-member Council advisory committee (Redevelopment Committee) composed of two current members of the P&Z Board, two members of the DDC and one member of the DRB. Mr. Mizner explained that the group would meet on an as-needed basis to consider redevelopment plans, rezonings, site plan reviews and Council Use Permits as required by the Zoning Ordinance.

Mr. Mizner commented that although there are no formally established redevelopment areas outside of the Town Center at the present time, interest has been expressed by members of the community, and it was the opinion of staff that this issue should be presented to the Council for input and direction. He added that it is the recommendation of staff to proceed with Alternative # 2.

Chairman Walters reiterated that the Committee is not talking about expanding the redevelopment area and is merely having a discussion on what Committee would have jurisdiction if any new redevelopment areas are planned.

In response to a question from Committeemember Davidson, Mr. Mizner clarified that it is the recommendation of staff that a permanent citizen advisory group be appointed. He also stated that the members of the Redevelopment Committee would serve out their terms even if their appointment to the P&Z Board, DRB or DDC expires.

Discussion ensued regarding the qualifications and professional experience candidates for appointment to the Redevelopment Committee should possess.

In response to a question from Committeemember Davidson, Mr. Mizner explained that the Redevelopment Office, because of its expertise in redevelopment projects, would provide staff support to the Redevelopment Committee.

Committeemember Davidson expressed the opinion that staff has not offered professional guidance/recommendations relative to infill matters and said that he hoped that the proposed Redevelopment Committee would more adequately address the issue.

In response to Committeemember Davidson's concerns, Mr. Marek informed the Committee that the Redevelopment Office, in conjunction with Megacorp, is addressing a variety of development and redevelopment guidelines including the issue of infill as it relates to not only smaller parcels in the downtown area but also outside the Town Center area.

In response to a question by Committeemember Whalen regarding the fact that members of the Redevelopment Committee will be serving on two citizen boards, Mr. Mizner assured the

Committee that staff will be sensitive to the scheduling of meetings and also endeavor to appoint Committeemembers who express an interest in redevelopment and infill matters.

Committeemember Whalen suggested that representatives from both the City Attorney's Office and Building Inspections be assigned to attend the Redevelopment Committee hearings to offer advice and information to the Committeemembers.

It was moved by Committeemember Whalen, seconded by Committeemember Davidson, to recommend to the Council that the creation of a new five-member Council advisory committee, known as the Redevelopment Committee, be approved (Alternative # 2.)

Chairman Walters commented that infill is not specifically addressed by any current citizen advisory board or committee and stated the opinion that the Redevelopment Committee would be an appropriate board to address such an issue. She emphasized that infill may occur anywhere within the City of Mesa. Chairman Walters stressed the importance of not being too restrictive in writing the Board's Charter. She added that the Board should look at redevelopment issues throughout the City and not just in designated redevelopment areas.

In response to concerns expressed by Chairman Walters, Mr. Marek explained that in the future, he envisions that staff will focus on infill projects in the older areas of the community which may not be suitable for redevelopment. He added that a need would still exist for a citizen advisory board to serve on an as-needed basis to specifically address redevelopment areas. Mr. Marek added that in his opinion, it will be important that the P&Z Board transition into the issue of dealing with infill matters.

Chairman Walters noted that the problem with infill is not just whether or not it's a good use for the parcel but also what the facility looks like. When you separate those two issues, zoning in one place and design review in another place, particularly with infill development, specific problems do arise. She stressed the fact that eminent domain and redevelopment are totally different areas and added that redevelopment most often deals with re-use, sometimes with infill, and very rarely with eminent domain.

In response to concerns by Chairman Walters that the motion does not speak to the specific wording of the ordinance, Mr. Mizner clarified that pending full Council approval of this matter, staff will prepare a detailed ordinance which will proceed through the public hearing process.

Chairman Walters expressed support for the motion and suggested that staff examine the possibility of expanding the jurisdiction of the Redevelopment Committee beyond designated redevelopment areas.

In response to a question from Committeemember Davidson, Mr. Marek advised that the Chairmen of the DDC and the P&Z Board support staff's recommendation for the creation of a new Council advisory committee.

Carried unanimously.

Chairman Walters thanked staff for their presentation.

2. Discuss and consider a Letter of Agreement with Hunter Interests, Inc. for a Town Center redevelopment economic analysis.

