



## COUNCIL MINUTES

April 15, 2013

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 15, 2013 at 4:00 p.m.

### COUNCIL PRESENT

Scott Smith  
Alex Finter  
Dennis Kavanaugh  
Dave Richins

### COUNCIL ABSENT

Christopher Glover  
Dina Higgins  
Scott Somers

### OFFICERS PRESENT

Christopher Brady  
Debbie Spinner  
Dee Ann Mickelsen

(Mayor Smith excused Councilwoman Higgins and Councilmember Somers from the entire meeting. He excused Councilmember Glover from the beginning of the meeting; he arrived at 5:20 p.m.)

### 1. Review items on the agenda for the April 15, 2013 Regular Council meeting.

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

Conflict of interest: None.

Items removed from the consent agenda: 4-h

Economic Development Project Manager Scot Rigby introduced Scott McAllister, Vice President of Marriott and Paul Welker, CEO of Sunridge Properties who were prepared to address the Council with regard to item 9-a (approving and authorizing the City Manager to execute a Memorandum of Understanding with Sunridge Properties, Inc., for the development of a hotel at Riverview.)

Mr. McAllister provided brief background information regarding the Marriott Corporation. He said that Marriott has been in business for 80 years and has nearly 4,000 hotels worldwide. He described Marriott's business model and said that Marriott studies the market to determine if there are any demand generators that will support the successful development of a hotel. He pointed out that in the past, Marriott has declined the opportunity to build a hotel in Mesa. He noted, however, that "Wrigleyville" is a game changer.

Mr. McAllister stated that Marriott hotels are owned and operated by developers. He reported that Mesa-based Sunridge Properties has been selected to build a SpringHill Suites hotel at "Wrigleyville." He said that Sunridge owns dozens of Marriott-brand hotels and has been awarded Marriott's Partnership Circle Award on numerous occasions.

Mr. McAllister advised that SpringHill Suites have large rooms and offer free breakfast, which is appealing to leisure travelers and families visiting for sporting events. He said that these amenities make SpringHill Suites the best brand for the area.

In response to a question from Councilmember Richins, Mr. McAllister explained that based on the market, Marriott determines what amenities will be available in their hotels. He stated that SpringHill Suites are a limited-service hotel, therefore, it does not make economic sense to staff a bar. He said that only 10% of Marriott's 300 Springhill Suites properties have bars. Mr. McAllister remarked that Marriott will only consider amenities that will generate revenue. He noted that this hotel will have a market inside the hotel that will provide for needs of its guests.

Responding to a question from Mayor Smith, Mr. Welker explained that the hotel will have the ability to adapt and provide for its guests. He said, however, that decisions are based on what is feasible and what will make money.

Mr. McAllister commented that the few Springhill Suites that do have bars are located "in the middle of nowhere" and do not have restaurants or other amenities nearby. He said that "Wrigleyville" guests will have restaurants and bars within walking distance of the hotel. He added that it would not make economic sense to try and staff a bar that will only have one or two customers on a daily basis.

In response to a question from Mayor Smith, Mr. Welker explained that there would be additional expenses associated with having a bar, such as insurance, staffing and the cost of goods.

Mayor Smith remarked that the City is making a significant investment in the construction of the stadium. He said that the stadium will be built to meet certain architectural standards. Mayor Smith inquired as to what type of upgraded architectural elements will be used in the construction of the hotel.

Mr. Welker explained that the conceptual first rendering that has been displayed (**See Page 9 of Attachment 1**) is not a standard prototype for a hotel and said that the hotel will fit in with the "Wrigleyville" environment. He described the various components and elements that will be used in the construction of the hotel and noted that the extra costs to upgrading the hotel will be significant.

Mr. Welker further commented that this project will be "out of the norm" and will have significant costs over and above those of a standard SpringHill Suites. He indicated that Sunridge Properties believes that "Wrigleyville" is a good investment, which is why they will be absorbing the extra cost of the aesthetics.

Councilmember Kavanaugh remarked that there are limited-service hotels like the Hilton Garden Inn that have bars on the premises and are staffed on an as needed basis. He expressed concern with regards to opening a "dry" hotel inside a sports and entertainment

district. He said that this hotel will be the pace-setter and will be the only structure in the area that will be open to the public for a period of time. He indicated that some travelers do not like to go to sports bars and will not want to leave the hotel. He added that guests staying at a hotel of this quality and caliber expect to have the option to purchase a glass of wine or a beer.

Councilmember Kavanaugh stated that he hopes that some type of a consensus can be reached in terms of the Memorandum of Understanding (MOU) and noted that other members of the Council also share his point of view.

Vice Mayor Finter expressed his support for the progress that has been made and the direction that the project is taking. He stated that he is excited about the prospects and opportunities that this hotel will bring to the area.

Responding to the comments made by Councilmember Kavanaugh, Mr. McAllister explained that Hilton Garden Inn, Hyatt Place as well as other Marriott hotels do have bars. He said, however, that this is an economic decision and bars located inside of hotels are not a profit center. He stated that Marriott gives every one of its 300 SpringHill Suites the choice of adding a bar. He indicated that it is Marriott's position that it does not make economic sense to include a bar at this location.

Mr. McAllister further remarked that if a significant number of requests for a bar are received then adjustments can be made to the model. He reiterated that the hotel is driven by what the customers want, however, considering the cost of insurance, labor and licensing it does not make economic sense to include a bar.

In response to a question from Councilmember Kavanaugh, Mr. Welker advised that Sunridge Properties owns a hotel within walking distance of Chase Field that does not have a bar. He said if there is a future demand for a bar at the Mesa hotel one could be added.

Mr. McAllister further commented that the Marriott hotel located next to the Pepsi Center in downtown Denver does not have a bar.

Mr. Welker explained that a bar is an economic decision and noted that bars located inside of hotels lose money and are subsidized by the overall room rate. He added that an option is available that will allow for beer and wine to be purchased out of the hotel's market.

Mayor Smith remarked that "if you can't make money at it, why would you do it."

Mr. Welker stated that if the hotel was going to be the only business at "Wrigleyville," Sunridge would not have a desire to build there. He added that guests will not use the hotel's facilities if there are bars or restaurants within walking distance.

Mayor Smith commented that most people will stay close to the hotel for breakfast, which is why the hotel offers free breakfast. He said, however, that those same people obviously will not come back to the hotel for dinner, or the hotel would also offer dinner service.

Councilmember Richins indicated that he did not want to micromanage how someone runs their business.

Responding to a question from Councilmember Richins, Mr. Welker explained that if there is a market demand for a bar then one could be added inside the lobby.

Discussion ensued regarding the developer's decision to not include a bar as part of the hotel's amenities package.

Mayor Smith thanked Mr. Welker and Mr. McAllister for taking the time to discuss their plans for the hotel. He said that Marriott is the brand that he personally wants to see in the area as it is by far the superior brand. He added that at the end of the day the City wants the hotel to be a success and he appreciates the investment that Sunridge is making in the project.

Mayor Smith further commented that it is anticipated that the restaurants will be built sooner rather than later. He said that developers have expressed an interest in the area, driven by the fact that Marriott will be developing at this site.

2-a. Hear a presentation and discuss the status of the FY 2013-14 City of Mesa Budget.

