

# COUNCIL MINUTES

April 19, 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 April 19, 2004 at 4:09 p.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. Review items on the agenda for the April 19, 2004 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts of interest declared: 4h (Hawker); 4i (Hawker); 6e (Hawker and Whalen)

Items removed from the consent agenda: 5b, 9a

Items added to the consent agenda: 6i

### 2. Hear, discuss and consider the Revitalization Strategy for the Fiesta Mall Super-Regional Retail District.

Economic Development Director Dick Mulligan advised that the "Revitalization Strategy for the Fiesta Mall Super-Regional Retail District" final report is an outgrowth of the work that staff conducted two years ago with the Retail Recruitment Development Task Force. He explained that the City of Mesa recognized that Fiesta Mall, the City's retail flagship since its construction in 1979, was confronted with fierce competition with the construction of new retail centers nearby, as well as the changing demographics in the surrounding area. Mr. Mulligan stated that the study was a compilation of the efforts of the International Economic Development Council (IEDC) and the International Council of Shopping Centers (ICSC), which established an expert panel of retail specialists charged with formulating a strategy for the Fiesta Mall area's continued viability as a retail center.

Victor Grgas, one of the panel members, displayed graphics in the Council Chambers and provided a brief overview of the key components of the "Revitalization Strategy for the Fiesta Mall Super-Regional Retail District" final report. (A copy of the report is available for review in the Economic Development Office.)

Mr. Grgas reported that the IEDC-ICSC team utilized information gathered in stakeholder meetings and supplied by City staff and made preliminary recommendations at the close of a visit within and near the Fiesta Mall. He explained that the report includes the above-mentioned data and provides details on the panelists' recommendations. Mr. Grgas added that it also incorporates additional research in order to: 1.) evaluate key market dynamics; 2.) analyze strengths, weaknesses, opportunities and threats; 3.) recommend a retail strategy that includes existing and potential sources of funding for implementation; and 4.) identify performance measures to assess the progress.

Mr. Grgas highlighted various components of the report including area characteristics, trends in the shopping center industry, key market dynamics, an analysis of strengths, weaknesses, opportunities and threats in the Fiesta Mall area, and a series of case studies throughout the United States.

Mr. Grgas commented that at the conclusion of the IEDC-ICSC team's analysis of the Fiesta Mall Super-Regional retail district, they determined that it is still a viable retail area. He noted, however, that it would require repositioning and City investment in the surrounding area to remain so. He cited the team's recommendations as follows:

- Redefine the Fiesta Mall area to include nearby commercial and retail areas and invest in those areas.
- Undertake improvements along Southern Avenue.
- Create linkages with the surrounding area and nearby institutions.
- Brand and market the Fiesta Mall area.
- Make Fiesta Mall itself more inviting.
- Create contingency plans for Fiesta Mall.

Discussion ensued relative to the pros and cons of business improvement districts; enterprise zones; and the current rent structure at Fiesta Mall.

In response to a question from Vice Mayor Kavanaugh, City Manager Mike Hutchinson clarified that staff is very enthusiastic about the Fiesta Mall report and are anxious to begin implementing the recommendations contained in the study. He commented that staff intends to present a proposal at the upcoming budget hearings outlining the next steps in the process to accomplish that goal.

The Councilmembers thanked Mr. Grgas and the entire panel for their efforts and hard work that has resulted in a concise, well-written and valuable report for the City of Mesa.

### 3. Hear a report on economic development incentives.

Mr. Hutchinson noted that due to time constraints, he would make an abbreviated presentation to the Council. He referred to a series of documents distributed to the Council including a summary of recent automobile dealership incentive packages provided by cities throughout the

Phoenix metropolitan area. Mr. Hutchinson reported that historically, the City of Mesa has taken a conservative case-by-case approach regarding the kinds of development projects it has incentivized. He referred to graphics in the Council Chambers and provided examples of some of those projects including Hughes Helicopter (now Boeing), TRW, Superstition Springs Mall, Costco, Home Depot and the Sheraton Hotel. He also stated that in the past, the City has focused its efforts on infrastructure and land incentives and that in more recent years, on sales tax rebates as the surrounding communities have developed malls and retail outlets. He added that in speaking with businesses that are considering locating in Mesa, the fact that the City does not have a property tax is not considered a valuable incentive and that the businesses are more interested in what other incentives are available.

Mr. Hutchinson stated that with regard to item 6i on this evening's agenda (Authorizing the City Manager to enter into a Development Agreement between the City of Mesa and the Superstition Springs Investors Limited Partnership, dba, DMB Associates, for a 36-acre auto center at the southwest corner of Hampton Avenue and Sossaman Road north of the Superstition Freeway), he recommended that the item proceed forward in an effort to seek additional auto dealer sites in Mesa.

In response to a question from Mayor Hawker, Mr. Hutchinson stated that there are no specific time constraints regarding agenda item 6i and that the matter could be continued to the next Regular Council meeting. He stressed that staff has diligently worked with the developer regarding the agreement and would like to see the issue resolved as soon as possible.

Mayor Hawker commented that he is reluctant to proceed with Council action on 6i this evening until such time as the Council has the opportunity to provide staff with policy direction relative to the matter of sales tax abatement for car dealerships. He stated that he would also like to address an issue regarding the signage at the proposed auto center site as well.

Councilmember Walters concurred with Mayor Hawker's suggestion for the postponement of agenda item 6i and stated that she would also like to see a process for neighborhood comment with regard to the sign design at the proposed auto mall site.

Mayor Hawker advised that it was the consensus of the Council that agenda item 6i be continued to the May 3, 2004 Regular Council Meeting.

4. Discuss and consider the City's purchase of 45 West University with Federal Community Development Block Grant (CDBG) funds for subsequent lease to Mesa Senior Services.

Due to time constraints, this item was continued to a future Study Session.

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

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

6. Scheduling of meetings and general information.

Due to time constraints, this item was continued to a future Study Session.

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Adjournment.

Without objection, the Study Session adjourned at 5:40 p.m.

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KENO HAWKER, MAYOR

ATTEST:

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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 19<sup>th</sup> day of April 2004. I further certify that the meeting was duly called and held and that a quorum was present.

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BARBARA JONES, CITY CLERK

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