



COUNCIL MINUTES

October 17, 2024

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 October 17, 2024, at 7:30 a.m.

COUNCIL PRESENT

John Giles
Francisco Heredia*
Mark Freeman
Alicia Goforth
Scott Somers
Julie Spilsbury

COUNCIL ABSENT

Jennifer Duff

OFFICERS PRESENT

Christopher Brady
Holly Moseley
Jim Smith

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

Mayor Giles conducted a roll call.

Mayor Giles excused Councilmember Duff from the entire meeting.

1. Review and discuss items on the agenda for the October 21, 2024, 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

Energy Resources Program Manager Anthony Cadorin introduced Energy Resources Coordinator Deb Ferraro and displayed a PowerPoint presentation regarding Item 5-a, **(Approving and authorizing the City Manager to purchase and enter into contracts with the Arizona Electric Power Cooperative for solar electric power supplies and associated energy and battery energy storage, for as much as 25 Megawatts (MW) of solar and 20 MW of battery storage, and for a contract term not to exceed twenty five years. (Districts 1 and 4))** and Item 5-b, **(Approving and authorizing the City Manager to purchase and enter into contracts with qualified Suppliers for as many as three firm electric power supplies and associated energy, for as much as 15 Megawatts (MW) Base supply, 25 MW Summer Peak supply and 10 MW July - August Peak supply, and for a contract term not to exceed five years. (Districts 1 and 4))**, on the Regular Council meeting agenda. **(See Attachment 1)**

Mr. Cadorin stated that the presentation will cover the Arizona Electric Power Cooperative (AEP CO), the entity that is responsible for the Pinal Solar project. He provided a graph depicting

offers for renewable energy that the City received to buy renewable power for the utility from 2011 through 2024. He reported that since 2011, prices have fallen substantially; however, some projects are not feasible due to the location. He noted that the Council approved and authorized the negotiation of the clean Empower Rural America (ERA) project, but changes in regulations caused the project to fall apart. (See Pages 2 and 3 of Attachment 1)

Mr. Cadorin reviewed the three main challenges with bringing renewable resources to the electric utility. He highlighted the components of the AEPCO Pinal Solar project, for which the City has submitted an indication of interest and will generate approximately 21% of the City's annual energy requirements. He explained that the new ERA program's goal is to reduce carbon for cooperatives across the nation at a discount for solar projects and battery storage projects. He mentioned that staff are in negotiations with Western Area Power Administration (WAPA), the organization that owns the transmission lines from which the City receives all its power. (See Pages 4 and 5 of Attachment 1)

Mr. Cadorin reviewed a graph illustrating Mesa's Energy portfolio from Fiscal Year (FY) 23/24 through projected FY 26/27. He noted that last year the City signed a deal with the Salt River Project for renewable energy that will make up approximately 15% of Mesa's portfolio, reducing conventional resources from 80% to 64%, and next year a third of Mesa's power will be renewable resources. He stated with the anticipated addition of the AEPCO Pinal Solar project in FY 26/27, the City will receive most of its power from renewable resources with 43% conventional resources and an estimated 57% renewable resources. (See Page 6 of Attachment 1)

Mr. Cadorin informed the Council that staff are seeking authorization to negotiate agreements, and there will be price and term limits, as prices will fluctuate during the development of the project. He reviewed the next steps to bring power back to Mesa and indicated that the City will have to fund a small portion of the development costs, since there are legal and other costs. (See Page 7 of Attachment 1)

Ms. Ferraro commented that in addition to the AEPCO, the City is seeking to negotiate some new contracts for Mesa's electric power supply and reviewed the terms of the Request for Proposal (RFP). She discussed the various electric power products and terms for the purpose of diversifying, so the contracts expire at different times to maximize the benefits and savings for Mesa's customers. She noted the City is seeking authorization and approval with obtaining the best and final pricing to move forward with securing better rates for customers. She provided a historical and future overview of the different contracts and emphasized that moving forward, the City intends to diversify more and stagger the contract expiration dates. (See Pages 9 and 10 of Attachment 1)

Ms. Ferraro summarized the pricing received for three products, summer peak, base supply, and July/August peak. She noted that the City does not currently have a contract for the July/August Peak supply, but did historically, and that will enable the City to diversify and offset the expiration dates further. She discussed the significant savings anticipated on budgeted projects regarding the lowest indicative pricing received and depending on the best and final pricing assuming the staff receives approval to move forward and negotiate. (See Page 11 of Attachment 1)

Discussion ensued relative to inflation costs, negotiations of contracts, additional suppliers, the volatile market and prices, rate adjustments, reducing rates, staggering contracts, solar project costs, battery storage, renewable energy, negotiated rates, alternative solutions, electric utility, mitigating costs, electric vehicle charging, and reliable, affordable power for customers.

Mayor Giles thanked staff for the presentation.

Councilmember Somers requested Item 6-b, **(Proposed amendments to Section 11-25-4 of Title 11 of the Mesa City Code pertaining to Billboards. The text amendments include but are not limited to modifying the spacing requirements between Billboards; modifying the spacing requirements between Billboards and Residential Zoning Districts or residential uses; and modifying Billboard height requirements. (Citywide))**, on the Regular Council meeting agenda be removed.

City Manager Christopher Brady stated that the billboard ordinance was limited to two specific sites and the City is currently in discussions with Maricopa Community Colleges regarding their specific site. He mentioned as a result of those discussions and the acquisition of a billboard vendor company, the City determined that their code needs to be adjusted to accommodate the effective use of the billboard on their property.

Planning Director Mary Kopaskie-Brown introduced Assistant Planning Director Rachel Nettles and displayed a PowerPoint presentation. **(See Attachment 2)**

Ms. Kopaskie-Brown provided background information on Ordinance 5847, which allows billboards subject to certain eligibility requirements related to size and distance along a freeway. She stated that based on the eligibility criteria, Mesa Community College (MCC) and Fiesta are the only two sites in Mesa currently eligible. She reviewed the development standards that were also included for the billboards. She indicated that staff are making recommendations to the City Council for three changes related to the development standards. (See Page 2 of Attachment 2)

Ms. Kopaskie-Brown discussed the three proposed amendments regarding the development standards in relation to spacing and height requirements that will provide flexibility for billboards. (See Pages 3 through 5 of Attachment 2)

In response to a question from Councilmember Spilsbury, Ms. Kopaskie-Brown explained that anyone who wants a billboard is required to obtain a billboard overlay and an Intergovernmental Agreement (IGA) or a development agreement (DA), as well as Council approval.