Budget Director Candace Cannistraro displayed a PowerPoint presentation (**See Attachment 2**) and provided an update on the FY 2013/14 budget. She stated that staff previously advised the Council that the City would have an \$8 to \$9 million budget shortfall for FY 2013/14. She reported, however, that staff has recently identified some cost saving resources.

Ms. Cannistraro briefly reviewed the savings resources that have been identified to address the budget shortfall. She explained that each year the City contributes a significant amount of money to the Employee Benefit Trust fund (EBT), which is used to pay for employee medical, dental and life insurance claims. She reported that as a result of the cost containment measures that were put into place over the past few years, it has been determined that the City can decrease the amount it contributes to the EBT fund by \$3.5 million. (See Page 2 of Attachment 2)

Mayor Smith clarified that staff has determined that the City's required contribution can be decreased and noted that this decrease will not leave the EBT under-funded. He added that the City would be contributing \$3.5 million less than what was anticipated.

In response to a question from Councilmember Richins, City Manager Christopher Brady explained that the City would be reducing the amount that it contributes to the EBT fund. He noted, however, that employee contributions will remain the same. He stated that staff will keep in mind that some significant changes are anticipated at the federal level that will have an impact on the EBT fund.

Ms. Cannistraro stated that the amount of expenses paid from the EBT fund total approximately \$62 million annually.

Mr. Brady remarked that the cost containment measures that were put into place have been effective and, therefore, this adjustment to the EBT contribution will be fairly insignificant. He stated that staff will remain conservative and will reassess the City's contribution annually. He noted that some significant cost increases are anticipated in the future.

In response to a question from Councilmember Richins, Mr. Brady explained that as scheduled, employees will continue to experience slight increases in the amount that they pay for benefits covered by the EBT fund. He stated that the City's contribution to the EBT fund is where the most significant impact has been experienced.

Ms. Cannistraro reported that staff is also exploring the possibility of reducing the Municipal User Water rate.

Mr. Brady explained that staff is proposing a Municipal Water rate that would specifically target the Parks, Recreation and Community Facilities Department (PRCF). He said that establishing a Municipal Water rate will reduce the current amount paid by the PRCF as well as the revenues paid to the Water Resources Department.

Mayor Smith clarified that reducing the Municipal Water rate is an accounting measure that will benefit the General Fund and save the City money.

Mr. Brady commented that this same process is currently used for the City's electric utility.

Ms. Cannistraro continued with the presentation and reported that the City is seeing an increase in sales tax generated by new home construction. She stated that staff anticipates that the City could receive an additional \$800,000 above what has been forecasted as a result of the increased sales tax revenue.

Mr. Brady reported that the market has changed and said that this will probably be the last year that the City can expect to see any of the savings generated by the refunding of the General Obligation Bonds.

Ms. Cannistraro reported that the total amount of savings that staff has been able to identify for FY 2013/14, is \$5.8 million. She said that this first attempt to identify savings will bring the City closer to covering the \$8 to \$9 million deficit. She noted that the \$8 to \$9 million deficit covers the current level of service as it exists today and does not include any additional employee compensation.

Mr. Brady indicated that after addressing the budget shortfall, staff would like to explore the issue of employee compensation.

Vice Mayor Finter suggested that in the future, staff complete this exercise prior to announcing that there is a significant deficit. He said that it would have been better if staff could have reported that the City is only a couple million dollars short as opposed to "taking a hit" in the newspaper.

Councilmember Richins remarked that the savings that have been identified are only suggestions and noted that the \$8 to \$9 million shortfall is for the next fiscal year. He said that any number of scenarios could have been put forward to address the shortfall, such as pay cuts, furloughs and tax rate increases.

Vice Mayor Finter clarified that the Council has not made any final decisions and expressed his appreciation to staff for the plan that has been presented. He said that after all of the City's "wins" on the scoreboard, the \$8 to \$9 million budget shortfall was a stumble. He noted, however, that staff has already been able to identify \$5.8 million in savings that will help to address that shortfall.

Councilmember Richins inquired as to whether the savings resources that have been presented are part of a plan or just an idea. He indicated that he had questions and concerns regarding the \$800,000 in new home construction activity, the EBT funds and the Municipal Water rate. He stated that the Council should also consider the fact that cost increases are anticipated and noted that now may not be the best time to utilize EBT funds.

Mr. Brady explained that in February, the Council was provided a snapshot of the budget based on the information obtained at the end of the calendar year. He noted that staff indicated they would be exploring the possibility of reducing the EBT fund contribution, however, a value had not yet been identified.

Mayor Smith commented that the Council was previously presented a snapshot that showed an \$8 to \$9 million budget shortfall. He noted that the shortfall was perceived to be a reality.

Councilmember Richins clarified that the budget shortfall that has been identified is for the FY 2013/14. He noted that this year the City will be ending on budget.

Discussion ensued with regards to the process for determining the estimated budget shortfall for FY 2013/14 and the ideas that have been presented to fill the anticipated budget gap.

Councilmember Finter remarked that it all goes to "tone and tenor" and said that the tone after the announcement of the shortfall was ominous and had a chilling effect throughout the City. He suggested that in the future such a message be followed with a statement indicating that staff is researching options to address the shortfall.

Councilmember Richins commented that "tone and tenor" starts with the Mayor and Council, who need to demonstrate leadership.

Mayor Smith stated that several years ago when this Council had only been in a place a few weeks it was reported that the City had a \$65 million shortfall. He added that this Council was able to successfully deal with the shortfall and noted he had complete confidence that the City will find a way to deal with this shortfall as well. He expressed his appreciation for the suggestions that have been presented.

Mr. Brady briefly summarized some of the potential resources that have been identified as follows:

- Increase Enterprise Fund Transfer to the General Fund
- Increase Secondary Property Tax rate
- Increase Environmental Compliance Fee rate

Discussion ensued regarding the Enterprise Fund Transfer, which has not been adjusted in seven or eight years, as well as the utility rates that have not experienced an increase.

Mayor Smith commented that the economy is recovering very slowly and said that it was anticipated that the City would have seen more real economic growth by now.

Councilmember Richins noted that the purpose of the Environmental Compliance Fee was to cover the unfunded environmental mandates from the State and Federal government.

In response to a question from Councilmember Richins, Ms. Cannistraro explained that various departments have reported that they are experiencing increased costs in areas that are currently funded by the Environmental Compliance Fee. She advised that staff will be presenting this information to the Council at a future date.

Mayor Smith thanked Ms. Cannistraro for the presentation.

