

## STRATEGIC PLANNING WORKSHOP

February 13, 2014

The City Council of the City of Mesa held a Strategic Planning Workshop at Red Mountain Library, THINKspot, 635 North Power Road, on February 13, 2014 at 7:40 a.m.

### COUNCIL PRESENT

Scott Smith  
Alex Finter  
Christopher Glover  
Dennis Kavanaugh  
David Luna  
Dave Richins  
Scott Somers

### COUNCIL ABSENT

None

### OTHERS PRESENT

Doug Griffen  
Carl Lundblad  
Gary Nelson  
(Arizona Republic)  
Others

### OFFICERS PRESENT

Christopher Brady  
Debbie Spinner  
Dee Ann Mickelsen

### STAFF PRESENT

Jared Archambault  
Andrew Calhoun  
Candace Cannistraro  
Matthew Clark  
Kari Kent  
Jill Kotsur  
Natalie Lewis  
Ian Linssen  
Kathy Macdonald  
Charlotte McDermott  
Randy Policar  
John Pombier  
Sarah Prosory  
Jennifer Ruttman

### STAFF PRESENT (Cont.)

John Wesley  
Alicia White  
Heather Wolf  
Steve Wright  
Others

### 1. Welcome and Opening Remarks.

Library Director Heather Wolf welcomed Mayor Smith and the Councilmembers to their sixth Strategic Planning Workshop. She appeared at the meeting via a "Double," a remotely controlled, mobile teleconferencing system that enables conversations to occur at any time and any place.

1-a. Hear a presentation with a demonstration and discuss and update on THINKspot.

Librarian III Sarah Prosory provided a brief overview of Red Mountain Library's THINKspot. She explained that the facility offers students, educators, small business owners and residents the opportunity to work on individual projects or in collaboration with others.

Ms. Prosory highlighted examples of the kind of events that are held at THINKspot, such as "Idea to Product," which is conducted in partnership with Arizona State University's (ASU) Entrepreneurship & Innovation Group. She stated that "Maker Monday" is a program that teaches children ages 5 through 11 about conductivity by using Makey Makey kits. She also noted that every Tuesday, homeschooled students meet with a local science instructor. She added that on Thursdays, THINKspot offers demonstrations of a 3D printer and a virtual computer, which visitors can use for a variety of applications.

Mesa Channel 11 Station Program Manager Glen Stephens demonstrated some of the equipment that is available for use at the THINKspot studio, including a green screen, cameras, a virtual holographic computer and photo and video editing software. He pointed out that the equipment is, in fact, the industry standard for producing professional and high quality projects.

1-b. Hear a presentation regarding previous City Council achievements and discuss continuing the City's Culture of Innovation and Creativity.

City Manager Christopher Brady stated that each of the Councilmembers was provided a binder comprised of a series of newspaper headlines, which date between 2006 and the present. **(See Attachment 1)** He noted that such headlines illustrate some of the challenges that the City of Mesa has encountered during that period of time, as well as successes it has achieved.

Mr. Brady commented that the timeline demonstrates that even during the downturn in the economy, Mesa was making significant strides to plan for its future and implement a variety of unique projects and programs. He indicated that during today's presentations, he would like to challenge the Council to consider how the City can "build off" some of its current successes and "keep the momentum going" into the future.

1-c. Hear a presentation, participate in a collaborative process and provide direction on Creating an Enduring and Sustainable Momentum of Progress for the City.

Doug Griffen, founder and director of Advanced Strategy Center, introduced Carl Lundblad, who was prepared to assist him during this presentation.

Mr. Griffen conducted an electronic brainstorming exercise in which the Council utilized computers and identified ways in which to create an enduring and sustainable momentum of progress for the City.

(The Council and staff took a brief recess at 9:14 a.m. The Strategic Planning Workshop reconvened at 9:33 a.m.)

1-d. Hear a presentation and discuss high-level Demographic Revenue and Economic Trends and Modeling.

Information Technology Manager Jeff Rush displayed a PowerPoint presentation (**See Attachment 2**) and discussed 2013 City of Mesa demographics related to median age, population pyramid and median income. (See Pages 4 through 6 of Attachment 2)

Mr. Rush, in addition, provided an extensive comparative analysis of Mesa's sales tax revenue between 2008 and 2013 (See Pages 8 through 13 of Attachment 2); building permits between 2007 and 2013 (See Pages 14 through 24 of Attachment 2); foreclosures between 2007 and 2013 (See Pages 25 through 28 of Attachment 2); and property valuation between 2007 and 2013. (See Pages 29 through 33 of Attachment 2)

Further data was displayed relative to specific economic activity areas (Falcon, Gateway, West Mesa and Superstition Springs/Power Road Corridor), per the draft Mesa 2040 General Plan (See Page 35 of Attachment 2); employment distribution projections for 2010, 2020, 2030 and 2040 (See Pages 36, 37, 38 and 39 respectively of Attachment 2); the age and economic centers associated with the City's water mains and wastewater infrastructure (See Pages 41 and 42 respectively of Attachment 2); and the 2007-2013 Completed Capital Improvement Program (CIP) projects, funded CIP projects (2013 to 2018) and 2020 Employment with funded CIP. (See Pages 45, 46 and 47 respectively of Attachment 2)

Economic Development Project Manager Scot Rigby continued with the presentation and reported that the essential components for achieving job growth in Mesa consist of proactive infrastructure planning and construction, and proactive entitlements (i.e., zoning). He explained that the desired results of such efforts include a compressed timeline, which accelerates a client's ability to open for business in the community.

Mr. Rigby, in addition, displayed a chart illustrating the predicted job growth by economic activity areas (Fiesta, Falcon, Superstition and Gateway) from 2010 to 2014 and the jobs-per-capita ratio for the same years. (See Page 50 of Attachment 2)

Mr. Rigby further reviewed a base map of the Gateway area, followed by additional maps illustrating the current utilities in the area, authorized CIP projects, zoning and major landowners, and a zoning overlay. (See Pages 51 through 56 of Attachment 2) He reiterated that infrastructure investment and proactive entitlements will result in accelerated job growth in this area of the community. He added that such a formula can be applied to any economic activity area in Mesa.

Mr. Rigby also highlighted similar aerial maps of Downtown Mesa and the Fiesta District to illustrate the application of the above-mentioned formula for accelerated job growth. (See Pages 58 through 64 of Attachment 2)

Extensive discussion ensued relative to potential development opportunities in the Fiesta District; that it would be appropriate to transform the area from its previous big-box environment to a thriving employment hub with a variety of mixed uses; and that with respect to Downtown Mesa, it would be important to determine what type of activities

would be expected in the area and that it would be necessary for the Form-Based Code to allow such uses.

Economic Development Department Director Bill Jabjiniak remarked that some of the City's efforts with respect to proactive infrastructure planning have already made positive impacts in the community. He cited, by way of example, that an investor in the Fiesta District has purchased the old Circuit City property and intends to develop the site for office use.

Mr. Jabjiniak, in addition, stated that in Downtown Mesa, the ongoing construction of light rail has prompted some of the existing colleges in the area to consider expanding their campuses. He also noted that staff continues to pursue high-wage technology and healthcare jobs throughout the City.

1-e. Hear a presentation and discuss the City's Financial Forecasting and Trends.

Budget Director Candace Cannistraro displayed a PowerPoint presentation (**See Attachment 3**) that summarized the Strategic Budget for FY 2014/15. She briefly discussed the ways in which the City of Mesa continuously strives for excellence with respect to service, finances and performance. (See Page 4 of Attachment 3) She cited, for instance, that the City provides high quality service to the citizens of Mesa, aligns ongoing expenditures with ongoing revenues and leverages current resources in an effective and efficient manner.

Ms. Cannistraro explained that in FY 2012/13, the City's revenues and expenditures came in slightly higher than forecasted and stated that there was no significant effect on the fund balance. She advised that in FY 2013/14, revenues and expenditures are projected to be higher than budgeted and pointed out that most of the additional revenue capacity is needed to cover inflationary expenditure pressures. She added that the City is no longer experiencing departmental operational savings as compared to the past.

Ms. Cannistraro remarked that with regard to the mid-range forecast, resources are sufficient to continue FY 2013/14 budget amounts for FY 2014/15, but do not allow for additional programming. She stated that the City continues to experience inflationary pressure in areas such as fuel, employee benefits and contract renewals. She also commented that increasing expenditure budgets requires increasing reserve dollars to maintain the same percentage coverage. She added that growth in revenues is not forecasted to keep pace with growth in expenditures.

Ms. Cannistraro displayed a document titled "General Governmental Resources" (See Page 7 of Attachment 3) and offered an extensive analysis of Local Sales Tax, State Shared Revenues, Enterprise Transfer and other funds between FY 2012/13 (estimated), FY 2013/14 (projected) and FY 14/15 (forecast). (See Page 7 of Attachment 3) She also reviewed three graphs illustrating the forecasted revenues for the above-referenced categories through FY 2018/19. (See Pages 8 through 10 of Attachment 3)

Ms. Cannistraro offered a short synopsis of various inflationary expenditure trends as follows: that some local municipalities have adjusted compensation ranges for certain positions, which has resulted in increased competition between the communities; that



the City has experienced a dramatic increase in service contract renewals; that vehicle operational costs have increased over the years, especially with respect to fuel and maintenance, without adjustments to the respective department's budget allocations; and that Police and Fire overtime costs have also increased dramatically.

Ms. Cannistraro briefly discussed the FY 2014/15 forecasted cost increases and forecasted cost increases midrange. (See Pages 12 and 13 respectively of Attachment 3)

Ms. Cannistraro further reviewed the General Government Reserves. (See Page 14 of Attachment 3) She explained that in FY 2013/14, staff estimates an ending reserve balance of \$32.3 million (i.e., 9.1% of next fiscal year's Operating, Capital and General Fund portion of Debt Service Expenditures). She added that in FY 2014/15, that amount is forecasted to decrease to \$29.1 million (8.0%).

Ms. Cannistraro commented that for FY 2014/15, City departments have been asked to manage their operations within their budget allocations. She pointed out that allocations have been adjusted for personal services costs and certain large inflationary issues, but not for general inflationary pressure. She added that new or enhanced programs must be accomplished within the respective budget's resources.

Ms. Cannistraro, in addition, discussed Team INNOV8, a program designed to challenge City departments to not only increase the value of services offered to residents, but also collaborate the delivery of such services while utilizing existing resources. She also reviewed the FY 2014/15 Budget Calendar. (See Page 18 of Attachment 3)

1-f. Hear a presentation and discuss an update on the 2014 Elections and Scheduling.

City Attorney Debbie Spinner displayed a PowerPoint presentation (**See Attachment 4**) and reported that the Primary Election for the Office of Mayor and Council Districts 4, 5 and 6 will be held on August 26, 2014, with the General Election, if needed, occurring on November 4, 2014.

Ms. Spinner briefly reviewed certain Mesa City Charter requirements that a candidate must meet in order to run for the Office of Mayor. (See Page 3 of Attachment 4) She stated that the Mayor-Elect will take office when the election is canvassed in either September or November 2014, in order to fill a vacancy, and added that the Councilmembers-Elect will take office in January 2015.

Ms. Spinner provided a historical overview of Home Rule. She explained that the Arizona Constitution requires the adoption of a balanced budget and limits a city's expenditures based on 1979/1980 expenditures, adjusted for population growth and inflation, unless a local election adopts an Expenditure Limitation Alternative, such as Home Rule.

Ms. Spinner further remarked that Home Rule allows a city to determine its own expenditure limitation, but still must have a balanced budget. She indicated that Mesa's Home Rule Election must be held in conjunction with the election for the Councilmembers, which may be held in August or November. She pointed out that in

2010, the election was held in November. She said that this year, staff would recommend a November election for Home Rule due to an anticipated increase in voter turnout. She noted, in addition, that Home Rule expires after four years and commented that it will expire June 30, 2015 if not renewed.

Ms. Spinner also reported that another issue that may come before the Council is whether to place bond questions (General Obligation (G.O.) Bonds or Revenue Bonds) on the ballot. She advised that per State law, a bond election must be held in November.

Ms. Spinner further commented that State law requires that the General Plan be presented to Mesa voters every ten years and said that the election must be at least 120 days after the Council adopts the Plan.

City Clerk Dee Ann Mickelsen provided a brief overview of key dates for the August 26, 2014 Primary Election and the November 4, 2014 General Election. (See Pages 10 and 11 respectively of Attachment 4)

1-g. Hear a presentation and provide direction on the City Council Strategic Initiatives and Legacy Projects.

This item was continued to a future date.

Mr. Brady thanked the Council and staff for attending the Strategic Planning Workshop.

2. Adjournment.

Without objection, the Strategic Planning Workshop adjourned at 11:13 a.m.

---

SCOTT SMITH, 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 Strategic Planning Workshop of the City Council of Mesa, Arizona, held on the 13<sup>th</sup> day of February, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

---

DEE ANN MICKELSEN, CITY CLERK



Leadership!  
Innovative!  
Creative!  
Engaging!

BOND DEAL GIVES CITY  
\$72 MILLION WINDELL

CITY COUNCIL  
FLEXES NATIONAL  
MUSCLE

TOP VENUE HONOR GOES  
TO MESA ARTS CENTER

GATEWAY AIRPORT GENERATES RECORD  
\$1.3 BILLION ECONOMIC IMPACT

APPLE TO OPEN FACTORY  
IN MESA, AZ

Yes, no Mesa,  
Scottsdale voters  
diverge

Mesa police unveil new substation

As Mesa  
upgrades city  
parks, Cubs  
stadium area  
blossoms

2014

"Mesa continues to stake its  
claim as the most innovative,  
creative city in the valley."

– Robert Leger

"Success is a lousy teacher.  
It seduces smart people into  
thinking they can't lose."

– Bill Gates

"Greatness is not a function  
of circumstance. Greatness, it  
turns out, is largely a matter of  
conscious choice, and discipline."

– Jim Collins, Good to Great:  
Why Some Companies Make the  
Leap and Others Don't

"Always bear in mind that your  
own resolution to succeed is more  
important than any other."

– Abraham Lincoln

"Strive not to be a success, but  
rather to be of value."

– Albert Einstein

"Every adversity, every failure,  
every heartache carries with it  
the seed of an equal or greater  
benefit."

– Napoleon Hill

MESA SLIPS IN GROWTH RANKINGS

Downtown leg  
of Mesa light rail  
accelerated

Declining sales tax revenue has Mesa officials scrambling

SOARING COSTS  
AFFECT MESA

How Mesa became a  
college town

COLLEGES HELPING LURE FIRM TO MESA

MESA MAKING MOST  
OF TAX DOLLARS

Presidential  
debate feather  
in Mesa's cap

BUDGET CRUNCH, THE  
BIG ONE, NO SURPRISE  
TO REELING MESA

Declining sales tax revenue has Mesa officials scrambling

MESA FACING \$62  
MILLION BUDGET GAP

Shared vision  
jump-starts Mesa

RAISES URGED TO KEEP  
MESA WORKERS FROM  
GOING TO OTHER CITIES

Mesa budget, morale  
woes land it in 'hospice'

FAILED PROPERTY TAX  
LEAVES MESA TIGHT

Mesa survives after tax defeat

MESA CAN'T DIG WAY OUT EXPERTS SAY

2006 TO BE MESA'S  
YEAR OF TRUTH

Mesa runs cheaply, may  
not run wisely

Mesa to stop  
funding City's  
annual events

2007

2008

2009

2010

2011

2012

2013



# GIS MAPS AND DATA: 2014 CITY COUNCIL STRATEGIC PLANNING SESSION



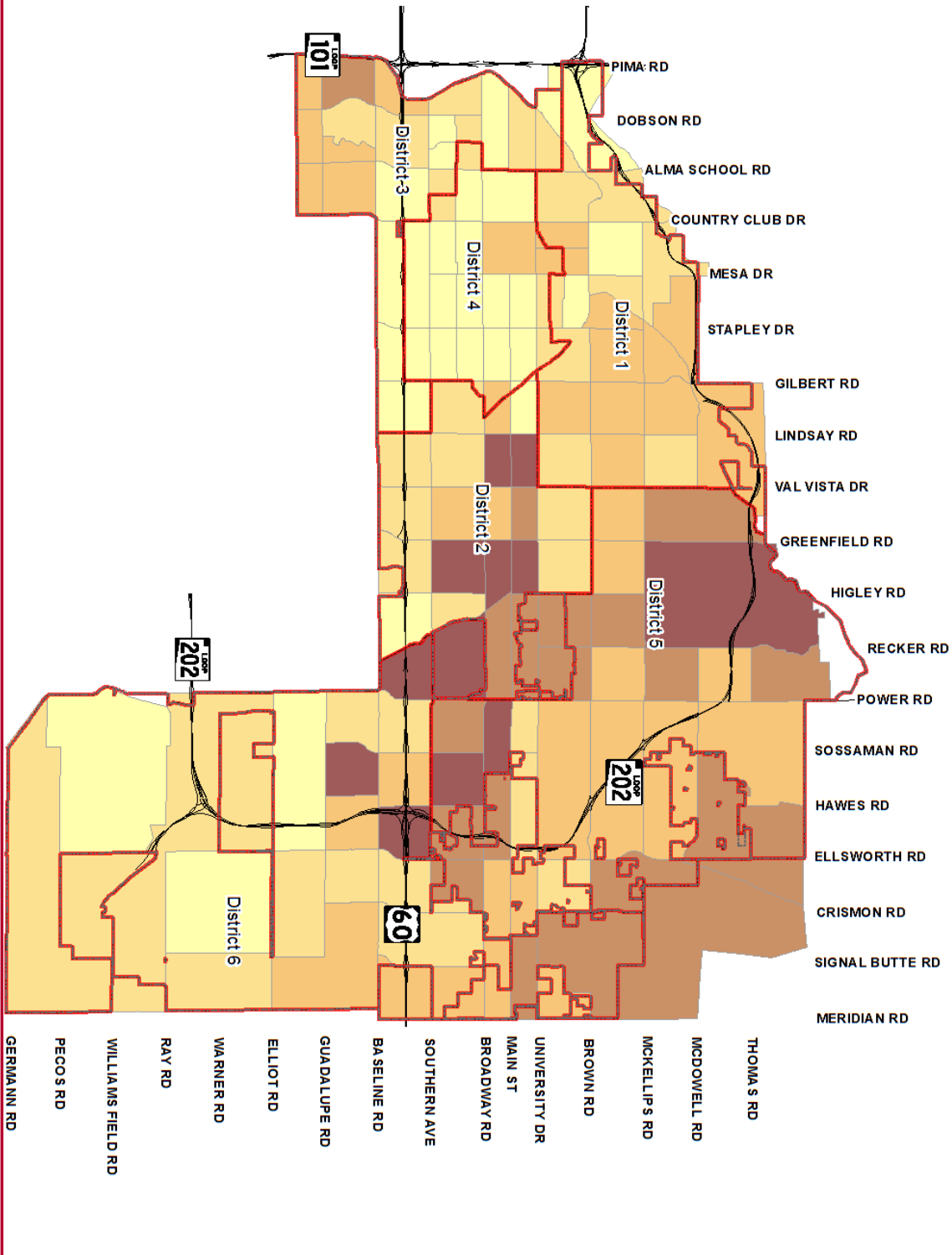
# OVERVIEW OF TOPICS

- Demographics
- Revenue & Economic Trends
- Employment & Infrastructure
- Economic Development

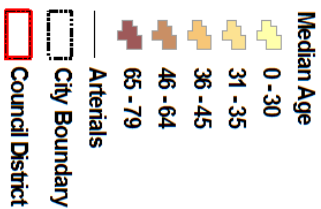
# DEMOGRAPHICS

- 2013 Median Age
- 2013 Population Pyramid
- 2013 Median Income

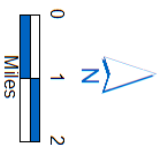
# AGE (2013)



Median Age  
(2013)



Data Source: ESRI  
Community Analyst (2013)

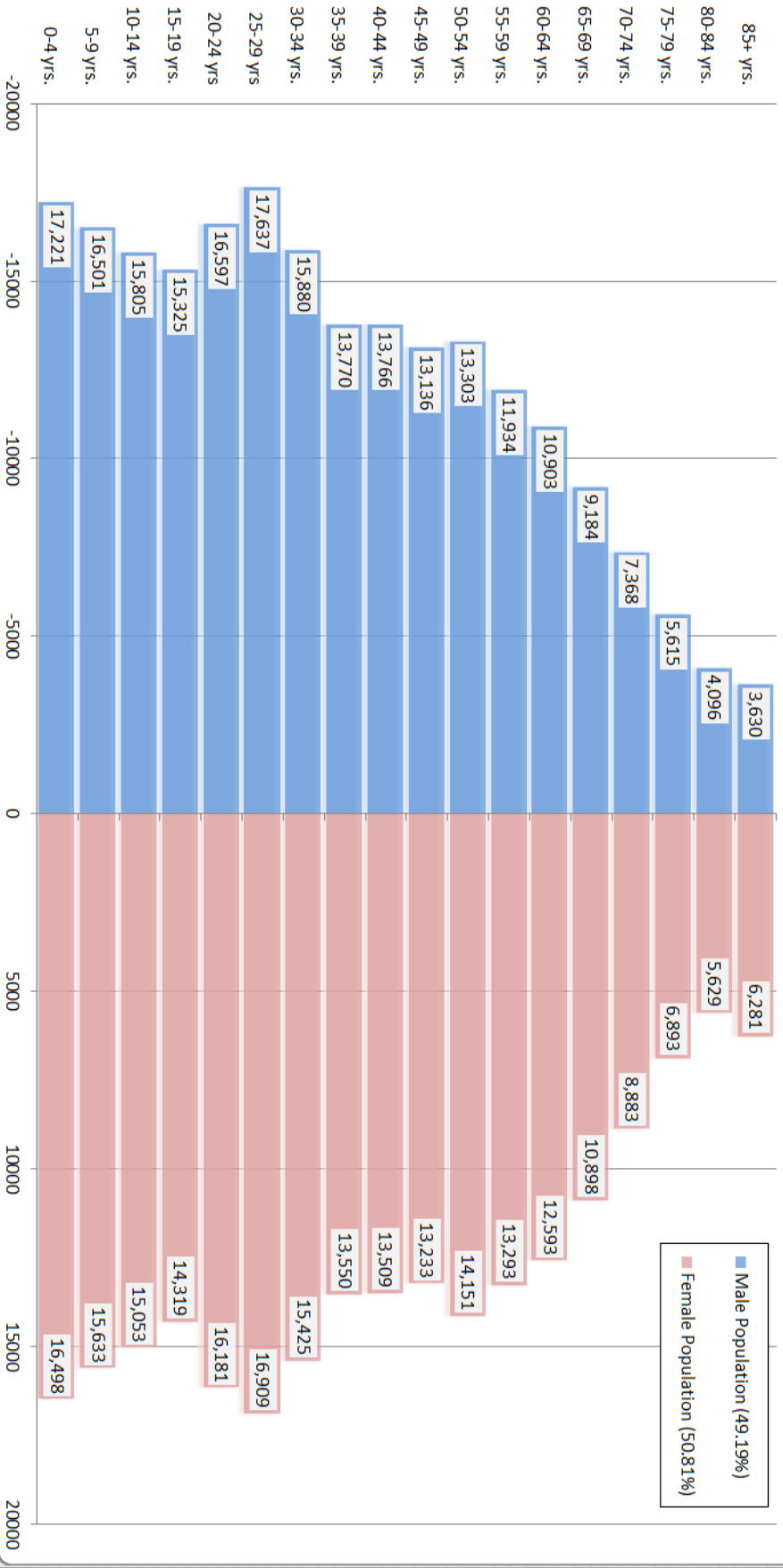


Created By: ISSA - GIS  
Project: City of Mesa  
Date: 02/13/2014  
The City of Mesa and its staff do not warrant the accuracy or completeness of the information provided. The City of Mesa and its staff are not responsible for any errors or omissions in the information provided.

COPYRIGHT 1981, 2014 CITY OF MESA, ARIZONA

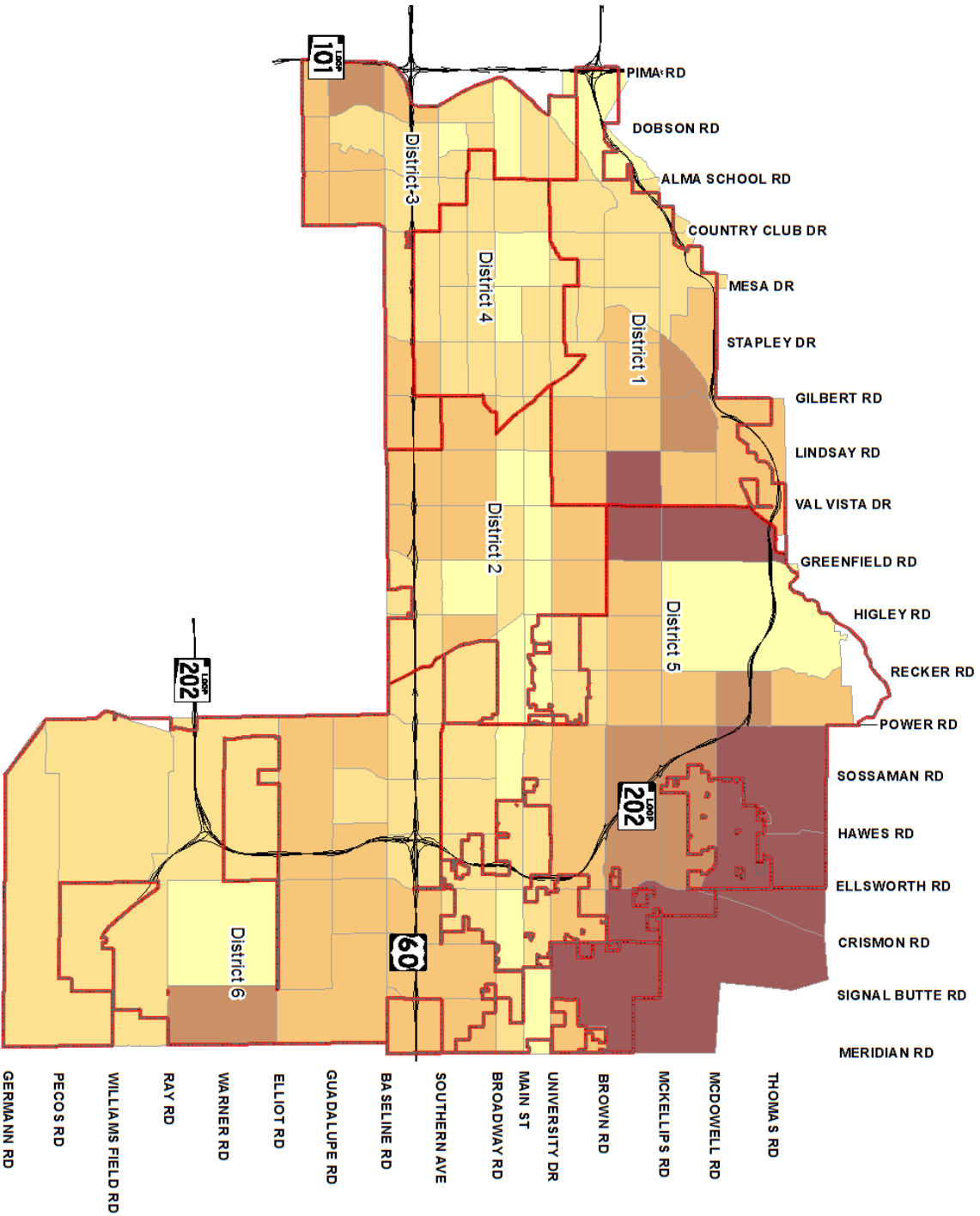
# POPULATION (2013)

**Total Population (Estimated): 450,602**





# INCOME (2013)

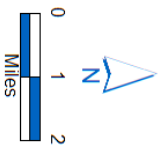


Median Income  
(2013)

- Median Income (dollars)
- 0 - 30K
- 30K - 50K
- 50K - 75K
- 75K - 100K
- 100K - 140K

- Arterials
- City Boundary
- Council District

Data Source: ESRI  
Community Analyst (2013)

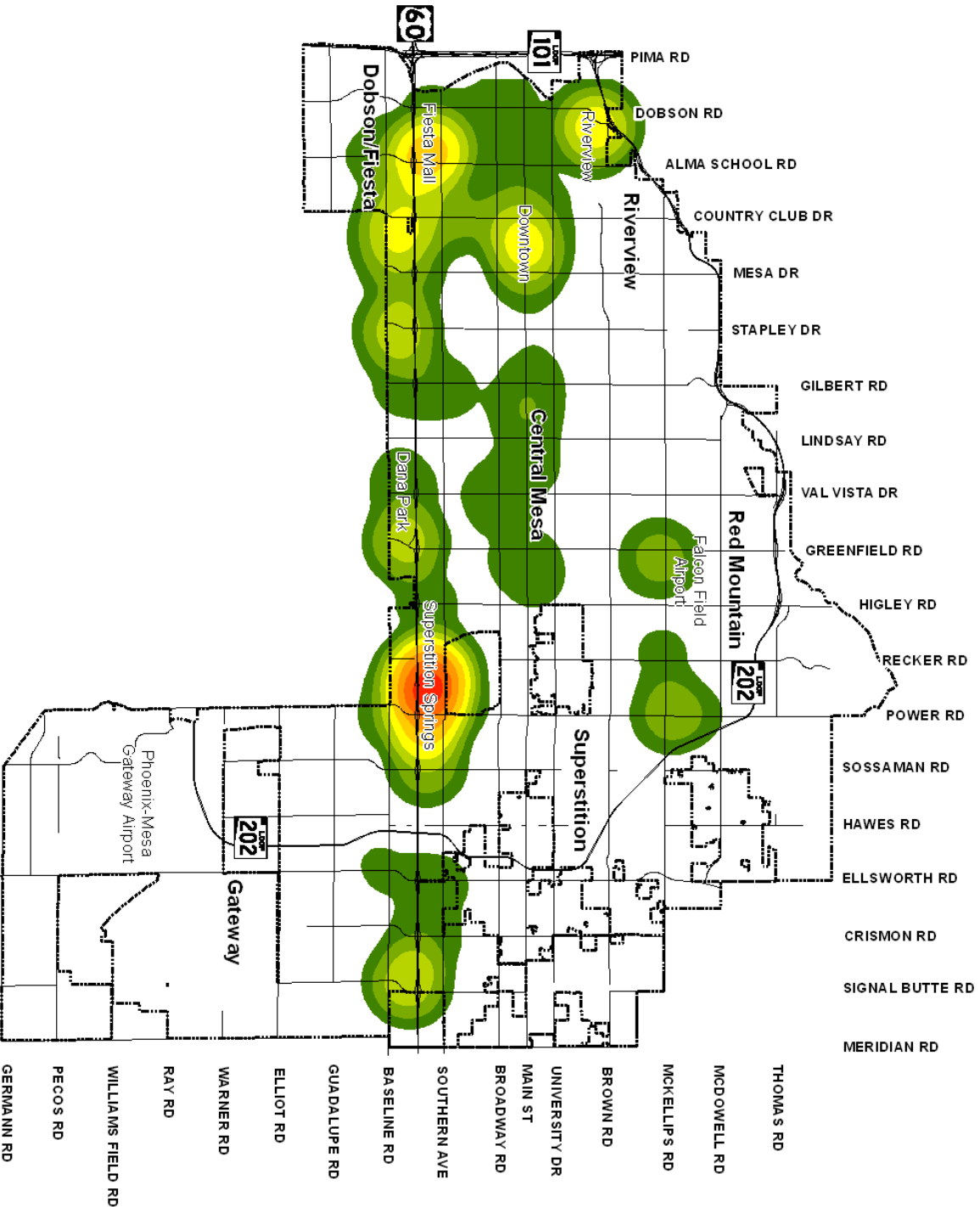


Created by: MESA, AZ  
PHOTOGRAPHY: JIMMY  
Source: City of Mesa  
The City of Mesa makes no representation  
the accuracy of this map, nor assumes any  
liability for any errors or omissions  
of the information herein.  
Copyright 1988, 2014 CITY OF MESA, ARIZONA

