

COUNCIL MINUTES

January 20, 2022

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 20, 2022, at 7:30 a.m.

COUNCIL PRESENT

Jennifer Duff
Francisco Heredia
David Luna
Julie Spilsbury
Kevin Thompson*

COUNCIL ABSENT

John Giles
Mark Freeman

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

(*Participated in the meeting through the use of video conference equipment.)

Vice Mayor Duff conducted a roll call.

Vice Mayor Duff excused Mayor Giles and Councilmember Freeman from the entire meeting.

1. Review and discuss items on the agenda for the January 24, 2022, 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: None

In response to a question from Councilmember Luna regarding Item 5-j, **(Purchase for Virtual Firefighter Recruit Exam Testing for the Mesa Fire and Medical Department (Citywide))**, on the Regular Council meeting agenda, Assistant Fire Chief Mike Dunn explained the current written process used to hire firefighters has been in place for many decades and the Fire Department is taking a holistic look at the hiring process. He remarked by partnering with National Testing Network to incorporate virtual testing, candidates can apply from anywhere in the country.

Responding to a question from Vice Mayor Duff regarding whether the virtual testing is temporary, Assistant Fire Chief Dunn remarked the hope is that the virtual testing will be the permanent testing platform leveraging the available technology for the written portion. He mentioned the expenses will be reduced with the virtual model.

In response to a question from Councilmember Heredia regarding Item 5-a, **(Dollar-Limit Increase to the Term Contract for Automobile Dealers Eligibility List for Citywide Departments as requested by the Fleet Services Department (Citywide))**, on the Regular

Council meeting agenda, City Manager Christopher Brady indicated the challenges with converting to electric vehicles is the availability of the vehicles and the infrastructure to support the charging stations. He added the focus is the conversion of the utility pickup trucks because the City has between 400 to 500 in the fleet. He mentioned the conversation has been geared towards how to charge them overnight when they are parked in several different locations.

Councilmember Thompson expressed he would like to see a plan on what the City will do with the batteries from the electric vehicles once they are past their lifecycle and how the batteries will be disposed, as well as fire containment.

In response to a question from Vice Mayor Duff regarding Item 5-b, **(Use of a Cooperative Contract for a Five-Month Term and Two Years of Renewal Options for Signage for the Asian District for the Economic Development Department (District 3))**, on the Regular Council meeting agenda, Assistant Economic Development Director Jaye O'Donnell stated banner sets are planned along Dobson Road between Main Street and Broadway, which will be promoting the pillars of the Asian District: culture, community, and commerce. She added traffic signal wraps will be placed at select intersections and oversized banners affixed to various properties in the district. She indicated the banners should be installed within the next four to six weeks.

City Engineer Beth Huning displayed a PowerPoint presentation related to Item 5-o **(The Post – Building Improvements Project – Construction Manager at Risk (CMAR), Guaranteed, Maximum Price (District 4))**, on the Regular Council meeting agenda. **(See Attachment 1)**

Ms. Huning commented the building was previously the Downtown U.S. Post Office. She highlighted the history of the north and south buildings, as well as the square footage. (See Page 2 of Attachment 1)

Ms. Huning introduced Downtown Transformation Manager Jeff McVay, Museum Education Curator Alison Stoltman, and Parks, Recreation and Community Facilities Director Andrea Moore who will each share the vision for the inside of the building.

Ms. Huning reminded Council that the building was deeded back to the City in 2002 with restrictions. (See Page 3 of Attachment 1)

Ms. Stoltman focused on the two rooms dedicated to the collections of the Arizona Museum of Natural History and reported during a normal year, the museum will have between 30 to 40 visiting scientists conducting research. She said the museum also provides internships for local colleges and universities. She added the collections that were housed in the historic post office were largely inaccessible but with the building renovation, the whole collection will be available for scientists and students. (See Page 5 of Attachment 1)

Ms. Stoltman explained the rooms labeled “museum storage” will be built out according to conservation requirements and museum best practices. She stated a security system will record those entering and leaving the building and there will be locks on the collection rooms. She outlined the safety measures which includes equipment measuring environmental changes, and a sprinkler system with a pre-action valve to avoid leaks. (See Page 6 of Attachment 1)

Mr. Brady clarified the space was already being used for storage and the inventory has been moved out to be cataloged. He remarked the benefit of renovating the building is the opportunity to build the systems that are needed and organize the collection for better accessibility.

In response to a question from Vice Mayor Duff, Ms. Stoltman confirmed there are some paleontology materials currently being housed under conditions that are not ideal and those will be moved into the historic post office.

Ms. Moore discussed the first floor and said the focus will be community-based events for social activities, meetings, neighborhood use, or receptions. She commented a booking and sales specialist has been hired to develop a marketing plan. She presented the layout of the first floor and pointed out the divider wall between the north and south rooms that can open creating a larger space. (See Pages 7 and 8 of Attachment 1)

Mr. McVay spoke about the buildout of the second floor which will be converted into office space to house the Downtown Transformation and Downtown Mesa Association (DMA) offices. He commented the second floor is approximately 5,000 square feet (sf) and shared a draft of the layout. (See Pages 9 and 10 of Attachment 1)

Ms. Huning presented photographs comparing the current view of the outside and inside of the building. She added the north section of the building had old wood plank flooring that will be refinished and placed on a feature wall to preserve the old character. (See Pages 11 through 16 of Attachment 1)

In response to a question from Vice Mayor Duff regarding the material on the wall of the proposed conference room, Ms. Huning explained when the building was a post office there was a mezzanine with a viewport to watch the staff. She said windows will be put in with a screen for separation that allows light to come through.

Ms. Huning noted the building will have an angled rooftop neon sign on the southeast corner and will have office signage on the back of the building. (See Page 17 of Attachment 1)

Ms. Huning reported the parking lot to the west of the building is being considered for an outdoor gathering space to allow interaction with the indoor spaces. (See Page 18 of Attachment 1)

Ms. Huning presented the proposed costs for the project, which should take a year to complete. (See Page 19 of Attachment 1)

Responding to a question from Vice Mayor Duff regarding the DMA using the building for offices and where the maintenance equipment will be stored, Mr. McVay indicated a significant portion of the DMA staff are in the field and will continue to occupy 100 North Center to house the equipment; the administrative staff will be located at The Post.

In response to a question from Councilmember Spilsbury regarding Item 5-q, **(Mesa Family Advocacy Center (MFAC) Building Improvements – Construction Manager at Risk (CMAR), Guaranteed Maximum Price (District 4))**, on the Regular Council agenda, Mr. Brady advised this contract will extend services to continue the program and will not add additional services.

Vice Mayor Duff thanked staff for the presentation.

2-a. Hear a presentation, discuss, and provide direction on the development of a Small Business Lab within the Studios @ Mesa City Center using American Rescue Plan Act funds.