2-b. Hear a presentation, discuss and provide direction on the following department budgets:

1. Public Information and Communications - rescheduled
2. Transit Services
3. Library

TRANSIT SERVICES

Transit Services Project Manager Jodi Sorrell displayed a PowerPoint presentation (**See Attachment 3**) highlighting the Transit Services budget for FY 2013/14. She provided brief background information regarding the new East Valley Dial-a-Ride Pilot Program, which began in July 2012. She said that the new program, which utilizes cabs and smaller vehicles, provides better service for its customers as well as significant savings to the City. She reported that the reduction in General Fund contributions are estimated to be \$1.3 million and have been included in the current forecast. (See Page 3 of Attachment 3)

Ms. Sorrell displayed a table that illustrated the results of the pilot program and noted that the costs per trip have decreased from \$33.39 to \$25.71. She discussed the Platinum Pass Program that was implemented in October 2011, as a transit option for Americans with Disabilities Act (ADA) riders. She added that the cost to the City for this option is .85 cents per trip. (See Page 3 and 4 of Attachment 3)

Ms. Sorrell reported that last year the City implemented the East Mesa Seasonal Circulator Pilot Bus service (Route 277). She explained that the bus route operated from October 2012 to April 2013 and provided bus service to all of the major tax generators between Power and Signal Butte Roads. (See Page 5 of Attachment 3)

Ms. Sorrell displayed a graph and noted that the ridership for the East Mesa Circulator steadily increased from month to month, therefore, staff is recommending that the seasonal bus service continue into the year 2014. She noted that the budget impact for this bus services is \$335,000. (See Page 6 and 7 of Attachment 3)

Ms. Sorrell reported that discussions regarding the Transit Advertising program are ongoing. She indicated that this program has proven to be more complicated than anticipated. She stated that the Planning Department has modified the sign code language and it is anticipated that a recommendation will be brought to Council in the near future. (See Page 8 of Attachment 3)

Ms. Sorrell commented that the City of Tempe will begin purchasing bus service from the Regional Public Transportation Authority (RPTA), which will unify all East Valley bus services under one provider contract. She said that the unification will decrease non-revenue operating hours and streamline management staffing. She noted that as a result of this unification the City of Mesa will realize some savings to the General Fund as well as the regional Public Transit Fund (PTF). (See Page 9 of Attachment 3)

Ms. Sorrell discussed the City of Chandler's request for additional bus runs on certain routes. She said that staff will research and determine if some of the savings that have been realized can be used to add additional bus runs.

Ms. Sorrell compared the ADA Dial-a-Ride service options to those of Non-ADA Dial-a-Ride options. She advised that Valley Metro is increasing the Non-ADA fare, therefore, staff is recommending that the Non-ADA Dial-a-Ride service be eliminated and replaced with the ADA Dial-a-Ride service. (See Page 10 and 11 of Attachment 3)

City Manager Christopher Brady commented that the Dial-a-Ride rate structure will be the only part of the program that will be affected by the change.

Mayor Smith clarified that services are not being eliminated, but instead of having two separate programs the City will now have one program.

Ms. Sorrell advised that beginning July 1, 2013, Valley METRO will no longer administer the Mileage Reimbursement Program. She noted that the Mileage Reimbursement Program is unique to Mesa.

Councilmember Kavanaugh commented that the City won national attention when the Mileage Reimbursement Program was implemented many years ago. He noted, however, that he understands the reasons for eliminating the program.

Ms. Sorrell indicated that if the Mileage Reimbursement program is not eliminated by July 1, 2013, the City will be required to take over those duties and responsibilities.

Ms. Sorrell displayed the Transit Services Budget for FY 2013/14, which reflects the reduction in Dial-a-Ride costs. (See Page 14 of Attachment 3)

Discussion ensued regarding the total estimated year-end budget for FY 2012/13 and the proposed total budget for FY 2013/14, which is expected to increase.

Ms. Sorrell explained that Valley Metro estimates their costs and noted that those costs do fluctuate. She said that halfway through the year Valley Metro will readjust the costs based on fuel prices and other factors.

Mr. Brady stated that the revised budget amounts will be reported to the Council once Valley Metro readjusts the costs.

Mayor Smith thanked Ms. Sorrell for the presentation.

## LIBRARY

Library Director Heather Wolf introduced Management Assistant II Dawn Kucerak, who was prepared to address the Council. She displayed a PowerPoint presentation (**See Attachment 4**) highlighting the Library's budget and innovations for FY 2013/14.

Ms. Wolf reported that the Library increased its hours of operation at all four locations. She stated that the libraries are now open for a total of 216 hours per week. She said that increasing the hours of operation has been a success and noted that the Library is now open at 9:00 a.m. for self-service. (See Page 2 of Attachment 4)

Ms. Wolf advised that construction of THINKspot has been completed and said that a coordinator has been hired to furnish and equip the area. She said the coordinator will also provide programs to engage the business and educational communities. (See Page 3 of Attachment 4)

Ms. Wolf announced that the Library has received funding that will be used to update the 25-year old Dobson Library. She said that a public survey was conducted to identify some of the improvements that need to be made at this location. She briefly reviewed some of the requested improvements as follows:

- Quiet spaces
- Indoor restroom
- Additional seating

Ms. Wolf indicated that staff is not requesting any additional funding for FY 2013/14. She noted, however, that staff is interested in pursuing a few innovative pilot programs. She described the "embedded" Librarian Pilot Program that is designed to target the business community and downtown universities. She explained that librarians will work with and advise businesses and the educational community of the tools and resources available at the library.

Ms. Wolf reported that a Mobile Customer Service Pilot Program will also be conducted at the Dobson Library. She explained that with the assistance of tablets and Bluetooth headsets, staff will be able to move about and assist customers throughout the library. (Page 6 of Attachment 4)

Ms. Wolf briefly highlighted the Digital Help Desk Pilot Program that will take place at the Main Library. She said that this program will provide hands-on instruction to customers on the use of e-reader devices, tablets, laptops, smartphones and other library resources. She added that this program will teach customers how to utilize the Library's resources and digital services. (See Page 7 of Attachment 4)

Ms. Wolf displayed a table that outlined the Library's budget and noted a slight decrease in the proposed FY 2013/14 budget. She explained that the decrease is a result of some one-time funds that were received as well as a decrease in personal services. (See Page 8 of Attachment 4)

Ms. Wolf referred to a series of maps that illustrate the location of each of the City's libraries as well as the location of the Library's patrons. She said that while libraries are transitioning, the core service, which is to provide residents with access to information, does not change and there is a need for physical buildings. She stated that Mesa Public Library serves people all over the County and noted that the highest concentration of library patrons is near the three main libraries (Dobson, Main and Red Mountain). She noted that people tend to use the library that is closest to where they live. (See Pages 9 and 10 of Attachment 4)

Councilmember Kavanaugh advised that he had been contacted by Rick Heumann, who is a Councilmember for the City of Chandler. He said that Mr. Heumann has expressed an interest in partnering with the City to discuss the funding inequities of the County's Regional Library system with the new County Supervisors. He stated that many people are utilizing the City's Libraries, but the outflow is going to support other libraries in Maricopa County.

Ms. Wolf reported that a meeting was held that included the County's Municipal Library Directors and the Maricopa County Library District Director. She advised that discussions are taking place with regard to new models for reciprocal borrowing.

Ms. Wolf briefly outlined the future needs of the library and said that after meeting with a consultant, additional library locations have been identified as follows:

- North Central Neighborhood – near Val Vista and McKellips Roads
- Southeast Neighborhood – near Ellsworth and Elliott Roads
- East Mesa Neighborhood – near Crismon Road and Main Street

In response to a question from Councilmember Richins, Ms. Wolf explained that the Mesa Express Library has been very successful, but is not a full-service library. She advised that there have been requests for a children's story time at the Express Library location. She said that the patrons want the types of services offered at full-service libraries. She stated that the Express Library serves a need, but it does not satisfy the full need, therefore, staff is requesting additional full-service libraries.

Vice Mayor Finter remarked that through some of the hardest economic times the Library has been able to develop some amazing innovations. He stated that the Express Library is a step in the right direction and noted that it may be more practical to have smaller express types of libraries in different locations.