Mr. Brady clarified that the site has unique landscaping and grade issues, and the City wants to safeguard that there is flexibility through a balloon test. He emphasized that the intention of the City is to ensure that adding a billboard is feasible, while also protecting the residents from its visual impact.

In response to multiple questions posed by Councilmember Spilsbury, Mr. Brady replied that although the Fiesta site is different from MCC, the alignment is the same. He indicated that the City is adaptable, and a blanket template will not apply to every site. He stated the City is working with MCC to avoid intrusion into neighborhoods, while at the same time providing vendors with an effective tool or signage.

Councilmember Goforth expressed her opinion that she prefers approving a variance with a specific parcel instead of creating an ordinance for only two specific properties.

In response to a question from Councilmember Goforth, Mr. Brady explained that the five or six sites in the future that could be affected by the ordinance are located in the County Islands and will only apply if annexed into the City, which would require a different negotiation. He stated that

the billboard text amendment is a tool that will also allow the City to accomplish other objectives, including enhancing quality and content of development, as well as negotiations.

In response to a question from Councilmember Goforth, Ms. Kopaskie-Brown replied that a variance cannot be modified within a DA. She elaborated on the process of modifying development standards and stated that the intention is to tighten regulations. She added that the balloon test and line of sight test will ensure that there will be no visual impacts and will accommodate sites that do not have the same elevation.

City Attorney Jim Smith advised that in the past a number of ordinances have been drafted for certain properties, and changes were made to zoning codes and subdivision codes to address development issues that required flexibility. He explained the differences between a variance and an overlay district and when each is appropriate. He emphasized that the Council has legislative control to approve or deny each case.

Mayor Giles thanked staff for their presentation.

2-a. Hear a presentation, discuss, and receive an update on Mesa's redevelopment strategy, including Redevelopment Areas (RDAs).

Downtown Transformation Manager Jeff McVay introduced Economic Development Director Jaye O'Donnell, Development Services Director Nana Appiah, and Senior Economic Development Project Manager Jeff Robbins, and displayed a PowerPoint presentation. **(See Attachment 3)**

Mr. Robbins discussed the goals of the Redevelopment Team, as well as the reason for initiating redevelopment at this time. He commented that although the City's role is not developing sites, the City can play a role in attracting investment to Mesa and facilitating ease of doing business in Mesa. He highlighted the benefits of redevelopment, including creating more efficient structures through existing buildings or new construction to achieve Mesa's Climate Action Plan (MCAP) goals. (See Pages 2 through 4 of Attachment 3)

Mr. Robbins reviewed the various tools for redevelopment to be successful. He mentioned that having a single point of contact is important for developers to handle challenges, as well as having a code that is flexible to allow the experts in the Planning Department to be creative, while making them safe and useful. (See Page 6 of Attachment 3)

Mr. Robbins identified several successful projects in the City that the staff collaborated on and ways Mesa can be successful in the future. He described some of the challenges and how staff's flexibility with code adjustments, and their ability to broker deals led to the successful completion of projects. (See Pages 7 through 16 of Attachment 3)

Mr. Robbins commented on the five components of Mesa's redevelopment strategies. (See Page 18 of Attachment 3)

Mr. Robbins summarized the redevelopment focus and the importance of where to deploy their efforts. He explained redevelopment areas were designated by the Council in 2017 and 2018, described how areas are identified and the criteria used to determine a site for redevelopment. (See Pages 19 through 22 of Attachment 3)

Mr. Appiah explained that there have been several projects that after reviewing the zoning code and General Plan, the district application of those standards will not allow the development to

move forward. He commented that staff works with the developer to determine if standards can be modified to move the project forward, while simultaneously achieving the overall goals and visions of the City. He presented one example that will be discussed with the Council in December, the Fiesta Mall site, in which the City collaborated with the developer years ago by reviewing the code and standards to determine the best way to move forward, as well as dedicating more time and staff due to the significance of the project. (See Page 23 of Attachment 3)

Ms. O'Donnell commented that the Fiesta Mall site is massive in size and scope and discussed some of the challenges. She stated the project, from a marketing perspective, will add value to the development community.

Mr. Robbins outlined the next steps for redevelopment, including engaging strategic sites. (See Page 24 of Attachment 3)

In response to multiple questions from Councilmember Spilsbury, Mr. McVay replied that staff is building a database to assist in identifying areas; however, the redevelopment areas have already been identified and approved by Council. He explained that there are certain areas that have significant existing public infrastructure and investment that the City attempts to monetize. He discussed some of the site selection criteria and stated that evaluations of sites are conducted, in addition to receiving feedback from Councilmembers. He reported that the City of Mesa (COM) is large and there are some attributes and specific areas that need more redevelopment than others. He stated that staff intends to work directly with the Code Compliance Department to create specific programs to help in the implementation of redevelopment areas.

Councilmember Spilsbury expressed concern for several areas in her district in need of redevelopment.

In response to a question from Councilmember Spilsbury, Mr. Brady said that when code compliance officers are responding to complaints the surrounding area is examined. He noted that although some buildings are not maintained, that is not necessarily a code violation.

In response to multiple questions from Councilmember Goforth, Mr. Robbins advised that he will serve as the point person for many projects; however, there are projects where the Economic Development Department will take the lead, and all departments are working in partnership. He indicated his focus will be on managing the outcomes and metrics and emphasized several trackable metrics that will be utilized. He noted that the capacity will vary for each project as some developments are more sophisticated.

Mr. Brady commented that staff can provide updates on the status of projects twice a year to better understand the progress and work that is being conducted.

Mayor Giles thanked staff for the presentation.

2-b. Appointments to various boards and committees.

It was moved by Councilmember Somers, seconded by Councilmember Spilsbury, that the Council concur with the Mayor's recommendations and the appointment be confirmed. **(See Attachment 4)**

Upon tabulation of votes, it showed:

AYES – Giles–Heredia–Freeman–Goforth–Somers–Spilsbury
NAYS – None
ABSENT – Duff

Mayor Giles declared the motion passed unanimously by those present.

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

3-a. Human Relations Advisory Board meeting held on August 28, 2024.

3-b. Housing and Community Development Advisory Board meeting held on September 5, 2024.