Downtown Transformation Manager Jeff McVay introduced Assistant Economic Development Director Jaye O'Donnell, Engineering Project Manager Justin Isner, and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. McVay provided an update on Phase 1 of the Small Business Lab and presented photos of the progress. He commented on the changes and added the historic pendant lighting has been refurbished. He stated the changes to the windows and the fixtures provide more light. (See Page 2 of Attachment 2)

Mr. McVay discussed the new community event room located on the first floor, that will primarily be used by Arizona State University (ASU) for entrepreneurial and innovation events. He highlighted the changes including two large panels of brick wall that were removed and glazed to increase the natural light in the building. (See Page 4 of Attachment 2)

Mr. McVay displayed photographs of the open collaboration space which shows the view looking to the east towards the two-story lobby. He explained one of the goals was to continue to highlight the historic terrazzo spiral stairs. (See Page 5 of Attachment 2)

Mr. McVay highlighted the open meeting area, which includes a small conference room on the south side and an entrance to the new two-story outboard restroom core. He stated that by creating the outboard core, approximately 1500 square feet of unusable space inside the building is now available, creating a more open and flexible space. He remarked on the original brick wall that was previously covered in plaster, which now creates a beautiful contrast to the old and new. (See Page 6 of Attachment 2)

Mr. McVay illustrated the open work area that looks back towards the spiral stairs. He explained when this building was used by the Department of Innovation and Technology (DoIT), there were lockers used to check items out and those have been repurposed. (See Page 7 of Attachment 2)

Mr. McVay displayed photos of the new breakroom area, which is where the restrooms were previously located. He stated the furniture will have tables that can be configured into bistro-style spaces or bring them together to create collaboration space. (See Page 8 of Attachment 2)

Mr. McVay provided a project status, completion timeline, and budget update. He said ASU is currently reviewing the license agreement and once complete, staff will return to Council for discussion and consideration. (See Page 9 of Attachment 2)

In response to a question from Councilmember Spilsbury, Mr. McVay explained the curtains in the community event room divide the space and are also acoustical curtains to help with the sound. He clarified they will not create two separate spaces where two amplified activities can happen at the same time; however, they are thick and heavy enough to allow two separate working groups to function.

Mr. McVay continued the presentation and explained one of the major historic elements of this building were the concrete wavy canopies on the south side of the building. He remarked remnants of these canopies were preserved and used to create an entry monument feature. He clarified this is still a work in progress with lighting and placement of the remnants.

Ms. O'Donnell provided an update on the Mesa Small Business Lab at the Studios. She explained the Office of Economic Development has assisted entrepreneurs, start-ups, and small businesses and will continue that moving forward. She highlighted the Mesa Business Builder Technical

Assistance Program that was the follow-up or continuance of the Mesa Cares Program executed with the C.A.R.E.S. dollars, and which provides one-on-one business consulting, group classes, webinars, computer classes, website development, and many other services. She added the City and partners are delivering much of this content online and virtually. She stated while these services are very helpful, they are not the same as in-person assistance, which is why staff is very excited to launch this lab for Mesa's small businesses. (See Page 10 of Attachment 2)

Ms. O'Donnell remarked the small business lab provides a great solution for both virtual options and physical space to provide in-learning, in-person assistance, and training. She commented the lab is envisioned to be an active modern space that will provide access to free resources, technology, and planned engagements, and particularly for those underserved businesses. She stated the small business lab is meant to be a premier small business development space and center that complements and supports the Technical Assistance Program that is already under way. She reported Phase 2 of the Studios is a hybrid model that will offer choices for clients and consultants who are working with the clients, and service providers with the end goal of meeting the needs of the small business community. (See Page 11 of Attachment 2)

Ms. O'Donnell stated the space may also be utilized by other organizations to provide workforce training seminars, or computer training. She explained the City has been doing the computer training classes through Mesa Community College (MCC), which can be challenging with timing. She remarked most of the services in this space will be tailored to those businesses with less access to credit, substantial decline in sales, and minority-owned entities. She added workforce development programs and services for individuals and specific industries can also coexist here. She clarified staff sees this as a learning space for residents to come and learn more about different workforce and employment opportunities. She indicated the lab can also be used by City departments to host small business training and education to invite people into this space and work with them in a neutral setting. (See Page 12 of Attachment 2)

Ms. O'Donnell stated American Rescue Plan Act (ARPA) funding will be used to complete the renovation of the second floor and the basement buildout space, which will increase the momentum for entrepreneurship in Mesa and enhance the small business ecosystem that is already in existence by creating this physical space. (See Page 13 of Attachment 2)

Mr. Isner provided an update on the construction and design schedule of Phase 2, which will be the completion of the second floor and basement, as well as the estimated construction and Fixture, Furniture, and Equipment (FFE) costs. (See Page 14 of Attachment 2)

Ms. O'Donnell highlighted efforts with small businesses through the opening in November of 2023. She stated staff will work with more businesses and provide more technical assistance in the interim. She commented staff is already serving 75 to 100 businesses annually with the General Fund dedicating \$300,000 to the Mesa Business Builder Technical Assistance program. She reported on the beginner computer class completed this fall with business owners that have completed 10 hours of computer training. She stated many of them had rarely used a computer and after completing the 10 hours of training, participants received a free laptop and subscription to Microsoft Office. She said the classes were offered in Spanish and English and graduated more than 20 students. She commented with the additional ARPA dollars of \$150,000 per year during the next two fiscal years, staff will be able to assist 50 to 100 businesses, fund course development, faculty, laptops, technical training and services, individualized consulting, small group classes, website creation and search engine optimization coaching and training. (See Pages 15 and 16 of Attachment 2)

In response to questions from Councilmember Luna, Ms. O'Donnell stated this programming will complement ASU and staff anticipates referring business owners to other spaces in Downtown Mesa like CO+HOOTS and HeatSync.

In response to additional questions from Councilmember Luna regarding working with all of the business incubators in the Downtown area, Ms. O'Donnell explained the benefit of the space and the involvement of the Office of Economic Development. She stated there are so many different options, depending on where the business is along the continuum in terms of what they want to access, and this helps fill out the menu of services.

Mr. McVay commented one of the big differences between what the City wants to accomplish in the small business lab and with the ASU license agreement is bringing the technology and academic programming into an innovation space. He remarked students may be trying to start a business and that is where staff sees the overlap between business and education. He clarified ASU does not intend to provide as much existing business support but will provide innovation and entrepreneurial content to help people turn their ideas and creations into a business.

In response to a question from Councilmember Luna, Mr. Brady clarified the Office of Economic Development will have staff located in the Small Business Lab. He added the concept of coordination brings in consultants and procures the expertise.

Councilmember Thompson provided the opinion that if City staff will be located at the facility enough staff needs to be hired enough to ensure staff are not pulled from one department to place in another. He stressed the importance of proper staffing levels and remembering the end goal for Economic Development.

In response to questions from Councilmember Heredia, Mr. McVay reported the buildout of CO+HOOTS at Benedictine University is targeted for completion this spring. He explained if a graduate has a membership at the CO+HOOTS Institute, their staff will assist with understanding what it takes to turn your degree into creating a business.

In response to a question from Councilmember Luna regarding kitchen space and running a food business, Mr. McVay reported there will be a link between the two, including partnering with Local First Arizona. He stated while Local First Arizona is teaching skills on how to run a restaurant, the lab may be teaching them how to run QuickBooks. He commented staff just started drafting a license agreement with Local First Arizona and can include that in the agreement.

Vice Mayor Duff thanked staff for the presentation.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Parks and Recreation Board meeting held on November 10, 2021.