Ms. Wolf responded to Vice Mayor Finter's comments and said that the Libraries that staff is envisioning for the future do have a certain amount of physical square footage, but they will not look like the libraries of the past. She said that libraries are a community space and people come into the library to check out books, take part in programs and use the computers.

Ms. Wolf advised that since 2000 the library has been checking out e-readers to its customers. She said that the library is sensitive to the needs of the community and noted that as digital products are incorporated into the library, many people are left behind.

Ms. Wolf explained that many people utilize the Job Help Hub and the Career Center to apply for jobs online. She said that many times individuals who are unemployed don't have access to the internet or a computer and many employers will only accept online applications. She stated that there have also been discussions with the City Manager regarding a bookless library. She added that there is still a need for program space, meeting space and areas where people/students can work together on projects. She added that the library of the future will not look like the City's current library facilities.

Councilmember Richins remarked that the library model of today is a "dinosaur that is on its way out." He said that he would be interested in the number and age of the people who are still checking out books. He encouraged staff to look at the demographics and determine where the changes are occurring. He added that the Express Library should have plenty of room to hold story time.

Mayor Smith thanked staff for their efforts.

#### PUBLIC INFORMATION AND COMMUNICATIONS

City Manager Christopher Brady advised that this item will be rescheduled. He noted, however, that Mesa Channel 11 has prepared a Strategic Capital Investment Plan that has been provided to the Council.

#### 3. Acknowledge receipt of minutes of various Boards and Committees:

3-a. Museum and Cultural Advisory Board held on November 29, 2012.

3-b. Economic Development Committee meeting held March 18, 2013.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Glover, that the above-listed minutes of various Board and Committees be acknowledged.

Mayor Smith declared the motion carried unanimously by those present.

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

Councilmember Kavanaugh:

Dobson Ranch 40<sup>th</sup> Anniversary Celebration

Councilmember Glover:

Tour of Public Safety Dispatch Center

Mayor Smith congratulated those who participated in the Grand Prix National Swimming event.

5. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Saturday, April 20, 2013, 3:00 p.m. – Celebrate Mesa at Pioneer Park

Saturday, April 20, 2013, 8:00 a.m. – Hazardous Waste collection event

6. Adjournment.

Without objection, the Study Session adjourned at 5:39 p.m.

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SCOTT SMITH, MAYOR

ATTEST:

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DEE ANN MICKELSEN, CITY CLERK

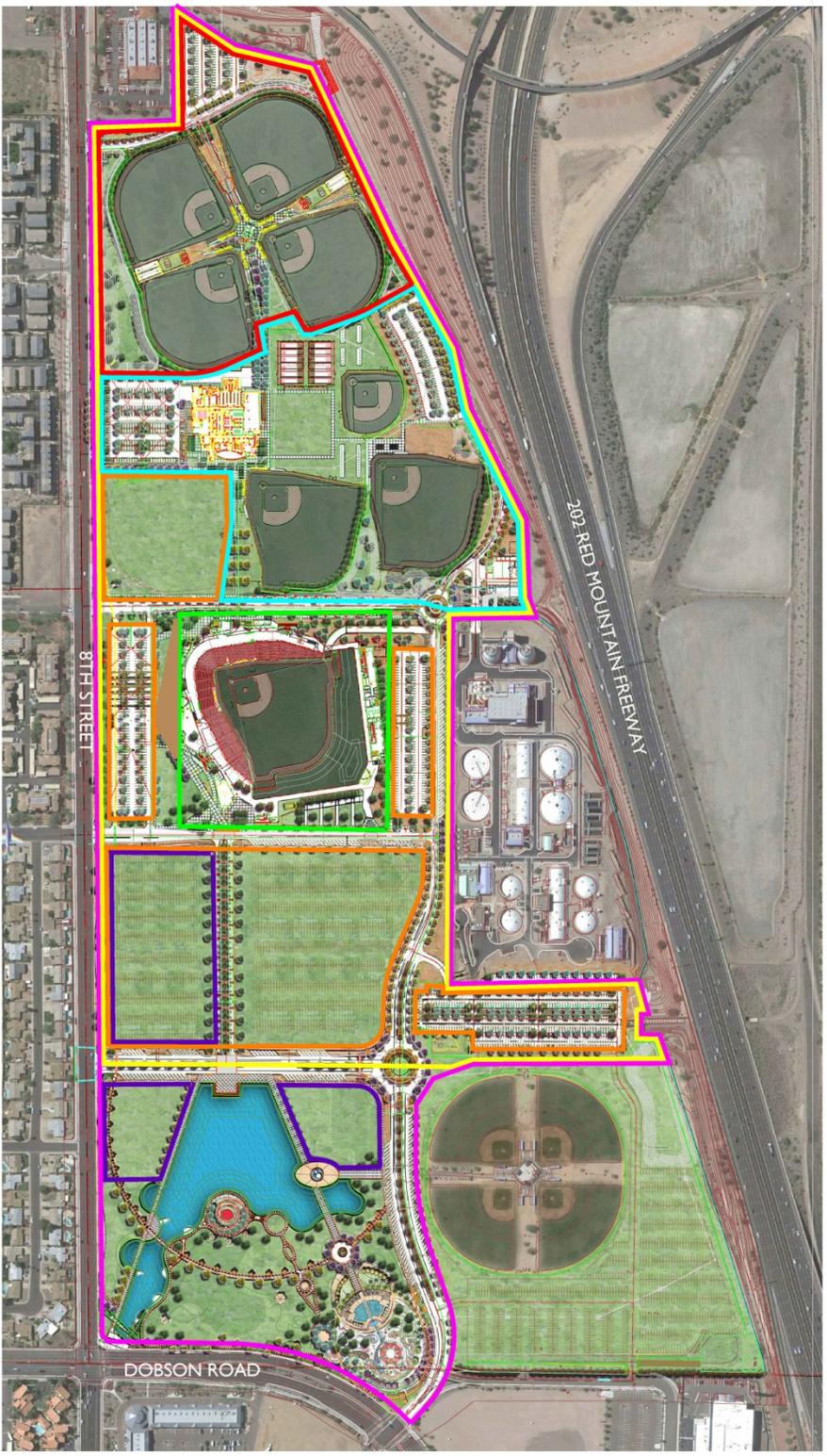
I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 15<sup>th</sup> day of April, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

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DEE ANN MICKELSEN, CITY CLERK

bdw  
(attachments – 4)