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

Upon tabulation of votes, it showed:

AYES – Giles–Heredia–Freeman–Goforth–Somers–Spilsbury
NAYS – None
ABSENT – Duff

Mayor Giles declared the motion passed unanimously by those present.

4. Current events summary including meetings and conferences attended.

Mayor Giles and Councilmembers highlighted the events, meetings and conferences recently attended.

Fire Chief Mary Cameli announced that Assistant Chief James Johnson is retiring after 30 years of service to the City of Mesa and was inducted into the Arizona Fire Service Hall of Fame for his contributions to the City, as well as outside of work.

Mayor Giles acknowledged the presence of Mayor Karla Cordova and the delegation from Guaymas, Mexico, which is a sister city to the City of Mesa.

5. Scheduling of meetings.

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

Monday, October 21, 2024, 5:15 p.m. – Study Session

Monday, October 21, 2024, 5:45 p.m. – Regular Council meeting

Mr. Brady announced that the Mesa Arts Center has been recognized as the best performing arts center in the Phoenix New Times of Phoenix Readers' Choice issue for 2024.

6. Adjournment.

Without objection, the Study Session adjourned at 9:33 a.m.



JOHN GILES, MAYOR

ATTEST:



HOLLY MOSELEY, 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 17th of October 2024. I further certify that the meeting was duly called and held and that a quorum was present.



HOLLY MOSELEY, CITY CLERK

lr
(Attachment – 4)



Energy Resources Department Electric Power Supplies

City Council Study Session - 10/17/2024

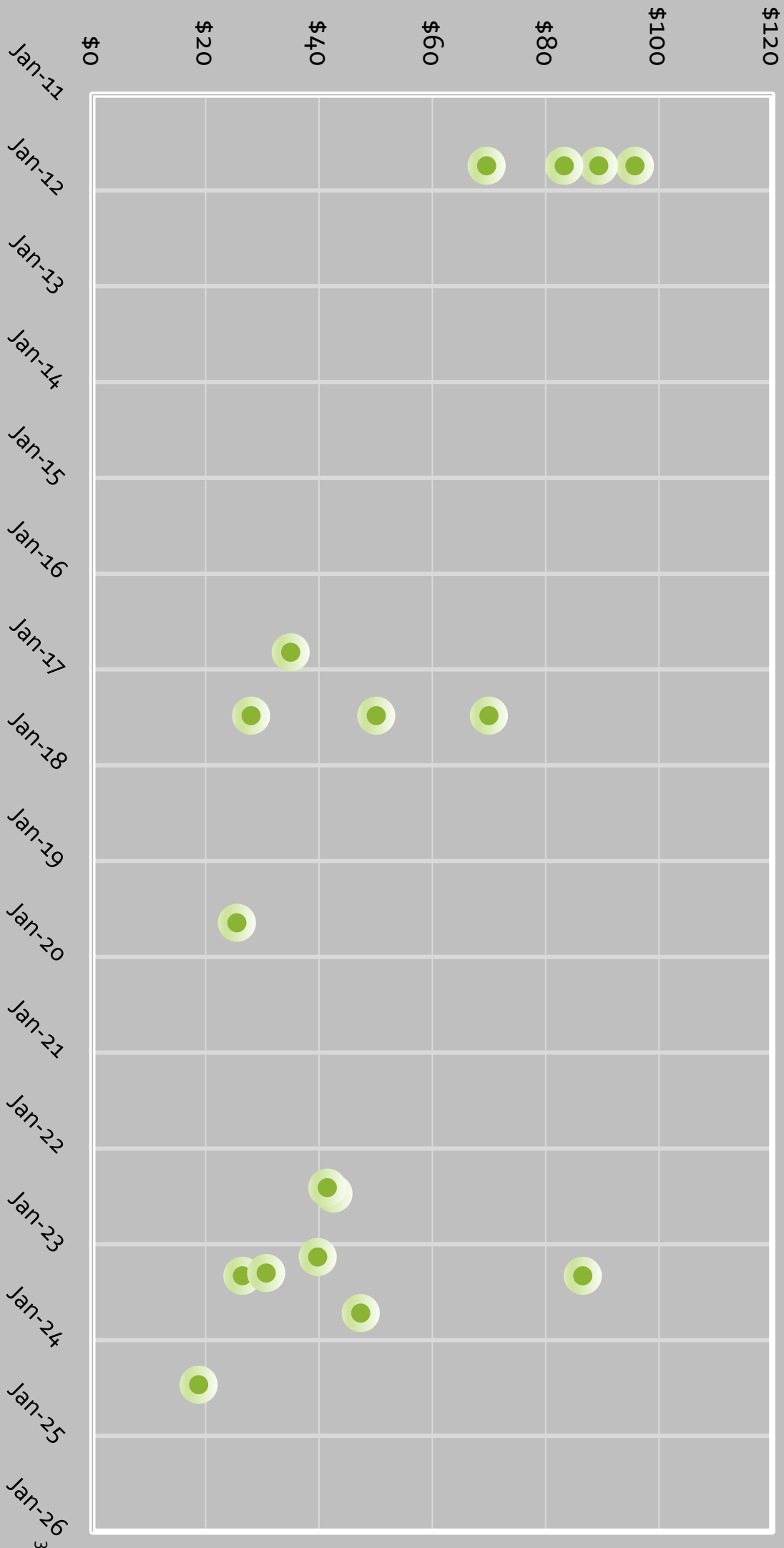
Anthony Cadorin, Energy Resources Program Manager

