

COUNCIL MINUTES

June 14, 2018

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 June 14, 2018 at 7:30 a.m.

COUNCIL PRESENT

John Giles
David Luna
Mark Freeman
Christopher Glover
Francisco Heredia
Kevin Thompson
Jeremy Whittaker

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

Mayor Giles excused Councilmember Heredia from the beginning of the meeting; he arrived at 7:31 a.m.

1. Review items on the agenda for the June 18, 2018 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.

Items removed from the agenda: 4-j to be removed from the agenda and 6-e to be continued to the August 20, 2018 Council meeting.

City Attorney Jim Smith clarified that the June 18, 2018 Special Council meeting will start at 5:50 p.m. and the Regular Council meeting will have a delayed start.

2-a. Hear a presentation and discuss the City of Mesa Water Shortage Management Plan 2018.

Water Resources Director Jake West introduced Water Resources Advisor Brian Draper who displayed a PowerPoint presentation. **(See Attachment 1)**

In response to a question posed by Mayor Giles, Mr. Draper reported that water supply sources will not change the Central Arizona Project (CAP) numbers. (See Page 7 of Attachment 1)

City Manager Christopher Brady clarified that the City pays for the CAP allocation, however, the City will be able to maximize the water allocation due to the implementation of the Signal Butte Water Treatment Plant (SBWTP).

In response to a question from Councilmember Thompson, Mr. West explained that during an outage the SBWTP is able to pump water up to Brown Road Treatment Plant.

In response to a question posed by Councilmember Thompson, Mr. Draper reported that the water levels at Lake Mead are monitored and expected to maintain the same level for 2018. He noted that the probability of a shortage may be declared in 2021 or 2022 which would be reported by the Bureau of Reclamation and dependent on weather conditions and hydrology on the Colorado River System.

In response to a question from Councilmember Freeman, Mr. Draper replied that the City has approximately six years' worth of groundwater reserved. (See Page 7 of Attachment)

Discussion ensued relative to water shortage possibilities due to growth and water efficiency improvements.

Mayor Giles thanked staff for the presentation.

2-b. Hear a presentation, discuss, and provide direction on general obligation bond items for the 2018 election including funding mechanisms, and operations and maintenance costs for public safety, parks and cultural projects, and Mesa Plays projects.

Office of Management and Budget Scott Butler introduced City Engineer Beth Huning who displayed a PowerPoint presentation. **(See Attachment 2)**

In response to a question posed by Councilmember Whittaker, City Manager Christopher Brady replied that the City Center Plaza park project is included in the lease for the downtown Arizona State University (ASU) project and that if the General Obligation (GO) bond is denied by the voters, the City would find alternative ways to meet the obligation. He added that the City Center Plaza project is not dependent on the passing of the GO bond.

In response to a question by Councilmember Thompson, Mr. Brady stated that Community Development Block Grant (CDBG) funds are approximately \$3 million annually and would only cover a fraction of the Park funding, however, staff will consider this during the review of CDBG funds.

Discussion ensued relative to the City Center Plaza park regarding the ice skating rink and sponsorships, walking paths, dirt versus paved paths, and options on funding.

Further discussion ensued relative to the determination of the median homeowner's annual impact for secondary property tax and home values.

In response to a question posed by Councilmember Thompson, Mr. Brady remarked that a dedicated revenue source for ongoing parks operations and maintenance fees would be a Council decision. He noted that staff will provide more information at a later date.

In response to a question from Councilmember Whittaker, Mr. Brady confirmed that current parks operations and maintenance fees are funded through the General Fund.

Discussion ensued relative to conduit and fiber installation leasing and Fire and Medical Department apparatus purchases.

The following citizens spoke in support to agenda item 2-b:

- Steve West, a Mesa resident
- David Hines, representing Arizona Interscholastic Association
- Steve Hogan, a Mesa resident
- Bobby Dulle, representing Phoenix Rising
- Rick Kelsey, representing Arizona Soccer Association
- Phil Austin, representing East Valley Hispanic Chamber of Commerce
- Brad Cesmat, a Gilbert resident
- Rich Adam, a Mesa resident
- Mark Garcia, representing Visit Mesa

The speakers offered a series of comments including, but not limited to, the following:

- Mesa Plays project has opportunity for new revenue sources.
- Mesa Plays project would provide more events to the City.
- Paths with signals are critical to safety.
- Mesa Plays project will provide the needed athletic fields.
- Mesa Plays project will be a permanent home for soccer training.
- Mesa Plays project will promote economic activity and enhances the community.