3-b. Economic Development Advisory Board meeting held on December 7, 2021.

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

Upon tabulation of votes, it showed:

AYES – Duff-Heredia-Luna-Spilsbury-Thompson
NAYS – None
ABSENT – Giles-Freeman

Vice Mayor Duff declared the motion carried unanimously by those present.

4. Current events summary including meetings and conferences attended.

Councilmember Luna –	Martin Luther King, Jr. parade We Run Mesa kickoff
Councilmember Spilsbury –	Ribbon cutting for Rise Services

5. Scheduling of meetings.

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

Monday, January 24, 2022, 5:00 p.m. – Study Session

Monday, January 24, 2022, 5:45 p.m. – Regular Council Meeting

6. Adjournment.

Without objection the City Council study session adjourned at 8:53 a.m.

JOHN GILES, MAYOR

ATTEST:

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 20th day of January 2022. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

la/dm
(Attachments – 2)



Improvements Project

26 N MacDonald

(Federal Building)

- Years Built:

North 1936
South 1959

- Floor Area:

Basement	8,293 SF
1st Floor	8,456 SF
2nd Floor	5,514 SF
TOTAL	22,263 SF



Existing Building

Looking Southwest

ded to the City in 2002 by the National
Service with restrictions, including:

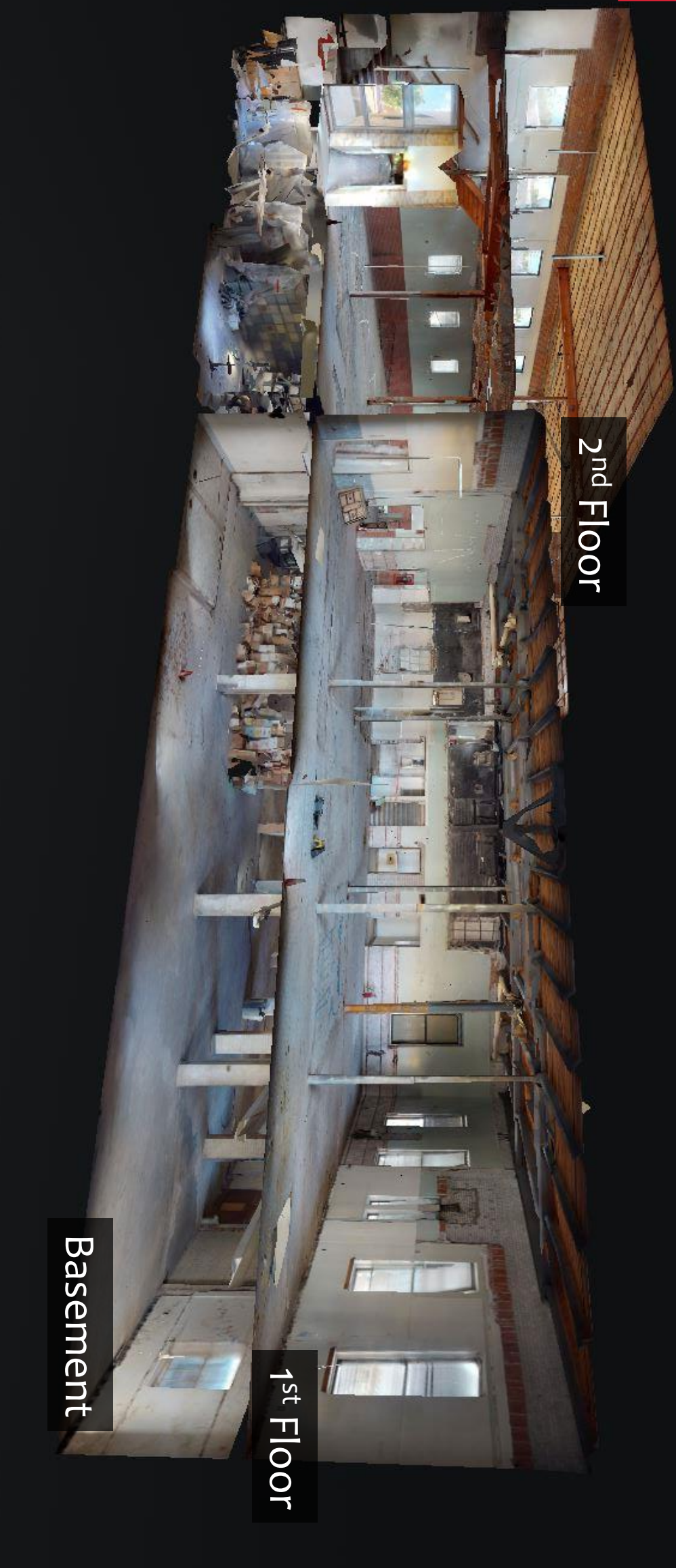
- Cannot be sold, leased, or assigned except to another eligible government agency
- Must be used for public purpose
- Must be open to the public
- City must manage/book events directly/any concession contract requires approval
- Sign must be installed indicating property is a recreation area acquired from Federal Government

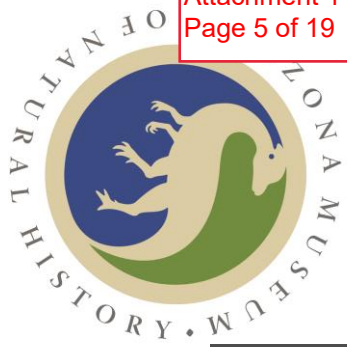


Photograph 1. View west of the Federal Building, 26 N.
MacDonald Street, Mesa, Arizona, 85201

Original US Post Office Building

Scan of Existing Building Interior





Arizona Museum of Natural History

- Collections repository/storage
- Research workstations for analysis
- Event storage for Community Space on 1st Floor
- Demonstrations
- Behind the Scenes Tours