Deb Ferraro, Energy Resources Coordinator

Pinal Solar Project - AEPCCO

City Council Study Session - 10/17/2024

Price per MWh at Source



Renewable Energy Offers to Mesa by Offer Date

Mesa's Renewable Energy Challenge

- Economies of Scale
- Deliverability
- Long Development Time

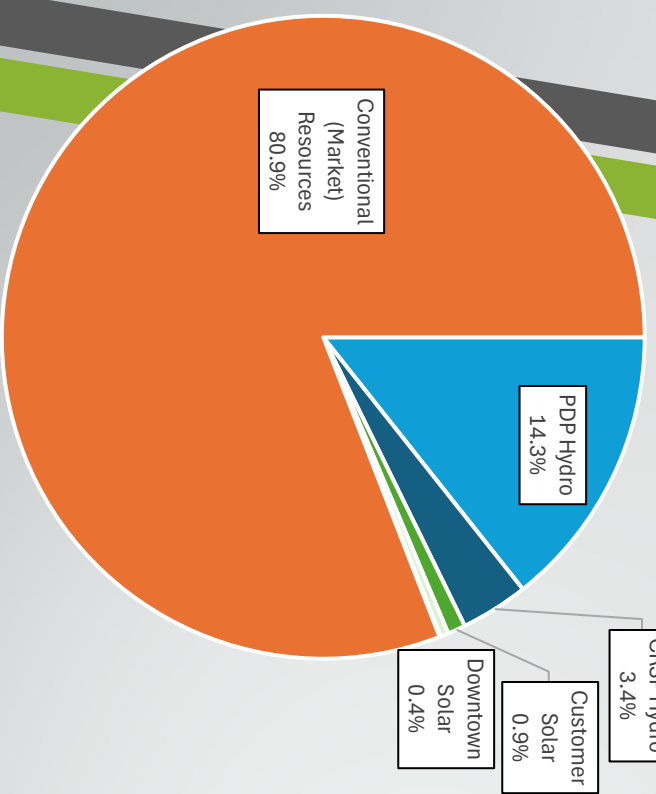
Arizona Electric Power

Cooperative Pinal Solar



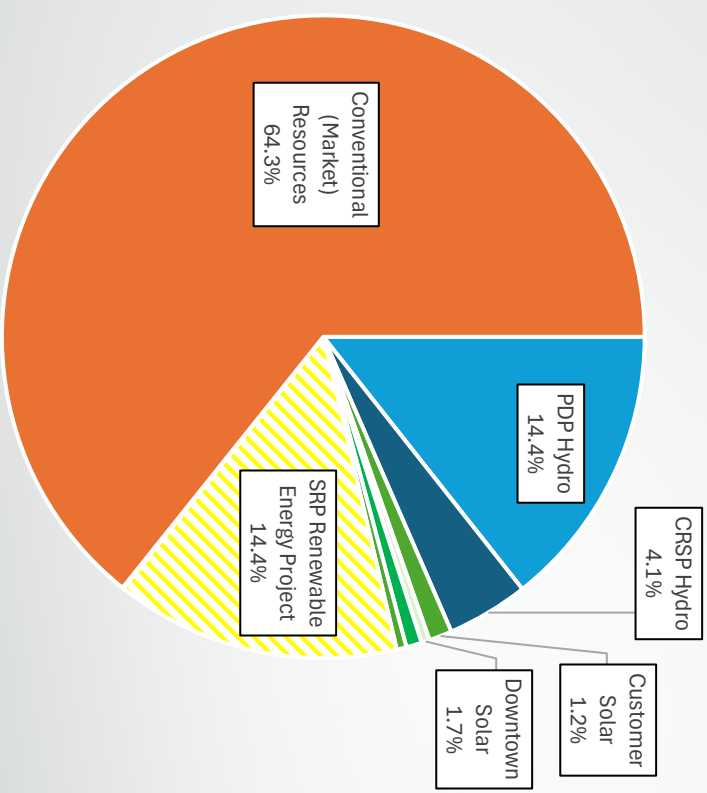
- 400+ MW Project in Pinal County, AZ
 - Mesa: 25 MW solar / 20 MW storage
 - ~21% of Mesa's annual energy requirements
- Commercial Operation: June 1, 2026
- Empowering Rural America (New ERA) program
 - Successful funding announced 9/12
- 100% site control achieved
- Transmission study in discussion

PAST
 FY23/24



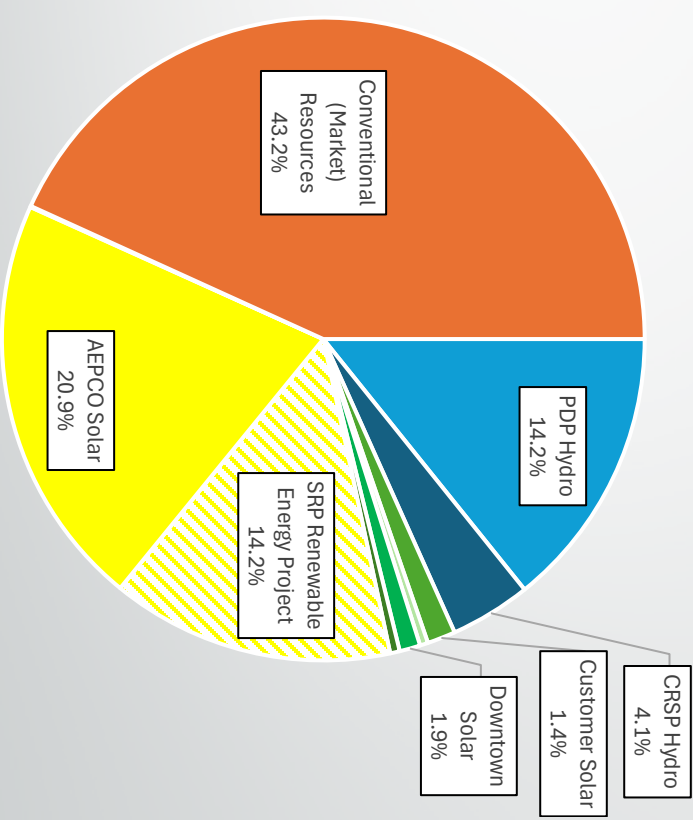
19.1% Renewable

PRESENT
 CY25



35.7% Renewable

FUTURE
 FY26/27



56.8% Renewable

Arizona Electric Power

Cooperative Pinal Solar



- Seeking authorization to negotiate agreements
- Next Steps:
 - Determine viability of Transmission Upgrades
 - Negotiate and Execute Subscription Agreements
 - Fund development
 - Negotiate and Execute Power Purchase Agreements

Electric Power Supply Contracts

City Council Study Session - 10/17/2024



Electric Power Supply Contracts - RFP

- RFP went out September 9, 2024
- Requested various electric power products for 2 years, 3 years, 5 years, and open-ended terms
 - Base Supply (7 x 24) – 15 MW
 - Summer Peak (6 x 16) – 15 or 25 MW
 - July/August Peak (7 x 16) – 10 MW
- Received 5 RFP responses on October 10, 2024
- New contracts will replace expiring contracts
 - Summer Peak (6 x 16) – 25 MW – Expired September 2024
 - Base Supply (7 x 24) – 15 MW – Expires April 2025
- Seeking authorization to negotiate agreements