# REVENUE & ECONOMIC TRENDS

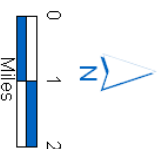
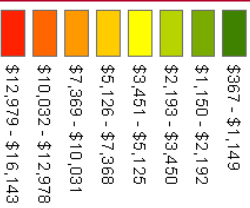
- Tax Revenue 2008 - 2013
- Building Permits 2007 - 2013
- Foreclosures 2007 – 2013
- Property Valuation 2007 - 2013

# SALES TAX REVENUE (2008)



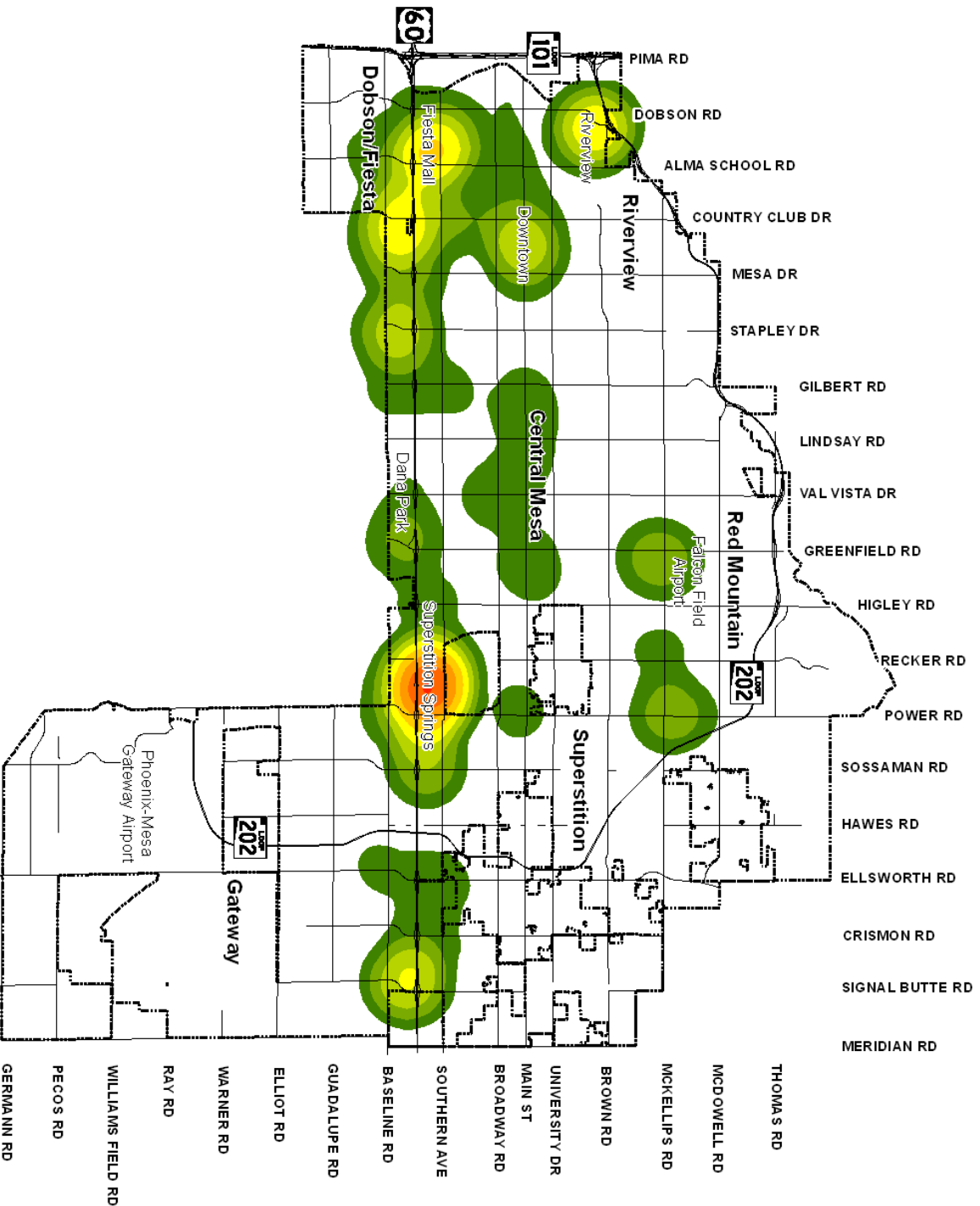
## Sales Tax Revenue in 2008

### Amount of Taxes Collected Per Acre



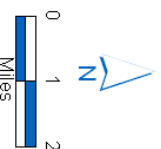
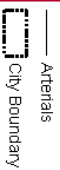
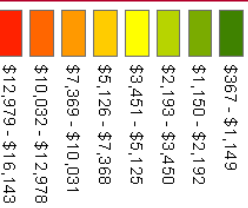
Created by: Mesa-GIS  
Source: City of Mesa  
The City of Mesa assumes no liability for errors or omissions in this map. The City of Mesa is not responsible for any damages or losses resulting from the use of this map.

# SALES TAX REVENUE (2009)



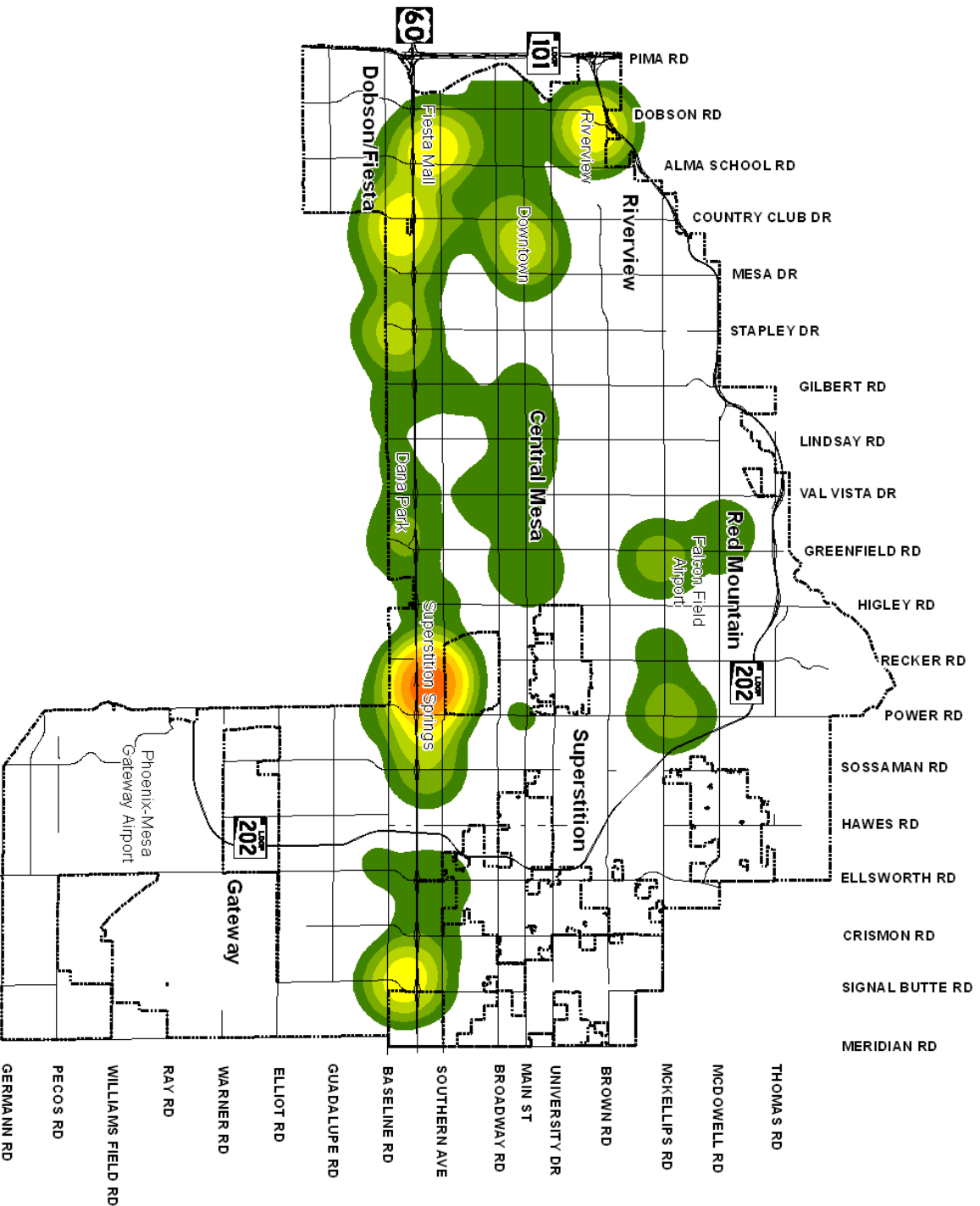
**Sales  
Tax  
Revenue  
in  
2009**

**Amount of Taxes  
Collected Per Acre**



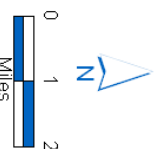
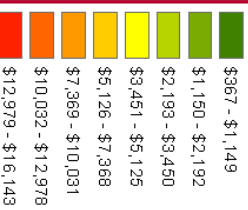
Created by: Mesa-GIS  
Source: City of Mesa  
The City of Mesa reserves the right to modify this map without notice.  
For additional information, please contact the City of Mesa.  
Copyright 1988-2013 City of Mesa, AZ 85201

# SALES TAX REVENUE (2010)



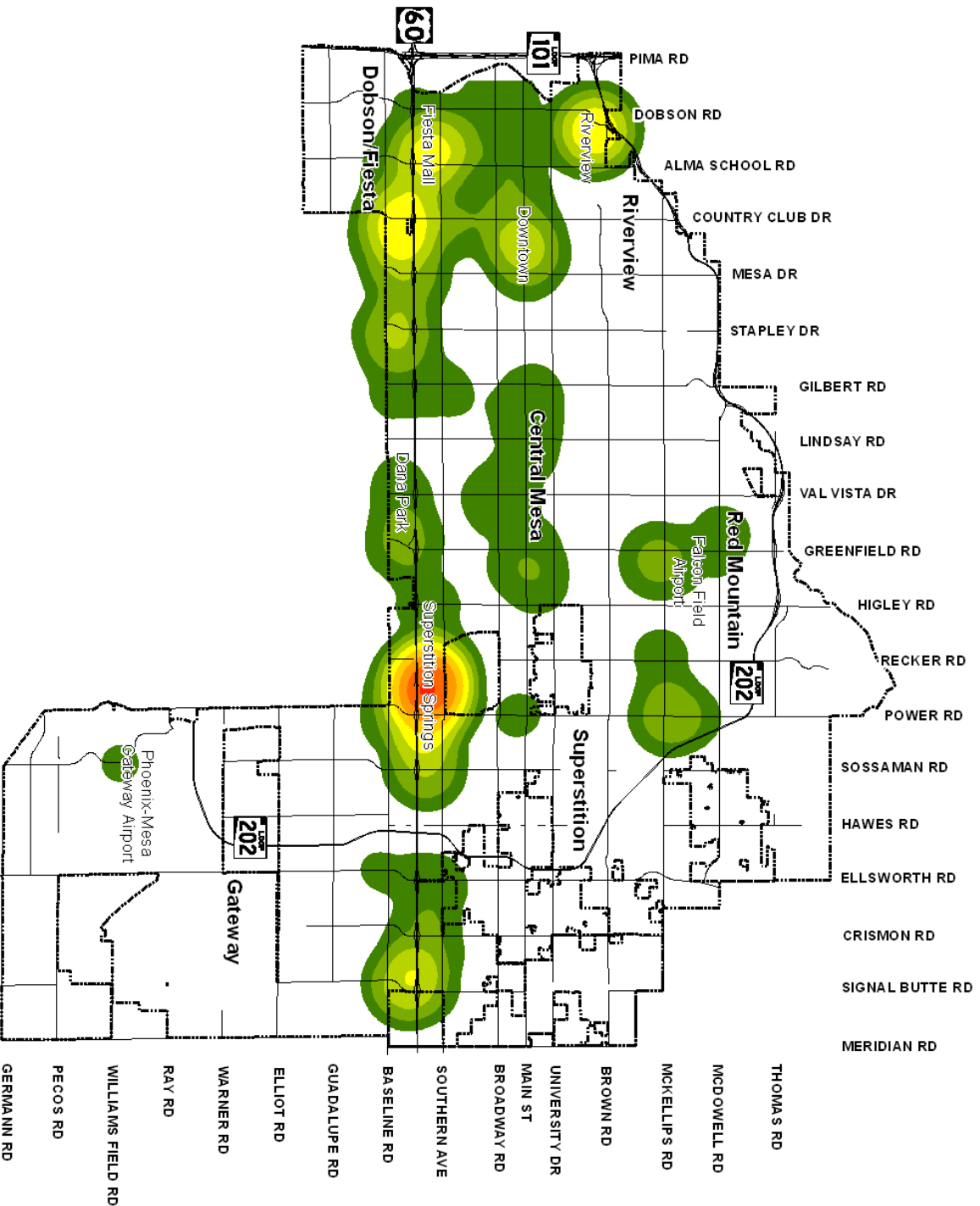
## Sales Tax Revenue in 2010

### Amount of Taxes Collected Per Acre



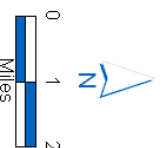
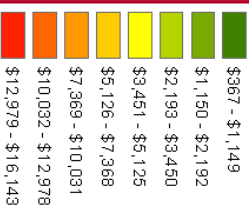
Created by: Mesa-GIS  
Source: City of Mesa  
The City of Mesa is not responsible for the accuracy of the data used in this map. The City of Mesa is not responsible for the accuracy of the data used in this map.

# SALES TAX REVENUE (2011)



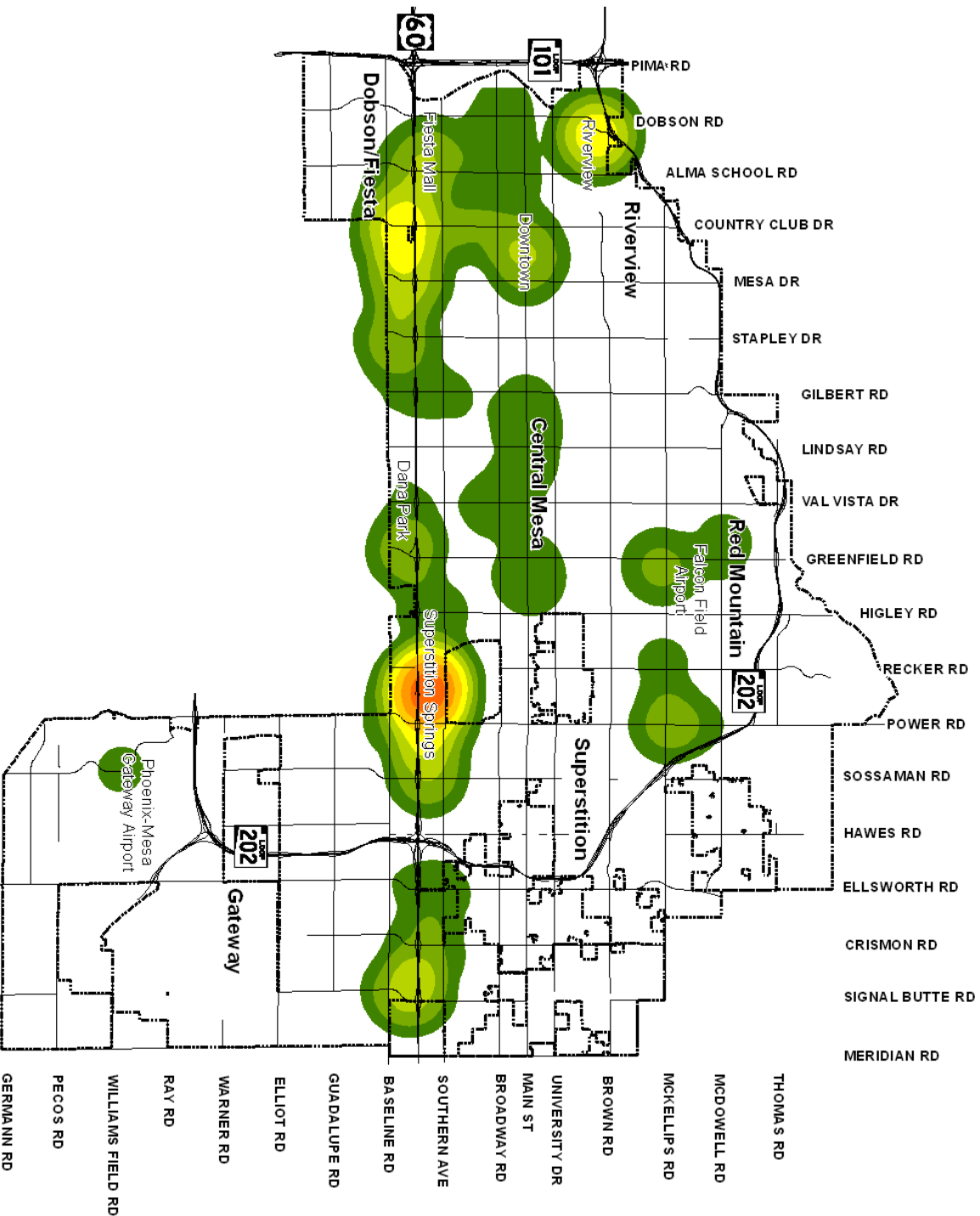
## Sales Tax Revenue in 2011

### Amount of Taxes Collected Per Acre



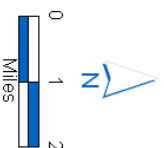
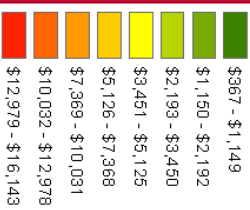
City of Mesa, AZ  
Source: City of Mesa  
The City of Mesa is not responsible for the accuracy of the data used in this map.  
Copyright 1988, 2013 City of Mesa, AZ, USA

# SALES TAX REVENUE (2012)



## Sales Tax Revenue in 2012

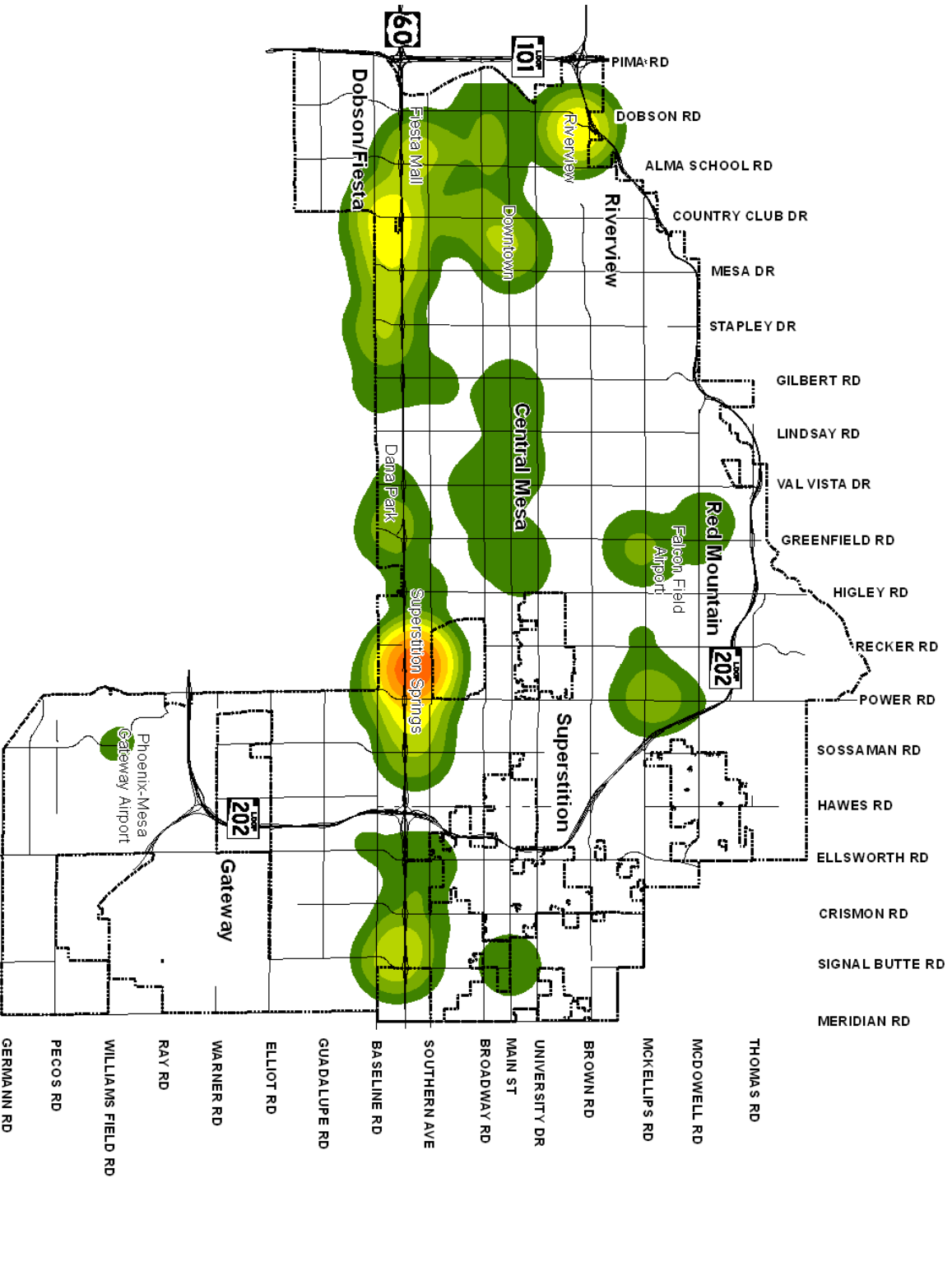
### Amount of Taxes Collected Per Acre



Created by: Mesa-GIS  
Source: City of Mesa  
The City of Mesa is not responsible for the accuracy of the data used in this map. The City of Mesa is not responsible for the accuracy of the data used in this map.

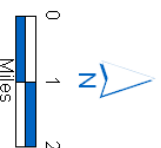
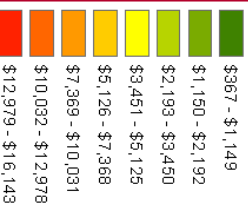


# SALES TAX REVENUE (2013)



## Sales Tax Revenue in 2013

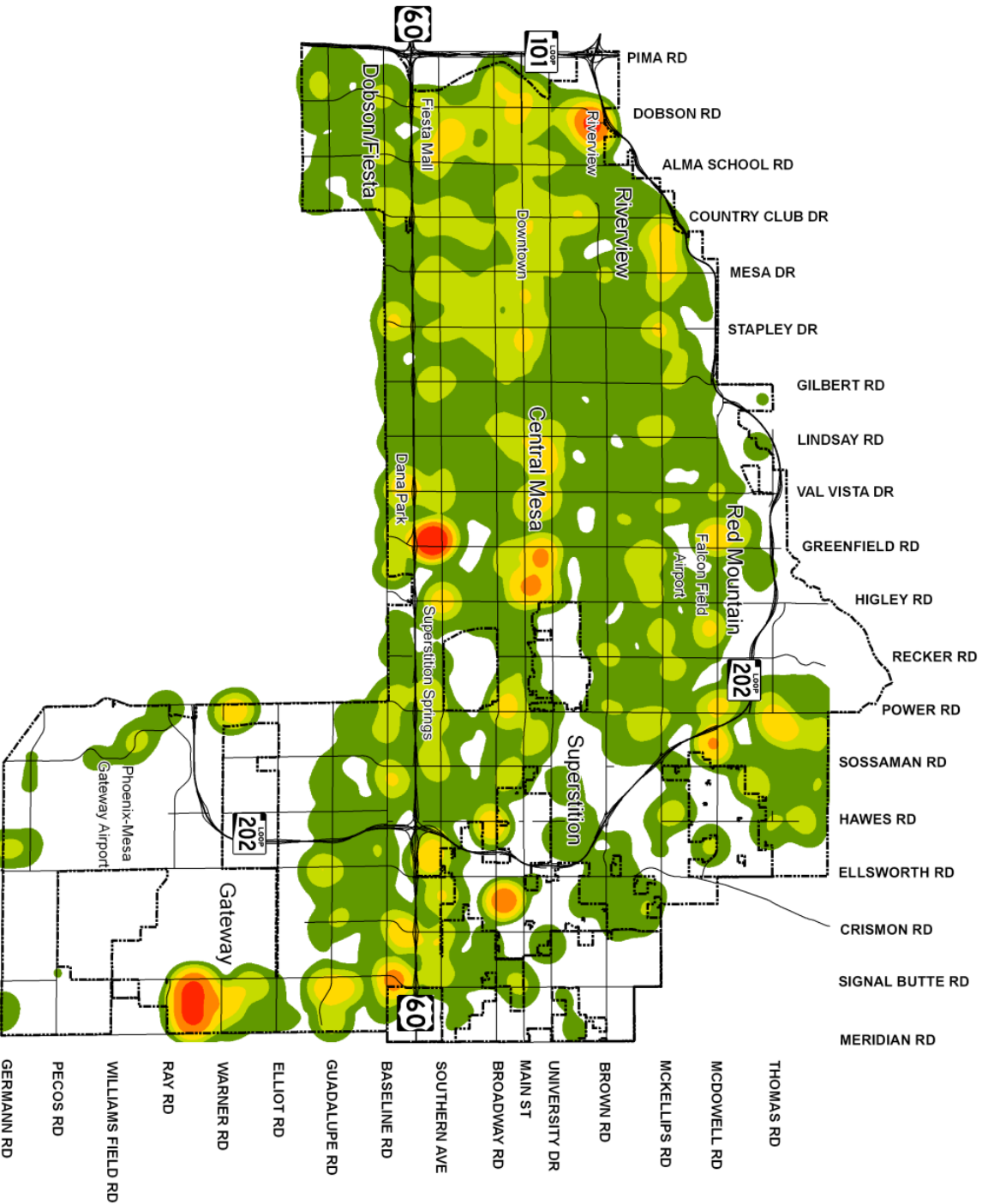
### Amount of Taxes Collected Per Acre



Created by: Mesa-GIS  
Source: City of Mesa  
The City of Mesa makes no warranty, either expressed or implied, for accuracy of this map for business use.  
Copyright 1988-2013 City of Mesa, AZ 85201



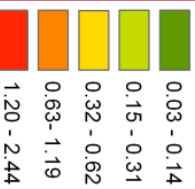
# BUILDING PERMITS (2007)



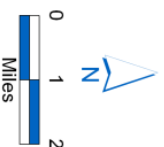
Building  
Permits  
in  
2007



Building Permits  
Per Acre

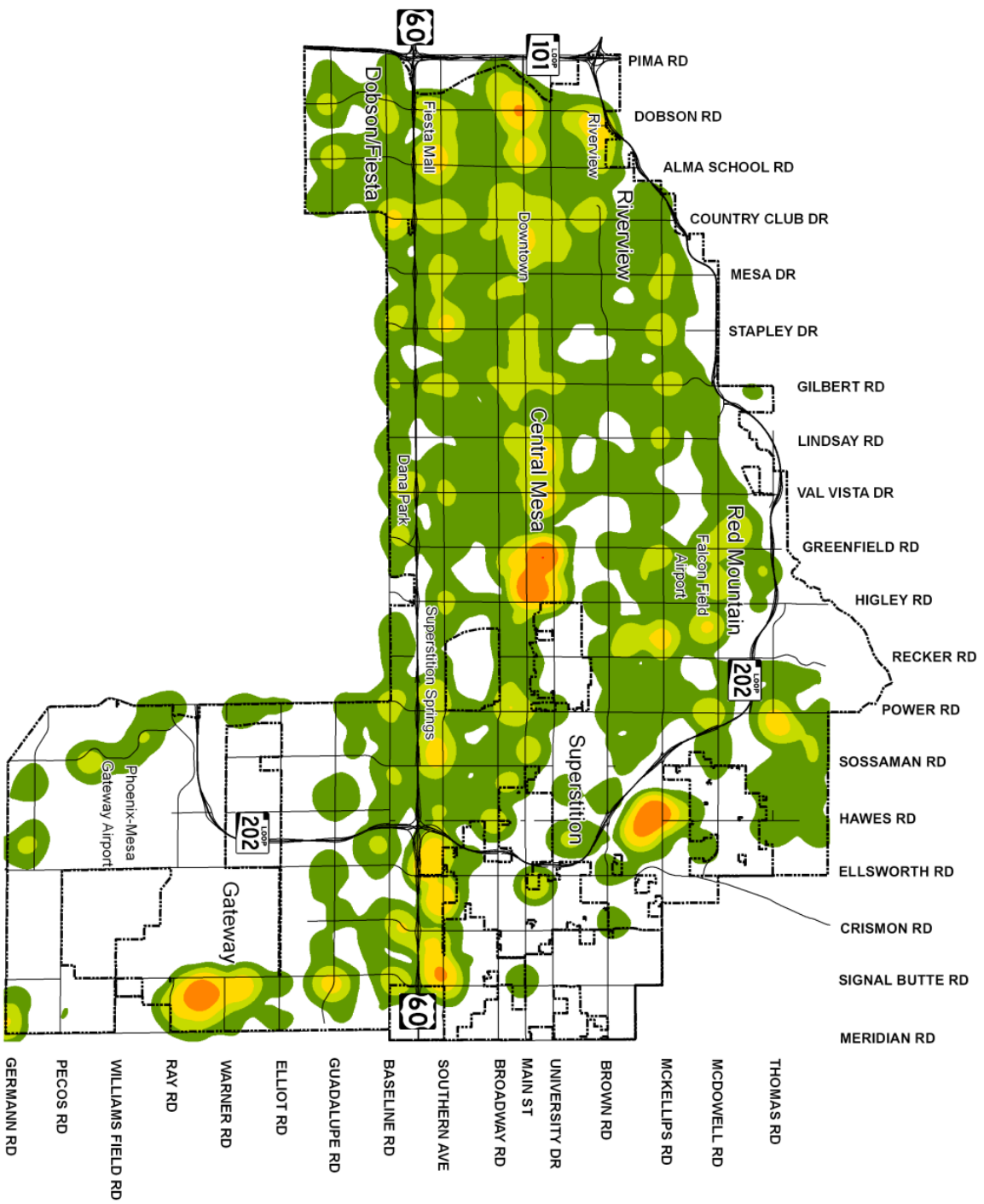


Arterials  
City Boundary

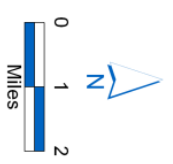
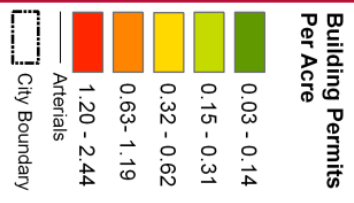


Created by Mesa GIS  
Source: City of Mesa  
The City of Mesa makes no claims concerning  
the accuracy of this map nor assumes any  
liability resulting from the use  
of the information herein.