Interim Neighborhood Services Manager Bryan Raines and Redevelopment Director Greg Marek addressed the Committee relative to this agenda item. Mr. Marek explained that staff is seeking Council approval relative to entering into a Letter of Agreement for professional services with Hunter Interests, Inc. (Hunter) to assist with the implementation of the Mesa Town Center Action Plan and Mesa Town Center Concept Plan (Downtown Plan).

Mr. Marek provided brief historical background and noted that in 1999, the City Council approved the Mesa Town Center Concept Plan and the Mesa Town Center Action Plan. He explained that in conjunction with such approval, staff has completed three phases of the Main Street Streetscape Project, undertaken several redevelopment projects and also land banked several large parcels of land for future redevelopment projects. Mr. Marek stated that in an effort to make these sites attractive to developers, it is imperative that a redevelopment economic analysis be conducted to determine how the sites should be developed and which sites should receive staff's primary attention. He added that it is staff's recommendation that Hunter prepare a Scope of Work which would involve the analysis of five sites in the downtown area including: Site A, the southwest corner of Main Street and Mesa Drive; Site B, the southwest corner of University and Mesa Drives; Site C, retail buildings in front of the new Mesa Arts Center along Main Street; Site D, the northeast corner of Macdonald and Main Street, and Site E, the possible site for parking garage/housing/retail for the Aquatics Center, Mesa Arts Center and Tribune expansion. (See Attachment 1)

Mr. Marek detailed Hunter's proposed Scope of Work including such areas as initial research, interviews with stakeholders, analysis of the five sites, demographic projections and market analysis, parking evaluation, conceptual building programs for each site, capital cost estimates, financial feasibility, site plans and renderings, and physical development recommendations. He added that Hunter will also recommend a developer solicitation, selection and negotiation process, and will present a final report along with a City Council presentation.

Mr. Marek advised the Committee that the professional fees for the four to five-month economic analysis are not to exceed \$89,000, with an additional \$10,000 for direct expenses such as travel and subsistence.

Mr. Marek stated that the Redevelopment Office and the Mesa Town Center Corporation recommend Council approval of the Letter of Agreement. He added that the Mesa Town Center Concept Plan would be utilized as a basis for Hunter's economic analysis.

Committeemember Davidson reported that he had the opportunity to meet with Mr. Donald Hunter at a conference in Pittsburgh, Pennsylvania and that he found Mr. Hunter to be a very knowledgeable and experienced individual who will bring great expertise to this process. He added that he was impressed with the fact that Mr. Hunter will assess the City's vision and not impose his own.

It was moved by Committeemember Davidson, seconded by Committeemember Whalen, to recommend to Council that a Letter of Agreement with Hunter Interests, Inc. for the Mesa Town Center redevelopment economic analysis be approved.

Committeemember Whalen noted that he attended the same meeting as Committeemember Davidson and that he was also impressed with Mr. Hunter's professional credentials and experience. He added that he was pleased with Mr. Hunter's assessment that a city must have its own vision if a redevelopment project is to succeed.

Chairman Walters concurred with the comments of both Committeemembers Davidson and Whalen. She added that Mayor Hawker has expressed support for this agenda item and said if the Hunter analysis determines that the development of a specific parcel is not appropriate at this time, that this too will be valuable information for the Council and staff to obtain.

In response to a question from Chairman Walters, Mr. Raines clarified that contingency funds will be utilized for the redevelopment economic analysis.

Carried unanimously.

Chairman Walters thanked staff for their presentation.

3. Discuss and consider an ordinance amending fees for planning services in the Town Center Redevelopment Area.

Senior Redevelopment Specialist Patrick Murphy addressed the Committee and provided brief historical background relative to this agenda item. He explained that on July 16, 2001, the City Council approved Ordinance No. 3911, which increased fees for planning services (rezonings, design review, special use permits and Council Use permits) throughout the City including the Town Center Redevelopment Area (TCRA). Mr. Murphy commented that due to the fact that many of the fees were doubled, it is the opinion of the Redevelopment Office that such increases will create a disincentive for developers to reinvest in the downtown area, especially those interested in developing smaller infill or rehabilitation projects. He stated that this matter is being presented to the General Development Committee rather than the Finance Committee because there is a limited impact upon the City's General Fund as a result of such an ordinance. Mr. Murphy advised that the proposed reduction in the fee schedule will assist staff's efforts in the revitalization of the TCRA and will place Mesa in line with the fee schedules of Chandler and Glendale and below other surrounding cities. (See Attachment 2) He added that for the past two years, the Redevelopment Office has averaged approximately \$3,375 per year in fees for planning services.