Electric Supply Contracts:

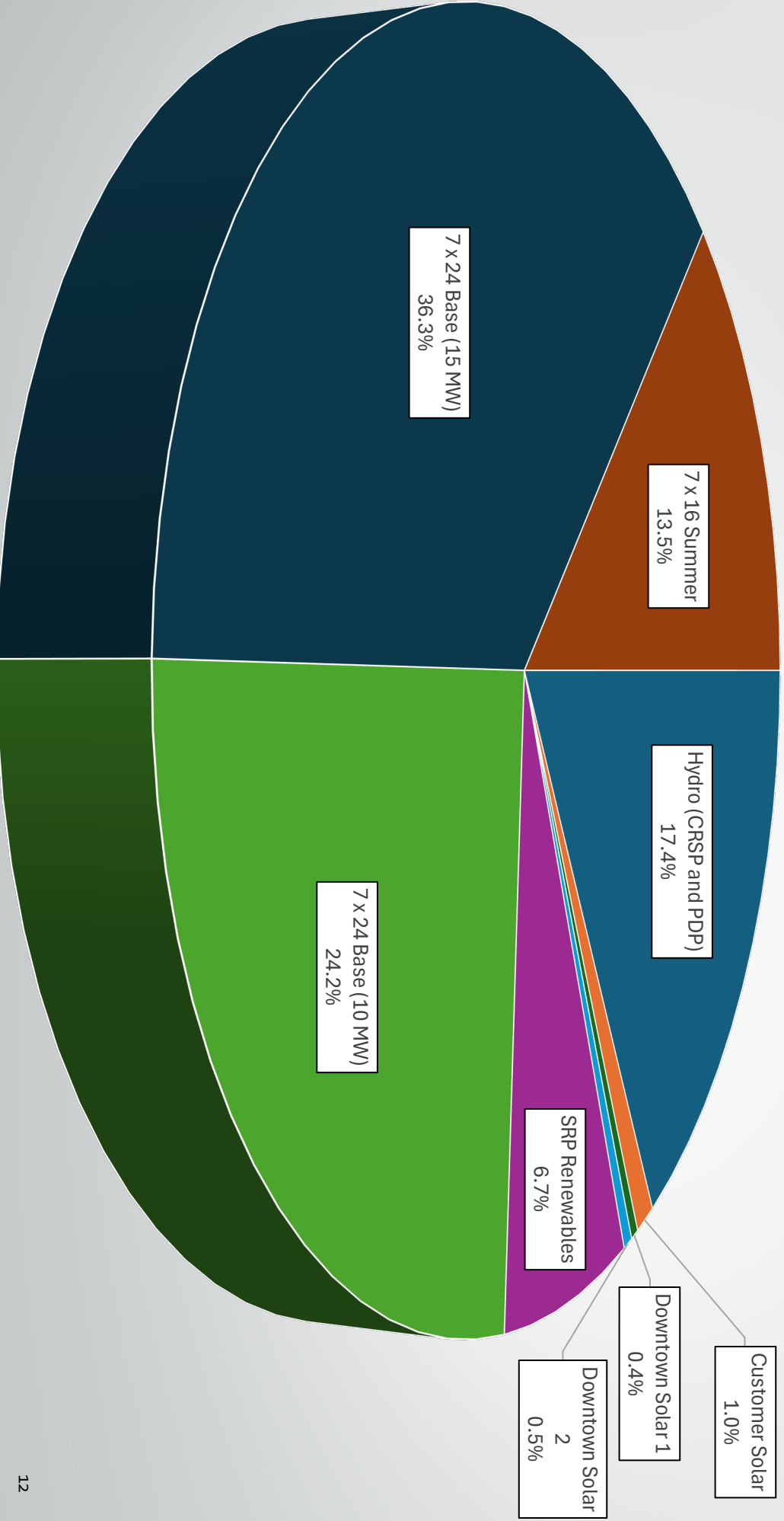
	Historic	2021 to Current	Moving Forward
Base Supply	15 MW and Ranging from 0 – 10 MW	15 MW (expires 4/25) and 10 MW	15 MW and 10 MW (expires 12/25)
Summer Peak	15 MW	25 MW (expired 9/24)	15 MW
July / August	10 MW		10 MW
On-Call Day-Ahead	10 MW		

Indicative Pricing Received:

1. **Summer Peak Supply (6 x 16, June - Sept), Starts 6/1/25**
 - Received Pricing from 4 bidders
 - Replaces 25 MW Summer Peak Supply that expired 9/30/24
2. **Base Supply (7 x 24, all year) – Starts 5/1/25**
 - Received Pricing from 5 bidders
 - Replaces 15 MW Base Supply that expires 4/30/25
3. **July / August Peak(7 x 16) – Starts 7/1/25**
 - Received Pricing from 4 bidders
 - No current contract, but had similar contract prior to 2021, risk diversification

Based on lowest indicative pricing received, we expect to see significant savings on budgeted projections.