Chief Financial Officer Michael Kennington displayed a PowerPoint presentation. **(See Attachment 3)**

In response to a question posed by Mayor Giles, Mr. Kennington stated that the Elliot Pollack Study indicates that the increase in revenues is based on the additional visitors coming to Mesa.

In response to a question from Councilmember Whittaker, Mr. Brady confirmed that the Elliot Pollack Study represents the current downtown Arizona State University (ASU) project.

Discussion ensued relative to Mesa Plays estimated costs for community and tournament athletic fields and natural turf versus artificial turf costs.

Mr. Brady explained that the community fields would be funded by the secondary property tax. He emphasized that tournament fields are not to be used by the community during the week and are funded separately through an excise tax.

In response to a question posed by Councilmember Whittaker, Mr. Brady responded that an excise tax is not voted on, but pointed out that the bed tax increase of 1% and the 613 Charter Amendment require voter approval. He clarified that if the vote fails, the Mesa Plays project does not move forward.

City Attorney Jim Smith explained why an excise tax does not go to the public for a vote.

Mr. Brady clarified that the July 2, 2018 Council meeting agenda item will include the November ballot questions in the following order:

- Home Rule – June 18, 2018 Council Meeting
- Sales tax increase for Public Safety
- Public Safety bonds
- Parks and Cultural bonds
- Charter 613 question
- Increase in the bed tax

Discussion ensued relative to Mesa Plays financing (See Page 9 of Attachment 1), return on investment (ROI) for the artificial turf, and future funding.

It was the consensus of the Council that the general obligation bond items for the 2018 election including funding mechanisms, and operations and maintenance costs for public safety, parks and cultural projects, and Mesa Plays projects be placed on the July 2, 2018 Council agenda.

Mayor Giles thanked staff for the presentation.

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

- 3-a. Historic Preservation Board meeting held on May 1, 2018.
- 3-b. Economic Development Advisory Board meeting held on June 5, 2018.
- 3-b. Public Safety Committee meeting held on June 10, 2018.

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

Carried unanimously.

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

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

5. Scheduling of meetings and general information.

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

Monday, June 18, 2018, 5:00 p.m. – Study Session

Monday, June 18, 2018, 5:45 p.m. – Regular Council Meeting

Monday, June 18, 2018, 5:50 p.m. – Special Council Meeting

6. Adjournment.

Without objection, the Study Session adjourned at 9:27 a.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 14th day of June, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

js
(Attachments – 3)



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WATER RESOURCES

Purpose

Seeking approval of Council for adoption of the Water Shortage Management Plan.

Sustainability and Transportation Committee approved 3 - 0.

What is a water shortage?



City-wide or localized water supply is reduced to a level that current demand cannot be met.

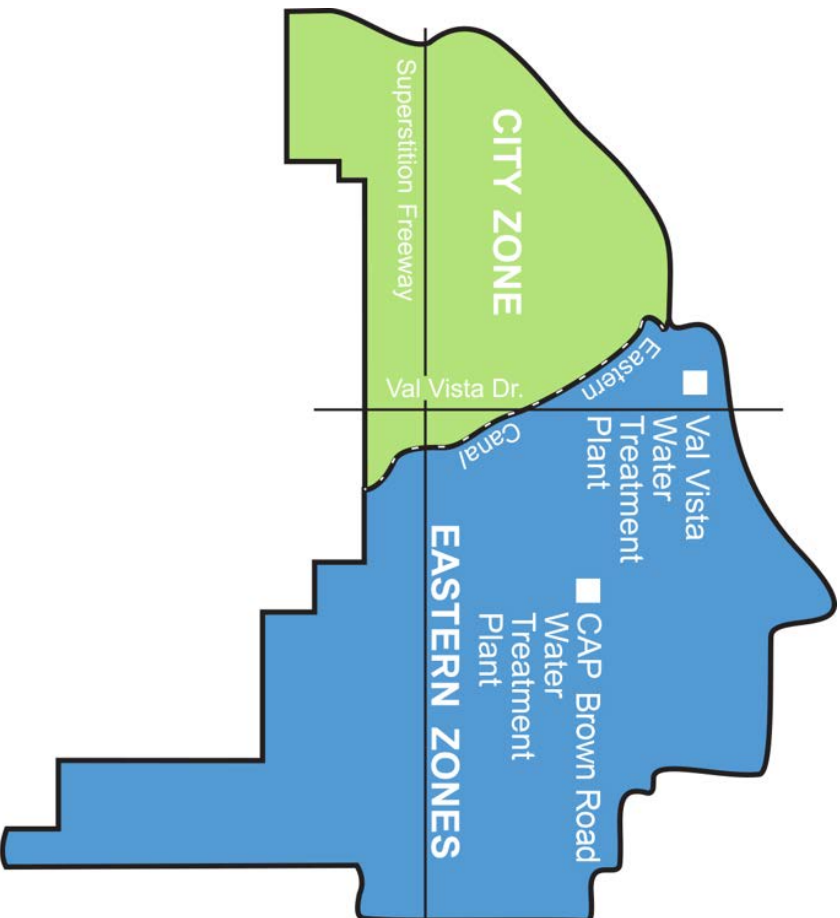
- Drought
- Infrastructure failure
- Customer demand
- Regulatory actions
- Outages