Mr. Murphy advised the Committee that it is the recommendation of the Downtown Development Committee (DDC) and staff that the fees for projects located in the TCRA be reduced to the previous level and that the proposed ordinance be presented to the Council for action and approval.

It was moved by Committeemember Whalen to recommend to the Council that the proposed ordinance amending fees for planning services in the Town Center Redevelopment Area be placed on the agenda of a future Council meeting for consideration and action.

In response to a question from Committeemember Davidson, Mr. Marek clarified that although the monetary reduction in the TCRA's planning services fees is not significant, it is staff's hope that it will encourage developers to establish businesses in the downtown area.

Committeemember Davidson seconded the motion.

Committeemember Davidson stated that in his opinion, developers in the Town Center area are already receiving incentives and added that the City should capture revenues wherever possible.

In response to a question from Committeemember Davidson, Mr. Raines noted that although there would be limited opportunities for increases in planning services fees, he assured the Committee that each case would be reviewed very closely and judiciously. He added that small fee increases would be handled administratively, but significant increases would be presented to the Council for approval.

Chairman Walters expressed opposition based on the current language contained in the proposed ordinance. She stated the opinion that she would prefer that the ordinance target specific types of uses in the downtown area and discourage others.

Committeemember Davidson applauded Chairman Walters for her stance based on the fact that she is one of the Council's strongest supporters of the Town Center area.

Upon tabulation of votes, it showed:

AYES - Davidson-Whalen
NAYS - Walters

Chairman Walters declared the motion carried by majority vote.

4. Discuss and consider adoption of HUD guidelines for the Section 8 Homeownership Program.

Interim Neighborhood Services Manager Bryan Raines, Housing Director Jack Caroline and Family Self-Sufficiency Coordinator Donna Hunter addressed the Committee relative to this agenda item.

Mr. Caroline provided brief historical background and noted that since 1975, the Mesa Housing Services Division has operated a Section 8 rental assistance program to provide low income families with the opportunity to obtain better quality housing and to assist property owners by providing more tenants with the ability to rent existing vacant apartments. He explained that the program is funded through grants to the City by the Department of Housing and Urban Development (HUD). Mr. Caroline stated that in addition to receiving housing assistance, participants in the Family Self-Sufficiency (FSS) Program are required to work towards becoming independent of public assistance and are provided case management to assist them in overcoming the barriers that are preventing them from achieving independence and self-sufficiency.

Mr. Caroline reported that in September of 2001, Federal legislation was passed which permits the City to assist FSS families by allowing them to utilize their Housing Assistance Payments (HAP) as mortgage payments to purchase a home. Mr. Caroline stated that Ms. Hunter has spent the last five months researching and developing Mesa's program. He requested Council support for this agenda item.

Chairman Walters voiced enthusiasm for the program and noted that instead of wasting money on rent, the program will assist FSS families in becoming homeowners.

In response to a question from Committeemember Davidson, Mr. Caroline clarified that the Housing and Human Services Advisory Board has voiced support for the program. He added that in his opinion, the program will not affect the City's housing master plan development, but will provide benefits to the participating families.

Committeemember Davidson expressed support for the program and noted that it will enable the City to receive a better return on its investment.

Discussion ensued relative to the fact that the costs associated with the management and operation of the Section 8 Homeownership Program will be derived from grants provided by HUD, and the various provisions of the Program Description including minimum income requirements and locating and purchasing a home.

Committeemember Davidson acknowledged the sensitivity and compassion of staff for the inclusion of women as a single parent or displaced homemaker on the potential list of first time homeowners. He also thanked staff for their effort and hard work regarding this issue.

It was moved by Committeemember Davidson, seconded by Committeemember Whalen, to recommend to Council that adoption of the HUD guidelines for the Section 8 Homeownership Program be approved.

In response to a question from Committeemember Whalen, Mr. Caroline clarified that participants in the Section 8 program are permitted to rent anywhere within the City limits as long as the dwelling conforms to the financial parameters of the program. He added that this enables the families to reside throughout the community and not be restricted to a specific area.

In response to a question from Committeemember Whalen, Ms. Hunter explained that the FSS program's maximum term of assistance to the participants is 15 years if the prospective homebuyer obtains a 20-year or longer mortgage, and ten years for a mortgage of 20 years or less. She added that re-certification of the families occurs on an annual basis.

Carried unanimously.

Chairman Walters thanked staff for their presentation.

5. Adjournment.

Without objection, the General Development Committee meeting adjourned at 10:40 a.m.

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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 10th day of January 2002. 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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Attachments