Electric Supply FY 24/25



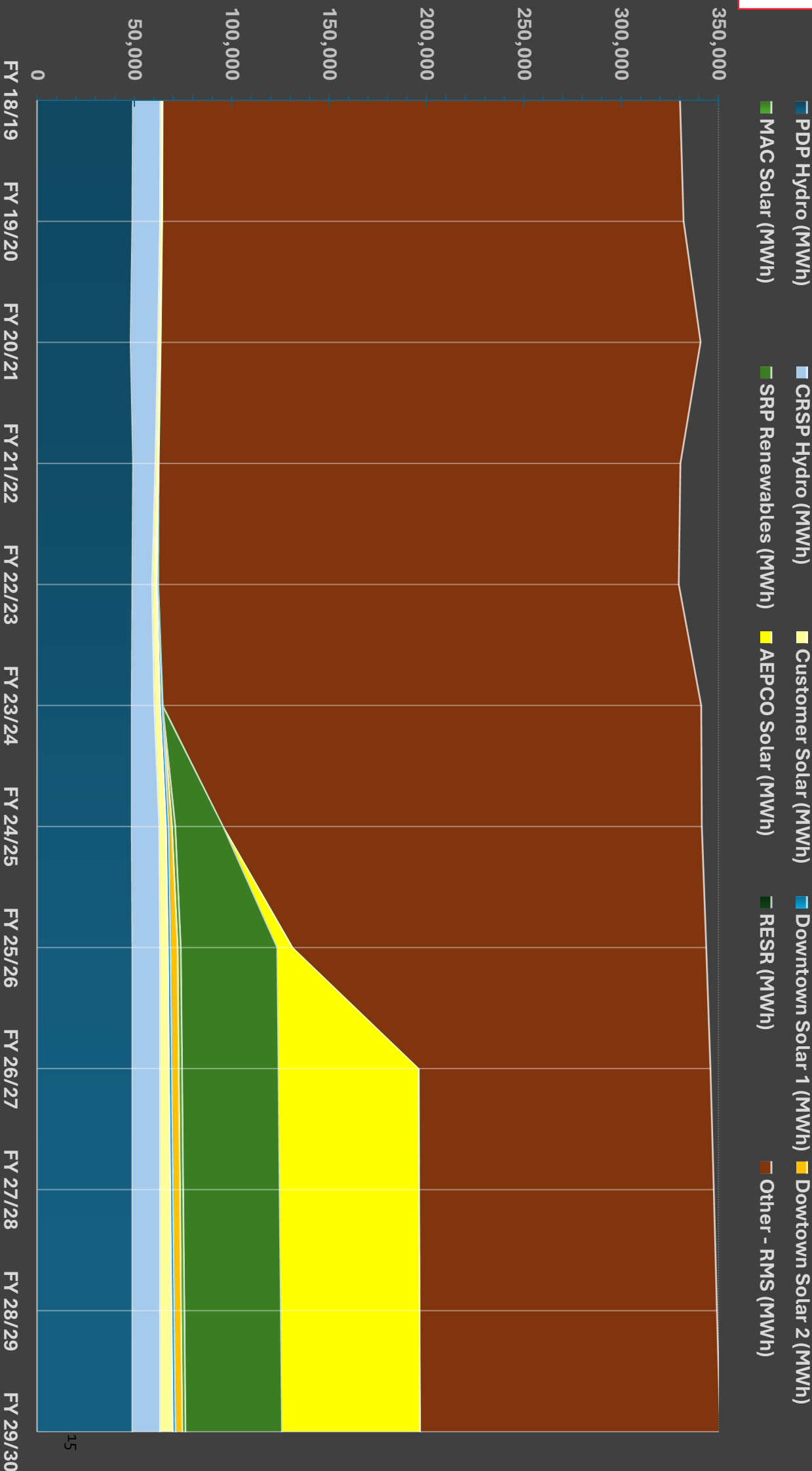
Questions or Comments?

City Council Study Session - 10/17/2024

AZGT Member Cooperatives' Service Territories



Mesa Electric Power Sources



BACKGROUND

- March 4, 2024, City Council approved Ord. 5847
 - Allows Billboards as a permitted use with approval of a Billboard Overlay District
 - Includes development standards - regulate number, height, size, spacing, electronic message display, etc.
- Application received August 2024 - MCC
 - Staff recommending certain amendments
 - Simplify and improve efficacy



PROPOSED AMMENDMENTS

Spacing Requirements - Between a Billboard and another Billboard and between a Billboard and a Freeway Landmark Monument

- Current Standard - 1,200 ft
- Proposed Standard - **1,000 ft**



PROPOSED AMENDMENTS

Spacing Requirements - Between a Billboard and a Residential Zoning District or residential use

- Current Standard - 500 ft
- Proposed Standard
 - 500 ft
 - **May be reduced if a line-of-site study or balloon test demonstrates that the Billboard will not be visible to/from a Residential Zoning District or residential use within 500 ft**
 - **May be no closer than 400 ft**



PROPOSED AMENDMENTS

Height Requirements

- Current Standard
 - 48 ft from the grade of the adjacent freeway
 - Not to exceed 70 ft
- Proposed Standard
 - 60 ft from the average elevation of the natural grade within 50 feet of the Billboard; or
 - 60 ft from the freeway elevation for sites whose elevation is below the freeway

Redevelopment Strategy

Mesa City Council Study Session

October 17, 2024

Jeff Robbins, CECD

Redevelopment Program
Administrator

Jeff McVay, AICP

Manager of Urban Transformation

Nana Appiah, PhD, AICP

Development Services Director

Jaye O'Donnell

Economic Development Director

MESA'S REDEVELOPMENT TEAM

- **Create momentum for redevelopment opportunities**
- **Proactively identify and engage target properties**
- **Assist applicants through the development review process**

WHY REDEVELOPMENT?

- **Limited land area remaining for greenfield development**
- **Less than 10% of Mesa is considered undeveloped**
- **Many buildings constructed prior to 1990 are near the end of their useful life**

BENEFITS OF REDEVELOPMENT

- Improves quality of life
- Leverages existing infrastructure
- Increases economic activity
- Supports diverse housing
- Supports City MCAP goals
- Optimizes highest and best use of land
- Creates momentum for further private reinvestment