# BUILDING PERMITS (2008)

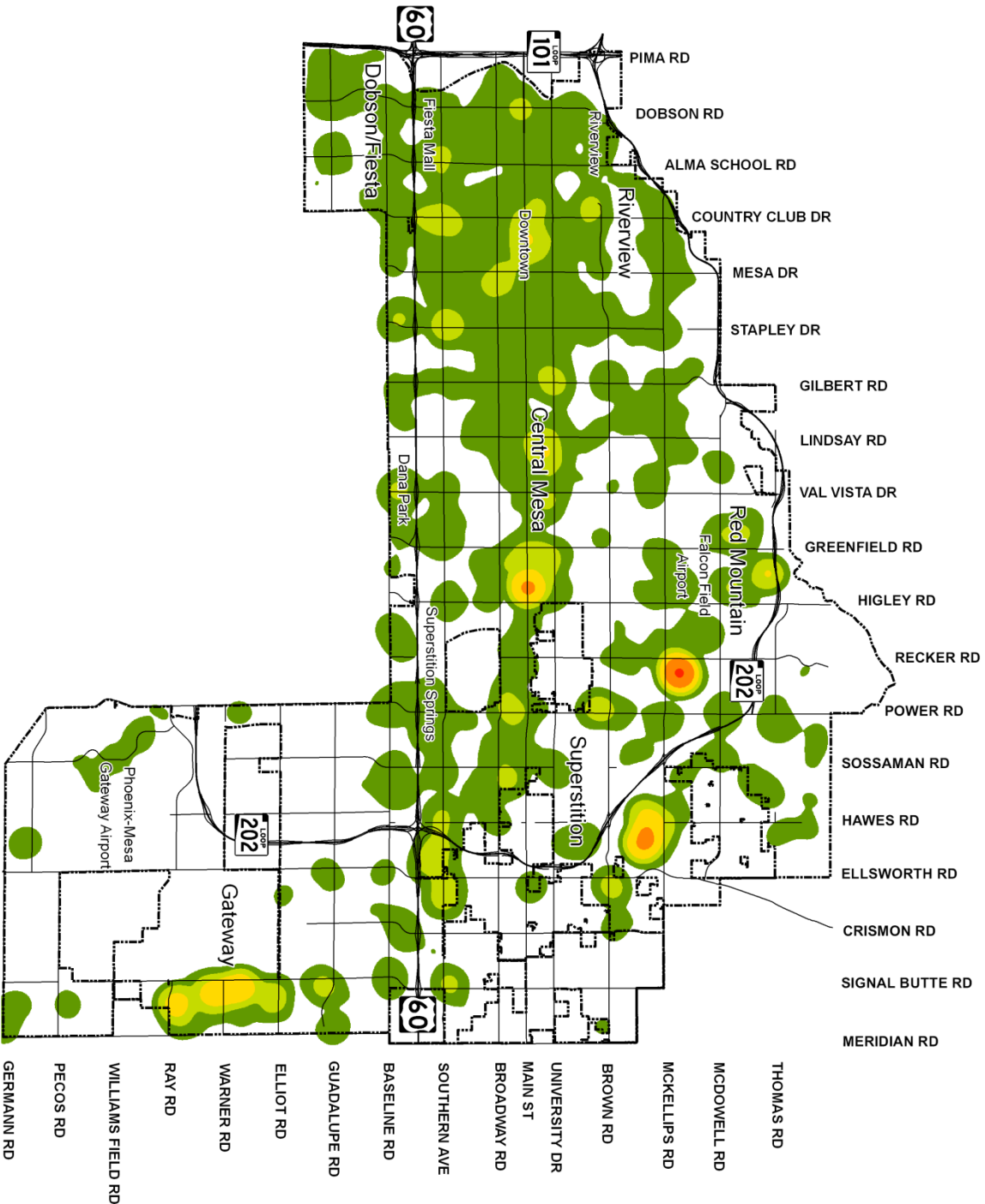


Building  
Permits  
in  
2008



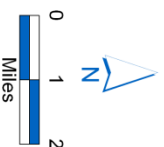
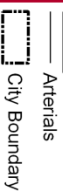
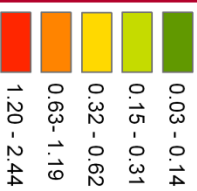
Created by Mesa GIS  
Source: City of Mesa  
The City of Mesa makes no claims concerning  
the accuracy of this map nor assumes any  
liability resulting from the use  
of the information herein.

# BUILDING PERMITS (2009)



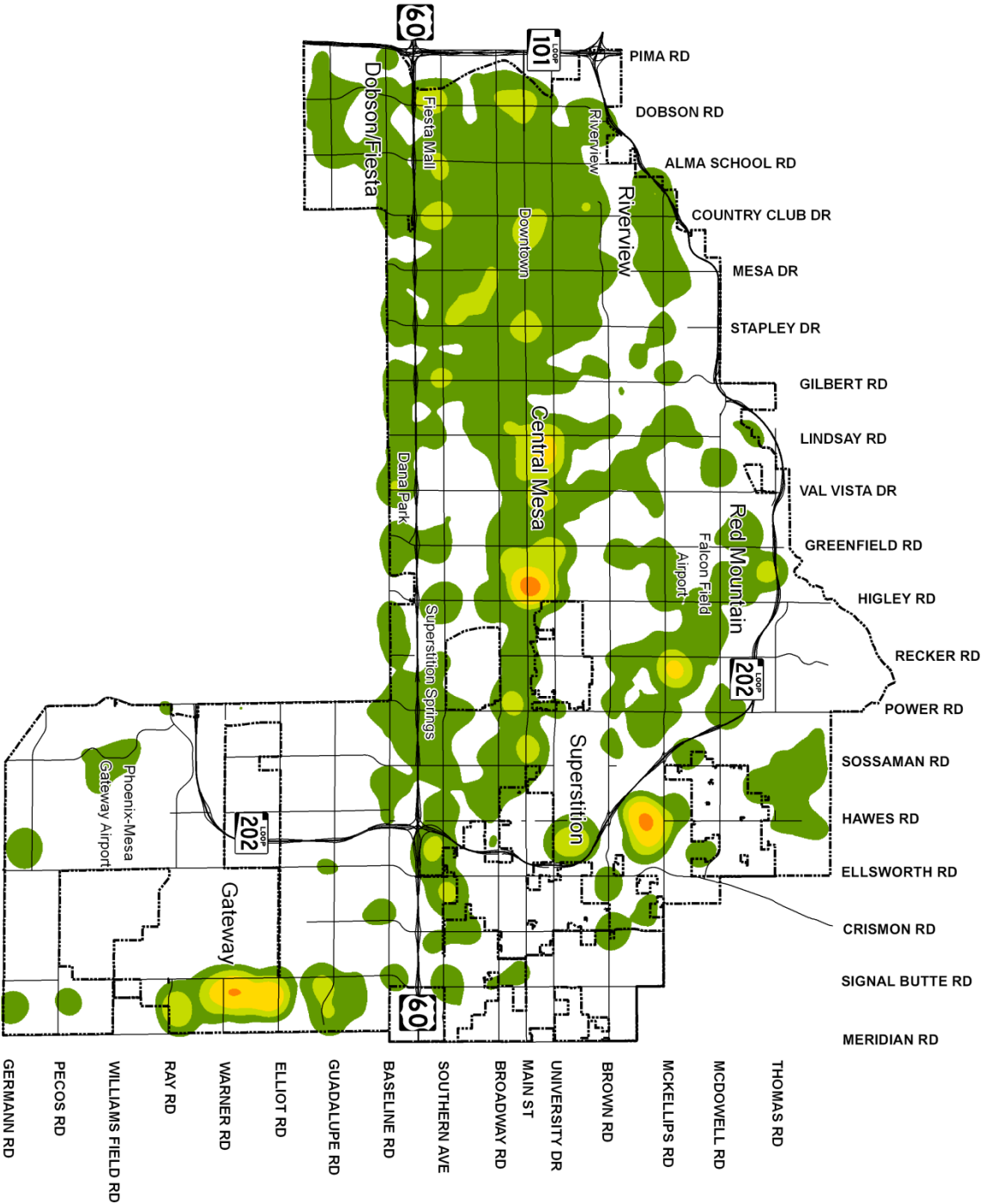
## Building Permits in 2009

### Building Permits Per Acre



Created by Mesa GIS  
Source: City of Mesa  
The City of Mesa makes no claims concerning  
the accuracy of this map nor assumes any  
liability resulting from the use  
of the information herein.  
COPYRIGHT 1988-2013 CITY OF MESA, ARIZONA

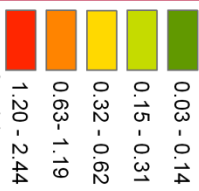
# BUILDING PERMITS (2010)



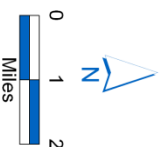
Building  
Permits  
in  
2010



Building Permits  
Per Acre

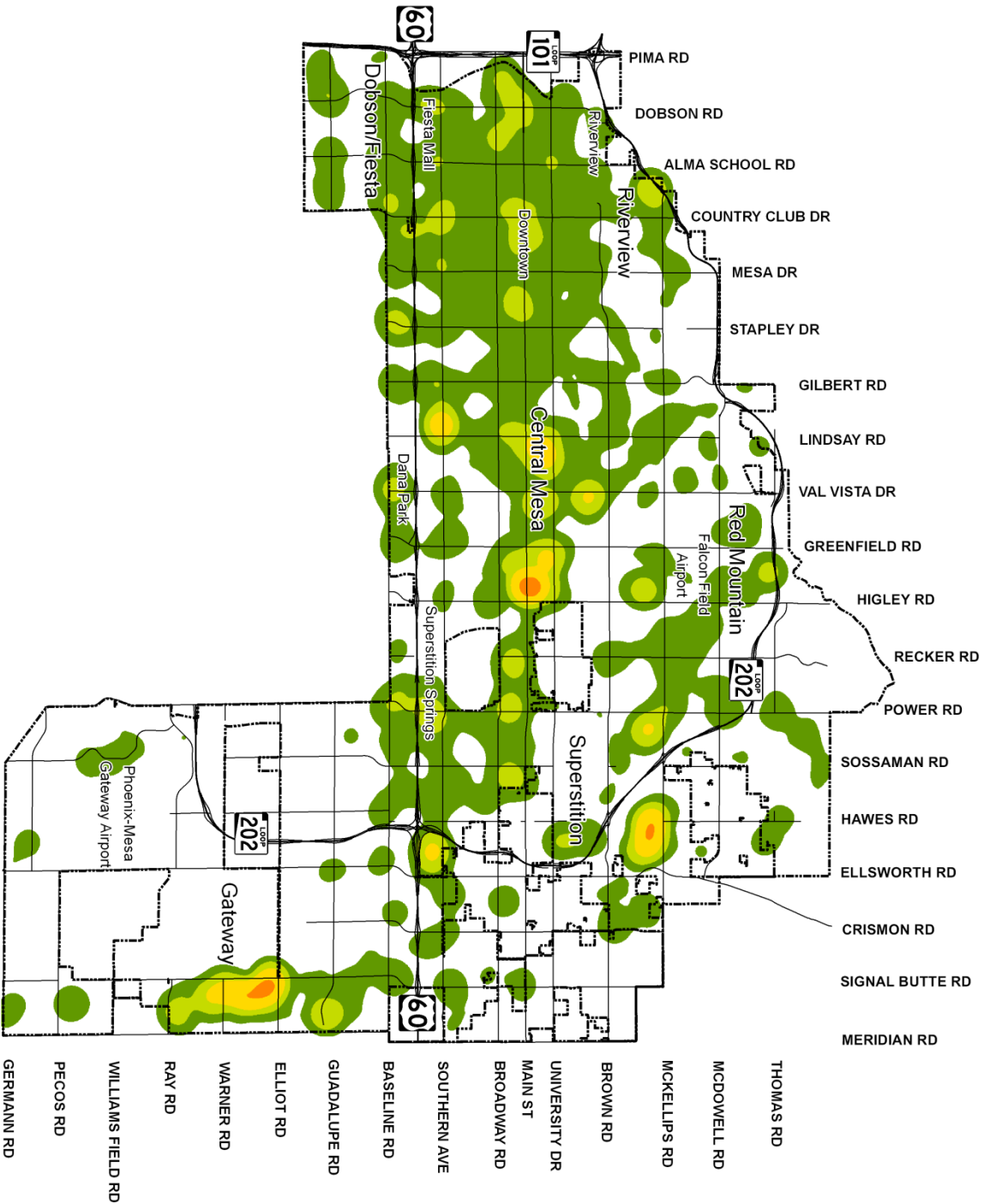


Arterials  
City Boundary



Created by Mesa GIS  
Source: City of Mesa  
The City of Mesa makes no claims concerning  
the accuracy of this map nor assumes any  
liability resulting from the use  
of the information herein.  
COPYRIGHT 1988-2013 CITY OF MESA, ARIZONA

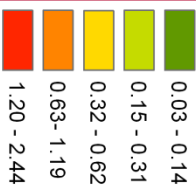
# BUILDING PERMITS (2011)



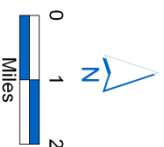
Building  
Permits  
in  
2011



Building Permits  
Per Acre



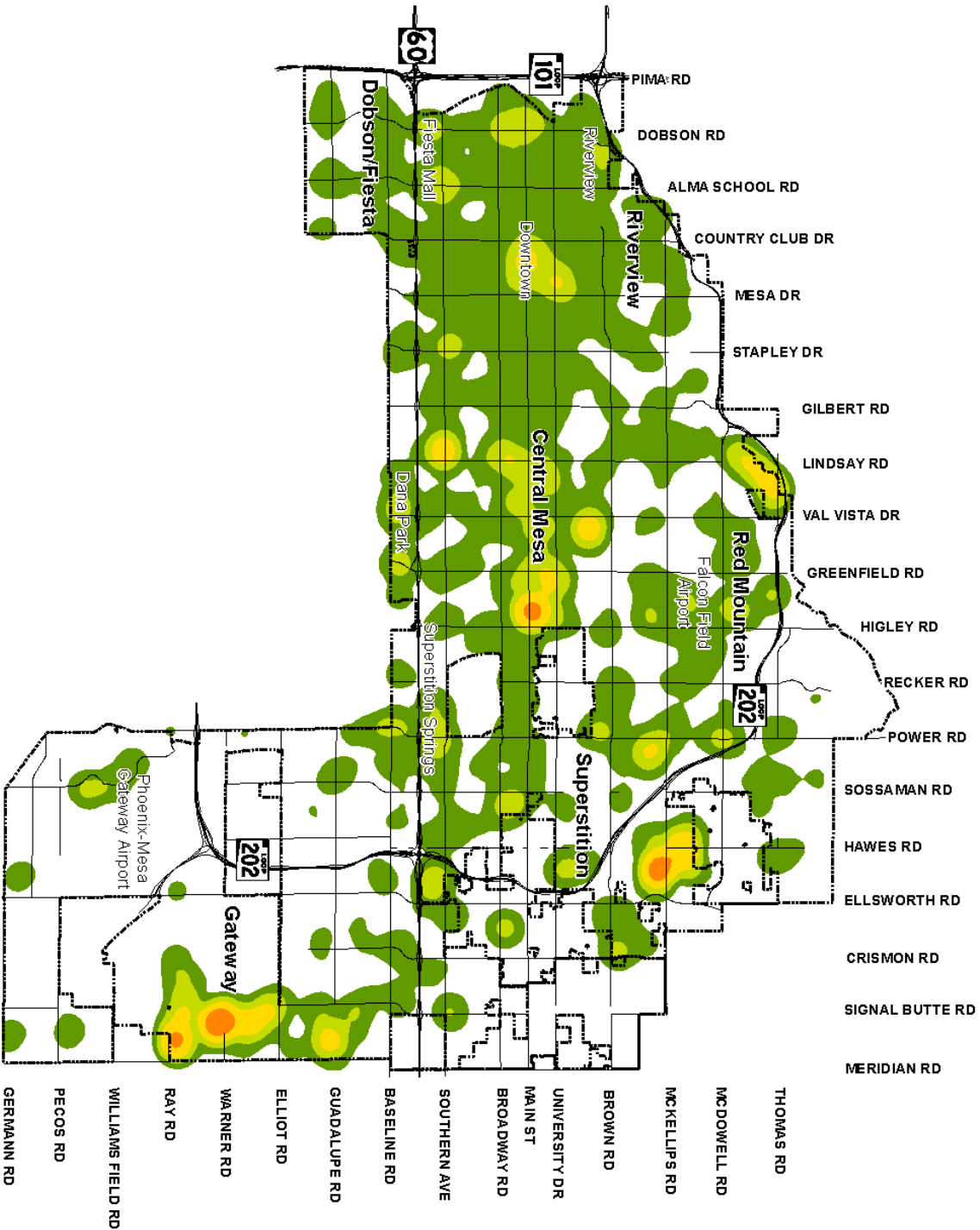
Arterials  
City Boundary



Created by Mesa GIS  
Source: City of Mesa  
The City of Mesa makes no claims concerning  
the accuracy of this map nor assumes any  
liability resulting from the use  
of the information herein.  
COPYRIGHT 1988-2013 CITY OF MESA, ARIZONA

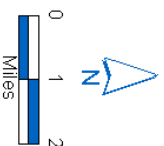
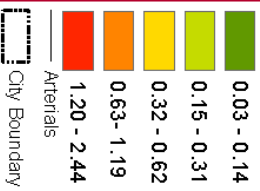


# BUILDING PERMITS (2012)



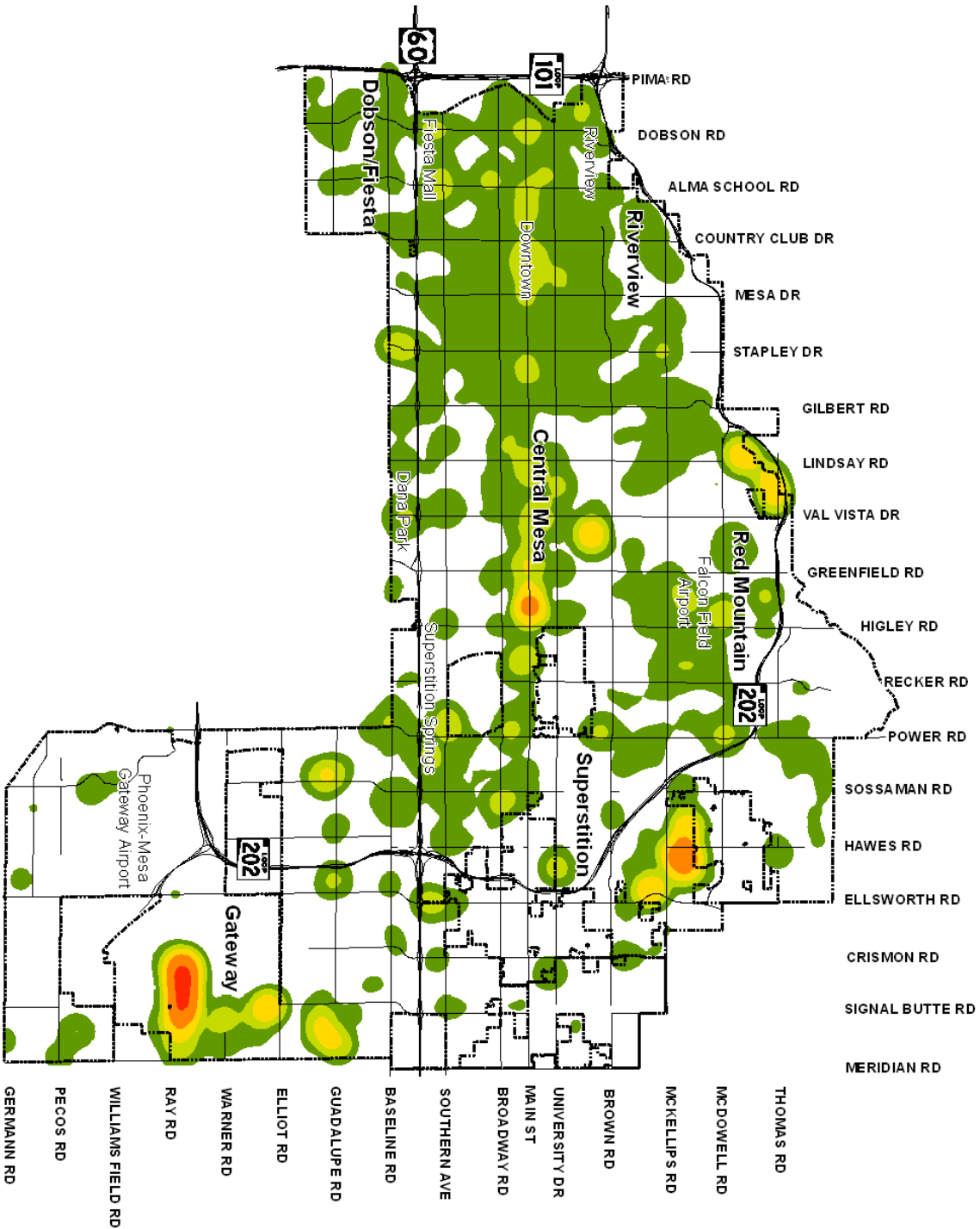
## Building Permits in 2012

### Building Permits Per Acre



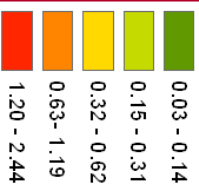
Created by: Mesa GIS  
Source: City of Mesa  
The City of Mesa makes no claim concerning  
the accuracy of this map or assumes any  
liability resulting from its use  
of the information herein.  
001 P:\PROJECT 17881-2011-CITY OF MESA, AZ\2012

# BUILDING PERMITS (2013)

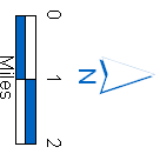


Building  
Permits  
in  
2013

Building Permits  
Per Acre

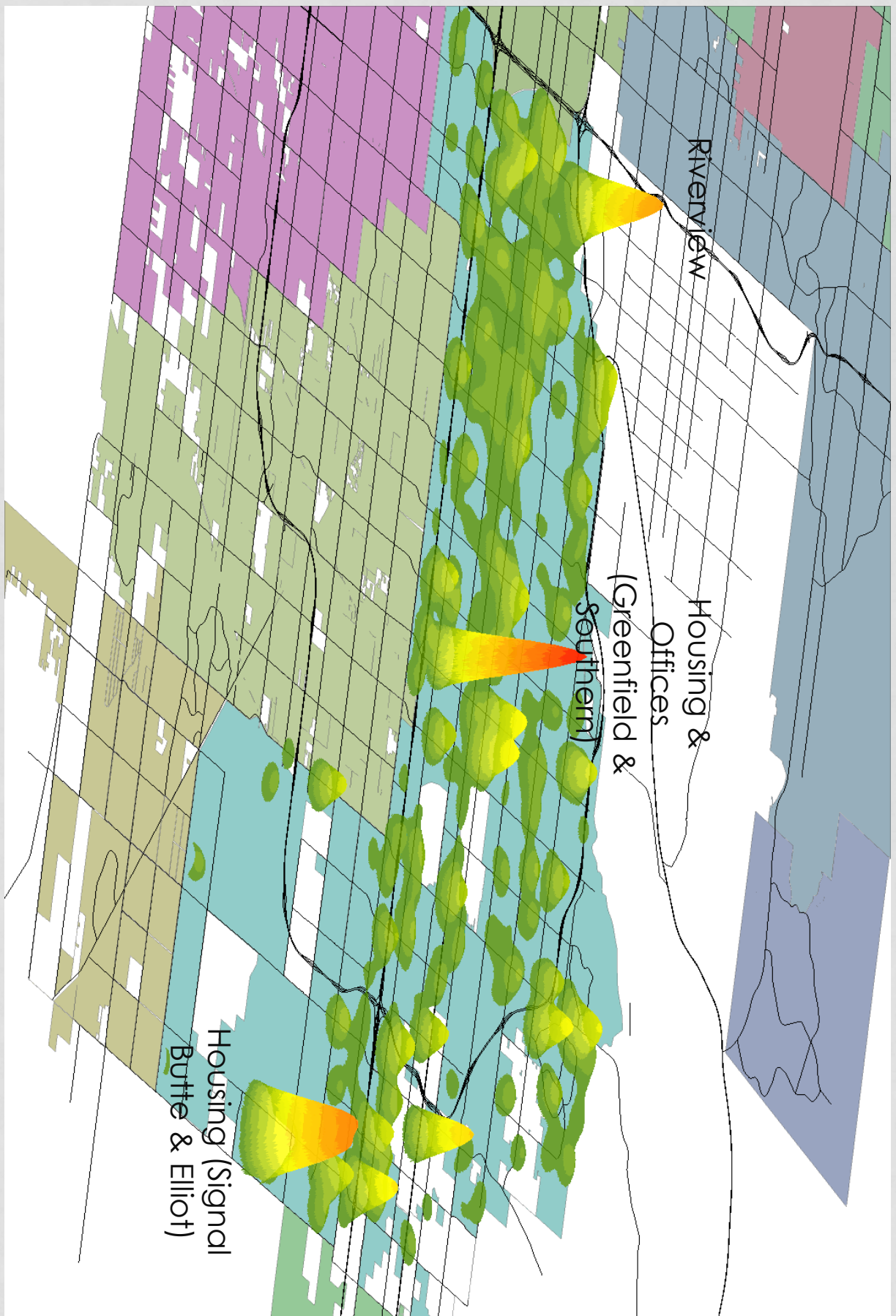


Arterials  
City Boundary



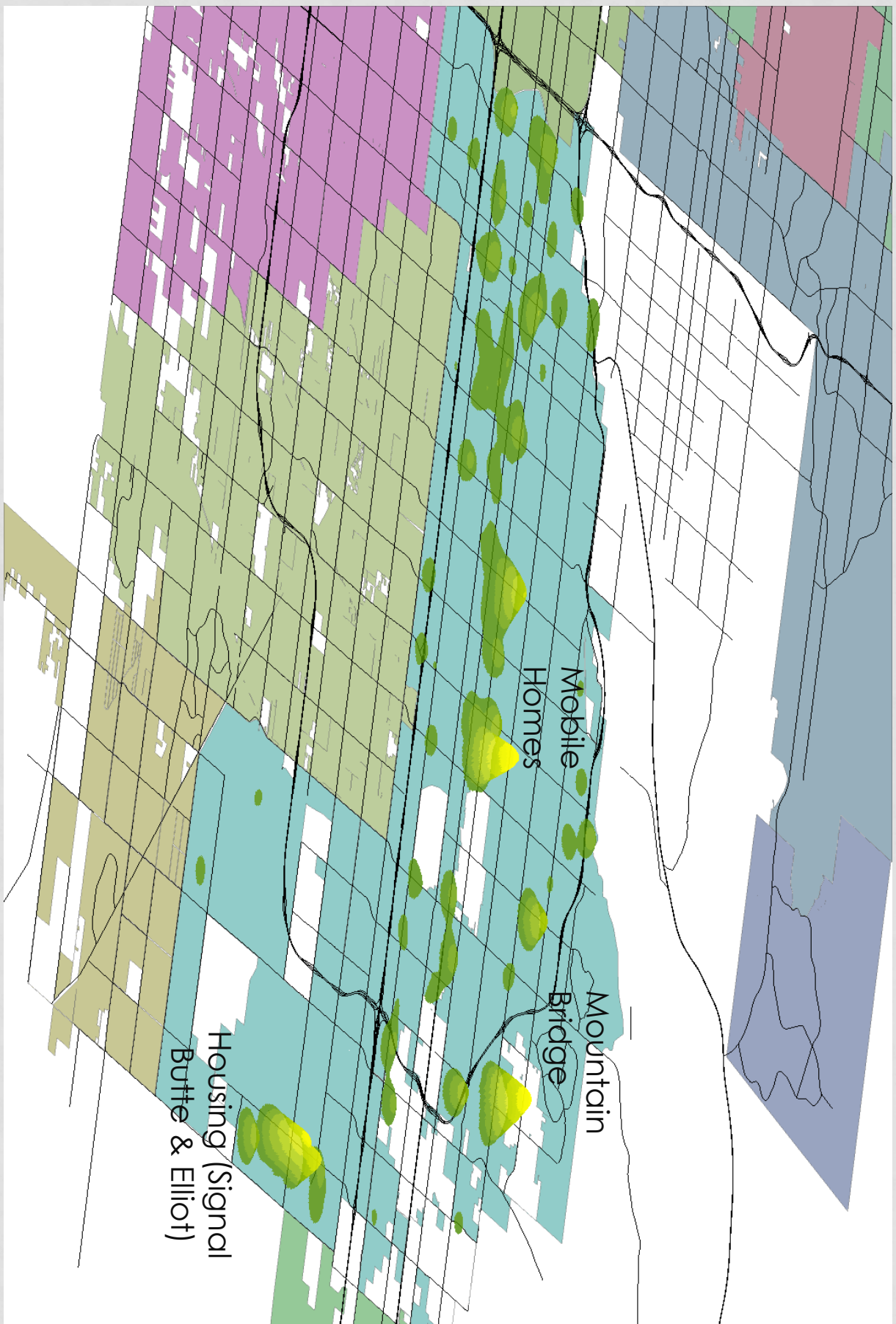
Created by: Mesa-GIS  
Source: City of Mesa  
The City of Mesa makes no other claims for accuracy of this map for other uses.  
Copyright 1988-2013 City of Mesa, AZ, USA

# BUILDING PERMITS - 3D VIEW (2007)

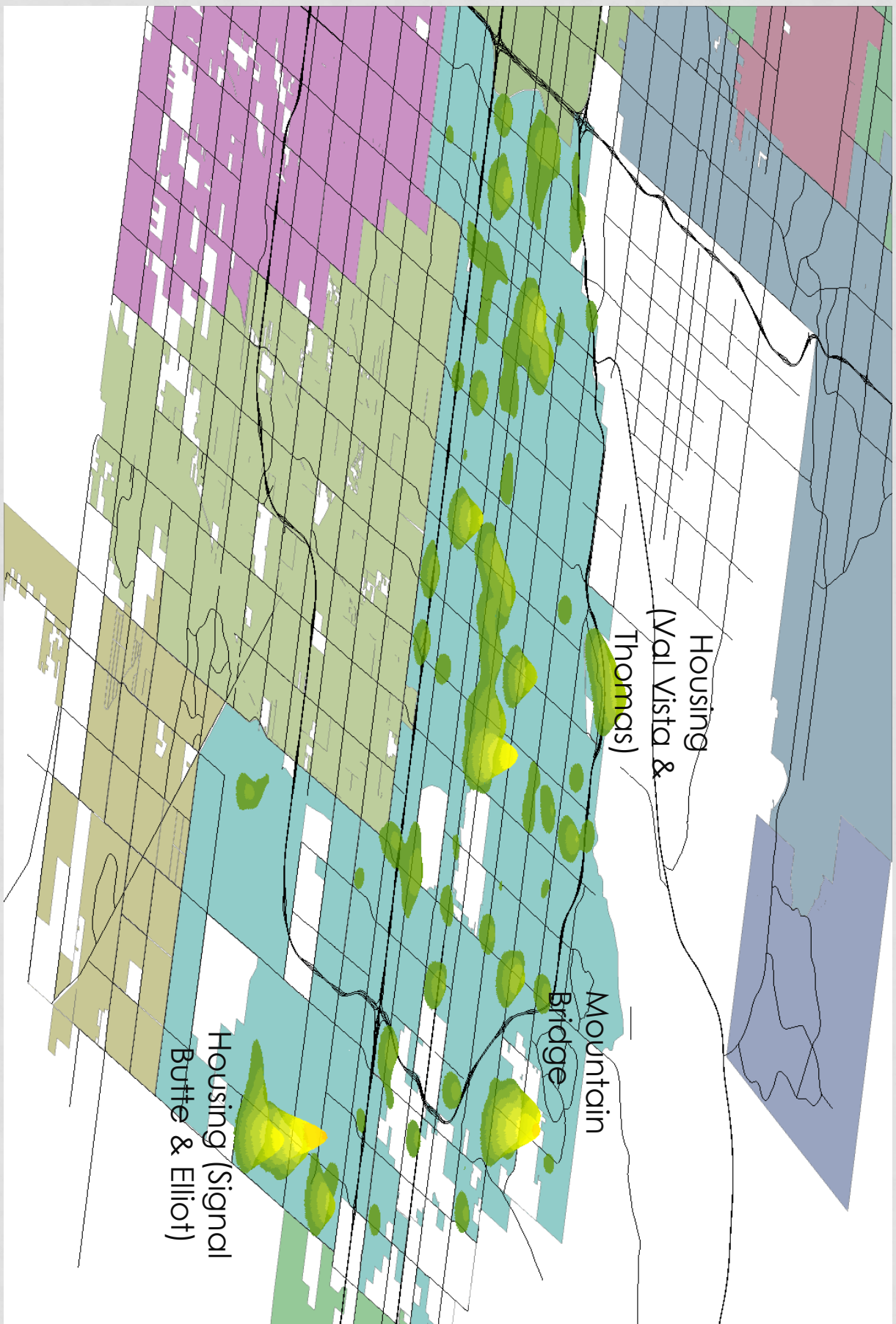




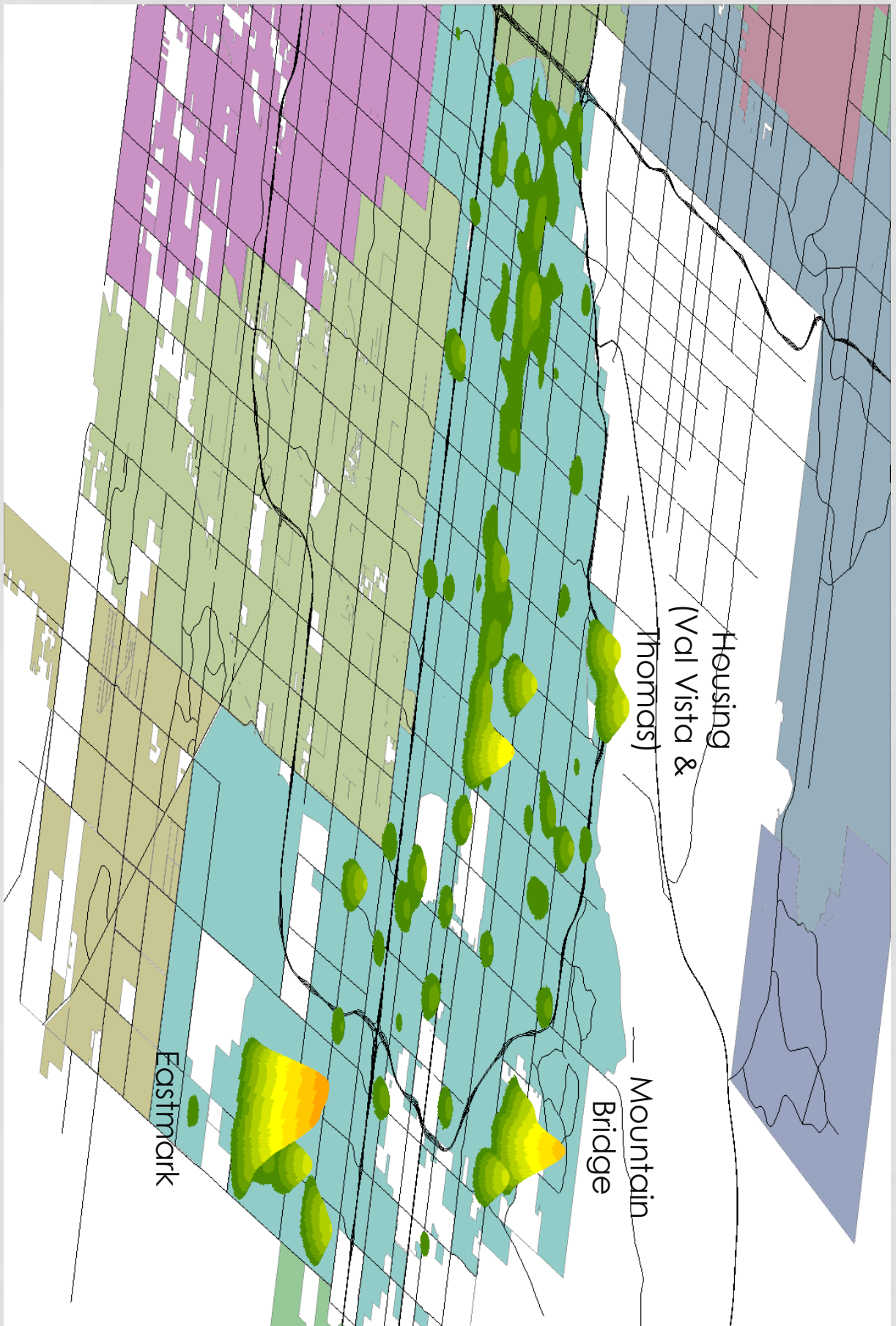
# BUILDING PERMITS - 3D VIEW (2010)