# Riverview Development



- LEGEND**
- CITY FIELDS PARCEL
  - TEAM FACILITY PARCEL
  - STADIUM SITE PARCEL
  - OPTION PROPERTY

- PUBLIC PARKING
- STADIUM APRON
- SPRING TRAINING FACILITIES
- CITY SITE

## CUBS SPRING TRAINING



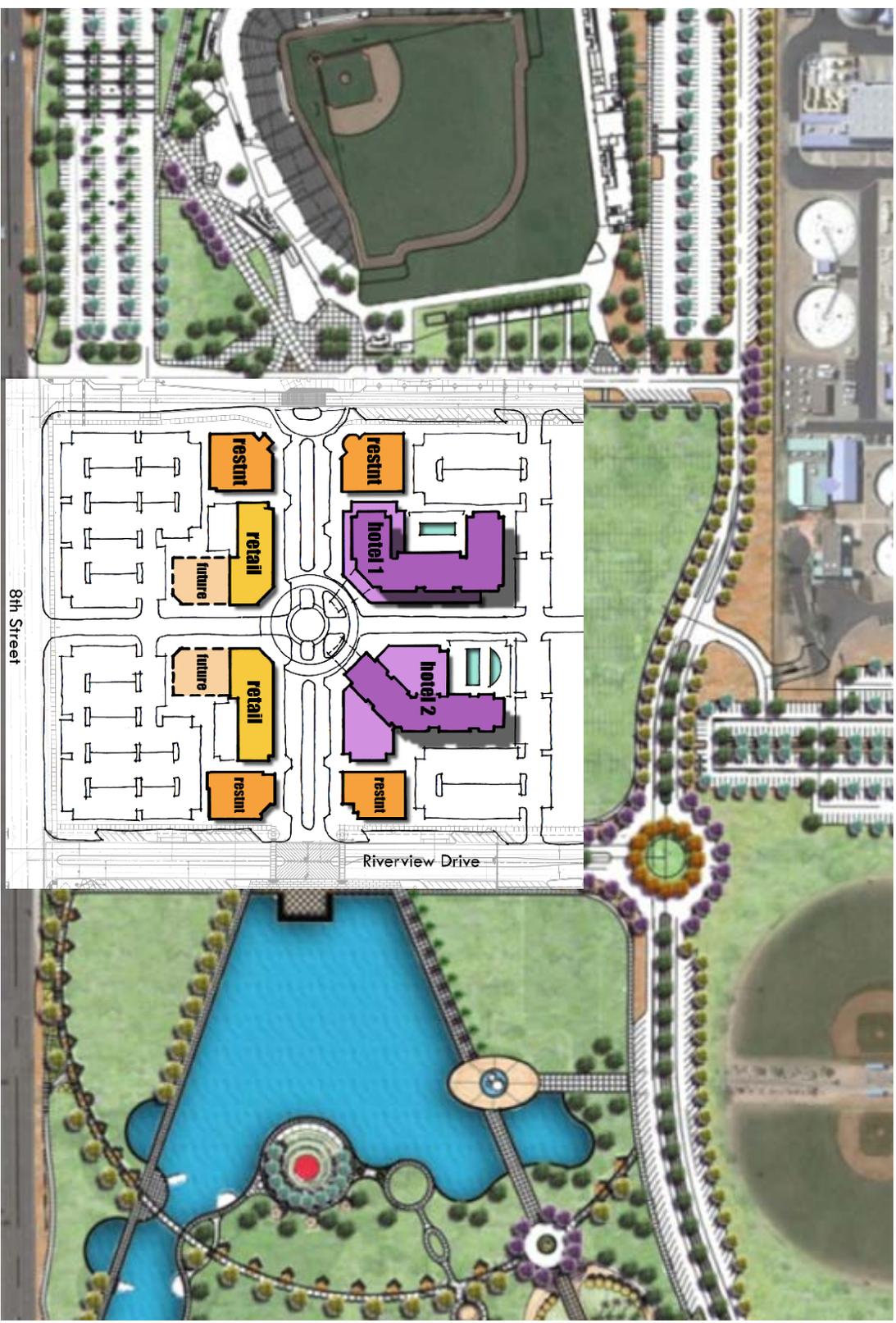
# Wrigleyville Commercial Development Area



# Wrigleyville Commercial Development Area



# Conceptual Site Development Layout



## Retail, Restaurants & Hospitality

Cubs: Focus on Retail & Restaurants-particular interest in establishments that have Chicago or Mid West ties

Mesa: Focus on Hospitality

The City has spoken with several hospitality groups regarding their interest in the development

- City and Cubs discussing efforts to enable the city to move forward with hospitality efforts

## Hospitality Interest: Marriott Memorandum Of Understanding (MOU)

- Mesa based Sunridge Properties Inc. to build Marriott SpringHill Suites
- Awarded Marriott's Partnership Circle Award last 4 years
  - Marriott's most prestigious award given to top 8 owners and operators in North America
- Have built over 30 hotels across the Southwest
- Own and Operate their hotels

## Memorandum Of Understanding (MOU)

- Commitment to build Marriott SpringHill Suites
- Minimum of 4 stories, 100 rooms
- Construction Start Jan 2014
- Opening March 1, 2015
- Opportunity to construct 2<sup>nd</sup> hotel (must be at least same level or quality)

## Memorandum Of Understanding (MOU)

- Agreement is contingent upon
  - Marriott incorporating enhanced urban aesthetic design/amenity elements. Such elements may include,
    - Brick, stone, steel awnings and structures, balconies and pop outs
    - Urban configuration that provides unique feel, mass and presence,
    - Hotel design that blends seamlessly into urban ballpark/entertainment environment along the Paseo
    - \$250,000
    - Parking Improvements
  - Sunridge pays all applicable construction fees and taxes

# Conceptual 1<sup>st</sup> Rendering

- Design uses extensive brick, stone, steel awnings and structures, balconies, and pop outs
- Enhanced urban design aesthetics projected to increase project cost by \$1M



## Memorandum Of Understanding (MOU)

- Reverts to City if construction has not started within 12 months of purchase
- Sunridge will pay all applicable construction fees and taxes
- City will provide a customized review schedule

## Memorandum Of Understanding (MOU)

- City agrees to restrict additional hotel(s) for 6 months from 1<sup>st</sup> hotel opening
  - Does not apply if Sunridge decides to build additional hotel of equal or higher quality
  - Enables hotel(s) an initial stabilization period
- MOU and final agreement are contingent on COM/Cubs Option Agreement Amendment

### **Next Steps**

- Complete full agreement with plan to return to Council in May
- Complete COM/Cubs Option Amendment



# City of Mesa

# FY 2013/14 Budget Update

April 15, 2013

Presented by the Office of Management and Budget



# Identified Resources

	<u>FY13/14</u>
Reduced Employer Contribution to the Employee Benefit Trust	\$3,500,000
Adjusted Municipal User Water Rate	\$1,000,000
Increased New Home Construction Activity	\$800,000
Anticipated General Obligation Bonds Refunding Savings	<u>\$500,000</u>
	\$5,800,000

## Potential Resources

- Increase Enterprise Fund Transfer to the General Fund
- Increase Secondary Property Tax Rate
- Increase Environmental Compliance Fee Rate



# Transit Services

## FY 13/14 Budget Presentation

City Council Study Session

April 15, 2013

# East Valley Dial-a-Ride

- Operated by cabs and smaller vehicles beginning July 1, 2012
- Completing first year of two year pilot program
- Change has resulted in significant savings to the City while providing better service to customer
  - Approximately \$1.3 million reduction in General Fund contribution
  - Savings included in current forecast



# Pilot Program Results

Key Measures	FY '12	FY '13*
Trips	78,174	56,887
Average Trip Length	9.2 miles	8.5 miles
Overall On-Time Performance	97.7%	98.1%
Cost per Trip	\$333.39	\$25.71
Cost per Mile	\$3.55	\$3.04