Goals

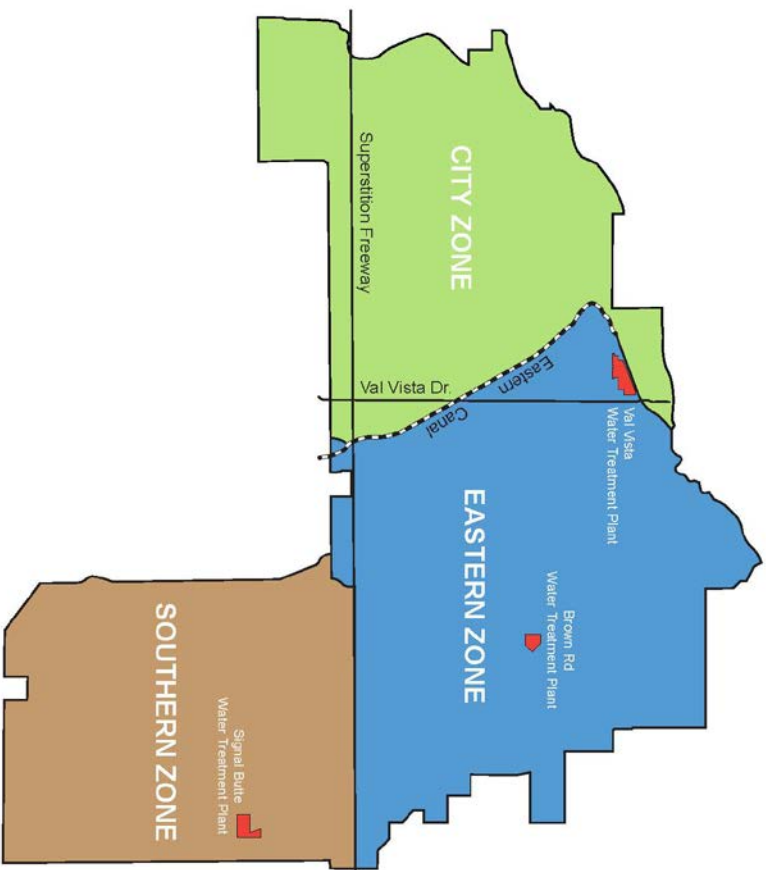
Manage	Manage shortage conditions as they occur
Prevent	Prevent the need to implement drastic demand reduction measures
Plan	Plan for future conditions before they occur

Mesa

Service Area



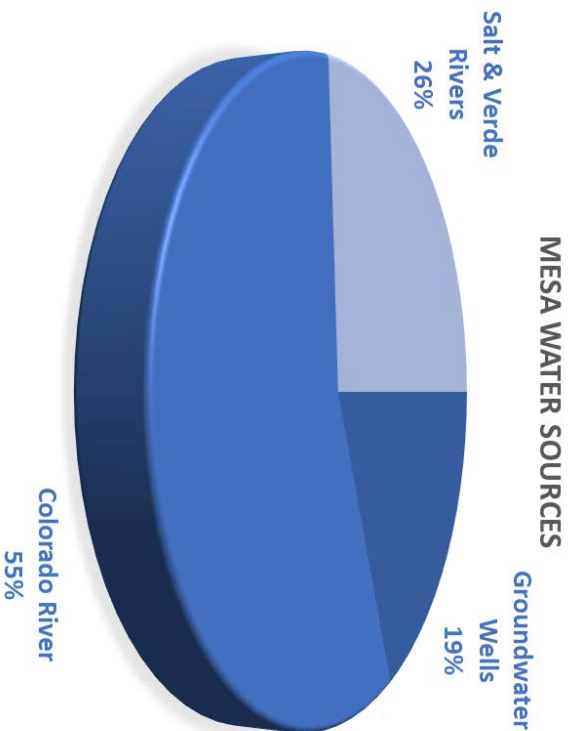
- Mesa is divided into two zones separated by the Eastern Canal: City and Eastern zones
- City Zone: Salt/Verde River water delivered through SRP (treated at Val Vista WTP)
- Eastern Zone: Colorado River water delivered through CAP (treated at Brown Road WTP)
- City and Eastern wells provide water throughout Mesa