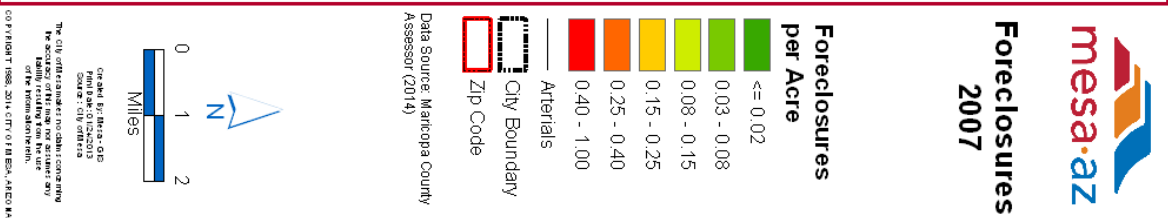


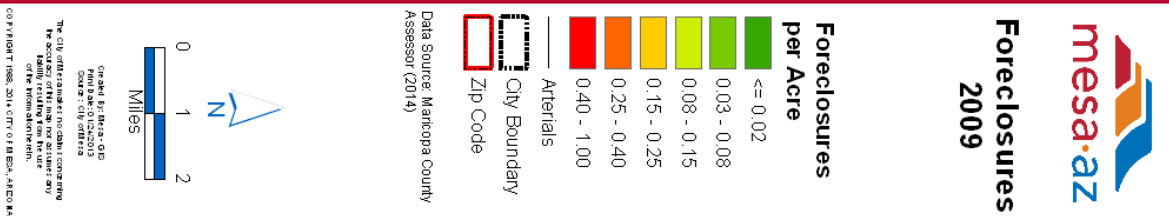
# BUILDING PERMITS - 3D VIEW (2012)



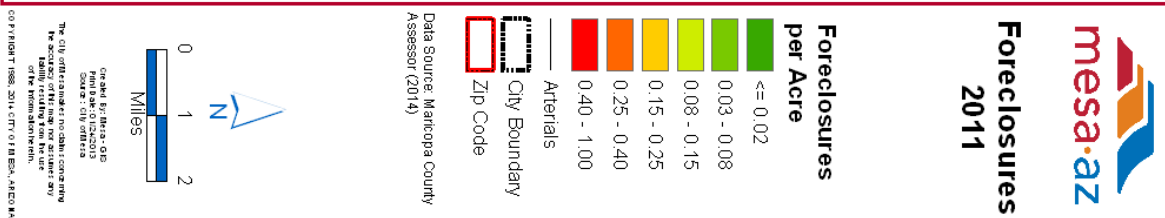
# BUILDING PERMITS - 3D VIEW (2013)

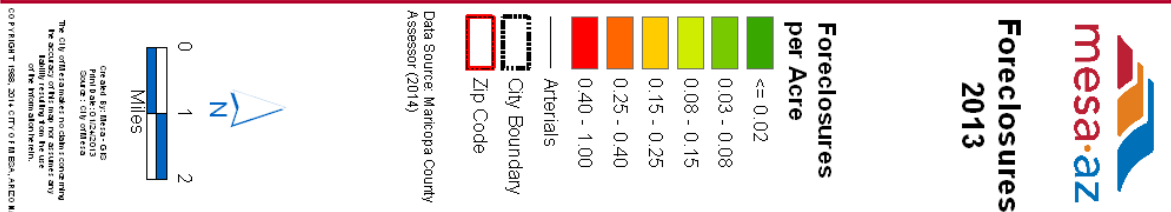




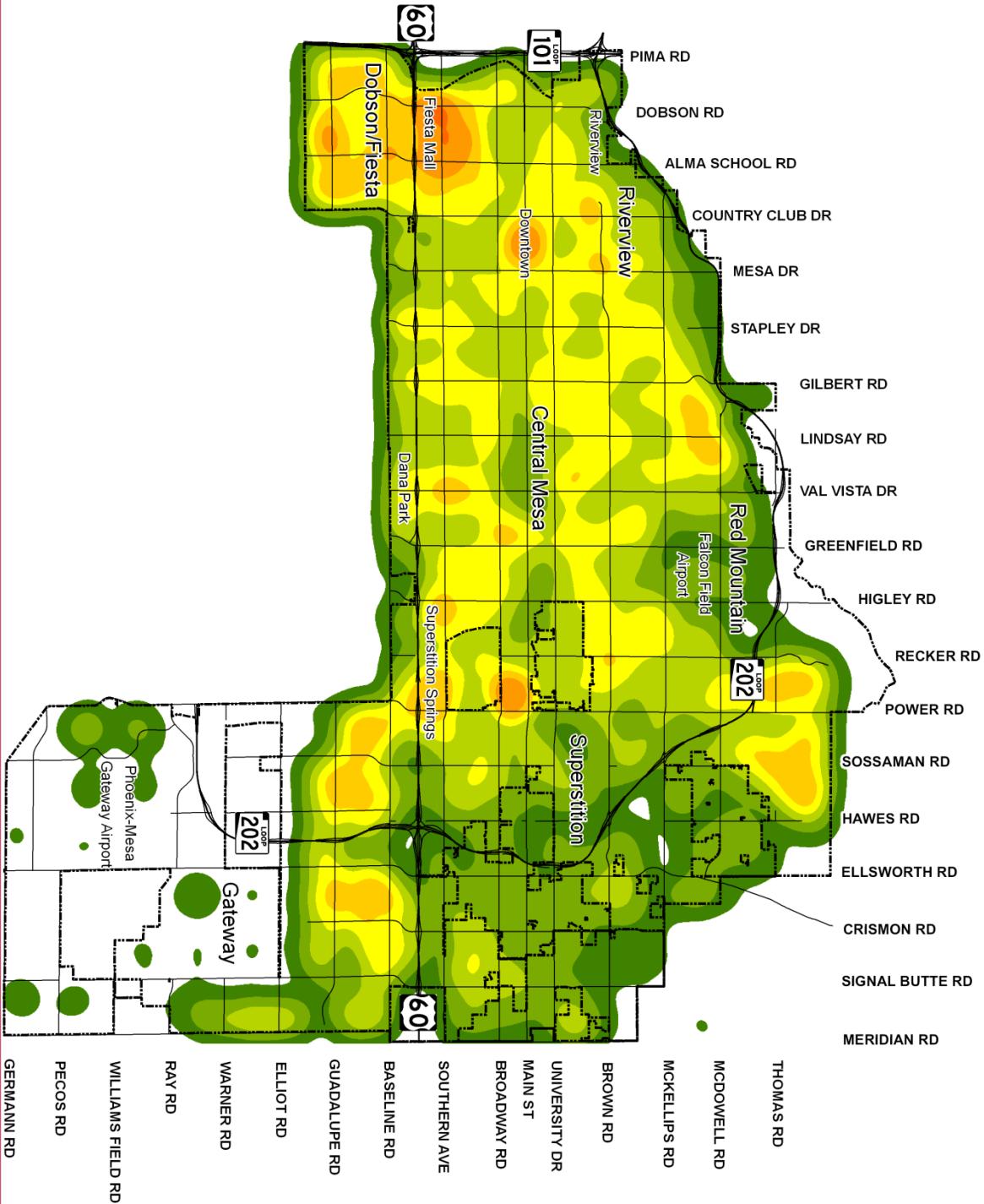






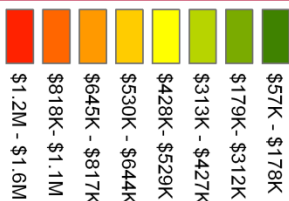


# PROPERTY VALUATION (2007)

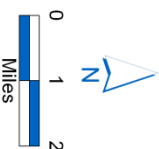


## Property Value in 2007

### Property Value Per Acre



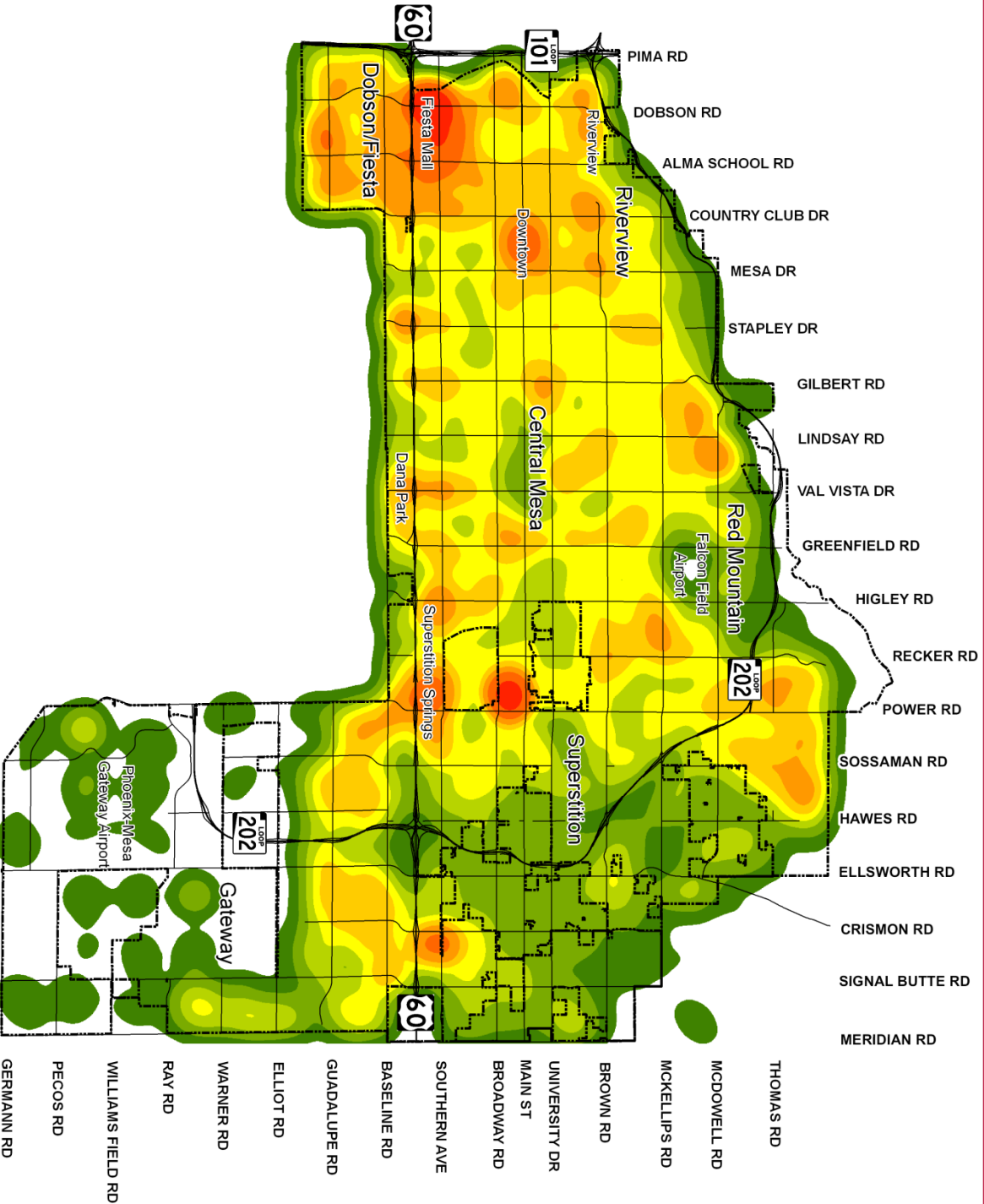
Source: Maricopa County  
Assessor



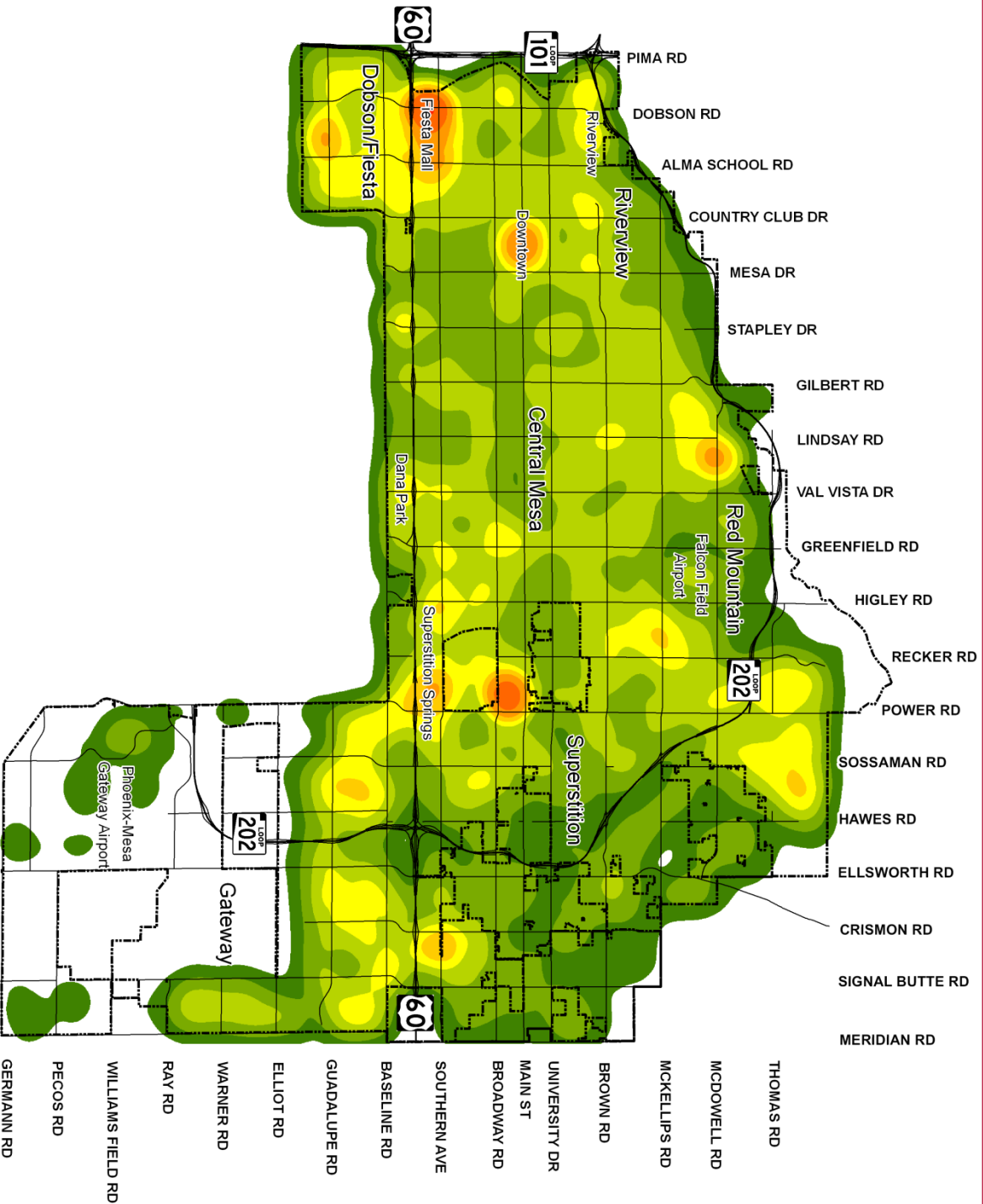
Created by Mesa-GIS  
Source: City of Mesa  
The City of Mesa makes no claims concerning  
the accuracy of this map nor assumes any  
liability resulting from the use  
of the information herein.  
COPYRIGHT 1988-2013 CITY OF MESA, ARIZONA



# PROPERTY VALUATION (2009)

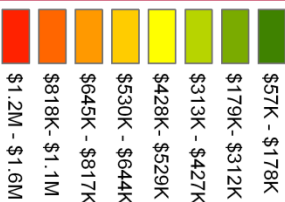


# PROPERTY VALUATION (2011)

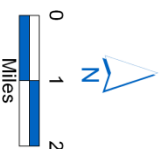


Property  
Value  
in  
2011

Property Value  
Per Acre

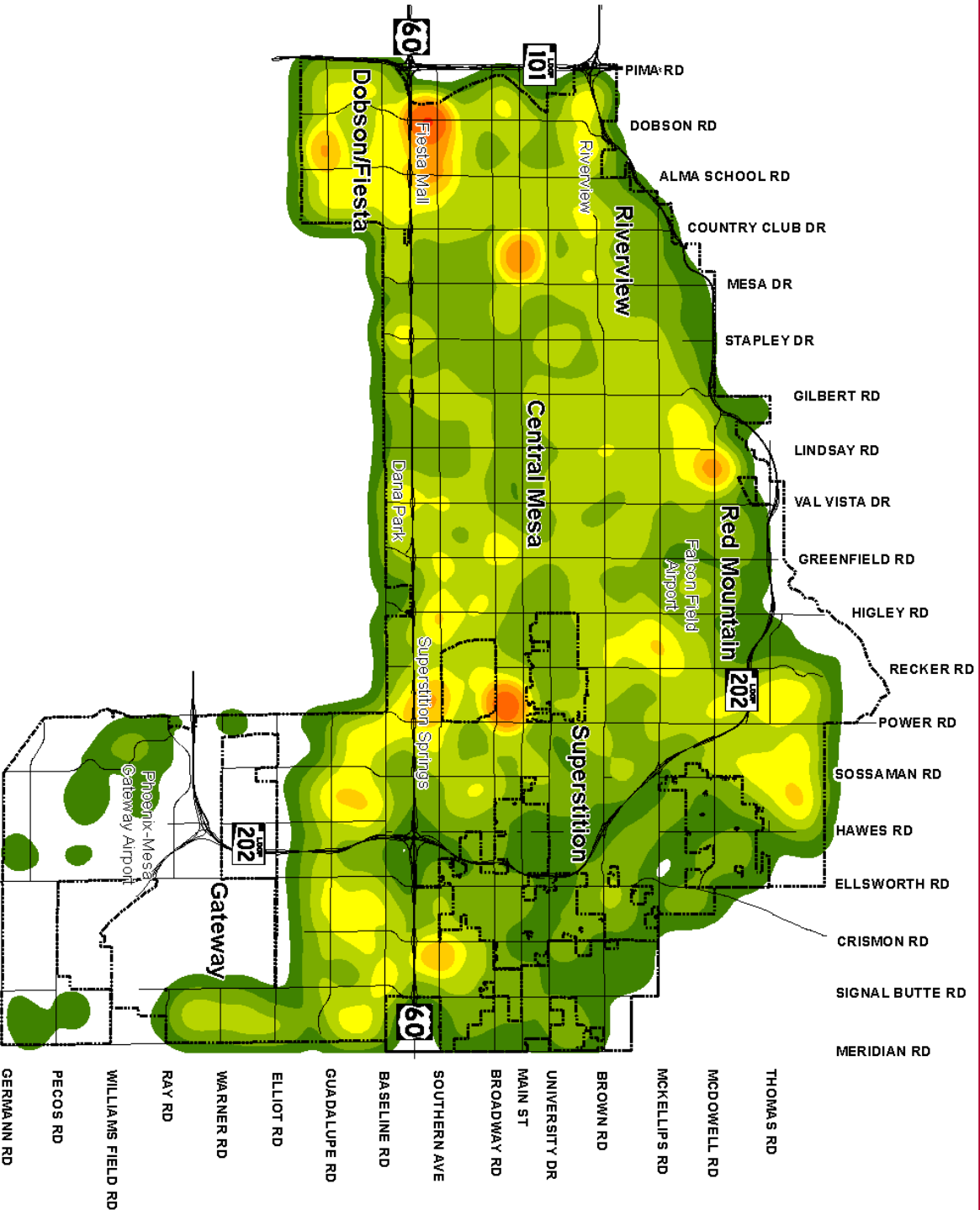


Source: Maricopa County  
Assessor



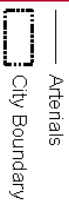
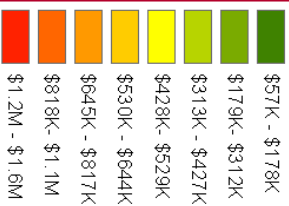
Created by: Mesa - GIS  
Source: City of Mesa  
The City of Mesa makes no claims concerning  
the accuracy of this map nor assumes any  
liability resulting from the use  
of the information herein.  
COPYRIGHT 1988-2013 CITY OF MESA, ARIZONA

# PROPERTY VALUATION (2012)

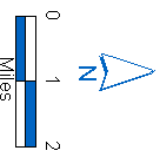


Property Value  
in  
2012

Property Value  
Per Acre



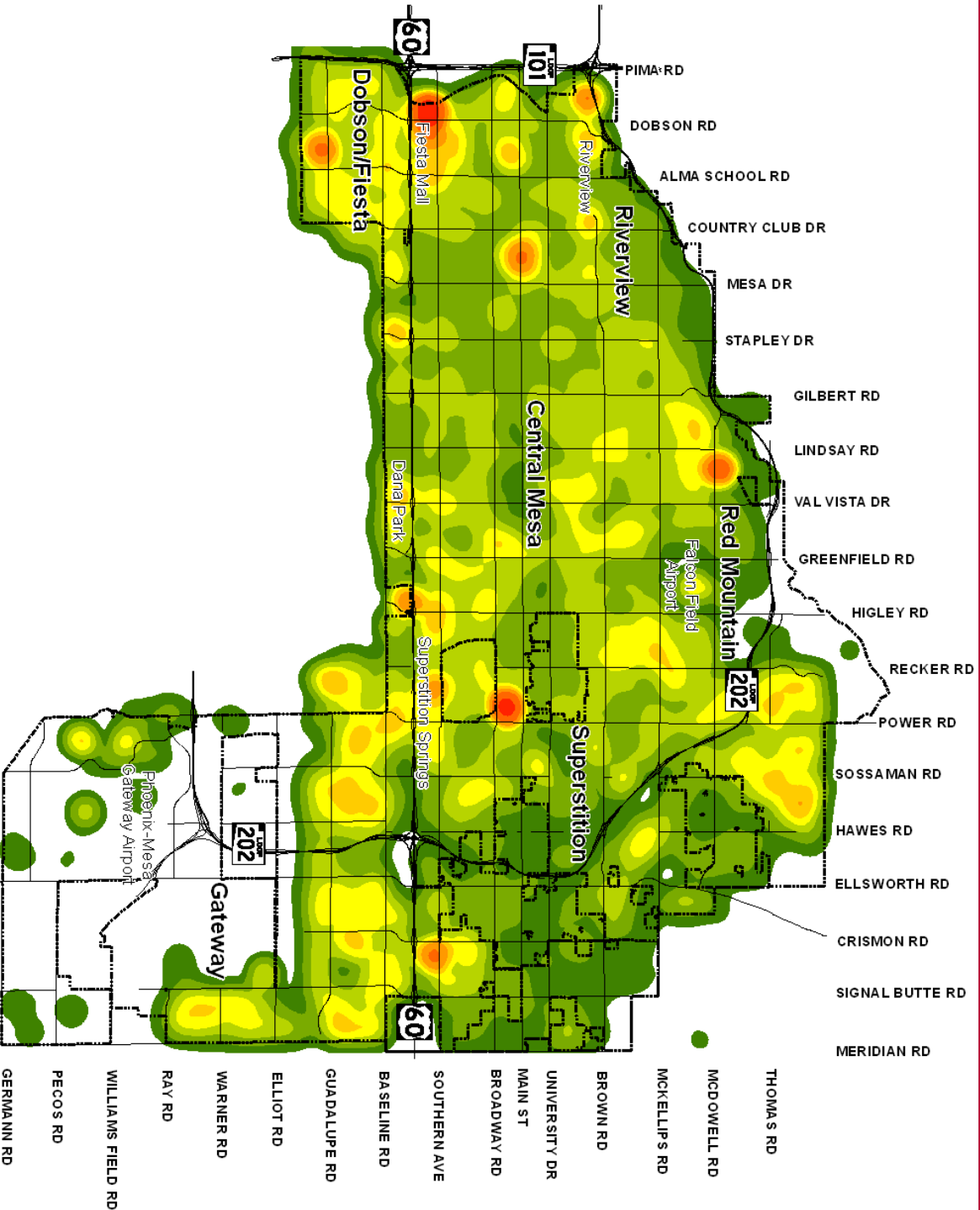
Source: Maricopa County  
Assessor



Created by: Mesa-08  
Source: City of Mesa  
The City of Mesa makes no other guarantee  
for accuracy of this map. Use is at user's  
sole discretion.