Recent & Active REDEVELOPMENT PROJECTS



SUCCESSFUL REDEVELOPMENT TOOLS



Venture on Country Club



OVIO



Jalapeño Dragon Sonoran Sushi



Images Courtesy
Jalapeño Dragon.com



West Main Station Village Phase 2



Before



Phase 1 Shown

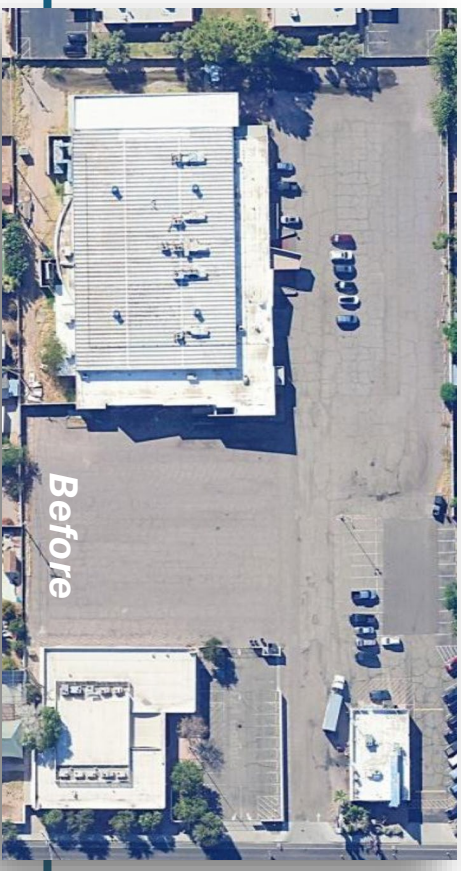
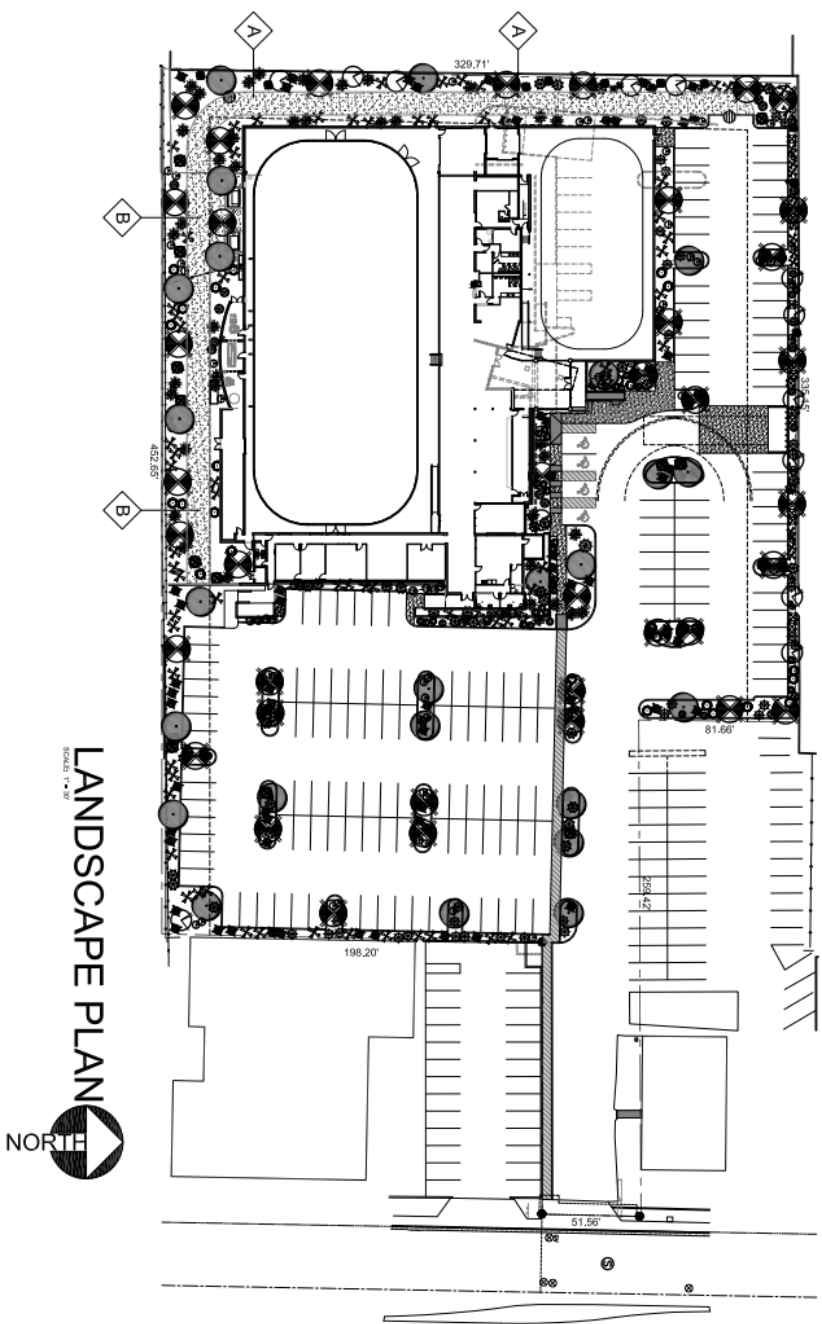
The Pit Stop to Pedal Haus Brewery



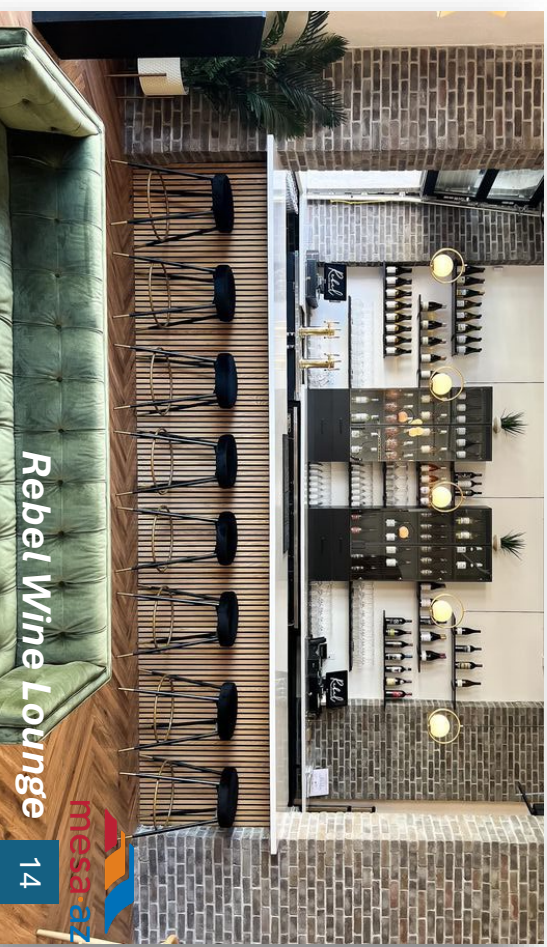
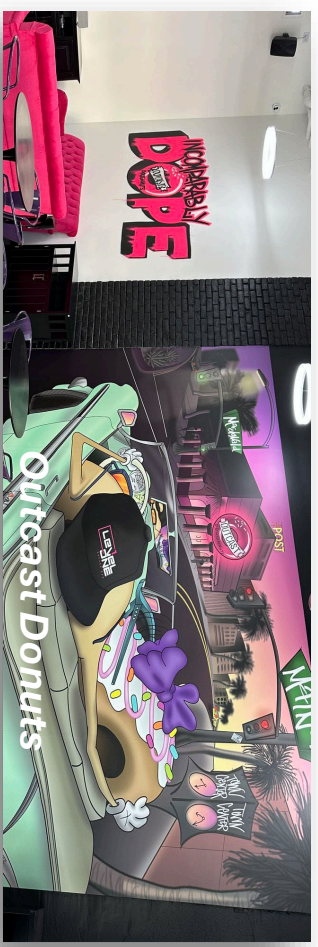
Retail to Restaurant Gus's World Famous Fried Chicken