Revised Mesa Service Area

- June 2018 Signal Butte Water Treatment Plant will deliver treated water into the distribution system
- Southern Zone: Colorado River water delivered through CAP

Water Supply

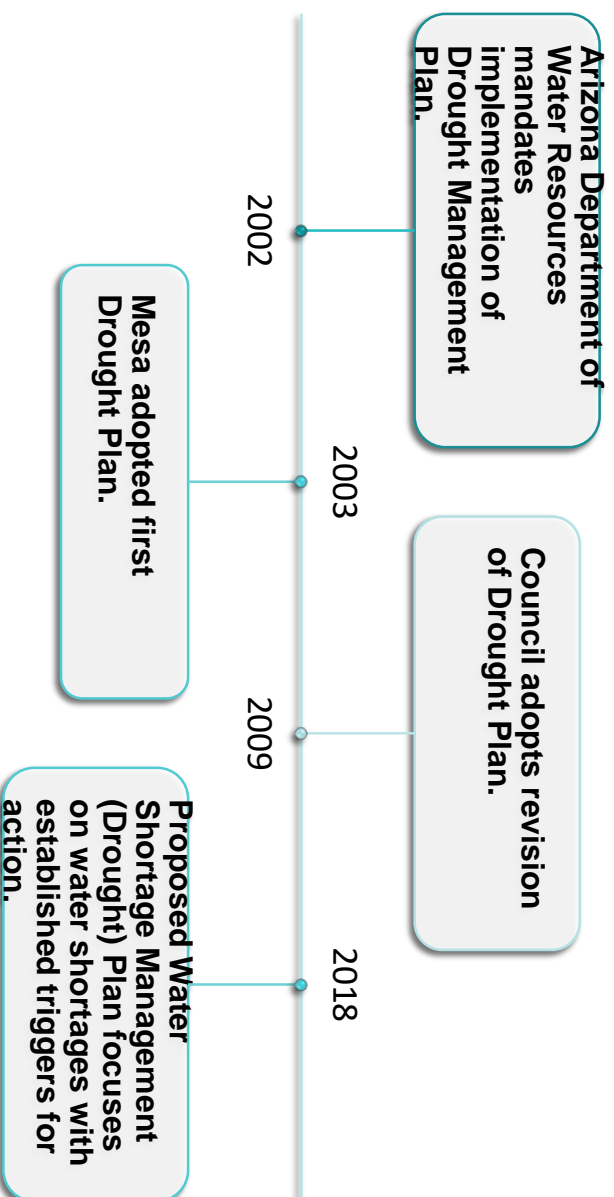


- Two sources: surface and groundwater
- Abundant groundwater credits and allowances – nearly 1 million acre-feet
- Groundwater is used during peak demand and emergencies
- The Assured Water Supply Program: framework for designating Mesa's 100-year supply for current and future demands

Shortage Planning and Preparation

Securing and managing	Securing, banking and managing a variety of different water sources
Maintaining	Maintaining water treatment capacity needed to meet customer demand
Promoting and encouraging	Promoting and encouraging voluntary water conservation since 1982

State Requirement



The Plan

1

Evaluation of shortage conditions based on current and forecasted water supply and demand, as well as the economic impact to the City.

2

Cross-Departmental team

3

Four stages based on increasing severity with recommended conservation measures.

Stage One – Water Watch



- Increase awareness of actual reductions in water supplies several months in advance.
- Surface water shortage that will affect the City of Mesa is predicted or occurs.
- Mesa is capable of meeting demand through remaining supplies.
- Water demand management strategies may include: internal water reductions, increased community education.