\*FY 13 data is for July '12 – February '13

# Platinum Pass Program

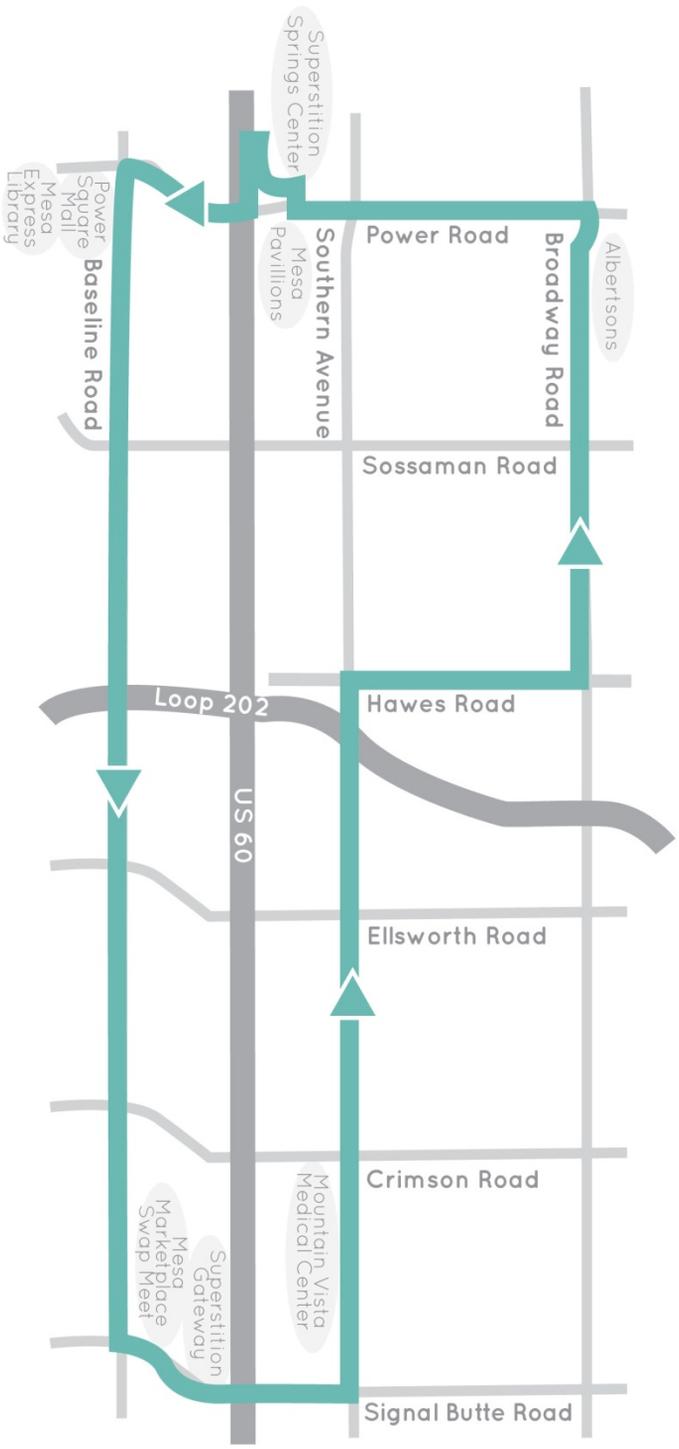
- Implemented in October 2011 as a transit option for dial-a-ride for ADA certified riders
- Trips cost 85 cents/trip
  - \$1/trip after March 1, 2013
- 641 passes have been issued
- 26,200 trips have been taken

# East Mesa Seasonal Pilot Circulator

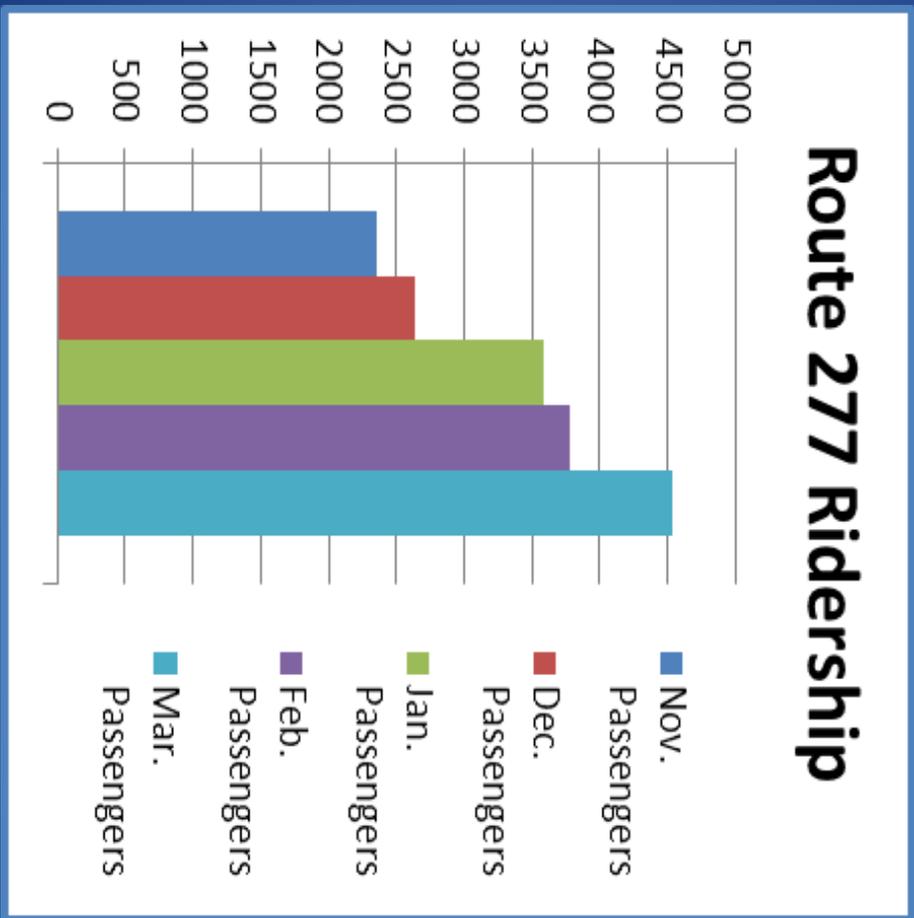
## Route 277

A pilot program operating between  
October 22, 2012 and April 20, 2013.

Hours of Operation:  
M-F 6 a.m. to 9 p.m.  
Sat 7 a.m. to 10 p.m.