WEST PEPPER PLACE

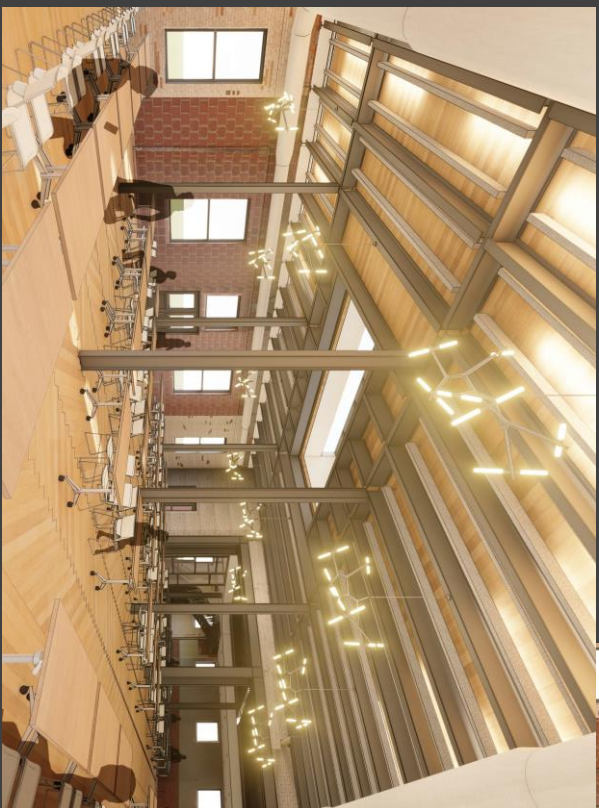
NORTH MACDONALD

- BUILDING SERVICES
- CORE / STAIRS & ELEV
- CIRCULATION
- STORAGE
- SUPPORT SPACES

Basement

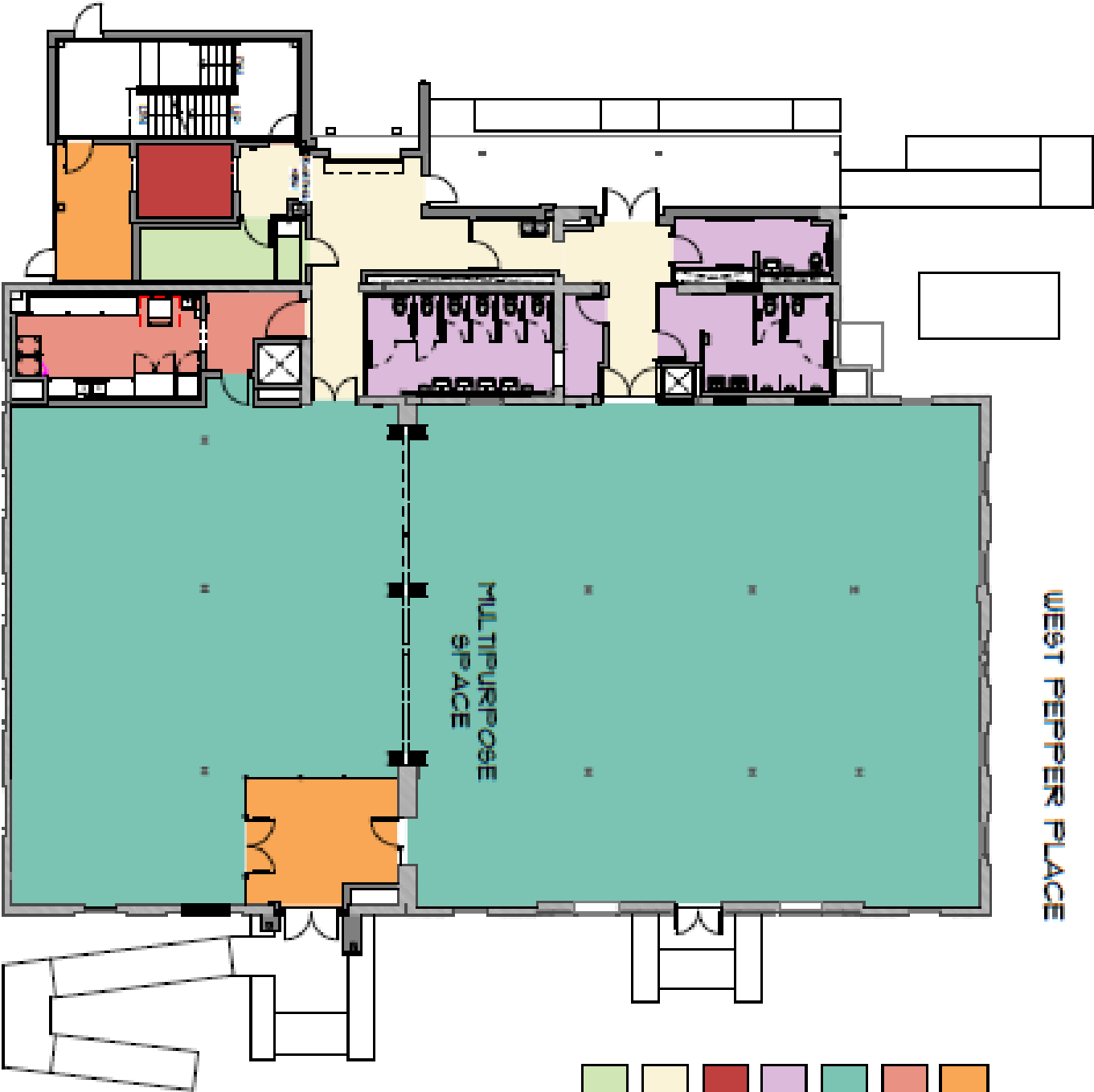
Museum Programming

Community Space



- Multipurpose & Flex Space
- Total event space 5,750 SF (divisible into North 3,550 SF and South 2,200 SF)
- Capacities up to 270 Seated and 380 Standing
- Community Events, Private Rentals, Receptions
- Food Service Kitchen for Caterers