Stage Two – Water Alert



- SRP deliveries of Stored & Developed water are cut to less than or equal to 50% of supplies and/or CAP Subcontract & Lease water is cut to less than or equal to 80% of water supply.
- Mesa is capable of meeting demand through remaining supplies.
- Voluntary water demand management strategies may be implemented for all water customers.
- Goal of 5% reduction in water demand.

Stage Three – Water Warning



- SRP deliveries of Stored & Developed water are cut to less than 33% and/or CAP Subcontract & Lease water is cut to less than or equal to 60% of water used in the most recent non-drought year.
- Mesa is capable of meeting demand through remaining supplies.
- Mandatory water demand management strategies may be implemented for all water customers.
- Goal of 10% reduction in water demand.

Stage Four – Water Emergency



- Water supply deliveries are insufficient to meet demand.
- Mandatory water demand management strategies are implemented for all water customers to ensure basic water needs for residents and businesses will be met.
- Goal of 20% reduction in water demand.

Questions?

CIP BOND PLANNING UPDATE

City Council Study Session
June 14, 2018



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Beth Huning | Engineering Department
Scott Butler | Office of Management & Budget



Parks & Cultural

ATHLETIC FIELDS

1. Monterey Park Athletic Fields
2. Crismon & Elliot Basin Athletic Fields
3. North Center Street Athletic Fields
4. Red Mountain – Community Athletic Fields
5. Red Mountain Youth Baseball/Softball Fields



Mesa Plays/Red Mountain - Athletic Fields



- Community Fields \$25.0M
 - 2018 GO Bond

- Tournament Fields \$30.0M
 - Not included in GO Bond; other funding sources identified



Parks & Cultural

PARK AMENITIES

1. City Center Plaza
2. Dog Parks (Carriage Lane Park & Countryside Park)



City Center Plaza



- 2 acre public plaza
- Proposed site now includes a water feature and ice skating rink
- Revised cost \$7.7M