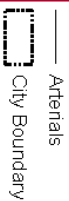
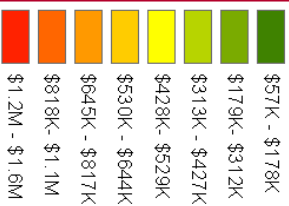
001 P10001 1000, 2011 CITY OF MESA, AZ 85201

# PROPERTY VALUATION (2013)

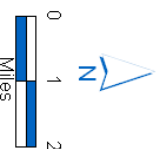


## Property Value in 2013

### Property Value Per Acre



Source: Maricopa County  
Assessor



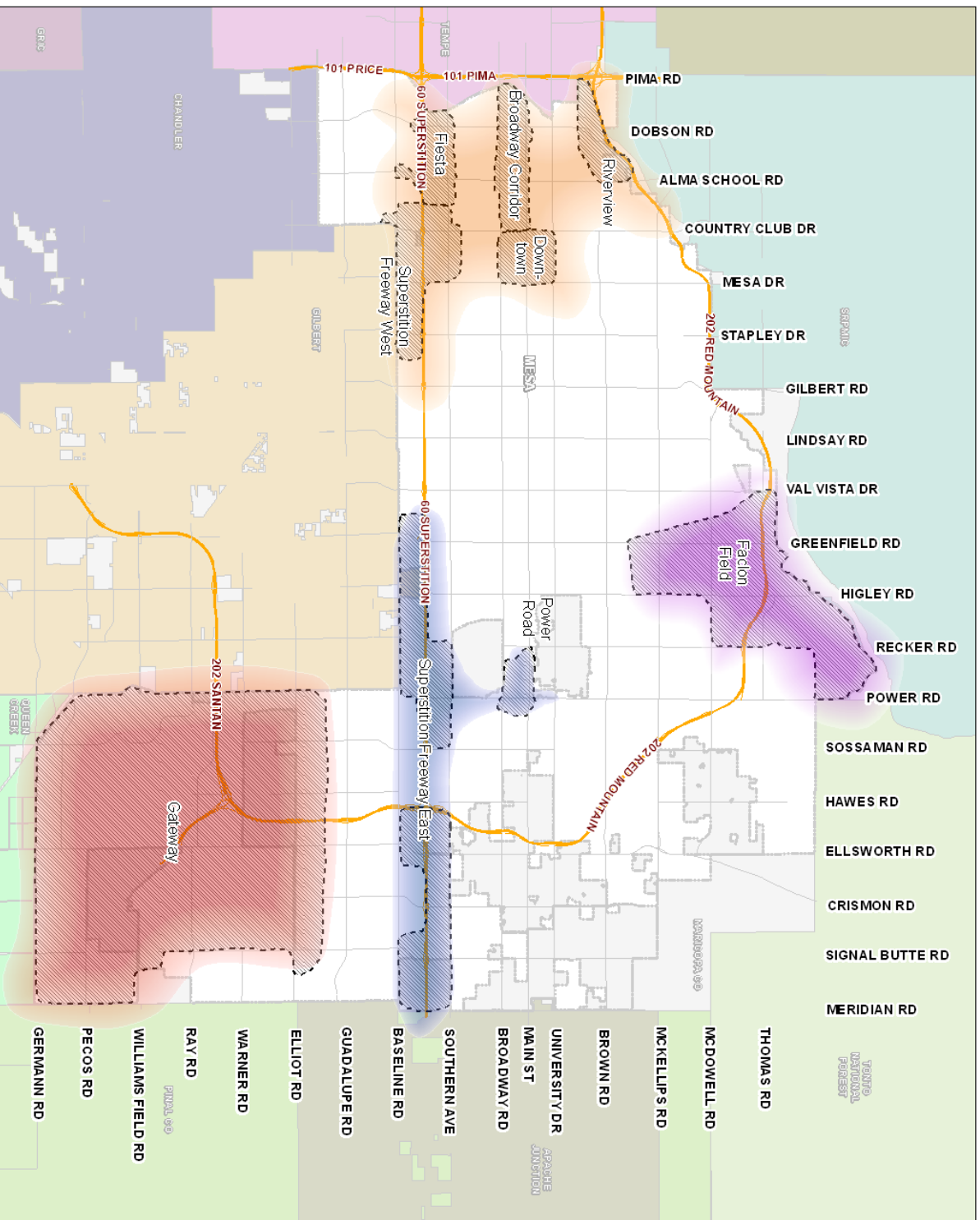
Created by Mesa-GIS  
Source: City of Mesa  
The City of Mesa is not responsible for the accuracy of the data or the use of the information provided.  
Copyright 1988-2014 City of Mesa, AZ 85201

# EMPLOYMENT & INFRASTRUCTURE

- Economic Activity Areas
- Employment Distribution Projections
- Infrastructure Summary
- Capital Improvement Overview



# ECONOMIC ACTIVITY AREAS



MESA 2040 GENERAL PLAN:  
ECONOMIC ACTIVITY AREAS

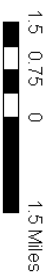


## Economic Activity Areas

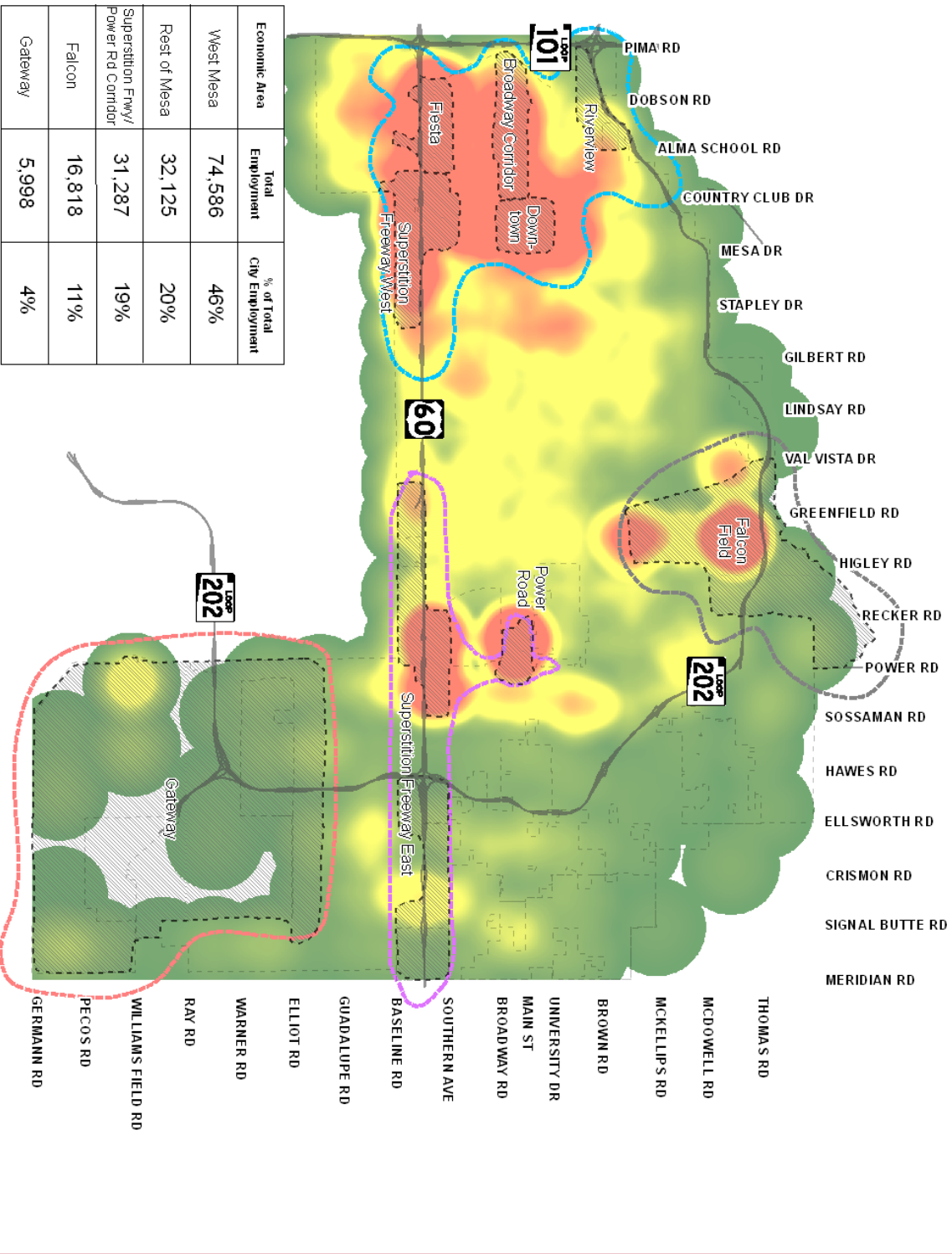
- Falcon
- Gateway
- West Mesa
- Superstition Springs/  
Power Road Corridor

## Economic Activity Districts

- Districts



# 2010 EMPLOYMENT DISTRIBUTION



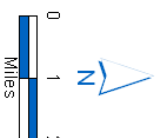
## 2010 Employment By Economic Area

Overall  
Statistics:

Population:  
482,503

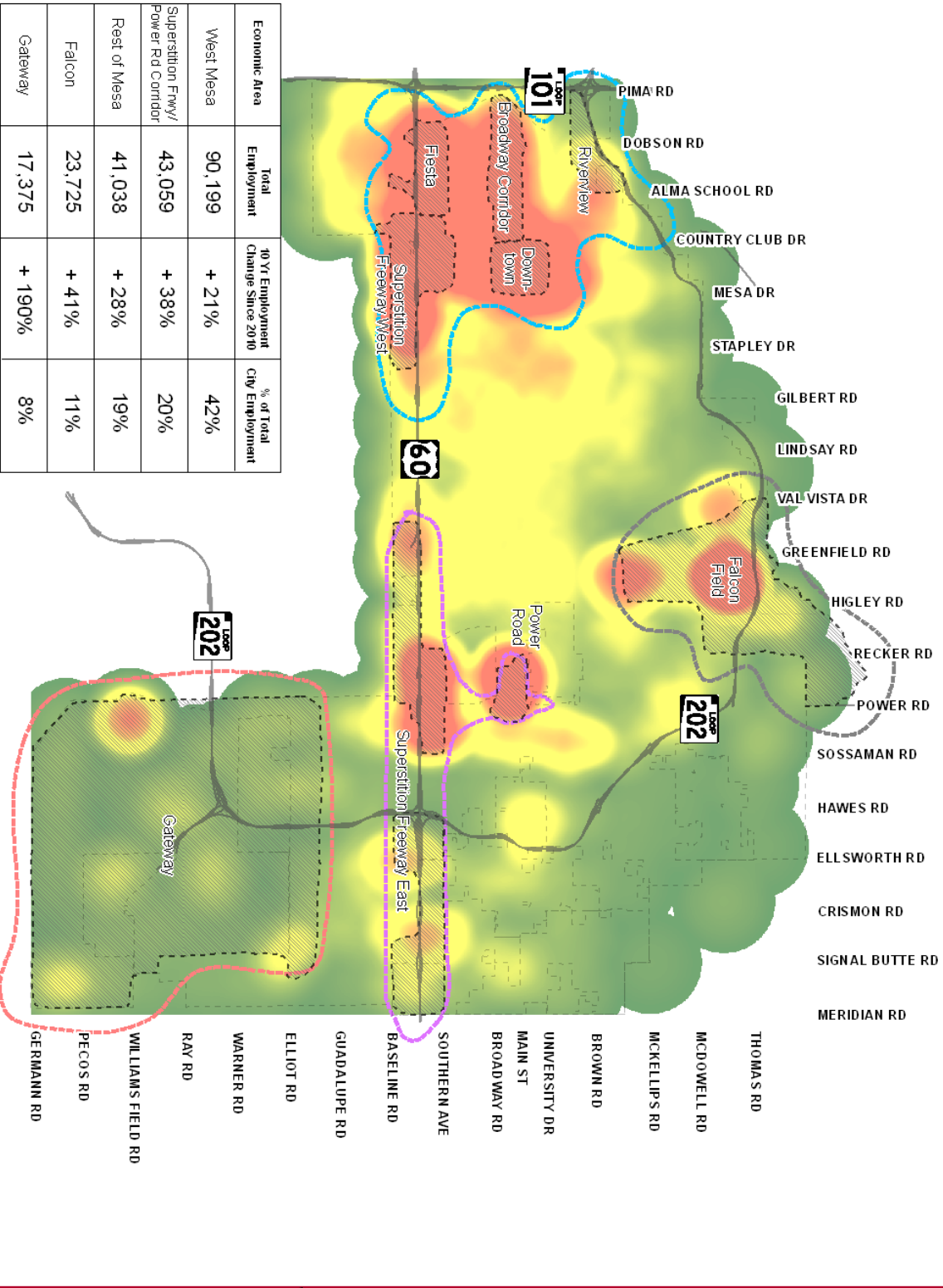
Employment:  
160,814

Jobs per Capita:  
0.33





# 2020 EMPLOYMENT DISTRIBUTION



**2020  
Employment  
By  
Economic  
Area**

**Overall  
Statistics:**

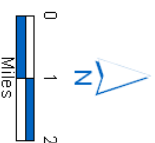
**Population:**  
543,353

**13% Increase  
Since 2010**

**Employment:**  
215,396

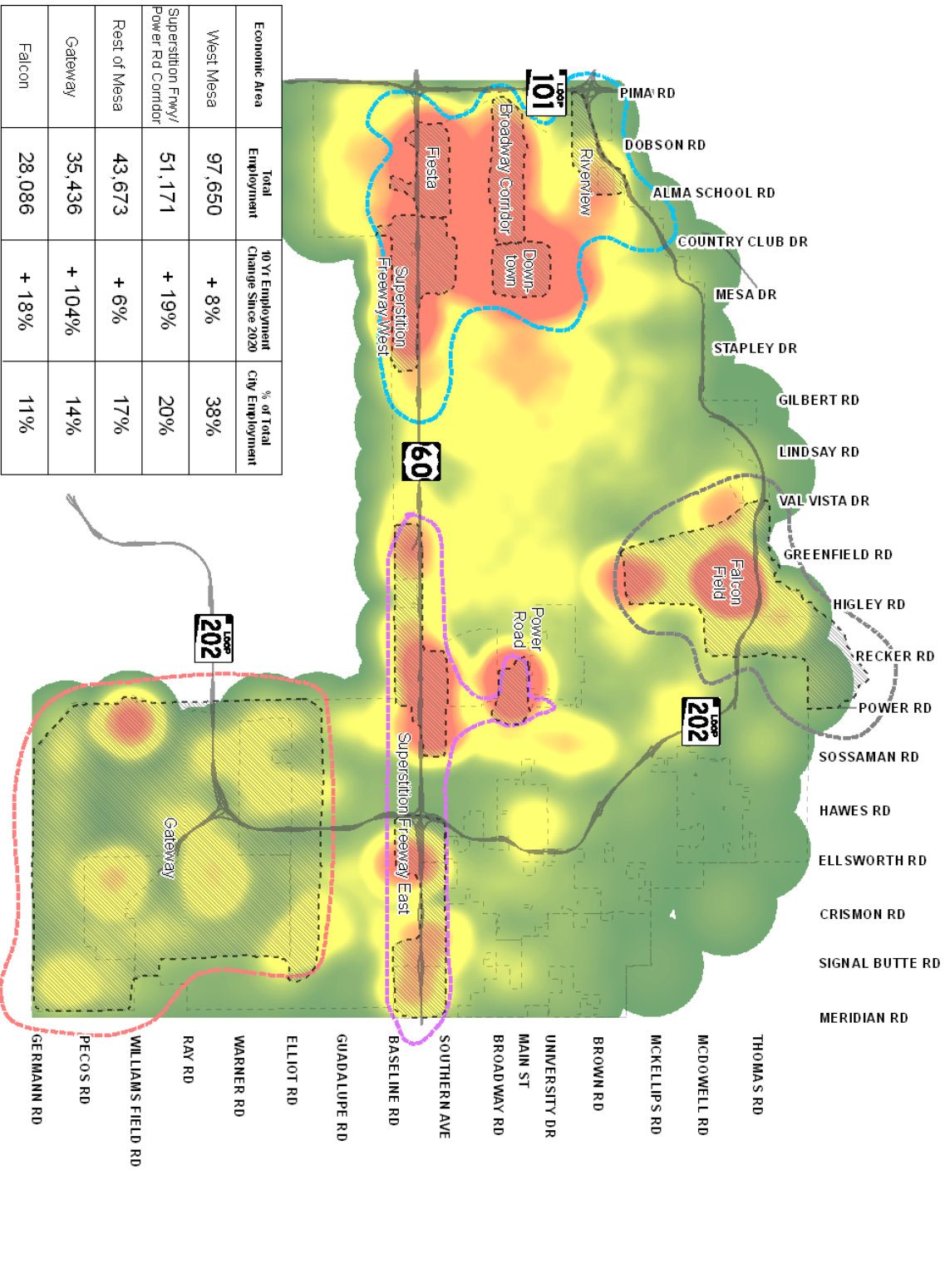
**34% Increase  
Since 2010**

**Jobs per Capita:**  
0.40



City and County of Mesa, AZ  
Planning Department  
Source: City of Mesa  
The City of Mesa is not responsible for the accuracy of the information provided.  
Copyright 1988, 2011 City of Mesa, AZ

# 2030 EMPLOYMENT DISTRIBUTION



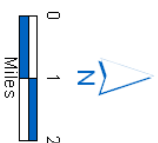
## 2030 Employment By Economic Area

### Overall Statistics:

Population:  
620,265  
29% Increase  
Since 2010

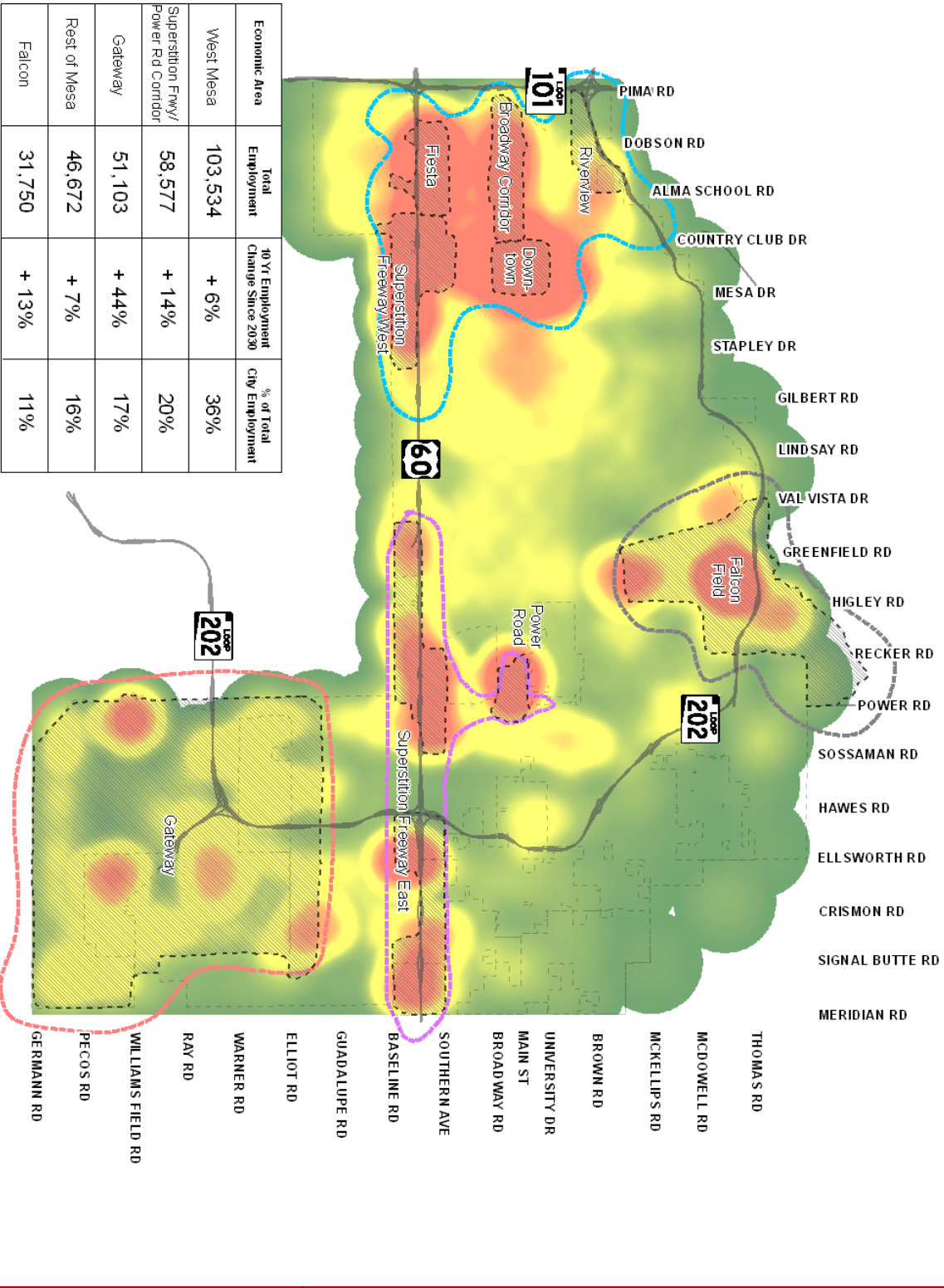
Employment:  
256,016  
59% Increase  
Since 2010

Jobs per Capita:  
0.41



City and County of Mesa, AZ  
Planning Department  
Source: City of Mesa  
The City of Mesa is not responsible for the accuracy of the information provided.  
Copyright 1988, 2011, City of Mesa, AZ  
03-11-1088, 2011, City of Mesa, AZ

# 2040 EMPLOYMENT DISTRIBUTION



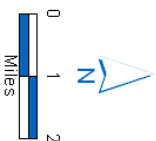
## 2040 Employment By Economic Area

### Overall Statistics:

Population:  
656,933  
36% Increase  
Since 2010

Employment:  
291,636  
81% Increase  
Since 2010

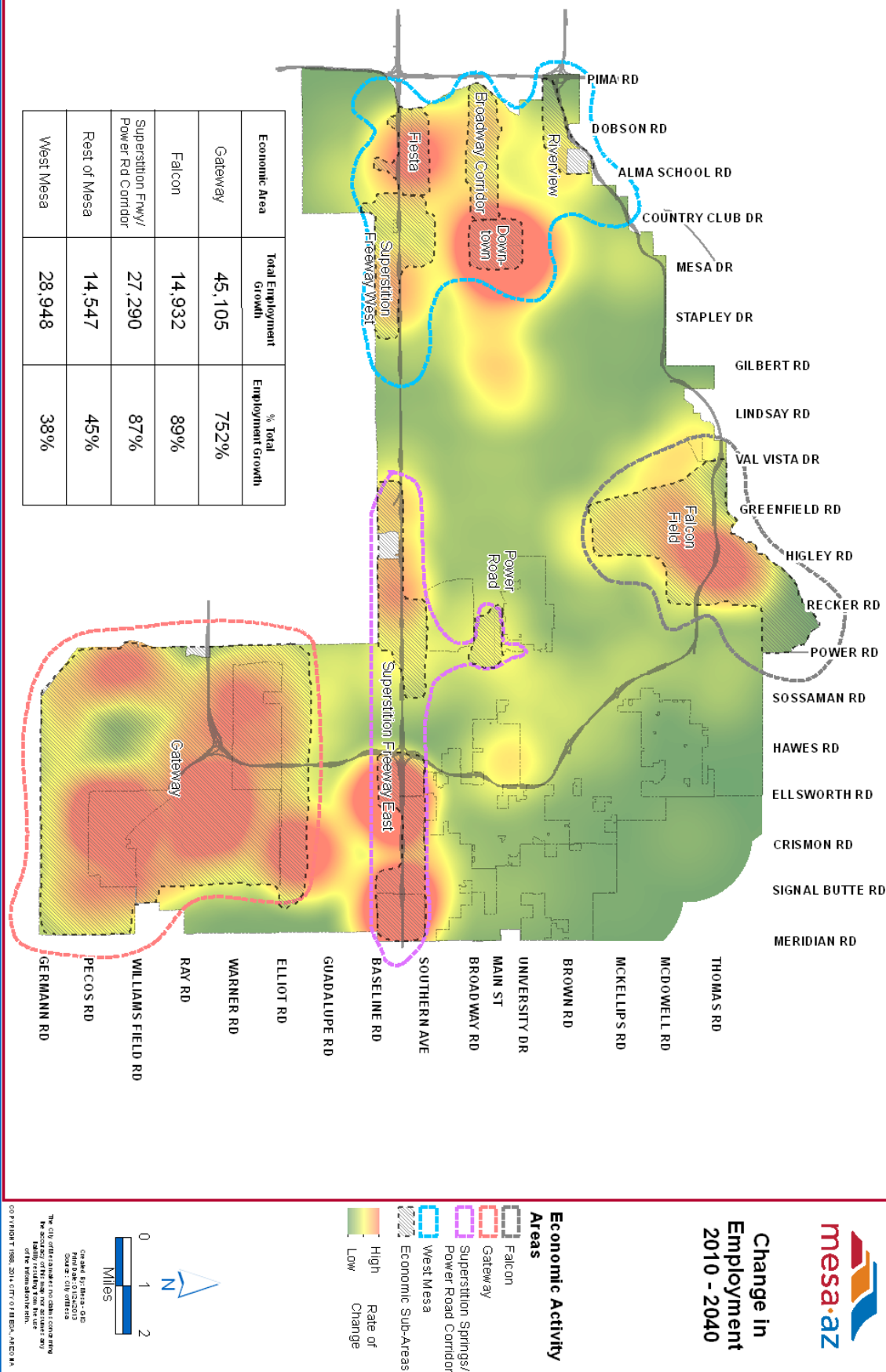
Jobs per Capita:  
0.44



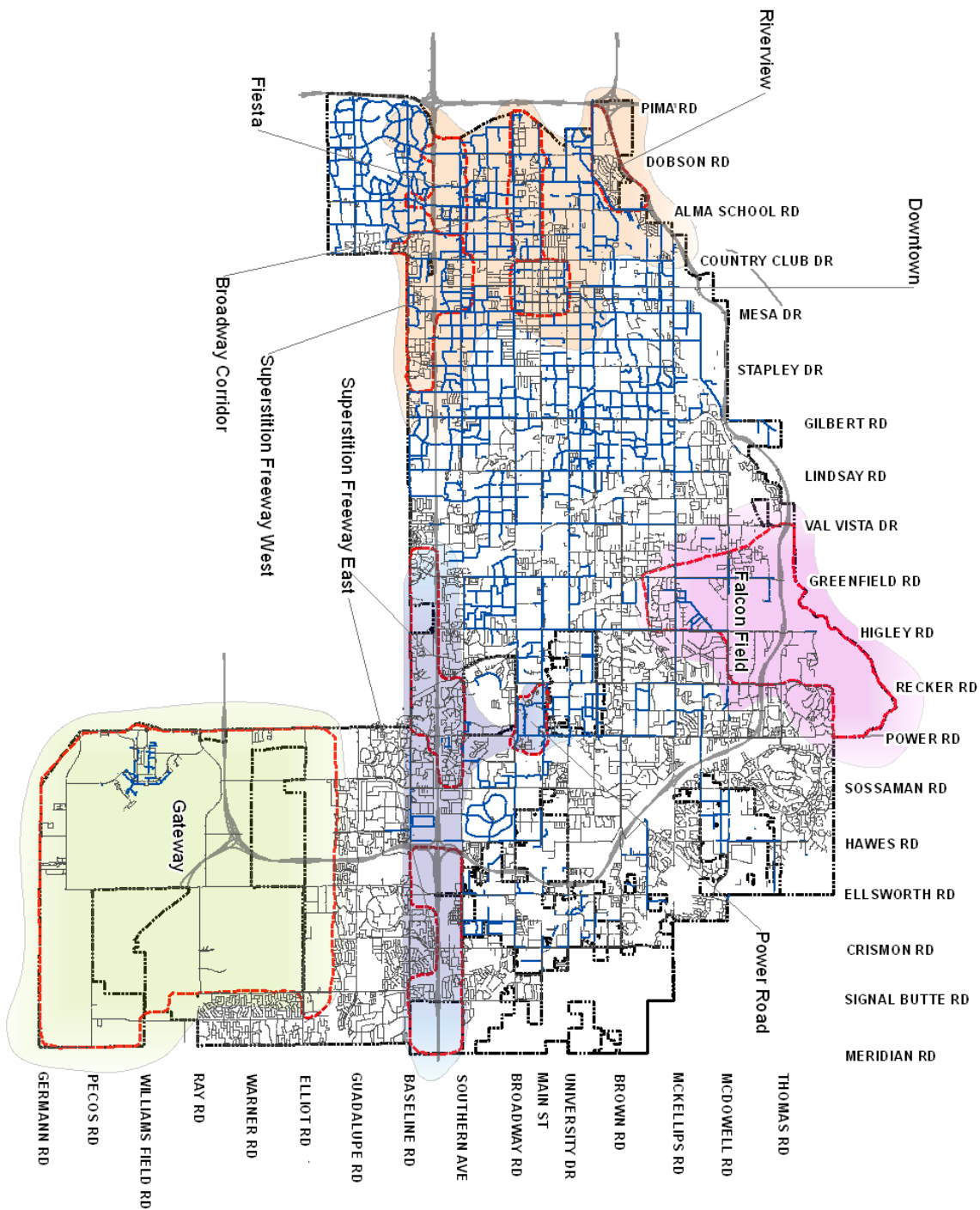
City and County of Mesa, AZ  
Planning Department  
Source: City of Mesa  
The City of Mesa is not responsible for the accuracy of the information provided.  
City of Mesa, 2011. City of Mesa, AZ 85201



# EMPLOYMENT DIFFERENCE 2010 - 2040



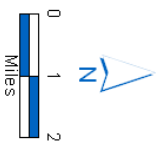
# WATER MAIN AGE



## Legend

- 1-30 Year Old Main
- 30+ Year Old Main
- Falcon
- Gateway
- Superstition Springs/  
Power Road Corridor
- West Mesa
- Economic Sub-Areas

Data Source: City of Mesa

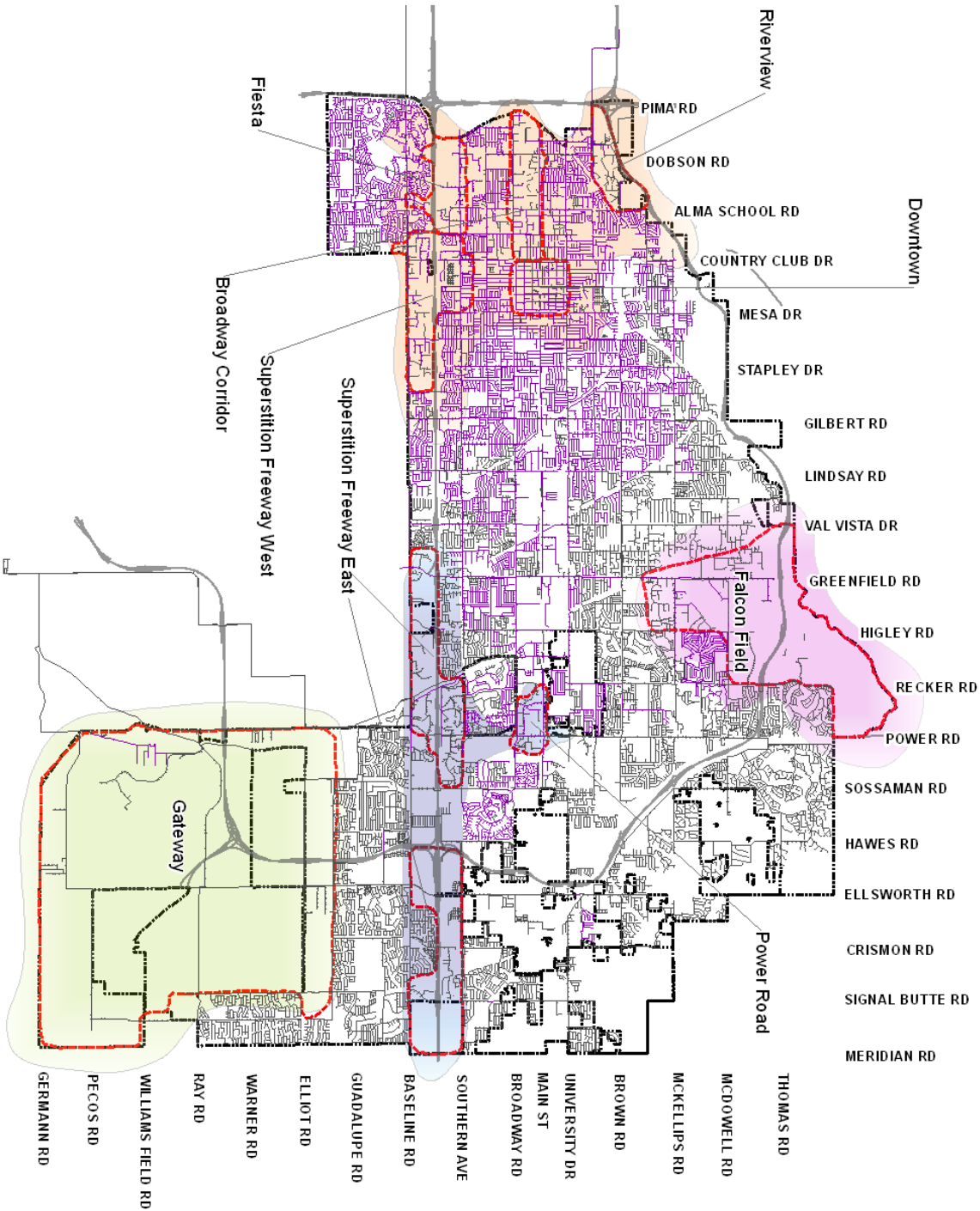


MAP OF MESA, AZ  
WATER MAIN AGE  
SOURCE: CITY OF MESA  
THE CITY OF MESA MAKES NO WARRANTY  
AS TO THE ACCURACY OF THE DATA OR THE  
RELIABILITY OF THE INFORMATION.

Water Main  
Age and  
Economic  
Centers



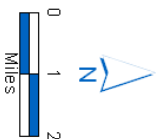
# WASTEWATER MAIN AGE



## Legend

- 1-30 Year Old Main
- 30+ Year Old Main
- Falcon
- Gateway
- Superstition Springs/  
Power Road Corridor
- West Mesa
- Economic Sub-Areas

Data Source: City of Mesa

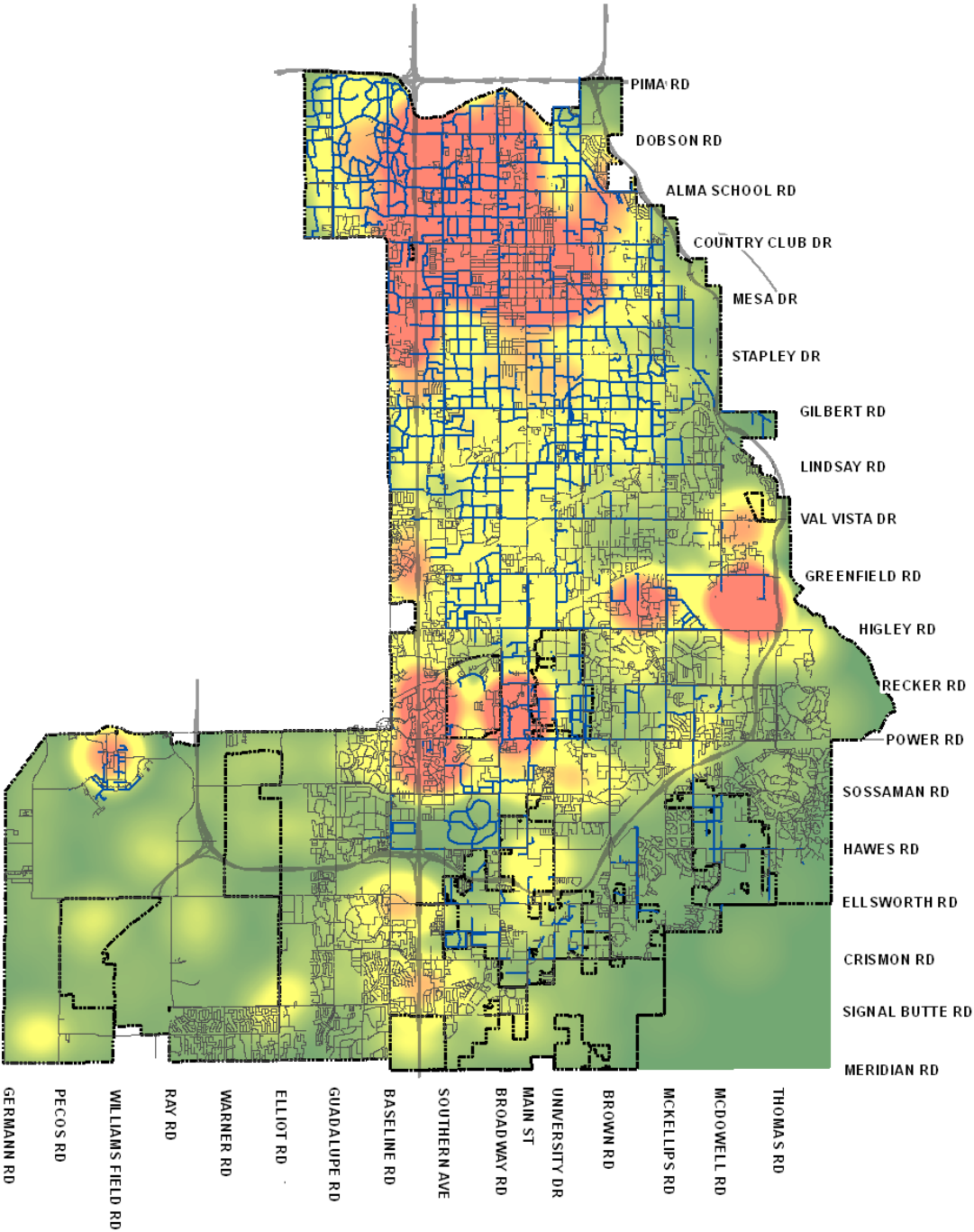


GRAPHIC PREPARED BY  
CITY OF MESA, ARIZONA  
SOURCE: CITY OFFICIALS  
THE CITY OFFICIALS MAKE NO GUARANTEE  
OF THE ACCURACY OF THE DATA OR THE  
RELIABILITY OF THE INFORMATION.