WEST PEPPER PLACE



NORTH MACDONALD

- ENTRY/RECEPTION
- KITCHEN
- MULTIPURPOSE
- RESTROOMS
- CORE / STAIRS & ELEV
- CIRCULATION
- SUPPORT SPACES

First Floor

PRCF Programming

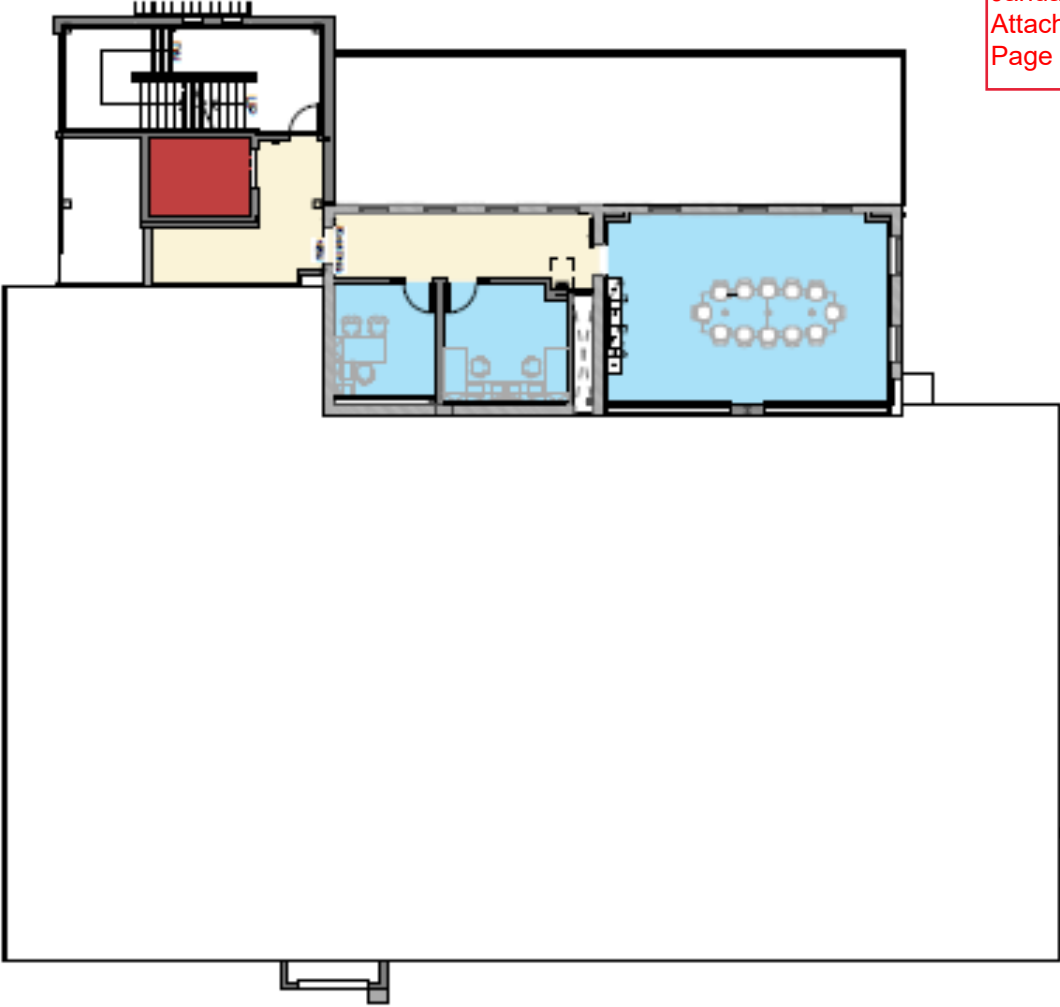
Downtown Support



- Joint Offices for City of Mesa & Downtown Mesa Association
- Separate Office Entrance & Signage for 2nd Floor
- Conference Room

Second Floor - North

WEST PEPPER PLACE



Second Floor - South

WEST PEPPER PLACE



NORTH MACDONALD

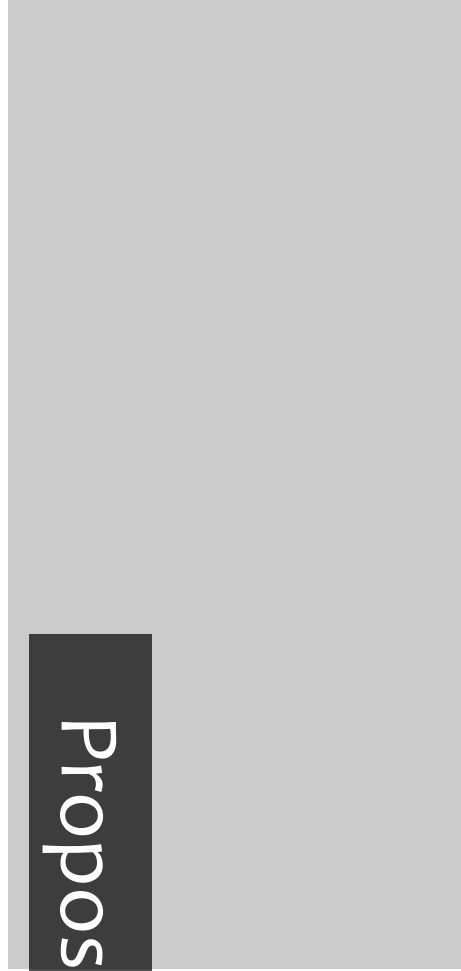
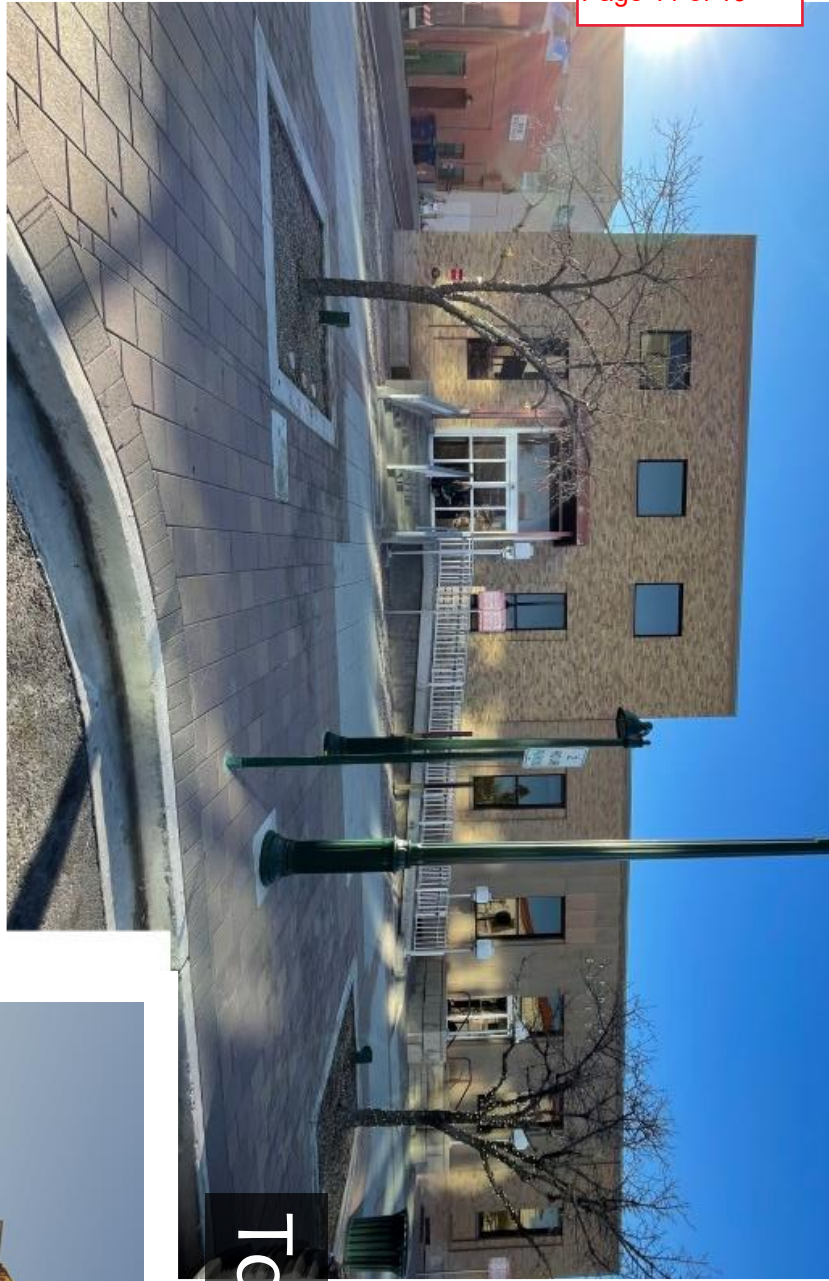
- ENTRY/RECEPTION
- OFFICES
- KITCHEN
- RESTROOMS
- CORE / STAIRS & ELEV
- CIRCULATION
- STORAGE
- SUPPORT SPACES