Parks & Cultural

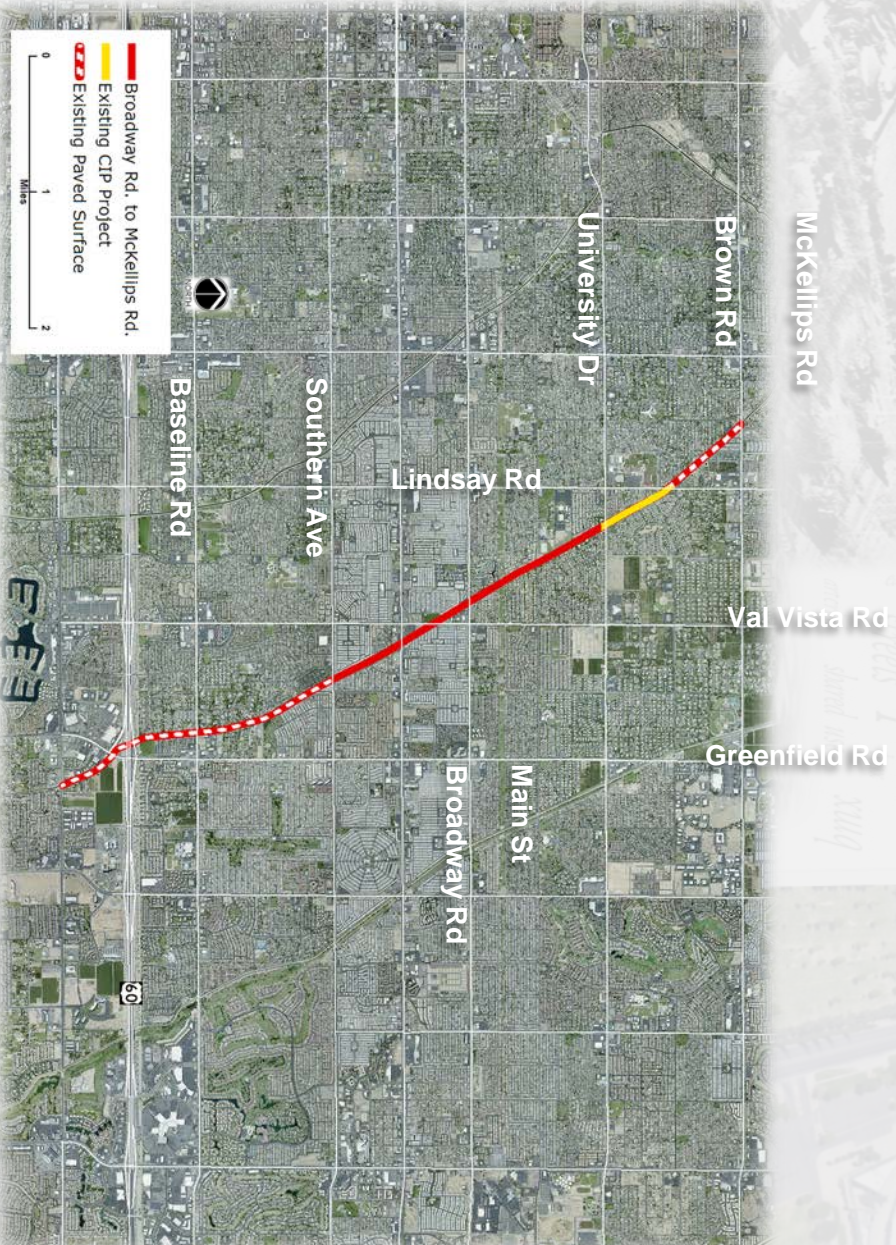
PATHS

1. Signal Butte & Elliot Park – Paths
2. Lehi Crossing Shared Use Path (McDowell Rd. to Loop 202)
3. Eastern Canal Shared Use Path (Brown Rd. to Broadway Rd.)



Eastern Canal Shared Use Path

Brown Rd. to Broadway Rd.



- 2.3 mile path
- West side of Eastern Canal
- Total overall mileage, including future phases = 5.75 miles
- Revised cost \$2.1M focusing on pedestrian crossings



Parks & Cultural

CULTURAL

1. Southeast Mesa Library
2. Dobson Library & Main Library Improvements
3. Federal Building Renovation
4. i.d.e.a. Museum (Phase One)

i.d.e.a. Museum Phase One



- Fully fund Phase I at \$5.0M
- Artville expansion; Texturescape play area
- Office relocation; exterior improvements
- Building system improvements

PARKS & CULTURAL

CAPITAL SUMMARY

1. Athletic Fields	\$61.2M
2. Park Amenities	\$8.8M
3. Paths	\$12.7M
4. Cultural	\$28.0M
Bond Issuance Cost	\$0.3M

\$111.0M

Secondary Property Tax – Median Homeowner Annual Impact: \$24



PARKS & CULTURAL

Operations & Maintenance Summary

Category	Ongoing	
	Start up	(Annual)
1 Athletic Fields	\$1.7M	\$3.8M
2 Park Amenities	\$0.2M	\$0.3M
3 Paths	\$0.4M	\$0.7M
4 Cultural	\$2.9M	\$2.4M