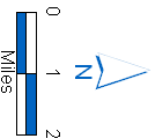
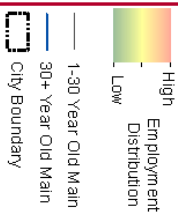
**mesa·az**  
Wastewater  
Main Age and  
Economic  
Centers



# 2020 EMPLOYMENT OVERVIEW - WATER MAIN



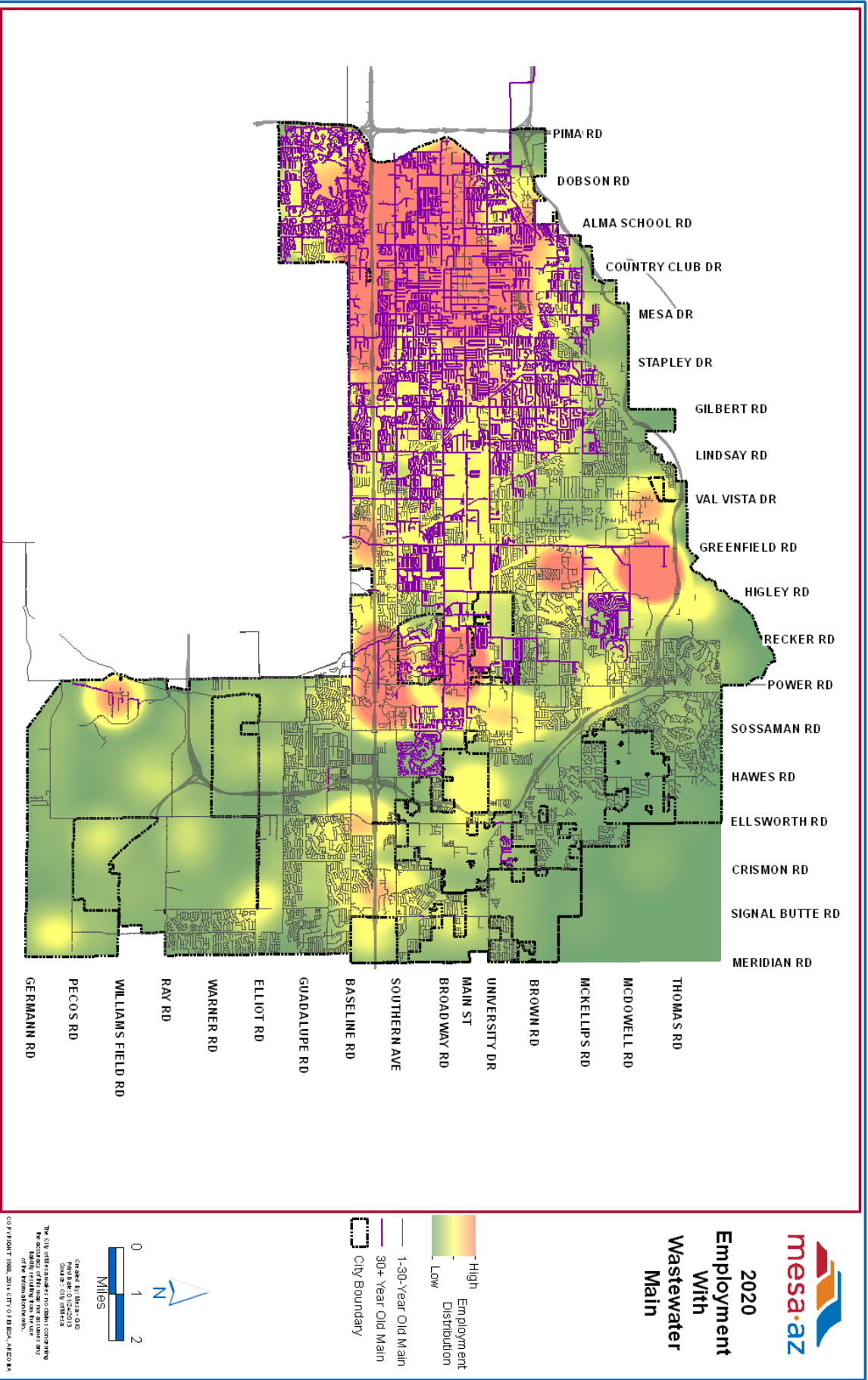
## 2020 Employment With Water Main



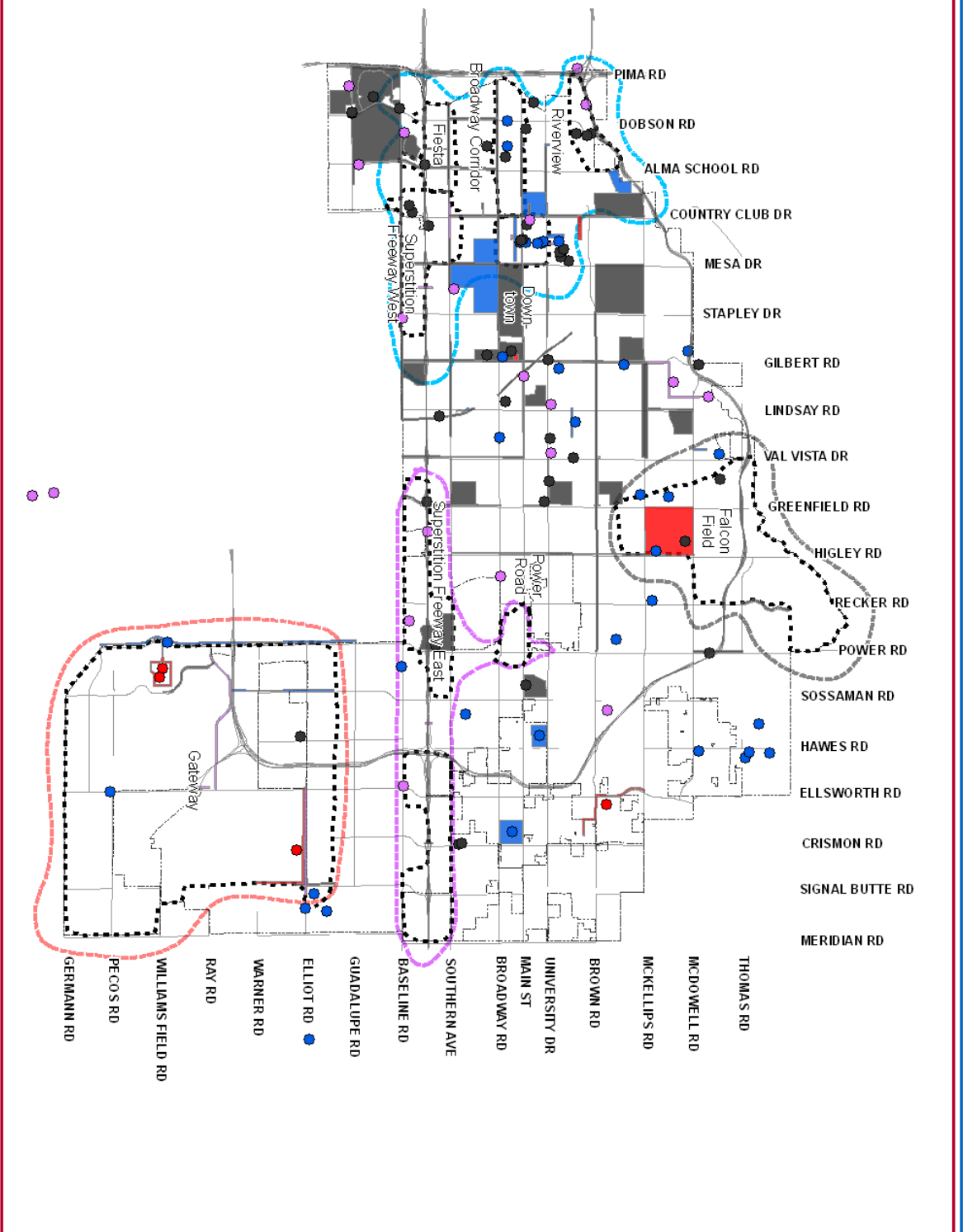
Created by: Mesa-GIS  
Source: City of Mesa  
The City of Mesa and its employees  
do not warrant the accuracy or  
completeness of the information  
provided on this map.

03/17/2014 1:00:00 PM 2014 CITY OF MESA, AZ

# 20 EMPLOYMENT OVERVIEW - WASTEWATER



# 2007-2013 COMPLETED CIP PROJECTS



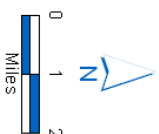
**Completed  
CIP Projects  
2007 - 2013**

## CIP Project Type

- Coordinated
- Transportation
- Water
- Wastewater

## Economic Activity Area

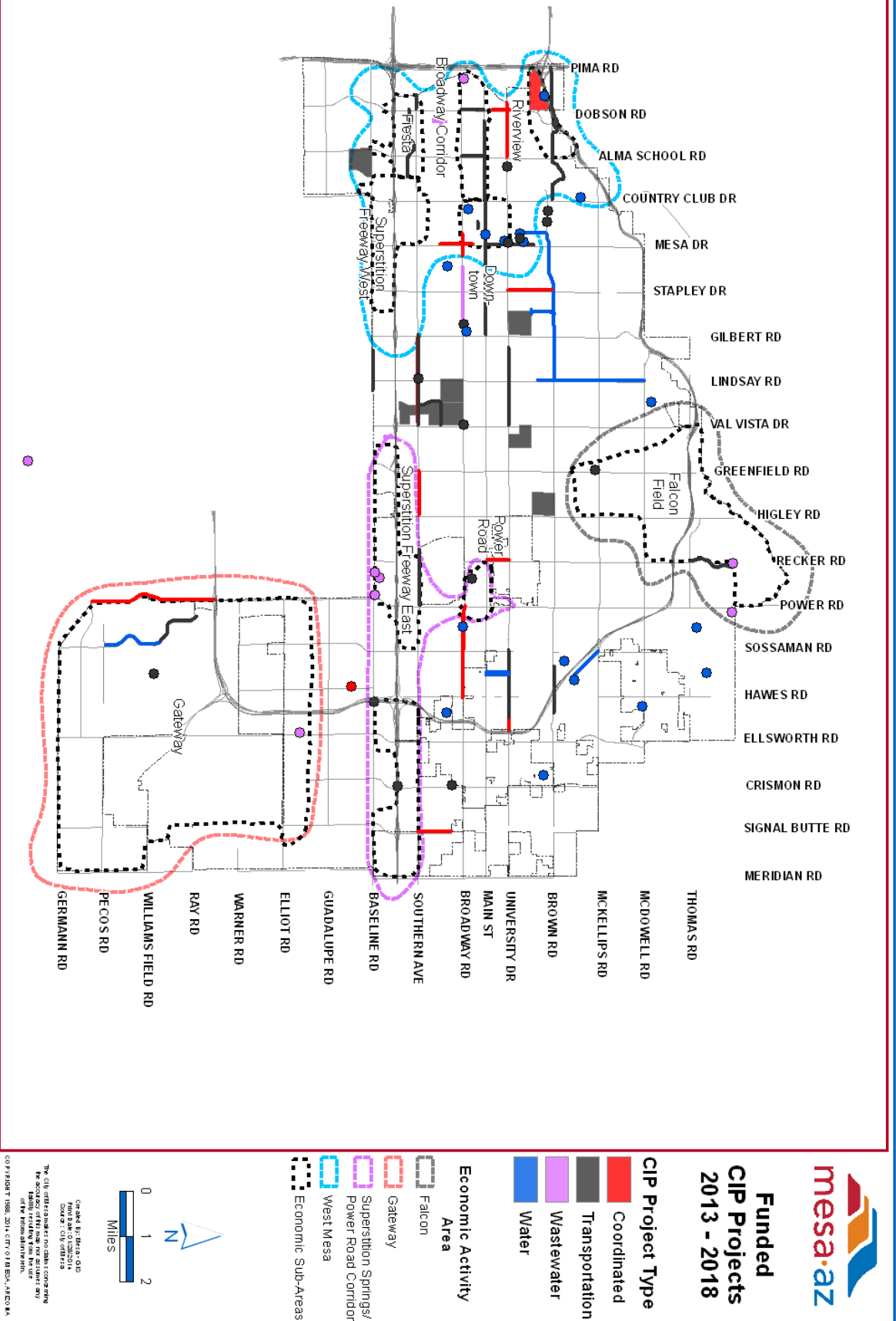
- Falcon
- Gateway
- Superstition Springs/  
Power Road Corridor
- West Mesa
- Economic Sub-Areas



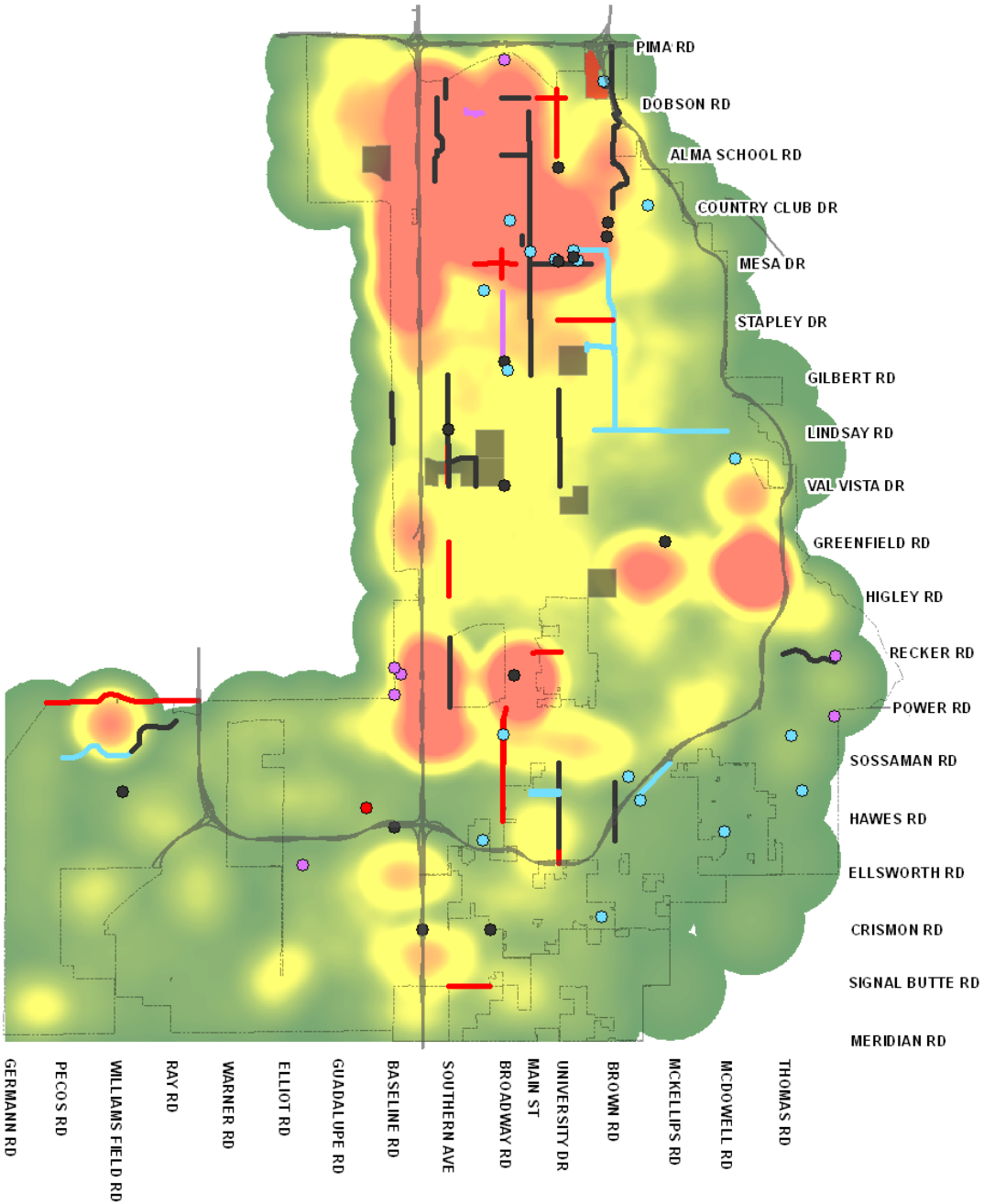
City of Mesa, AZ  
Print Date: 01/28/2014  
Source: CIP Office  
The City of Mesa is not liable for any errors or omissions in this map. The City of Mesa is not responsible for any liability resulting from the use of this information.

Copyright 1998, 2011, City of Mesa, AZ

# FUNDED CIP PROJECTS 2013 - 2018



# 20 EMPLOYMENT WITH FUNDED CIP



**mesa·az**

**2020**

**Employment**

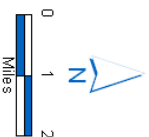
**With**

**Funded**

**CIP Projects**

**CIP Project Type**

- Coordinated
- Transportation
- Wastewater
- Water



Created By: Mesa-GIS  
Print Date: 01/28/2014  
Scale: 1:50,000  
The GIS Office makes no claim concerning  
the accuracy or completeness of the  
information.  
Copyright 1998, 2011 City of Mesa, AZ



# ECONOMIC DEVELOPMENT

- **Achieving Job Growth**
- **Infrastructure & Entitlements**



# ACHIEVING JOB GROWTH

## Keys Ingredients:

- ❑ Proactive **Infrastructure** planning & construction
  - (anticipate, be strategic & utilize fiscal modeling)
- ❑ Proactive **entitlements** (zoning)
  - Property Owners & City working together to establish flexible zoning
  - Town Center: Form Base Code (Encore on Main)
  - Gateway: DMB/Eastmark-Community Plan (Apple)

## Desired Key Result:

- ❑ Compressed timeline **accelerates** client's ability to open for business
  - Mesa moves to top of prospect's list for location

# ACHIEVING JOB GROWTH

- Desired Key Results of proactive **Infrastructure & Entitlements** implementation

- Predicted Job Growth by Economic Activity Area from 2010 - 2040:

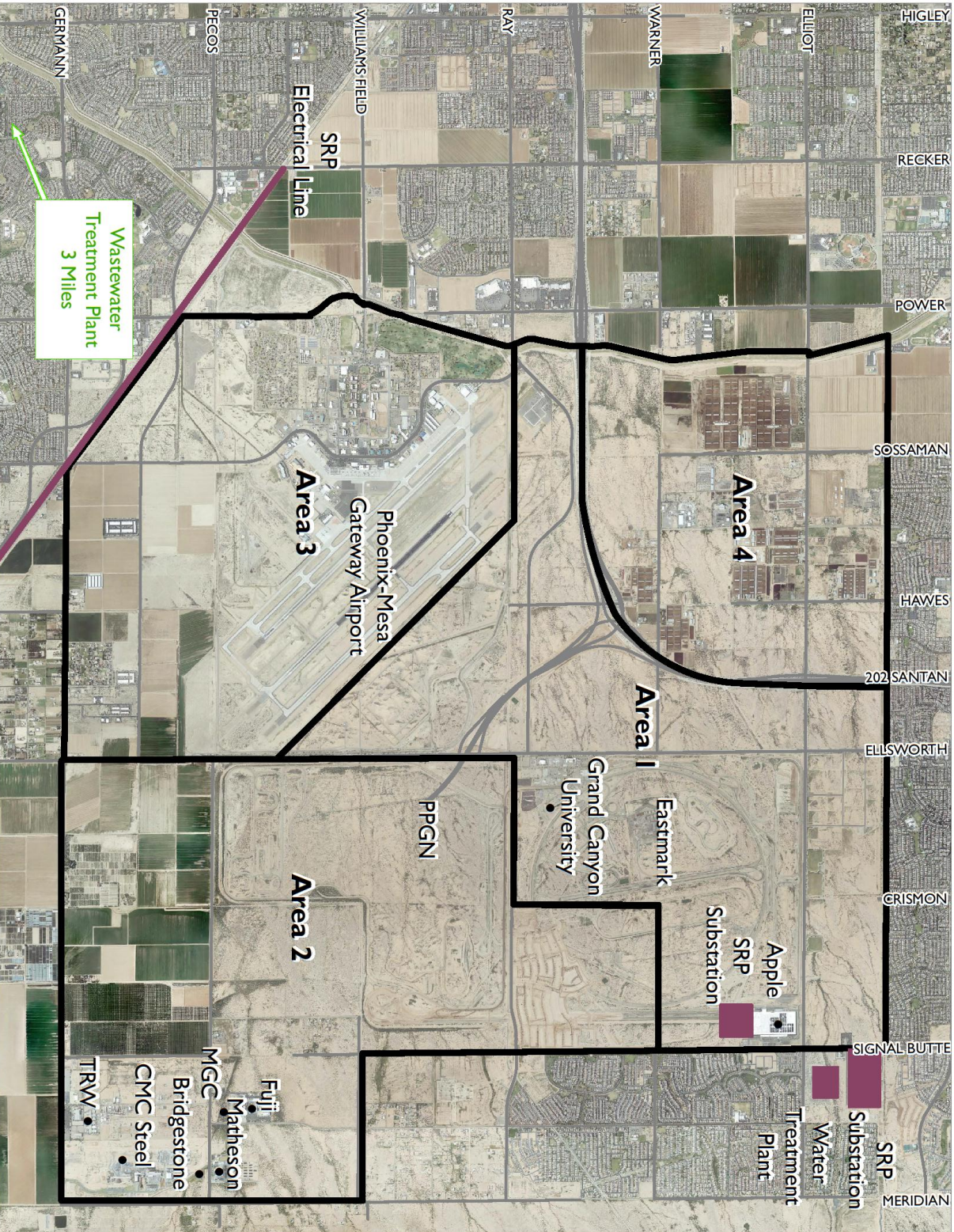
|  |                  |        |
|--|------------------|--------|
| <input type="checkbox"/> Fiesta :      | 74,500 - 103,534 | (28%)  |
| <input type="checkbox"/> Falcon:       | 16,818 - 31,750  | (89%)  |
| <input type="checkbox"/> Superstition: | 31,287 - 58,577  | (87%)  |
| <input type="checkbox"/> Gateway:      | 5,998 - 51,103   | (752%) |

- Jobs Per Capita Ratio:

|                                    |
|------------------------------------|
| <input type="checkbox"/> 2010- .33 |
| <input type="checkbox"/> 2020- .40 |
| <input type="checkbox"/> 2030- .41 |
| <input type="checkbox"/> 2040- .44 |

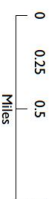


# INFRASTRUCTURE & ENTITLEMENTS GATEWAY



**Gateway**  
Base Map

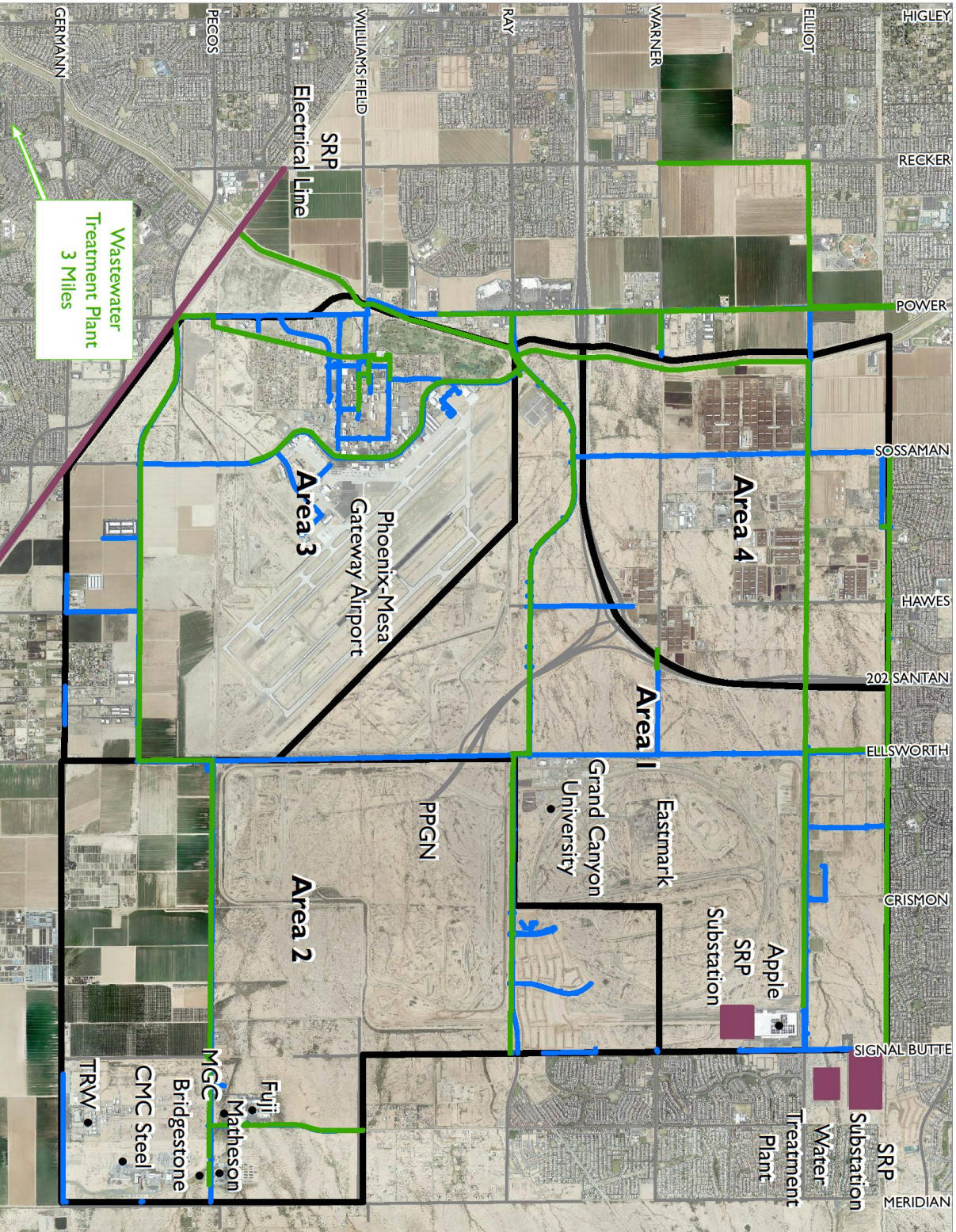
- Legend**
- Major Businesses
  - ◻ Southeast Mesa Areas
  - Street Centerline



Map Created: Engineering-GIS  
Map Date: 2/7/2014  
Aerial Reference: 2013

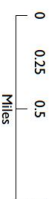


# INFRASTRUCTURE & ENTITLEMENTS GATEWAY



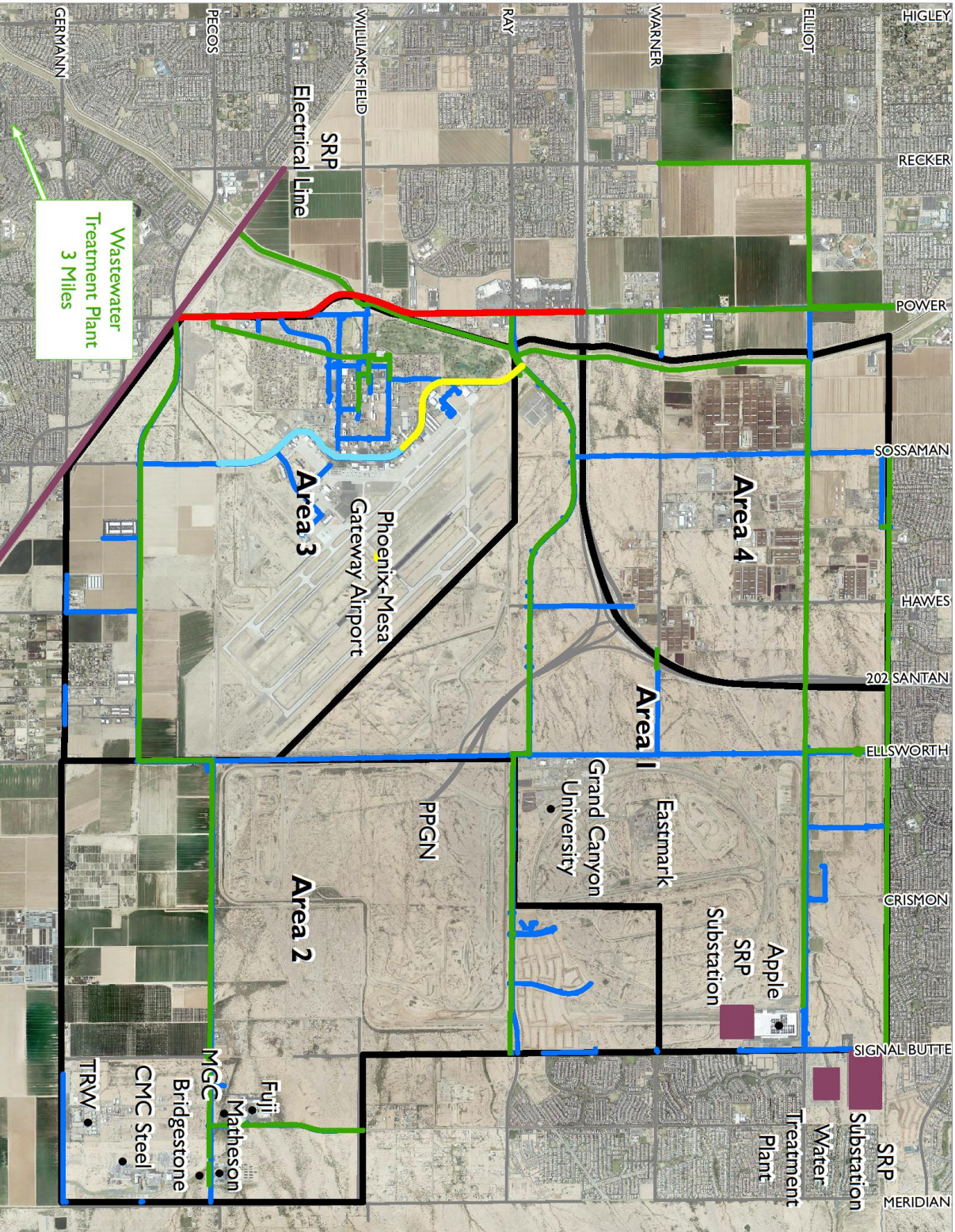
## Gateway Current Utilities

- Legend**
- Major Businesses
  - Wastewater Mains
  - Water Mains
  - ▭ Southeast Mesa Areas
  - Street Centerline