Downtown Programming

East Elevation

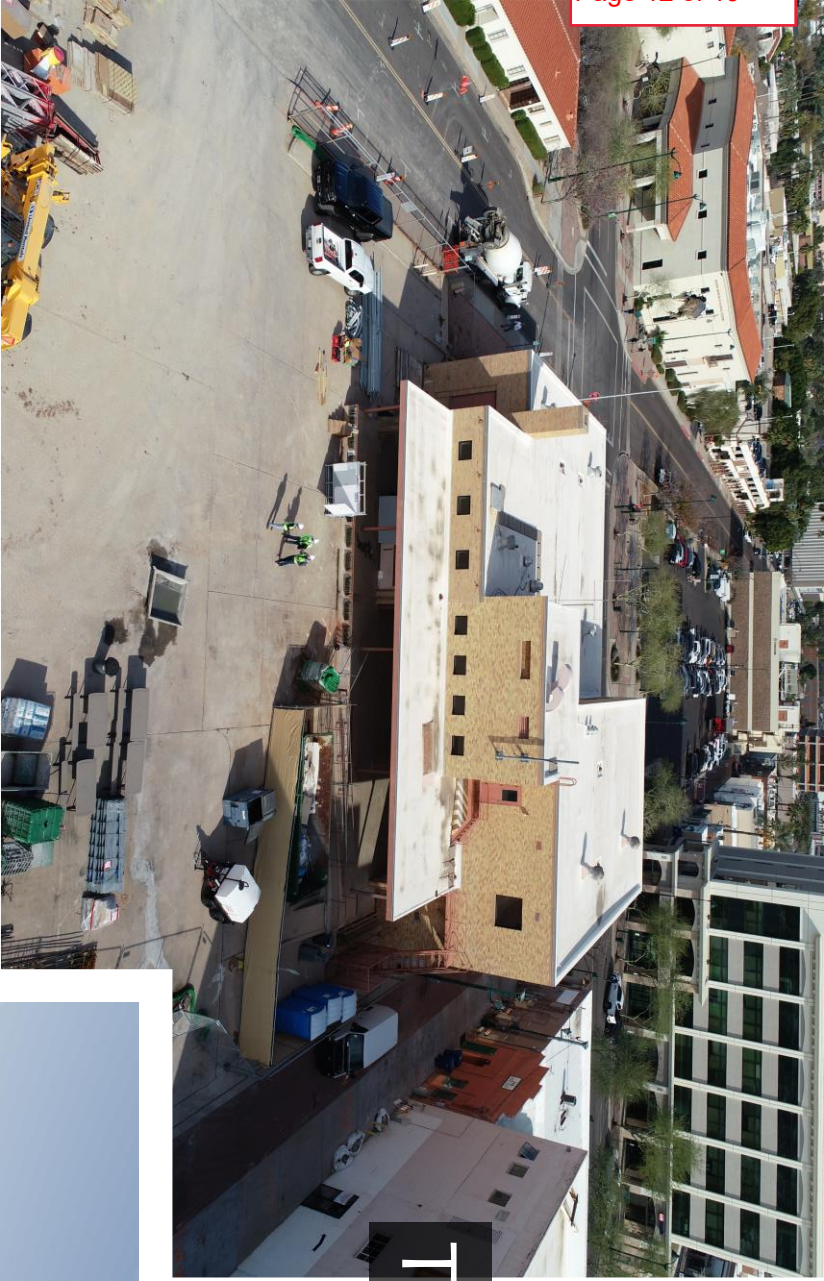


Today



Proposed





Today

West Elevation

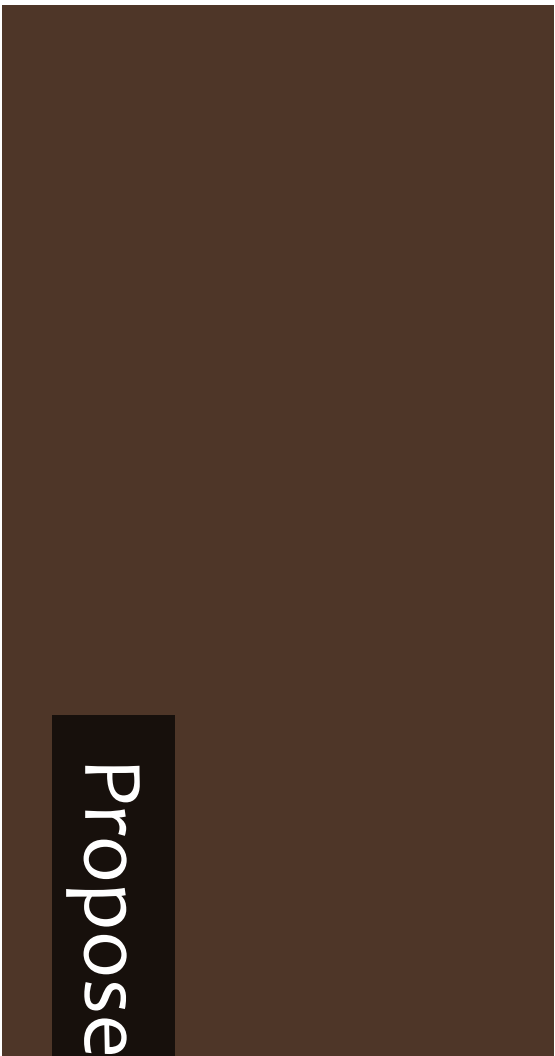


Proposed

First Floor



Existing Northeast Corner



Proposed





Existing Southwest to Northeast



Proposed



First Floor



First Floor
Existing Southwest Corner



Proposed

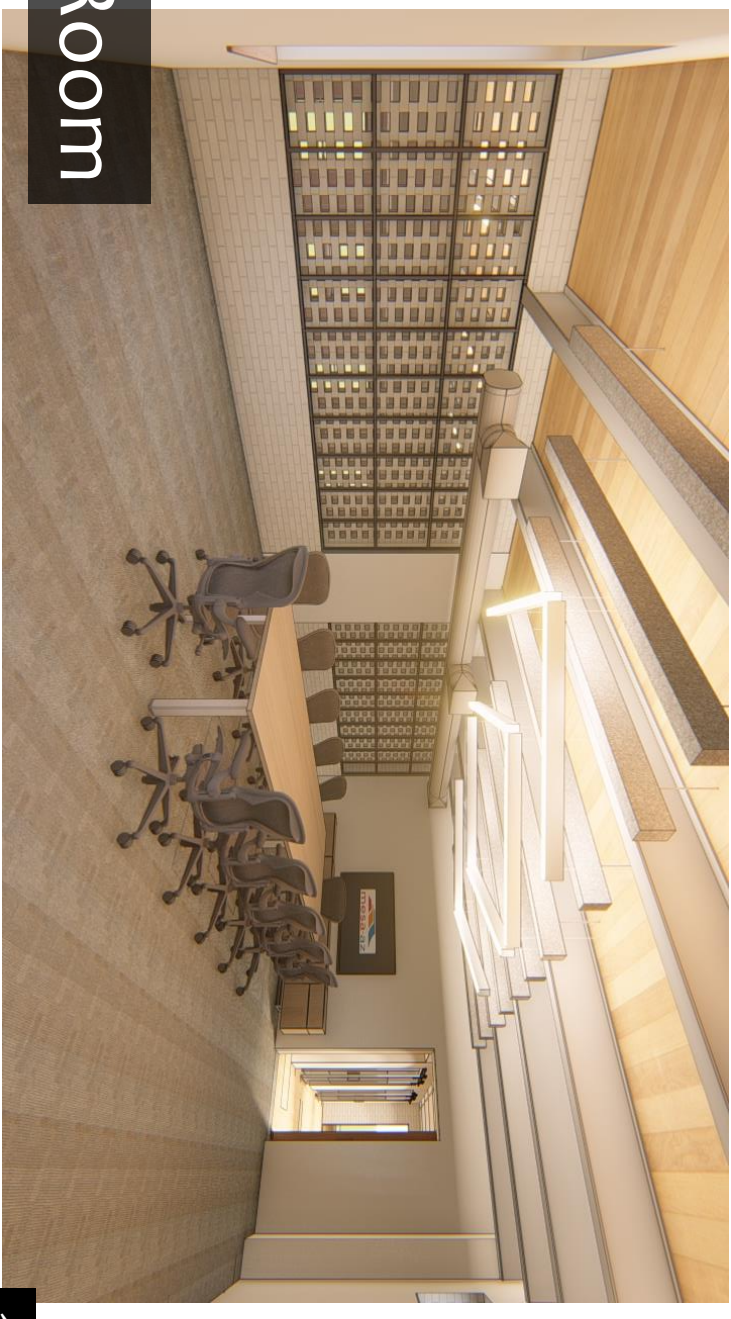


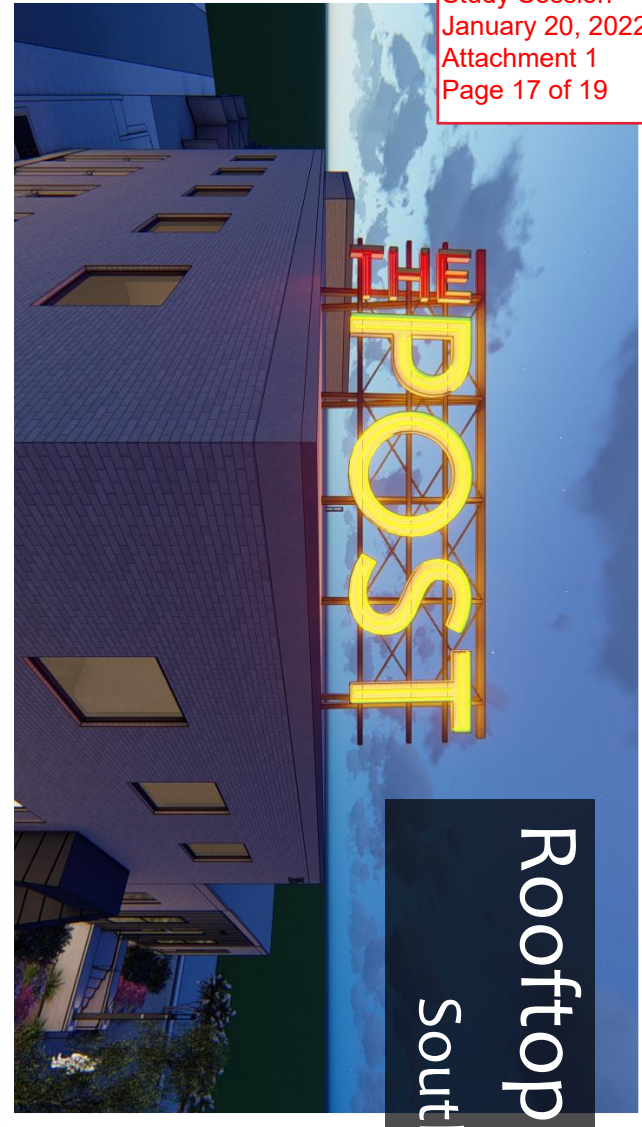
Second Floor

Existing Offices



Proposed Conference Room





Rooftop Neon Signage
Southeast Corner



Tenant
Building
Signage





Future Outdoor Gathering Space

Proposed Costs:

Design	\$ 1,200,000
Construction	\$ 9,000,000
Soft Costs	\$ 500,000
TOTAL	\$ 10,700,000
2012 Bonds	\$ 5,400,000
2018 Bonds	\$ 2,800,000
CIP General Fund	\$ 2,500,000



MESA SMALL BUSINESS LAB @ THE STUDIOS





STUDIOS @ MESA CITY CENTER PROGRESS UPDATE



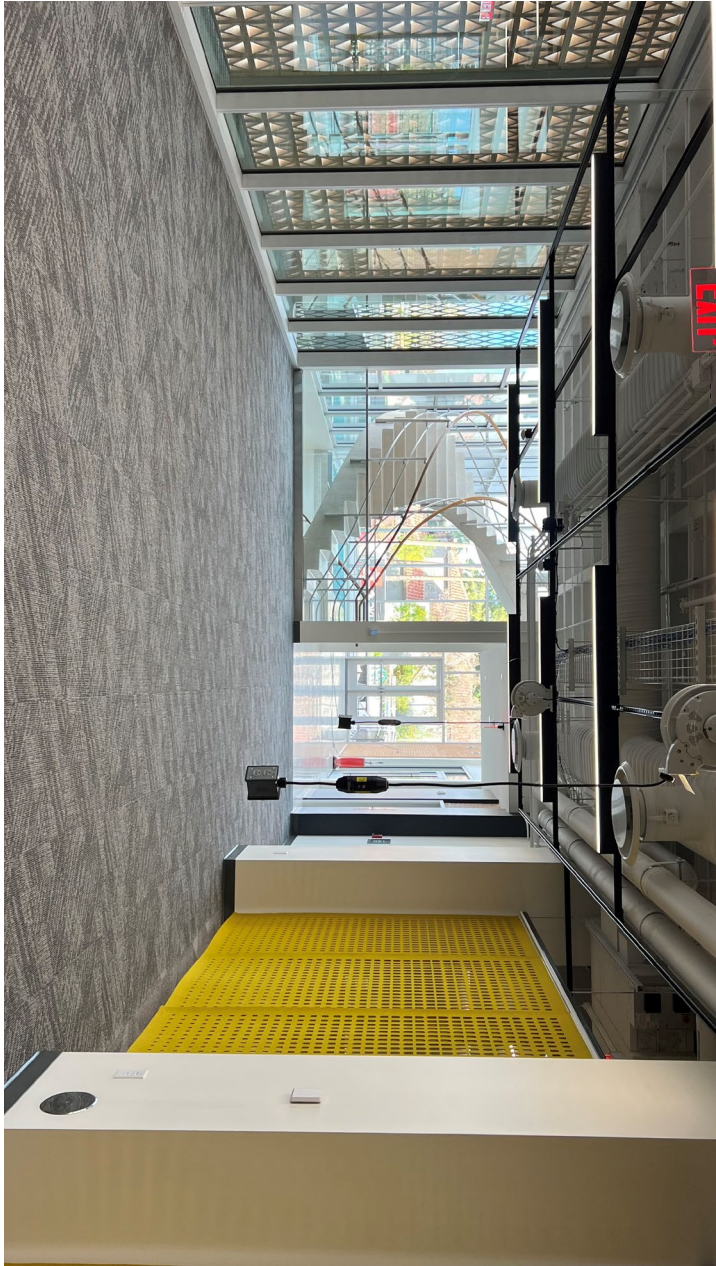
New Enclosed Two-Story Lobby

- Glazing between original concrete columns
- New terrazzo flooring
- Refurbished pendant lighting



Community Event Room

- Addition of new floor-to-ceiling glazing on south wall
- Floor-to-ceiling glazing on east wall
- Flexible configuration



Open Collaboration Space

- Opened view to historic terrazzo stairs
- Floor-to-ceiling glazing on north wall
- Created open and flexible space



Open Meeting Area

- Floor-to-ceiling glazing on north wall
- Original brick accent wall
- New small conference room
- Entrance to new restroom additions on first and second floor



Open Work Area

- Addition of floor-to-ceiling glazing on south wall
- Phone room
- Re-use of historic “check-out” lockers



Breakroom

- Configurable bistro tables
- Caffeine, snacks, and collaboration





Project Status

- Completion: Feb/Mar 2022
- Construction Cost – \$7.2M
- FFE - \$260K
- 9,700 sf of finished space
- ASU License Agreement
 - In review by ASU
- Council Strategic Planning Session





MESA SMALL BUSINESS LAB* @ THE STUDIOS

* = working title





Mesa Small Business Lab – Studios Phase 2

- Small businesses are still struggling due to the pandemic
- Combines both virtual and physical space learning and training options
- FREE resources, technology, and planned engagements
- Complements and supports the Technical Assistance Program and partners who are serving businesses most heavily impacted BY COVID.