# Ridership Results



# Recommendation

- Continue season East Mesa Circulator route FY 14
  - Counterclockwise direction
  - Budget impact is \$335,000 for 6 months of operation

# Transit Advertising Program

- Modified sign code language ready for Council adoption
- Staff is completing the evaluation of three implementation options and their financial impact
- Staff will be coming back to Council shortly with a recommendation



# East Valley Unification Contract

- Tempe to begin purchasing bus service from RPTA
- Unifies all East Valley bus service under one provider
- Benefits:
  - Decrease in non-revenue hours
  - Streamlined management staffing
  - Economies of scale
- Savings realized impact General Fund and regional Public Transit Fund (PTF)

# Mesa Dial-a-Ride Service Options

## ADA Dial-a-Ride

- Disabled and Seniors over 65 years of age
- Must be ADA certified
- Available citywide
- Service offered Monday - Tuesday
- Fare for ADA service is \$4 per trip

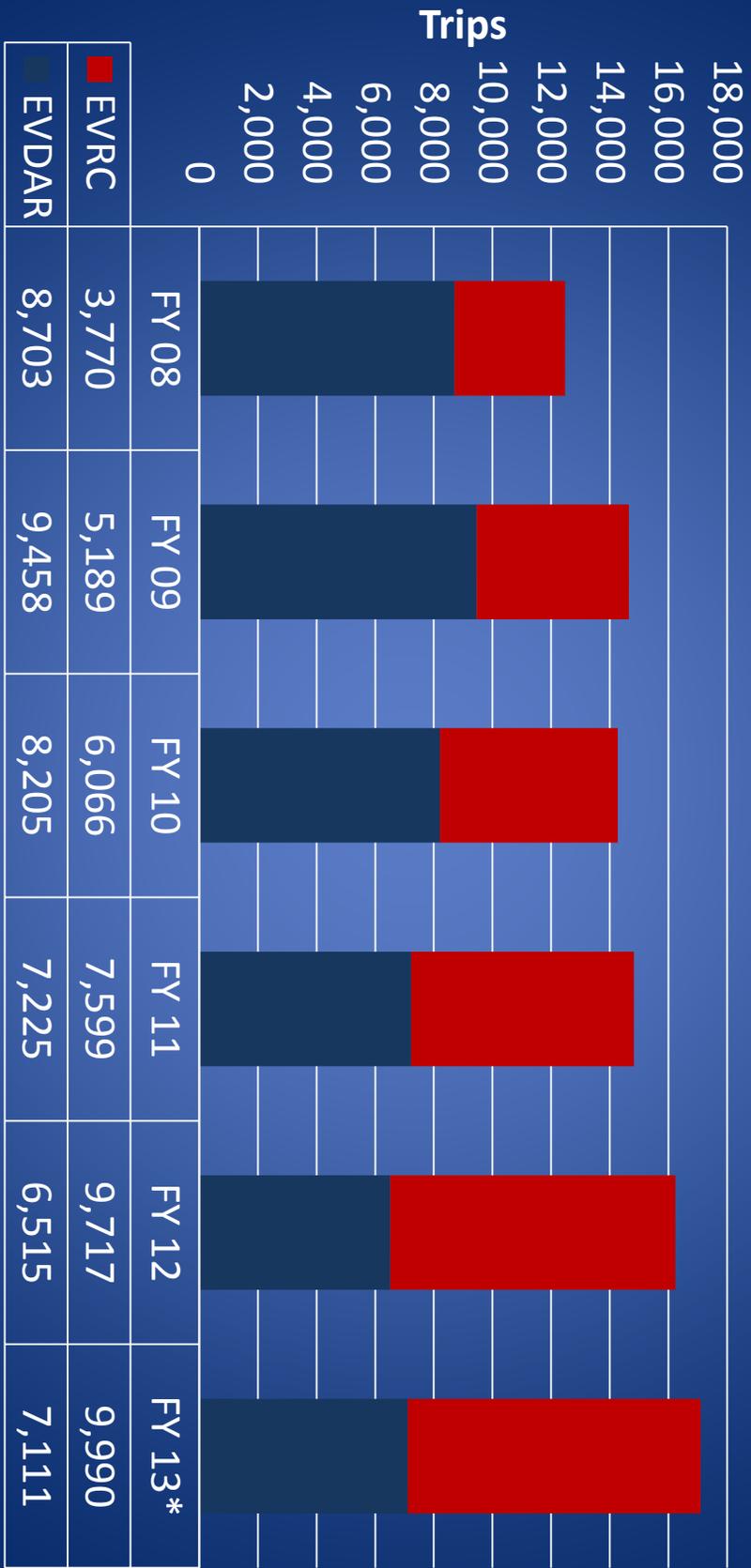
## Non-ADA Dial-a-Ride

- Disabled and Seniors over 65 years of age
- Must be ADA certified
- Available citywide
- Service offered on Sundays and major holidays
- Fare for Non-ADA service is \$1 base fare and 50 cents/zone

# Non-ADA Fares

- Non-ADA trips have increased 75% over same period last fiscal year
- 78% of Mesa's Non-ADA trips are between 4-8 miles
- Fare for 64% of the Non-ADA is \$1.50/trip
- Fare for 13% of the Non-ADA is \$2.00/trip
- A passenger taking the same trip on Mon-Sat would pay the ADA Fare of \$4/trip

# RideChoice Effectiveness



- Based on ridership July '12 – February '13



# Mileage Reimbursement Program

- RPTA will no longer administer program beginning July 1, 2013
- 260 average monthly participants
- Move to be consistent with the regions
  - Program is unique to Mesa
- Merge onto Coupon for Cabs

# Transit Services Budget

## Operational Resources by Category

	12/13 Budget	12/13 YR-END EST	13/14 Proposed
Personal Svc	\$274,011	\$194,000	\$306,433
Other Svc	\$9,691,359	\$6,930,000	\$8,141,897
Commodities	\$37,630	\$20,000	\$27,880
<b>Total</b>	<b>\$10,003,000</b>	<b>\$7,144,000</b>	<b>\$8,476,210</b>
<b>Operational Resources by Funding Source</b>			
Transit Fund	\$10,003,000	\$7,144,000	\$8,476,210
<b>Total</b>	<b>\$10,003,000</b>	<b>\$7,144,000</b>	<b>\$8,476,210</b>

# Questions

# Proposed Non-ADA Fare Structure for East Valley Dial-a-Ride

	Non-ADA Base Fare March 2013	Non-ADA Base Fare Summer 2013	Non-ADA Base Fare July 2014	Non-ADA Base Fare July 2015
East Valley Partners (Chandler, Gilbert, Mesa, Scottsdale and Tempe	\$1.00	\$2.00	\$3.00	\$4.00
Base fare covers 5 miles plus \$.50 per mile in excess of 5 miles. If trip exceeds 10 miles, then plus \$1.00 per mile in excess of 10 mile trip.				



# Example Non-ADA Trips

	Base Fare	Current Non-ADA Fare	July '13 Non-ADA Fare	July '14 Non-ADA Fare	July '15 Non-ADA Fare
7 mile trip	\$4.00	\$2.50	\$3.00	\$4.00	\$5.00
9 mile trip	\$4.00	\$3.50	\$4.00	\$5.00	\$6.00
10 mile trip	\$4.00	\$4.00	\$4.50	\$5.50	\$6.50



# Mesa Public Library

Budget Presentation

April 15, 2013



# ***FY 12/13 Innovations Update***

**Expanded hours of operation at all 4 locations from 167 to 216 per week**

## **New schedule:**

- Mon – Thu      10 AM to 8 PM**
- Fri – Sat        10 AM to 5 PM**

**Opened to public at 9 AM for self service**

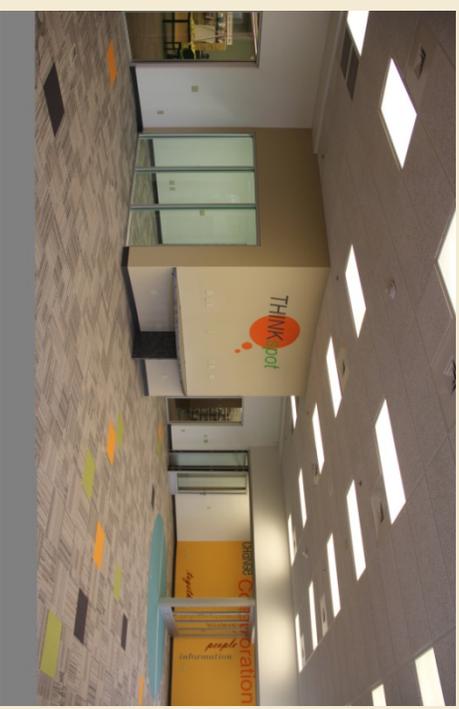
**Started both on May 14, 2012**

# *FY 12/13 Innovations Update*

Completed construction for THINKspot

Hired Coordinator to:

- Furnish and equip
- Provide programs
- Engage business and education communities



# *FY 12/13 Innovations Update*

## Dobson Library Update

- Completed community survey
- Prioritized requested improvements
- Creating Master plan



# *Innovations FY 13/14*

## Pilot “Embedded” Librarians

- Start with two communities
  - Business
  - Downtown Universities/Higher education
- Attend meetings, stay informed on needs, goals, and direction
- Bring Library to these communities
- Bring local experts to Library

# *Innovations FY 13/14*

## **Pilot Mobile Customer Service at Dobson Library**

- Provide customer service where customers are located
- Reduce service desk size significantly
- Use tablets and headsets



# *Innovations FY 13/14*

## **Pilot Digital Help Desk at Main Library**

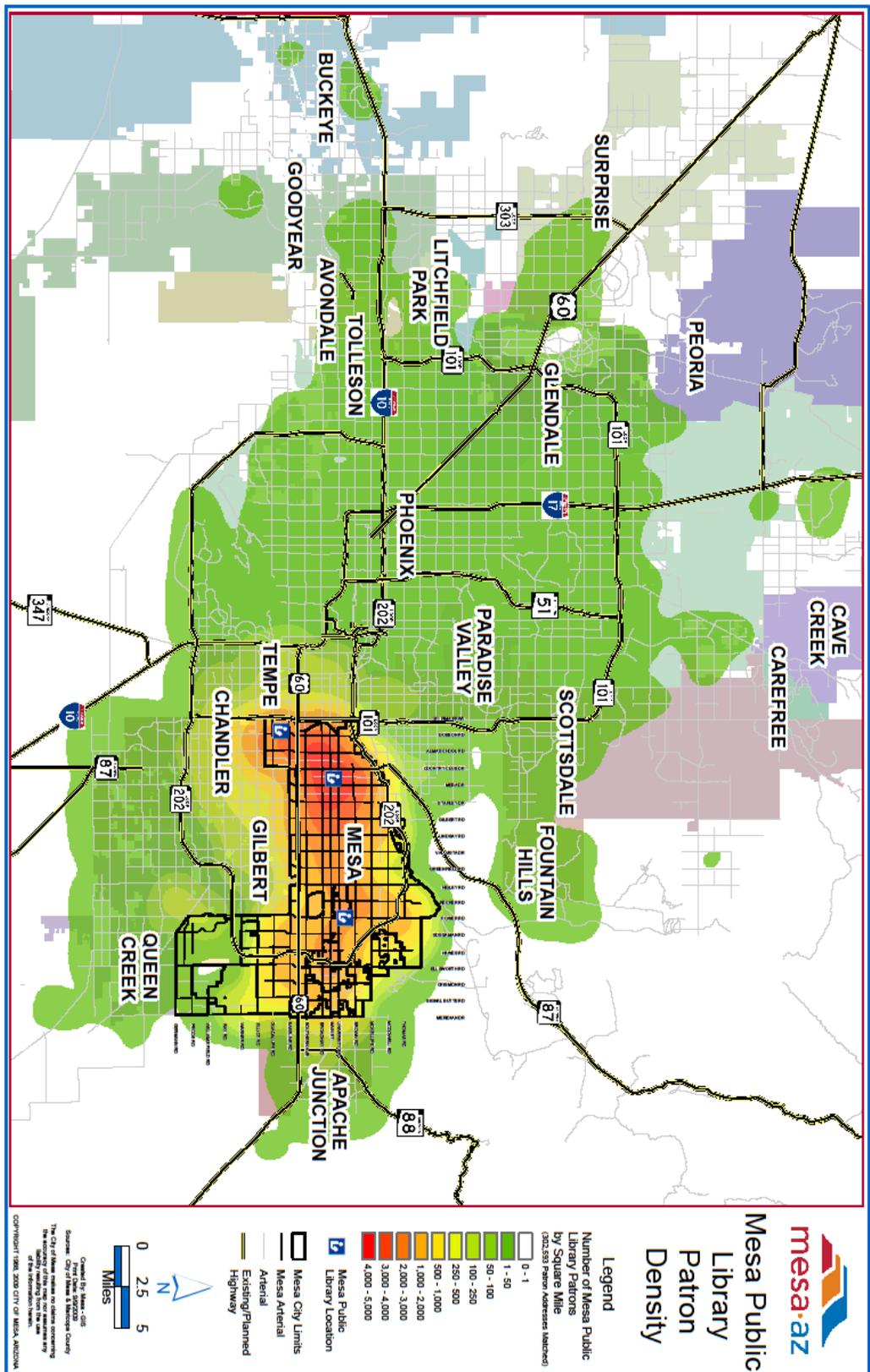
- Provide hands-on instruction for e-reader devices, tablets, laptops, and smartphones
- Provide instruction on library resources such as Freegal, Greater Phoenix Digital Library, and the Library mobile app powered by Boopsie
- Service hours to be determined

# Financial Review

<u>OPERATING EXPENDITURES BY CATEGORY</u>			
	2012-13 ADOPTED BUDGET	2012-13 ACTUAL YEAR-END ESTIMATE	2013-14 PROPOSED BUDGET
PERSONAL SERVICES	\$5,432,535	\$5,132,000	\$5,325,369
OTHER SERVICES	\$945,605	\$851,000	\$921,420
COMMODITIES	\$1,116,860	\$1,028,000	\$997,405
PURCHASED CAPITAL	\$145,000	\$145,000	\$100,000
TOTAL	\$7,640,000	\$7,156,000	\$7,344,194
<u>OPERATING EXPENDITURES BY FUNDING SOURCE</u>			
	2012-13 ADOPTED BUDGET	2012-13 ACTUAL YEAR-END ESTIMATE	2013-14 PROPOSED BUDGET
GENERAL FUND	\$7,229,000	\$6,745,000	\$6,969,194
LIBRARY RESTRICTED	\$215,000	\$215,000	\$227,000
GRANT	\$51,000	\$51,000	\$48,000
OTHER	\$145,000	\$145,000	\$100,000
TOTAL	\$7,640,000	\$7,156,000	\$7,344,194

# Current Locations





# *Future*

North Central Neighborhood Library

Val Vista & McKellips

Southeast Neighborhood Library

Ellsworth & Elliot

East Mesa Neighborhood Library

Crismon & Main



Thank You



# FYTD 12-13 Performance

MEASURE	July 11- Feb 12	July 12-Feb 13	% Increase
Program attendance	11,947	14,342	20%
Public computer uses	172,570	186,807	8%
In-house visits *	740,337	766,969	4%
Circulation	1,801,871	1,922,722	7%