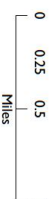
# INFRASTRUCTURE & ENTITLEMENTS GATEWAY



**Gateway**  
Current Utilities  
Current &  
Authorized CIP

## Legend

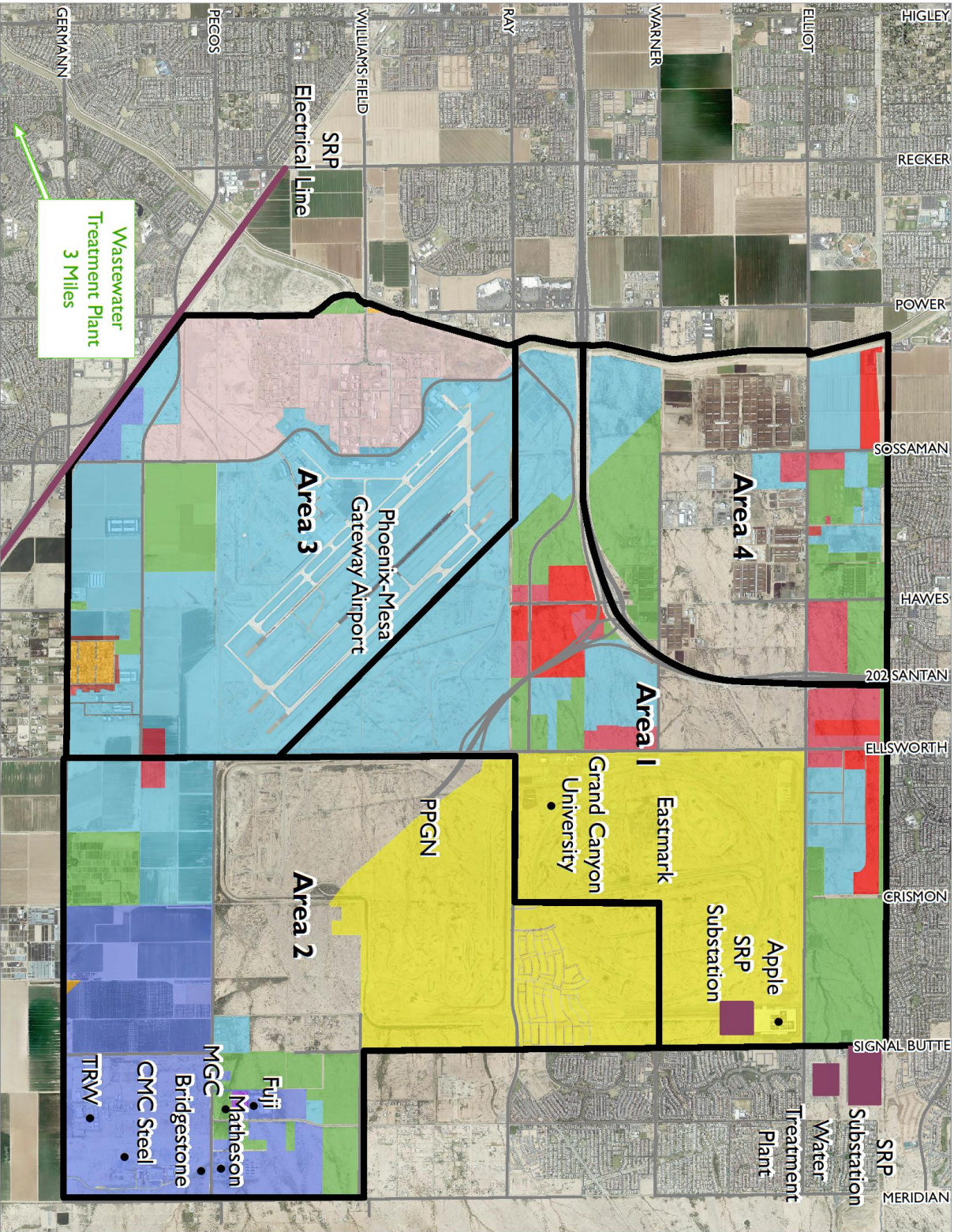
- Major Businesses
- Coordinated CIP
- Transportation CIP
- Water CIP
- Wastewater Mains
- Water Mains
- Southeast Mesa Areas
- Street Centerline



Map Created: Engineering-GIS  
Map Date: 2/7/2014  
Aerial Reference: 2013

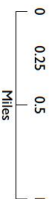


# INFRASTRUCTURE & ENTITLEMENTS GATEWAY



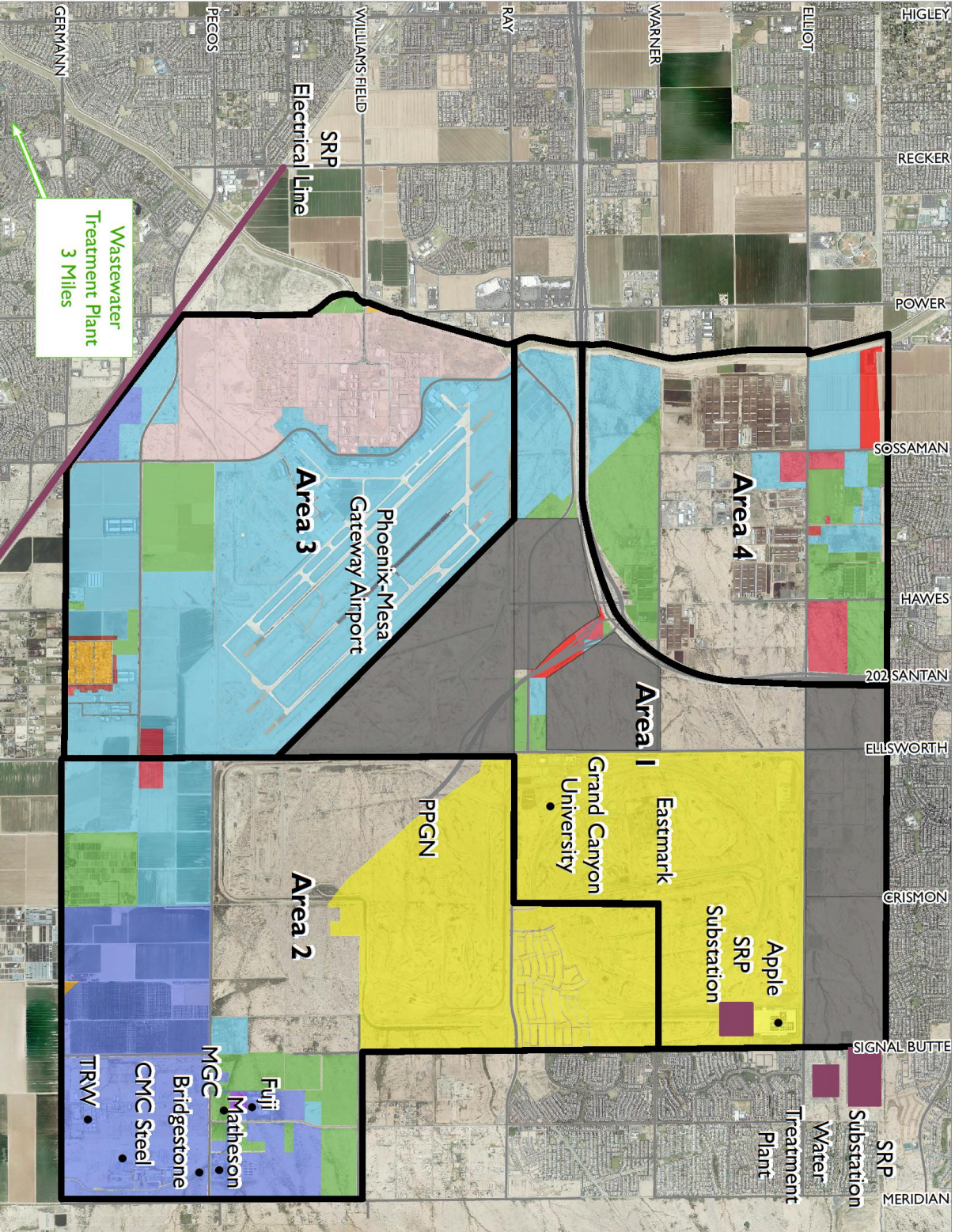
**Gateway**  
Current Zoning

- Legend**
- Major Businesses
  - Agriculture
  - General Industrial
  - Heavy Industrial
  - Light Industrial
  - Limited Commercial
  - Neighborhood Commercial
  - Office Commercial
  - Planned Community
  - Planned Employment Park
  - Public and Semi-Public
  - Residential Single Dwelling
  - Southeast Mesa Areas
  - Street Centerline





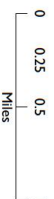
# INFRASTRUCTURE & ENTITLEMENTS GATEWAY



## Gateway Current Zoning & Major Landowners

### Legend

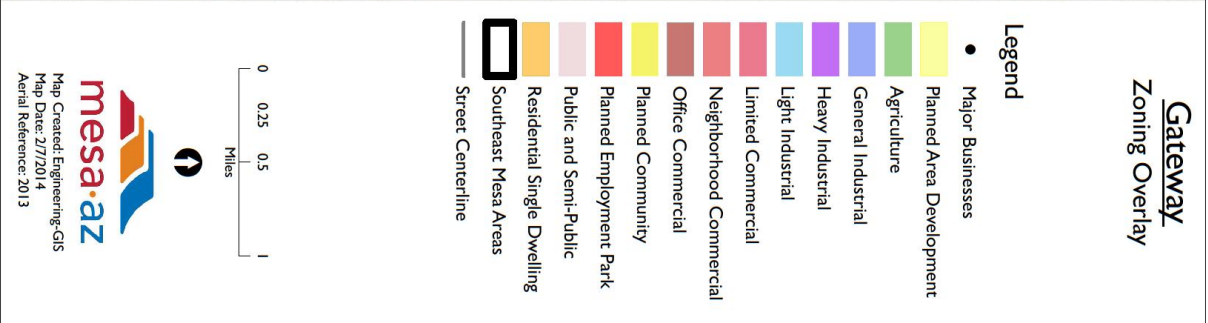
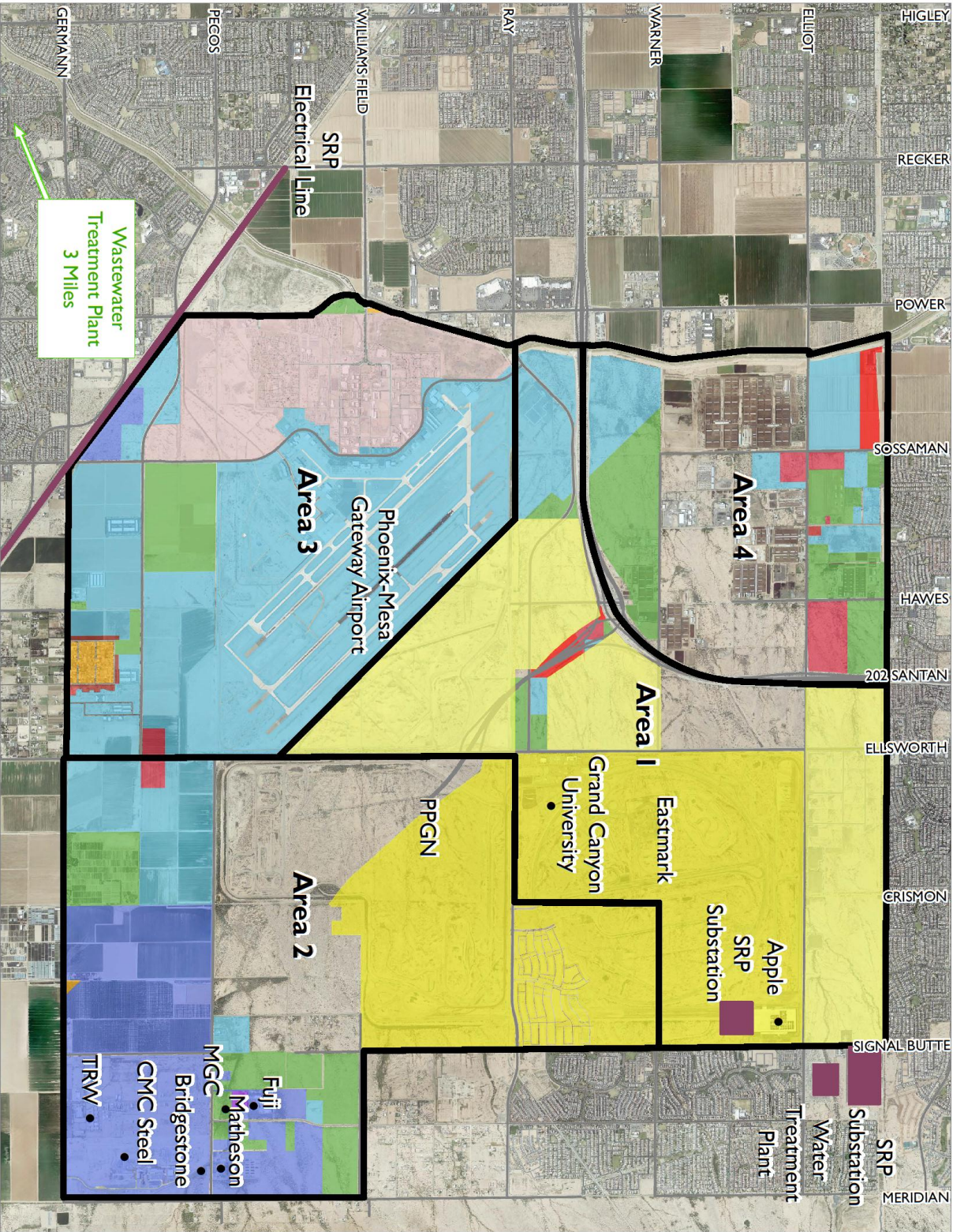
- Major Businesses
- Major Landowners
- Agriculture
- General Industrial
- Heavy Industrial
- Light Industrial
- Limited Commercial
- Neighborhood Commercial
- Office Commercial
- Planned Community
- Planned Employment Park
- Public and Semi-Public
- Residential Single Dwelling
- Southeast Mesa Areas
- Street Centreline



Map Created: Engineering-GIS  
Map Date: 2/7/2014  
Aerial Reference: 2013



# INFRASTRUCTURE & ENTITLEMENTS GATEWAY



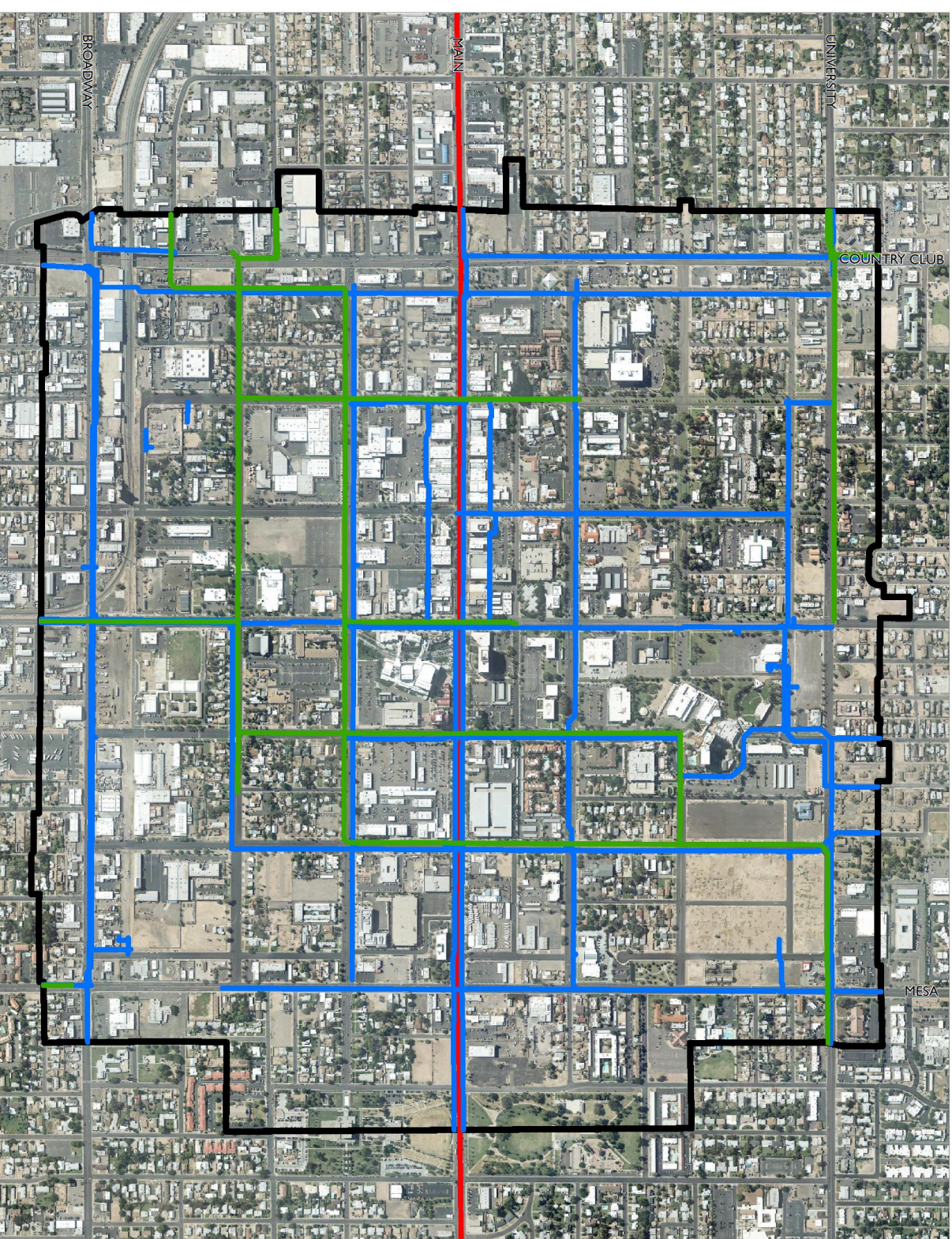
# ACCELERATED JOB GROWTH FORMULA

$$\begin{array}{c} \text{(I) Infrastructure Investment} \\ + \\ \text{(E) Proactive Entitlements} \\ = \\ \text{Accelerated Jobs Growth} \end{array}$$

**Formula can be applied to any  
Economic Activity Area in City**



# INFRASTRUCTURE & ENTITLEMENTS DOWNTOWN MESA



**Downtown Mesa**  
Current Utilities  
& Light Rail

## Legend

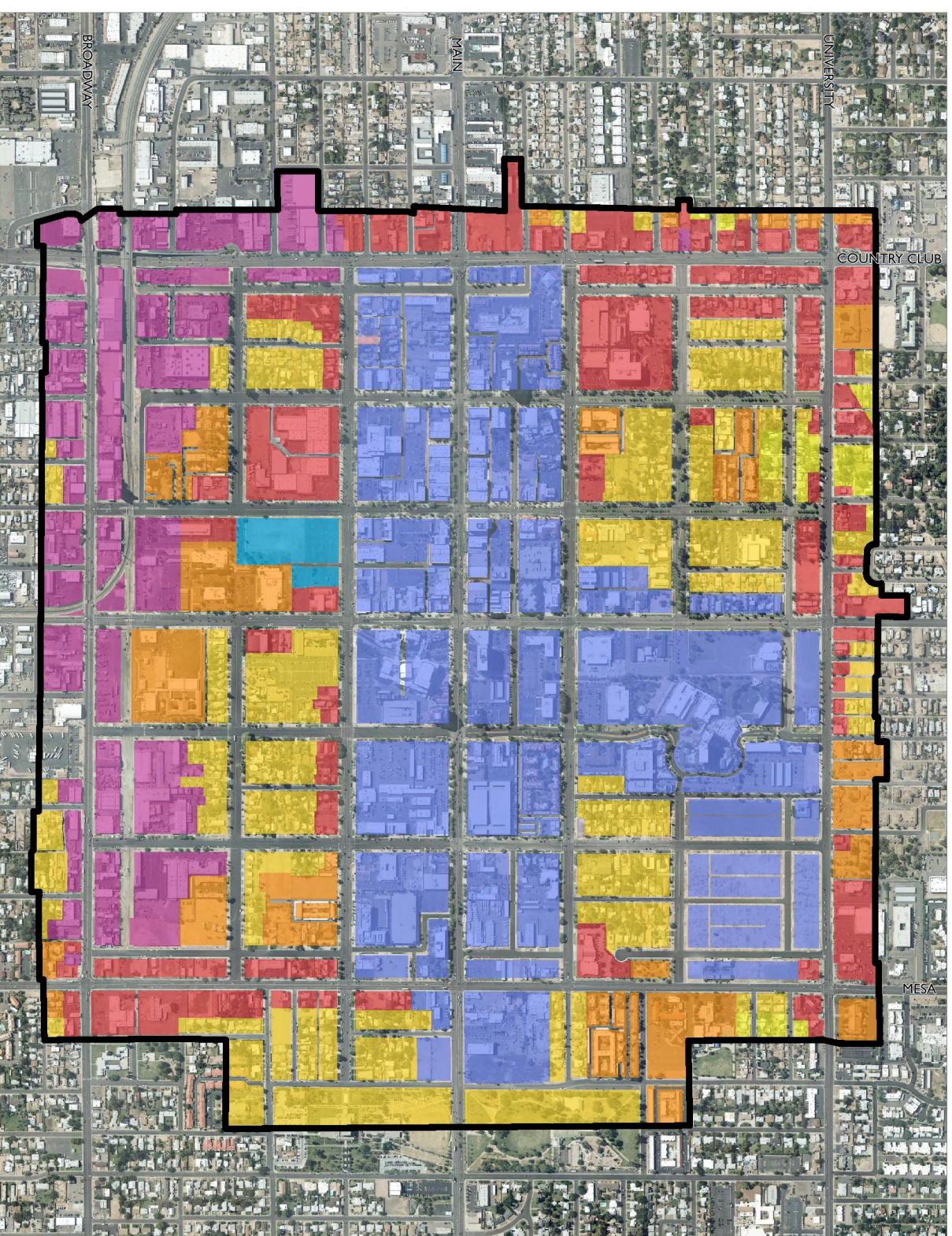
- Wastewater Mains
- Water Mains
- Light Rail Phase 1 & 2
- Downtown Mesa
- Street Centerline

0 250 500 1,000  
Feet





# INFRASTRUCTURE & ENTITLEMENTS DOWNTOWN MESA



## Downtown Mesa Current Zoning

### Legend

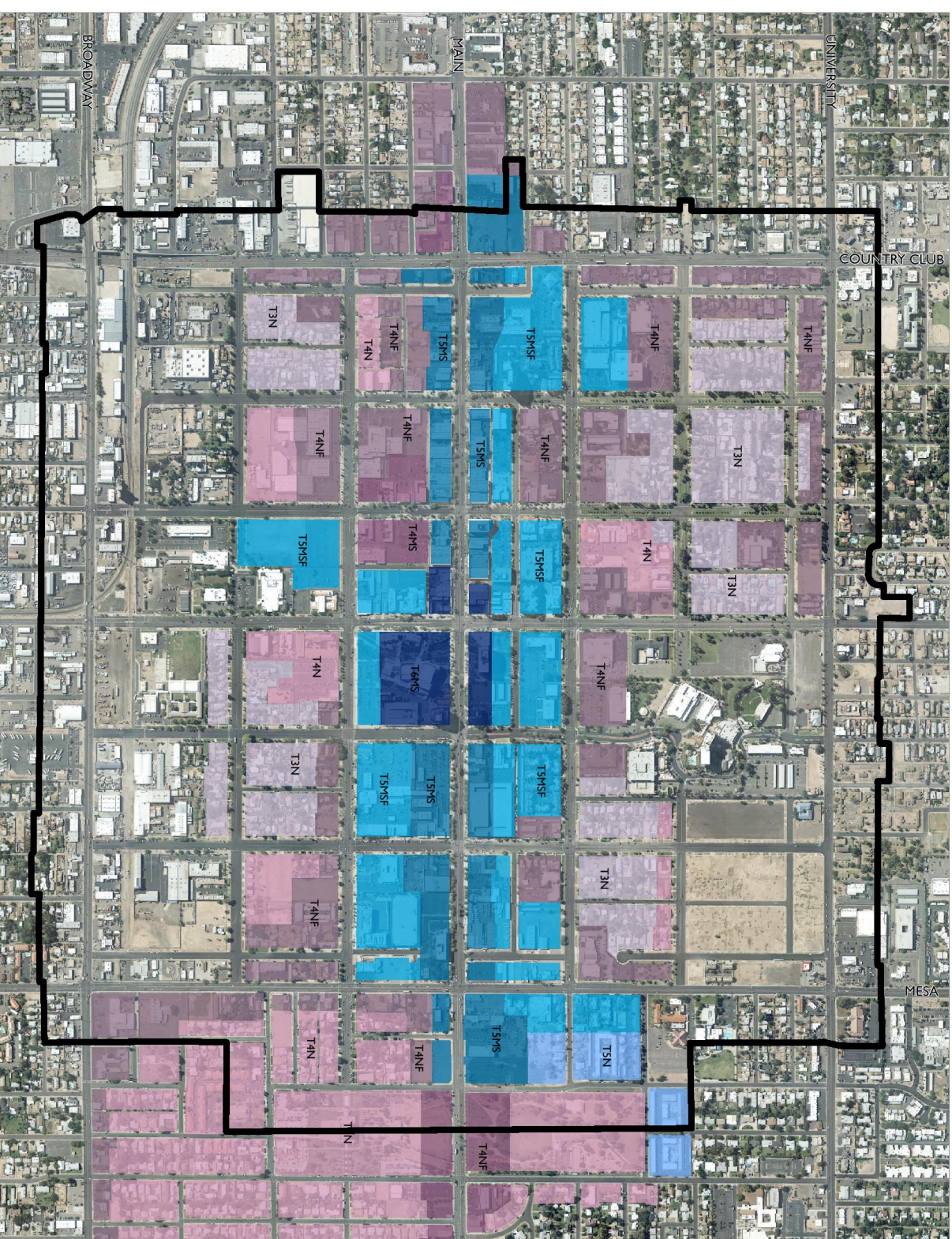
- Downtown Business District 1
- Downtown Business District 2
- Downtown Core
- Downtown Resident District 1
- Downtown Resident District 2
- Downtown Resident District 3
- T3 Neighborhood
- T4 Neighborhood
- T5 Main Street Flex
- Downtown Mesa
- Street Centerline

0 250 500 1,000  
Feet





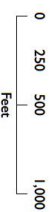
# INFRASTRUCTURE & ENTITLEMENTS DOWNTOWN MESA



## Downtown Mesa Form Based Code

### Legend

- T6 Main Street
- T5 Main Street
- T5 Main Street Flex
- T5 Neighborhood
- T4 Main Street
- T4 Neighborhood Flex
- T4 Neighborhood
- T3 Neighborhood
- Downtown Mesa
- Street Centerline





# INFRASTRUCTURE & ENTITLEMENTS FIESTA DISTRICT

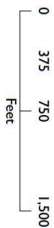


## Fiesta District

### Utilities

#### Legend

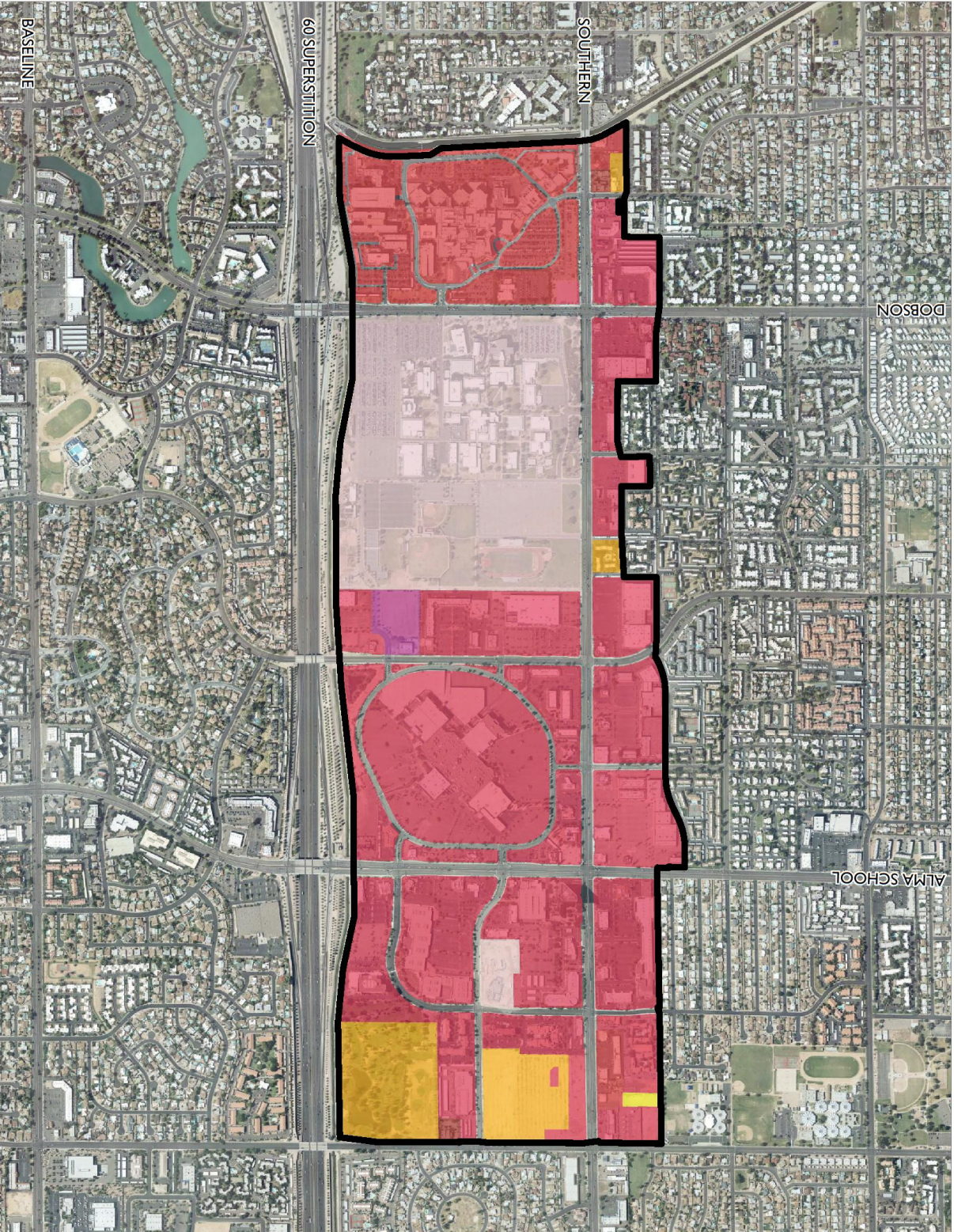
- Wastewater Mains
- Water Mains
- Fiesta District
- Street Centerline