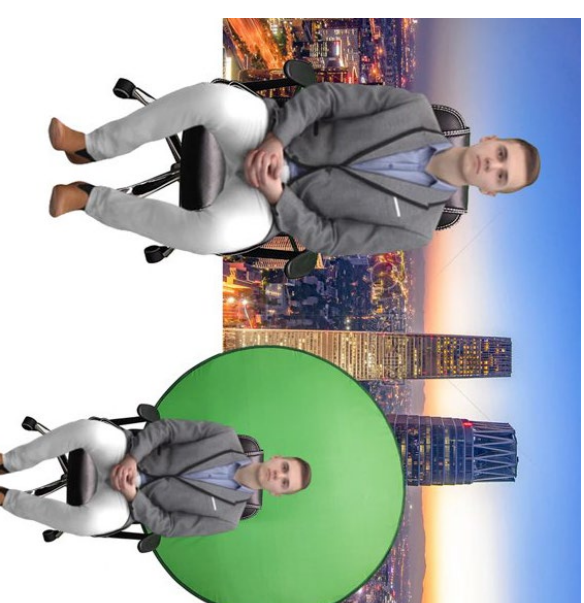
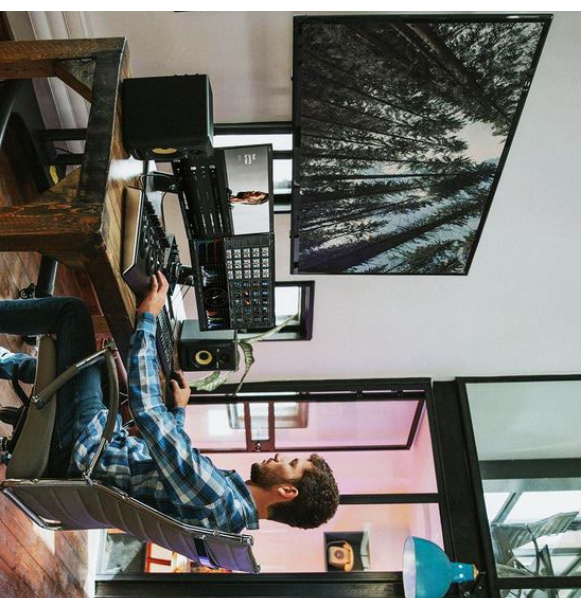




Mesa Small Business Lab – Partners Welcome

- Partners may have “office hours”; financial institutions may offer loan application review/coaching; Chambers and other groups may host business networking and training events
- Workforce development for individuals or specific industries can co-exist here
- Resource for City Departments like code and safety services targeting small businesses

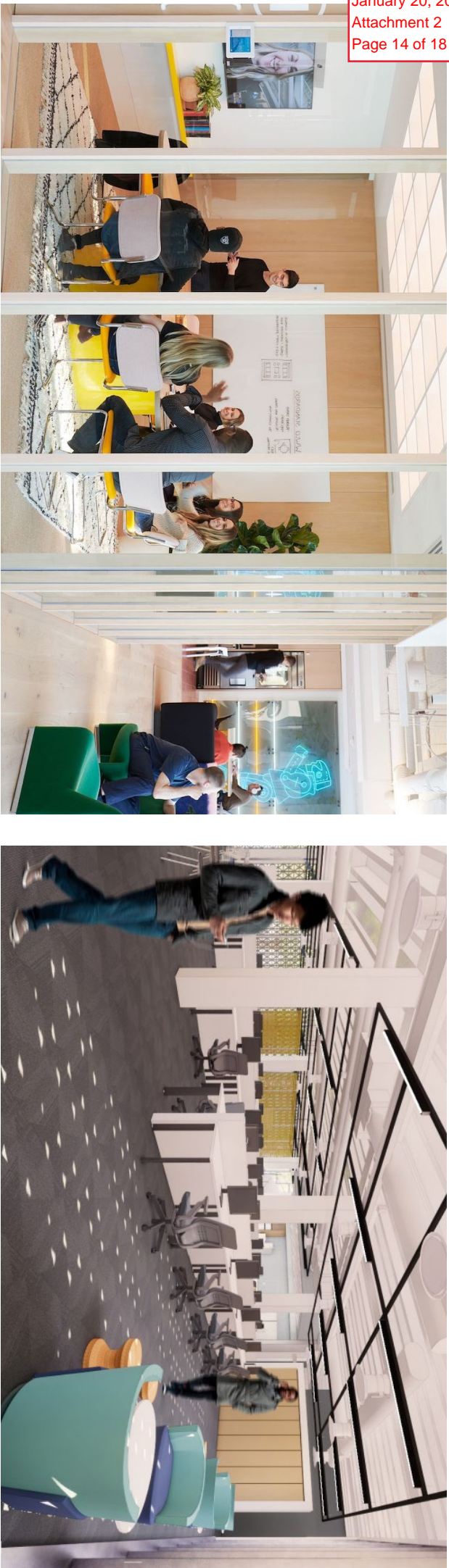




Mesa Small Business Lab – Amenities and Assets

- Intention is to offer High Tech and High Touch resources
- Computer lab for beginner and intermediate computer classes
- Additional research will be conducted to determine priorities and assets
- Potential to offer:
 - Individual privacy pods for phone calls or interviews
 - Computer / editing bays
 - Green screen





Mesa Small Business Lab – Studios Phase 2 – Construction Schedule

- Completion of 2nd Floor and Basement – 17,118 sf total
- Estimated Construction Cost – \$2.8M / FFE - \$450K
- Design Schedule – January 2022 – July 2022
- Federal Solicitation/Contract – August 2022 – November 2022
- Construction Schedule – November 2022 – November 2023





BETWEEN NOW AND OPENING NOVEMBER 2023





Mesa Business Builder Technical Assistance Program

- General Fund Annual Tech Assistance is \$300,000 (75-100 businesses)
- Dedicating ARPA funds of \$300,000 during FY 22 and FY 23 will assist 50-100+ businesses negatively impacted by the pandemic
- Funds cover course development, faculty, laptops, technical training and services, individualized consulting / coaching, group classes, webinars, website creation and optimization
- Tailoring services to businesses facing financial insecurity with less access to credit and minority-owned entities





QUESTIONS / COMMENTS



research.n