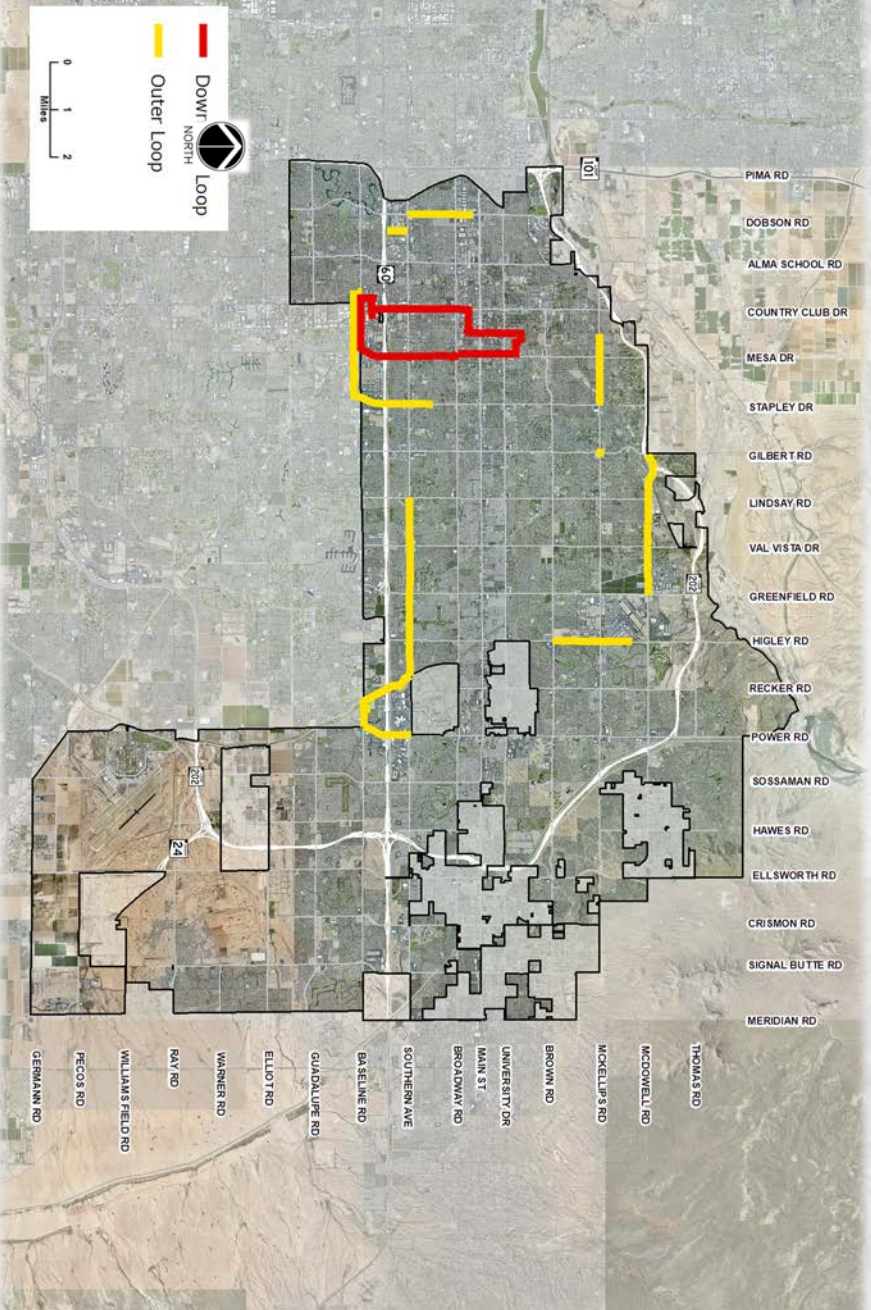


PUBLIC SAFETY

1. Fire Apparatus
2. Fire Station 221 – Eastmark
3. Fire Station 222 – Northeast
4. Police Substation – Northeast
5. Evidence Facility
6. Public Safety Fiber



Public Safety Fiber



- Complete downtown loop
- Improve network infrastructure reliability & resiliency
- Revised cost \$8.0M



PUBLIC SAFETY

CAPITAL SUMMARY

1. Fire Apparatus	\$24.7M
2. Fire Station 221 – Eastmark	\$5.1M
3. Fire Station 222 – Northeast	\$12.0M
4. Police Substation – Northeast	\$25.0M
5. Evidence Facility	\$10.0M
6. Public Safety Fiber	\$8.0M

Bond Issuance Cost	\$0.2M
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	\$85.0M
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Secondary Property Tax – Median Homeowner Annual Impact: \$19



SUMMARY

Category	Bond	Annual Secondary Property Tax Impact*
Parks & Cultural	\$111.0M	\$24
Public Safety	\$85.0M	\$19
	\$196.0M	\$43

*Median Homeowner



Next Steps

1. Call for Election (July 2nd)
2. Discuss project timelines and sequencing following election
 - Beginning January 2019
 - 4-6 year programming schedule to complete projects



Questions



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Athletic Fields

Operations & Maintenance

Project	Start up	Ongoing
1. Monterey Park Athletic Fields	\$0.3M	\$0.4M
2. Crismon & Elliot Basin Athletic Fields	\$0.2M	\$0.2M
3. North Center Street Athletic Fields	\$0.1M	\$0.2M
4. Red Mountain – Athletic Fields*	\$0.8M	\$2.6M
5. Red Mountain Youth Baseball/Softball Fields	\$0.3M	\$0.4M

* O&M estimate is combined for Community fields & Tournament fields.