Map Created: Engineering-GIS  
Map Date: 2/7/2014  
Aerial Reference: 2013



# INFRASTRUCTURE & ENTITLEMENTS FIESTA DISTRICT



## Fiesta District Current Zoning

### Legend

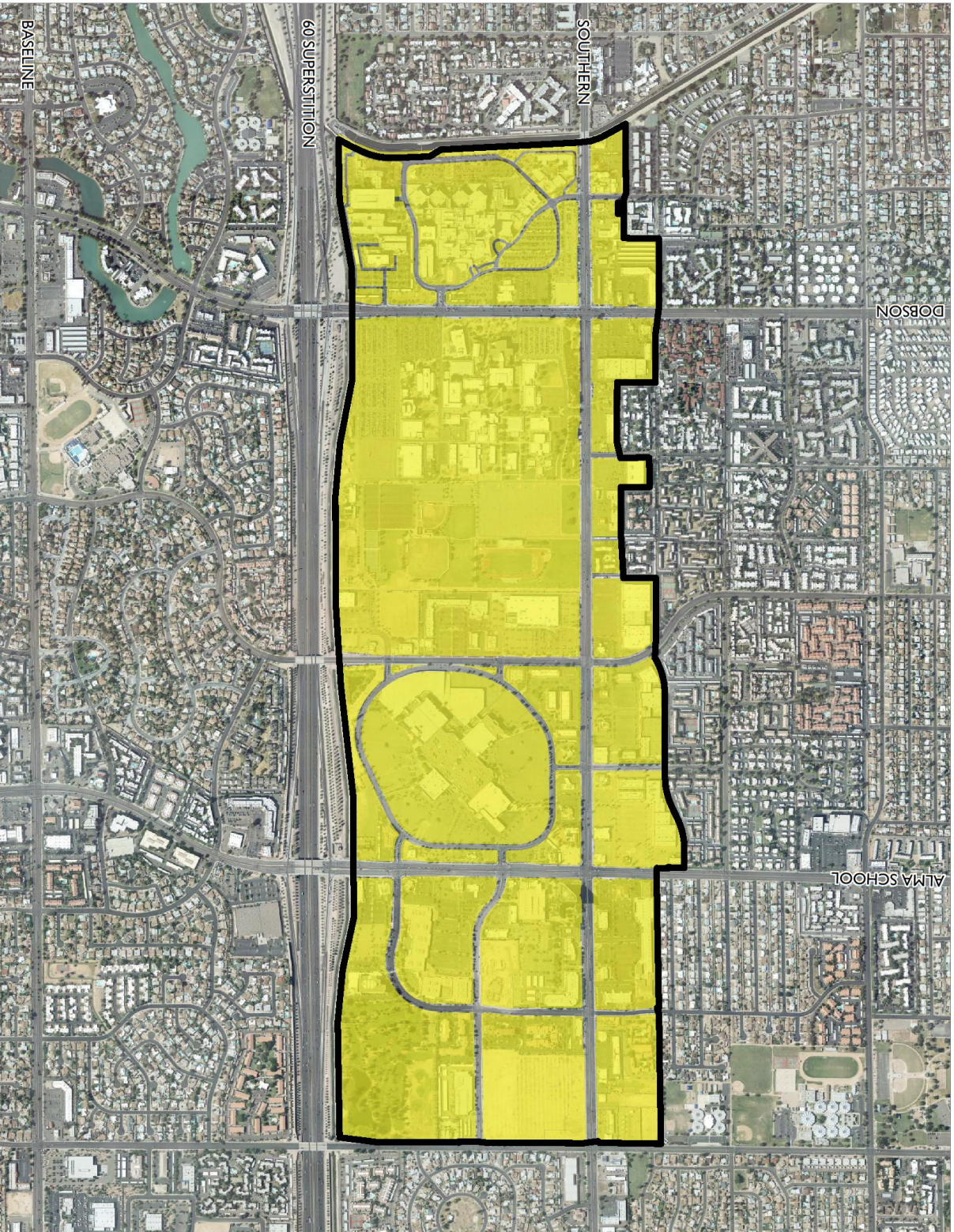
- General Commercial
- Limited Commercial
- Neighborhood Commercial
- Office Commercial
- Public and Semi-Public
- Residential Multiple Dwelling 4
- Residential Single Dwelling 6
- Fiesta District
- Street Centerline

0 375 750 1,500  
Feet








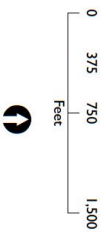
# INFRASTRUCTURE & ENTITLEMENTS FIESTA DISTRICT



## Fiesta District Zoning Overlay

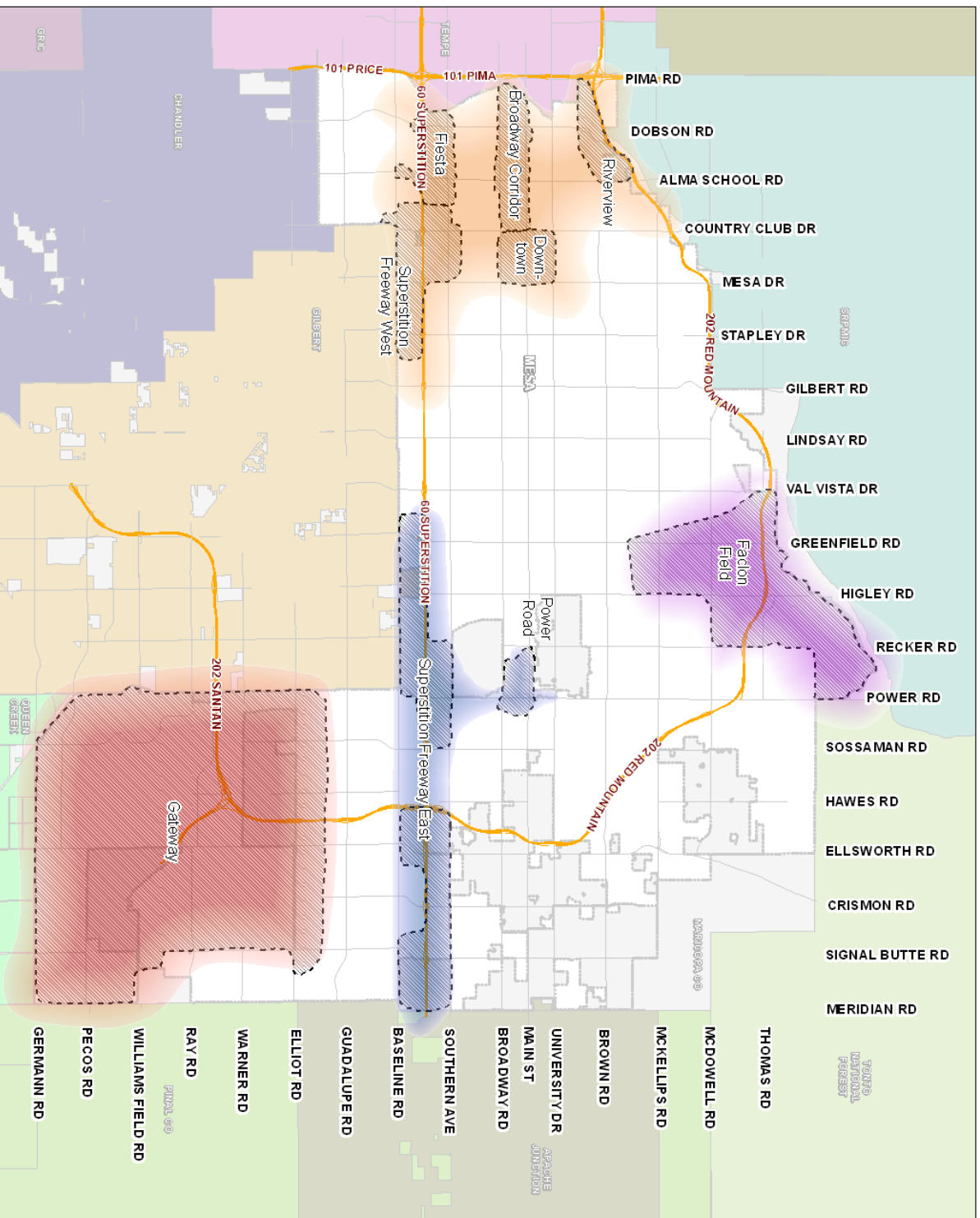
### Legend

-  Planned Area Development
-  Fiesta District
-  Street Centerline





# ECONOMIC ACTIVITY AREAS



MESA 2040 GENERAL PLAN:  
ECONOMIC ACTIVITY AREAS

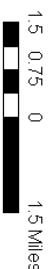


**Economic Activity Areas**

- Falcon
- Gateway
- West Mesa
- Superstition Springs/  
Power Road Corridor

**Economic Activity Districts**

- Districts





# City of Mesa

## Strategic Budget Discussion

February 13, 2014

Presented by the Office of Management and Budget



# City of Mesa Priorities

## Vision

- To be the employer and community of choice

## Mission

- We are dedicated to providing superior services to our customers in order to improve the quality of life for Mesa residents, businesses and visitors

## Strategic Initiatives



## Financial Stability



Fiscal stability that provides proactive leadership and considers all financial factors in order to diversify revenues, bring new jobs to Mesa, create responsible budgets, and ensure operational efficiencies.

# The City of Mesa Continuously Strives for Excellence

## Service Excellence

- Provide high quality service to the citizens of Mesa
- Establish and maintain a workforce of quality, professional individuals

## Financial Excellence

- Align on-going expenditures with on-going revenues
- Position the City to invest in economic development opportunities

## Performance Excellence

- Leverage current resources in an effective and efficient manner
- Leverage technology and innovation to augment resources

# Current Financial Status

## Fiscal Year 12/13

- Revenues came in slightly higher than forecasted
- Expenditures came in slightly higher than forecasted
- No significant effect on fund balance

## Fiscal Year 13/14

- Revenues are projected to be higher than budgeted
- Expenditures are projected to be higher than budgeted
- Most of the additional revenue capacity is needed to cover inflationary expenditure pressures

The City is no longer experiencing the departmental operational savings as in the past



## Mid-range Forecast

- Forecasted resources are sufficient to continue FY 13/14 budget amounts for FY 14/15, but do not allow for additional programming
- The City continues to experience inflationary pressure in areas such as fuel, employee benefits and contract renewals
- Increasing expenditure budgets require increasing reserve dollars to maintain the same percentage coverage
- Growth in revenues are not forecasted to keep pace with growth in expenditures

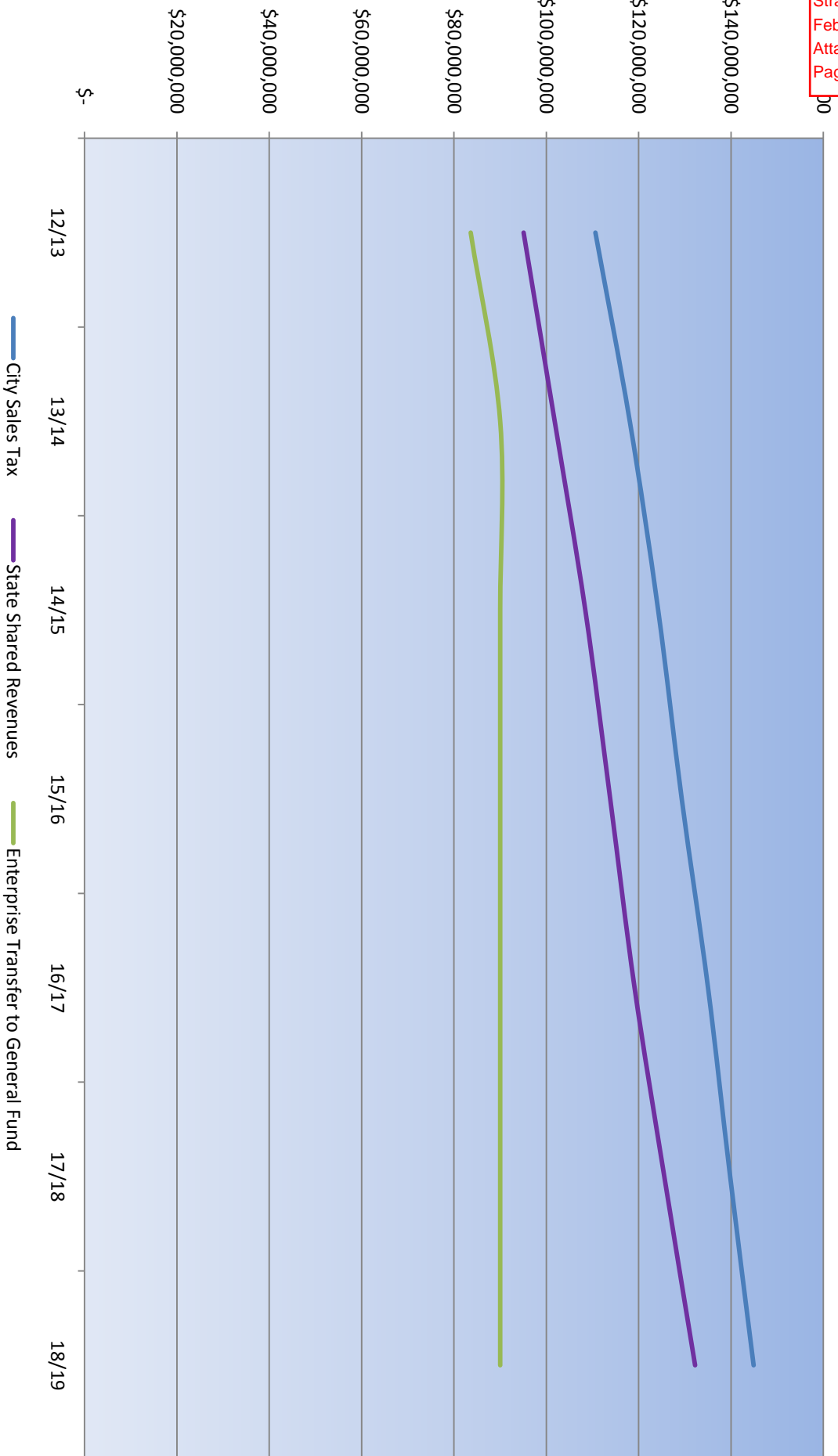
# General Governmental Resources

|                              | <u>FY 12/13<br/>Estimated</u> | <u>FY 13/14<br/>Projected</u> | <u>Change</u> | <u>FY 14/15<br/>Forecast</u> | <u>Change</u> |
|------------------------------|-------------------------------|-------------------------------|---------------|------------------------------|---------------|
| <b>Local Sales Tax</b>       | <b>\$110.6</b>                | <b>\$118.1</b>                | <b>6.7%</b>   | <b>\$124.2</b>               | <b>5.2%</b>   |
| <b>State Shared Revenues</b> |                               |                               |               |                              |               |
| State Sales Tax              | \$35.7                        | \$37.5                        | 5.0%          | \$39.4                       | 5.1%          |
| Urban Revenue Sharing        | \$44.8                        | \$49.0                        | 9.2%          | \$53.2                       | 8.5%          |
| Vehicle License Tax          | \$14.5                        | \$15.3                        | 5.6%          | \$15.9                       | 3.5%          |
| Enterprise Transfer          | \$83.6                        | \$90.0                        | 7.7%          | \$90.0                       | 0.0%          |
| Other                        | \$39.9                        | \$39.7                        | -0.5%         | \$40.3                       | 1.4%          |
| <b>Total</b>                 | <b>\$329.2</b>                | <b>\$349.6</b>                | <b>6.2%</b>   | <b>\$362.9</b>               | <b>3.8%</b>   |

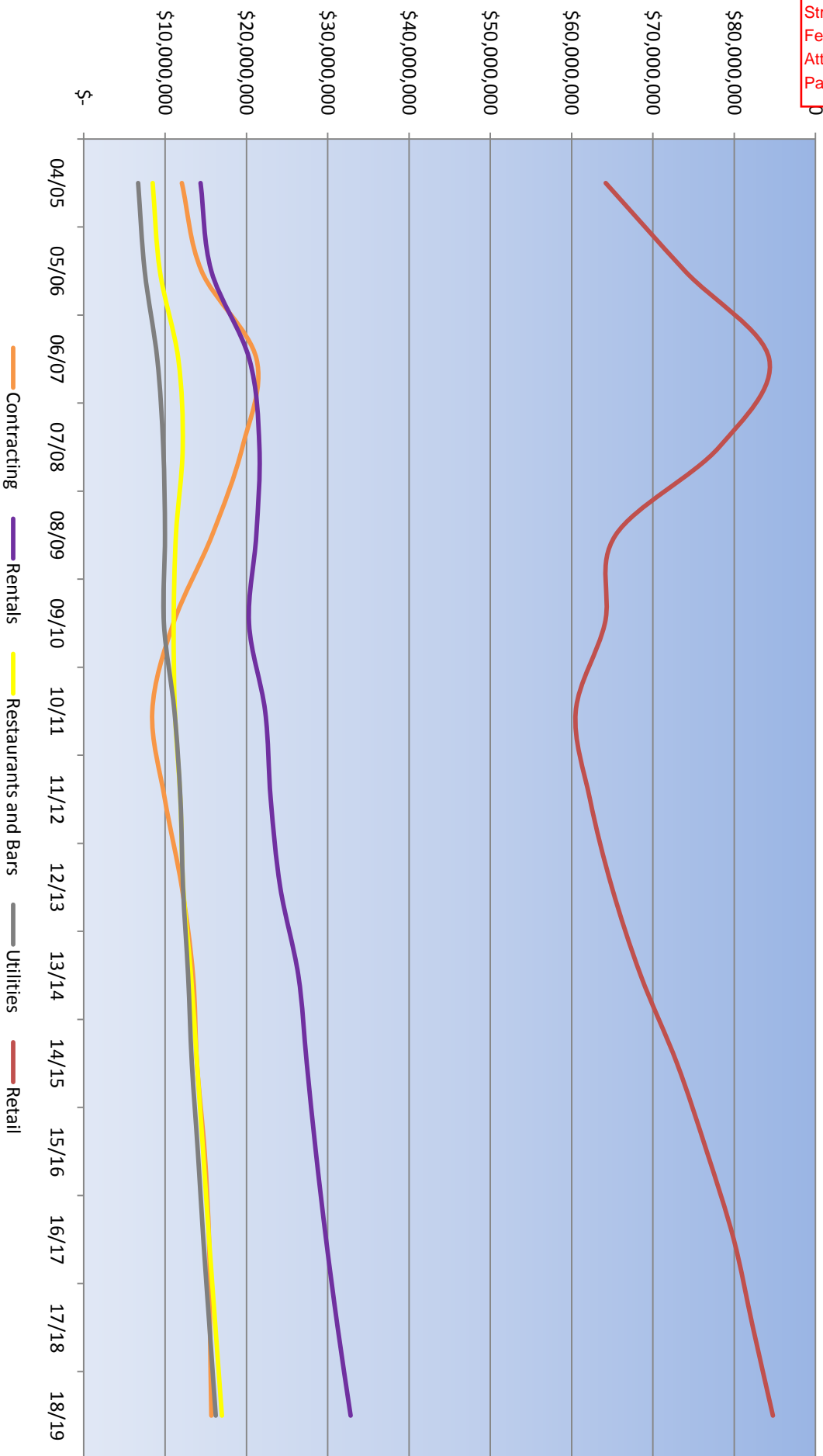
(as of Jan 2014 data for local sales tax and Dec 2013 for remaining)

Dollars in millions

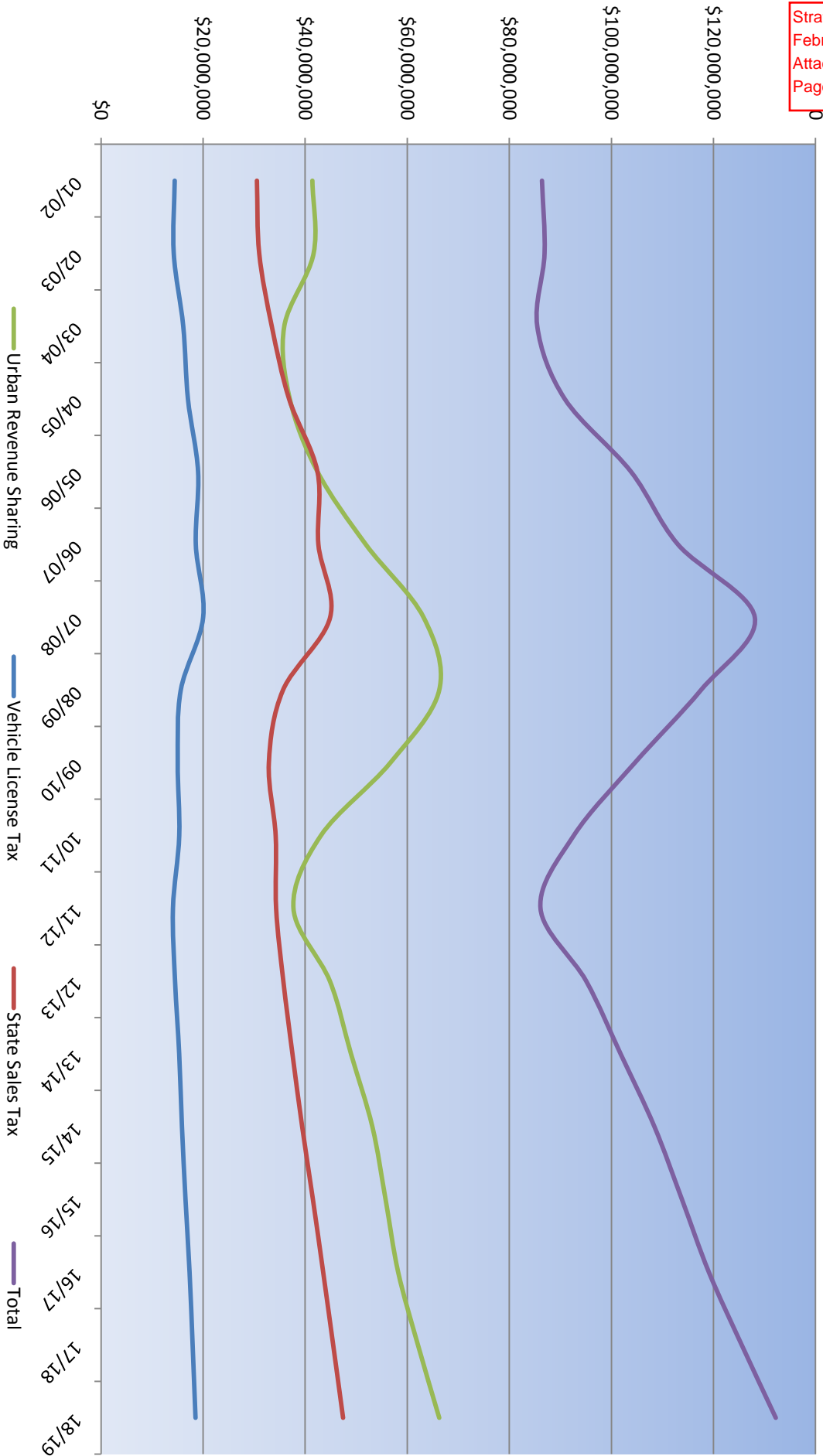
# General Governmental Resources – Major Categories



# Local Sales Tax – All Funds



## State Shared Revenues – General Fund





# Inflationary Expenditure Trends

## Competitive Compensation

- Some local municipalities have adjusted compensation ranges for their positions resulting in increased competition

## Service Contracts

- Recent contract renewals for the City have seen dramatic increases. Existing park maintenance cost increase for 14/15 is \$1.3M total and \$0.5M to the general fund

## Vehicle Operational Costs

- Costs for fuel and maintenance have increased over the years without adjustments to department budget allocations

## Public Safety Overtime

- Overtime cost for Police and Fire response has increased

# Forecasted Cost Increases: 14/15

## *General Governmental*

FY14/15

Arizona State Retirement System (ASRS) \$145,000

Public Safety Personnel Retirement System (PSPRS)  
Fire Employees \$394,000  
Police Employees \$873,000

City Contribution for Medical Premiums \$1,381,000

Parks Bond Package Operations & Maintenance \$627,000

Central Mesa Light Rail Extension \$582,000

*\* 14/15 personal services forecast includes standard compensation program*

# Forecasted Cost Increases: Mid-range

## General Governmental

|  | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY18/19</u> |
|--|-----------------|-----------------|-----------------|----------------|
| 2012 Parks Bond Package  | \$267,000       | \$1,400,000     | \$811,000       |                |
| Central Mesa Light Rail Extension  | \$2,909,000     |                 |                 |                |
| Gilbert Light Rail Extension   |                 |                 | \$644,000       | \$1,930,000    |
| New Fire Station Operations - Southeast Mesa<br>(requires future bond authorization) |                 |                 | \$1,600,000     |                |



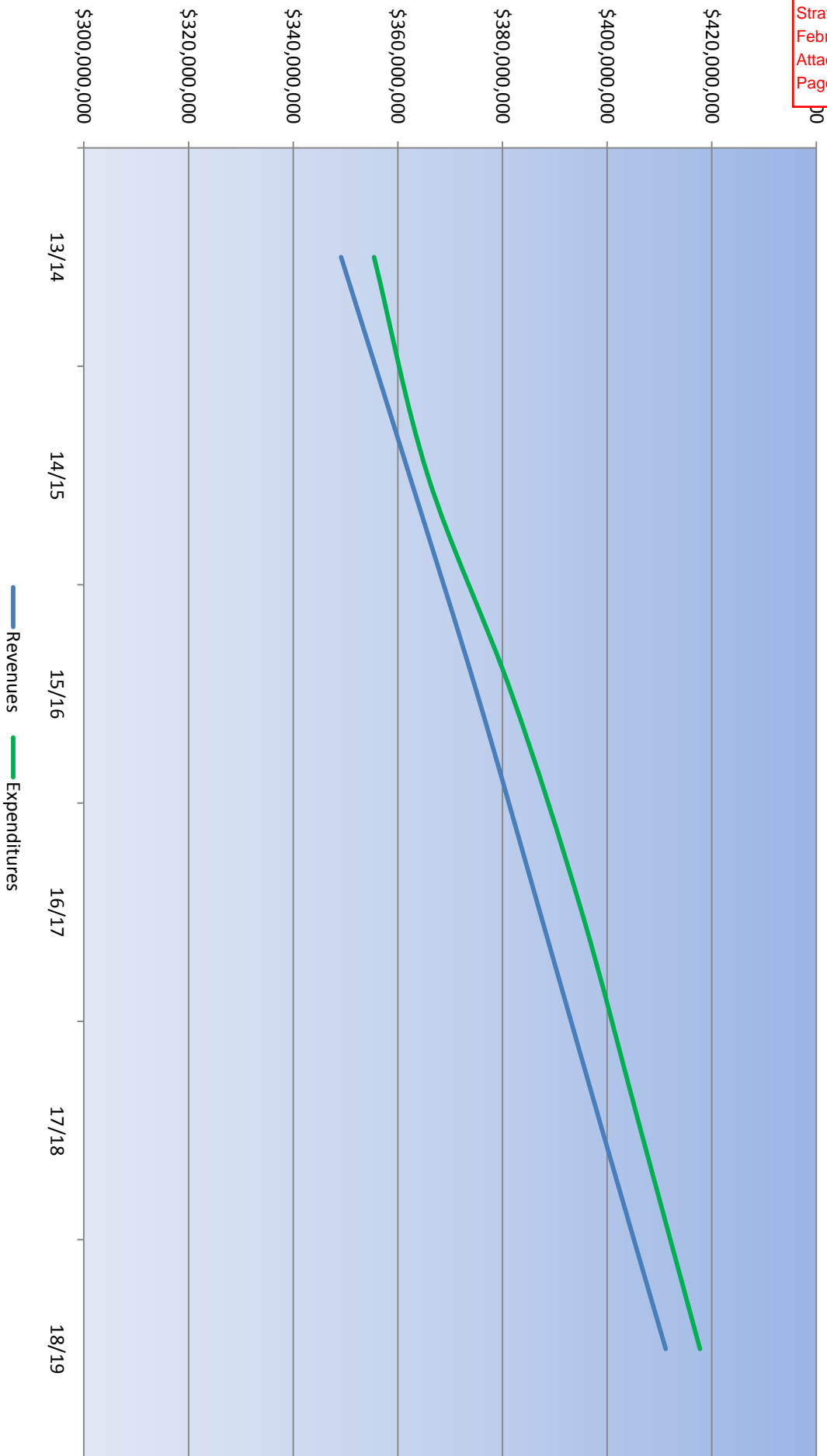
# General Governmental Reserves

|  | Estimate<br>12/13    | Estimate<br>13/14    | Forecast<br>14/15    |
|--|----------------------|----------------------|----------------------|
| <b>Beginning Reserve Balance</b>       | \$ 80,001,000        | \$ 38,130,886        | \$ 32,340,241        |
| <b>Total Sources</b>                   | \$ 329,254,686       | \$ 349,662,817       | \$ 362,527,868       |
| <b>Total Uses</b>                      | \$ 371,124,800       | \$ 355,453,462       | \$ 365,723,648       |
| <b>Ending Reserve Balance</b>          | <u>\$ 38,130,886</u> | <u>\$ 32,340,241</u> | <u>\$ 29,144,460</u> |
| <b>Ending Reserve Balance Percent*</b> | 11.0%                | 9.1%                 | 8.0%                 |

\*As a % of Next Fiscal Year's Operating, Capital and General Fund portion of Debt Service Expenditures. (a subset of total uses)



# Resources versus Expenditures – General Governmental



## Fiscal Year 14/15 Budget Strategies

Departments have been asked to manage their operations within their budget allocation

- Allocations have been adjusted for personal services costs and some large inflationary issues
- Allocations have not been adjusted for general inflationary pressure
- New or enhanced programs need to be accomplished within the department's resources

The City's financial status will continue to be monitored

Departments continue to be creative and innovative

## Department Challenge



Increase the value of services offered to residents

Collaborate service delivery among departments

While staying within existing resources



## Upcoming Calendar

|                |   |
|----------------|---|
| Late March     | Audit, Finance and Enterprise Committee |
|                | Utility Rates and Fees & Charges        |
| April 10       | FY 14/15 Budget Summary                 |
|                | Operations and Capital Improvement      |
| April 17–May 1 | Topical Budget Presentations            |
| May 5          | Tentative Budget Adoption               |
|                | Introduction on Utility Rate Ordinances |
| May 19         | Final Budget Adoption                   |
|                | Capital Improvement Program Adoption    |
|                | Utility Rate Adoption                   |
| June 2         | Secondary Property Tax Levy Adoption    |



# 2014 ELECTION ISSUES



# CANDIDATE ELECTIONS

**Office of the Mayor  
Districts 4, 5, & 6**

**Primary Election: August 26, 2014  
General Election (if needed): Nov. 4, 2014**

# OFFICE OF MAYOR

- ▶ Candidates must declare themselves a candidate and file a Statement of Organization within 10 days of when the vacancy occurs.
- ▶ Candidates may circulate petitions when the vacancy occurs.
- ▶ Election must be not less than 120 days and not more than 365 days from the date the vacancy occurs.

# When will newly elected Councilmembers take office?

Mayor-elect: When election is  
canvassed in Sept. or Nov. (b/c  
election will fill a vacancy)

Councilmember-elect: Jan. 2015



# HOME RULE

## The Arizona Constitution

- Requires the adoption of a balanced budget.
- Limits cities expenditure based on 1979/1980 expenditures, adjusted for population growth and inflation, unless:
  - Local election adopts an Expenditure Limitation Alternative, such as Home Rule

# HOME RULE cont'd

- ▶ Home Rule allows a city to determine its own expenditure limitation, but still must have a balanced budget.
- ▶ Home Rule Election must be held with election for Councilmembers
- ▶ May be held in Aug. or Nov.
  - In 2010, was held in Nov.
  - Staff recommends Nov. due to increased voter turn out

# HOME RULE cont'd

- ◆ Home Rule expires after 4 years.
- ◆ Last Mesa Home Rule election was 2010.
- ◆ Will expire June 30, 2015 if not renewed



# BONDS

- ▶ General Obligation Bonds
- ▶ Revenue Bonds
- ▶ State law requires that bond elections be held in November.

# GENERAL PLAN

- ▶ State law requires that General Plan be presented to the voters every 10 years.
- ▶ Election must be at least 120 days after Council adopts the plan.

# KEY DATES

## ◆ For August 26, 2014 Primary Election


- April 28: Last day to Call the Election for Office of Mayor and Districts 4, 5, & 6.
- April 28: First day to file as Candidate
- May 28: Last day to file as Candidate
- July 28: Voter Registration Ends
- Aug. 26: Election Day



# KEY DATES

## ◆ For November 4, 2014 General Election

- June 2: Public Hearing for Home Rule
- June 16: Public Hearing for Home Rule & General Plan. Adopt Reso for Home Rule in a Special Council Meeting.
- July 1: Last day to Adopt Resolutions for General Plan and Bond Questions. Last day to Call Election
- August 6: Pro/Con Arguments Due
- October 6: Voter Registration Ends
- November 4: Election Day



▶ QUESTIONS?