Community Ice Center



104 W. Main Retail Conversion to Outcast Donuts and Rebel Wine Lounge



Chicanos Por La Causa Residences on Main



The George At Superstition Springs

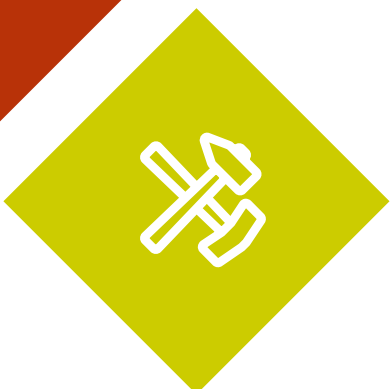
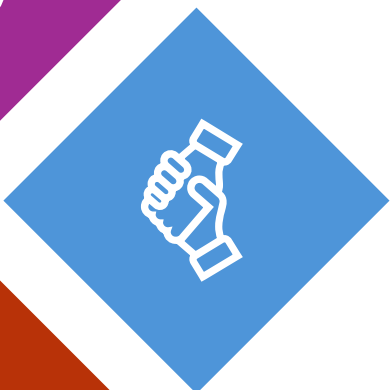


REDEVELOPMENT FOCUS



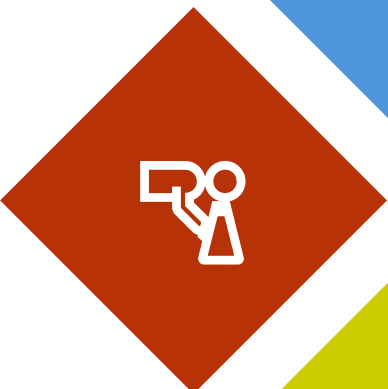
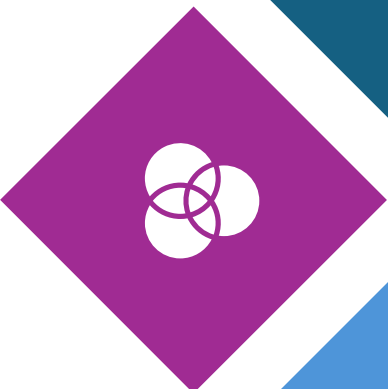
REDEVELOPMENT STRATEGIES

SITE SELECTION
CRITERIA



EXISTING TOOLS
AND TECHNIQUES

BEST USE ANALYSIS



MARKETING AND
PROMOTION

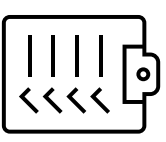
COLLABORATION WITH
PRIVATE PARTNERS

REDEVELOPMENT FOCUS





- Redevelopment Areas
- Regional Centers
 - Fiesta
 - Superstition Springs
- Proximity to activity centers
- Proximity to active redevelopment projects



**APPLY
SITE
FEASIBILITY
CRITERIA**

02

- **Willing Owner**
- **Land Value > Improvements**
- **Vacant or Relatively Vacant**
- **Utility Capacity
(Especially Electric)**
- **Arterial Roads**
- **Traffic Counts/Transit
Supported**
- **Other public Investments**



**DETERMINE
HIGHEST
AND BEST
USE OF
SITES**

03

Consistent With City Goals

- General Plan
- Zoning and overlays

Physically Possible

- Lot shape and size
- Access and infrastructure

Financially Feasible

- Development costs
- Market data (e.g., absorption rate and vacancy rate)

Fiesta Mall



Aerial Circa 1979



Aerial 2024

NEXT STEPS

- Identify priority areas and engage strategic sites
 - Developer and broker engagement
- Infill and adaptive reuse ordinance
- Accelerate implementation of the RDA Plans



FRONT 3D RENDERING
SCALE: 1/8" = 1'-0"



REAR 3D RENDERING
SCALE: 1/8" = 1'-0"

Cottages on Sossaman



University 202 Townhomes

QUESTIONS?



October 17, 2024

TO: CITY COUNCILMEMBERS

FROM: MAYOR JOHN GILES

SUBJECT: Appointments to Boards and Committees

The following are my recommendations for appointments to the City of Mesa Advisory Boards and Committees:

Education and Workforce Roundtable – Seventeen-member board including new appointments.

Dr. Richard Daniel, Dr. Daniel, president of Mesa Community College, is being appointed to the Education and Workforce Roundtable as a standing member. Prior to his current role as MCC president, Dr. Daniel served as president of South Mountain Community College and as executive vice president and chief operating officer of Education Forward Arizona. He holds a bachelor's degree in Exercise Science from Arizona State University, a master's degree in Higher Education Administration, and a Ph.D. in Educational Leadership and Policy Studies.

Housing and Community Development Advisory Board – Eleven-member board including new appointments.

Jayne Gunnison, District 2. Ms. Gunnison is currently pursuing a law degree at the University of Arizona and previously attended Mesa Community College. She has 10 years' experience in financial services and has started two service organizations to support foster care youth and community development. She has served in volunteer capacities with United Way, St. Vincent De Paul, Paz de Cristo Feed My Starving Children and Midwest Food Bank. Her partial term will expire June 30, 2025.

Library Advisory Board – Nine-member board including new appointments.

Mark Powell, District 6. Mr. Powell serves on the board of directors for House of Refuge. He is an Eastmark resident, passionate about Library services, and is eager to communicate the needs of the community as the new library is being built. Mr. Powell holds a Bachelor of Science in Communications from Northern Arizona University and currently works as a loan officer. His partial term will expire June 30, 2027.

Karina Wilhelm, District 3. Ms. Wilhelm has been a library professional for 18 years. She has held various roles at the ASU Library for more than 16 years. She holds a Bachelor of Arts in Art History from Arizona State University, a Master of Information Resources and Library Science from the University of Arizona, and a Bachelor of Arts in Geography from Arizona State University. She previously served on the City of Mesa Museum and Cultural Advisory Board and currently works as a learning services manager for the ASU Design and the Arts Library. Her partial term will expire June 30, 2025.