Park Amenities

Operations & Maintenance

Project	Start up	Ongoing
1. City Center Plaza	\$200K	\$251K
2. Dog Parks	-	\$31K

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CITY LIMITLESS®

Paths

Operations & Maintenance

Project	Start up	Ongoing
1. Signal Butte & Elliot Park – Paths	\$439K	\$673K
2. Lehi Crossing Shared Use Path	-	\$9K
3. Eastern Canal Shared Use Path	-	\$9K



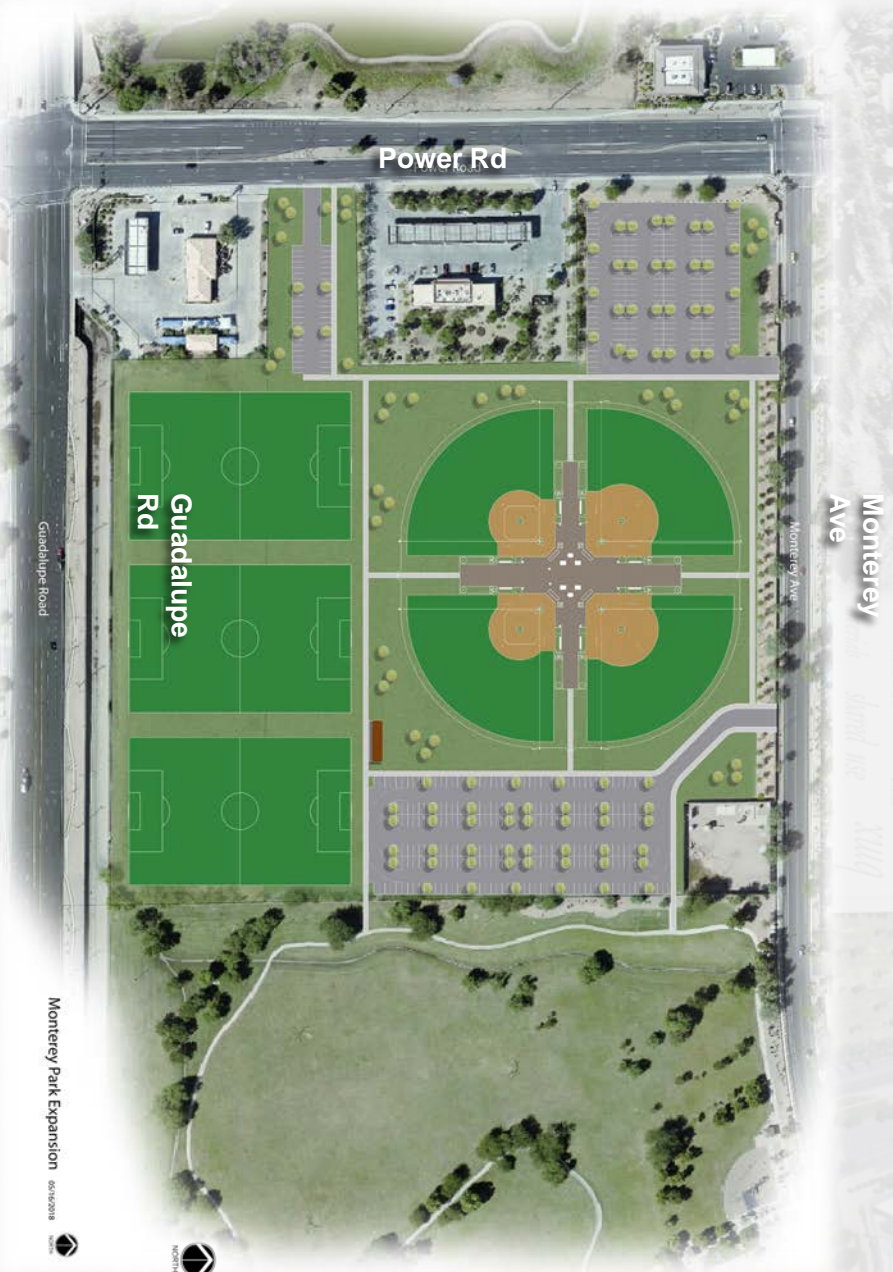
Cultural

Operations & Maintenance

Project	Start up	Ongoing
1. Southeast Mesa Library	\$2.7M	\$1.8M
2. Dobson Library & Main Library Improvements	N/A	N/A
3. Federal Building Renovation	\$0.1M	\$0.2M
4. i.d.e.a. Museum (Phase One)	\$0.1M	\$0.4M



Monterey Park Athletic Fields



- 19 acre city parcel
- 5 acre land acquisition
- 4 lighted youth baseball/softball fields
- 3 lighted soccer fields (240'x360')
- 420 parking spaces
- Restroom, storage, and offices
- Estimated cost \$12.3M



Monterey Park – Baseball Quad Option

Monterey Ave

Power Rd

Guadalupe Rd



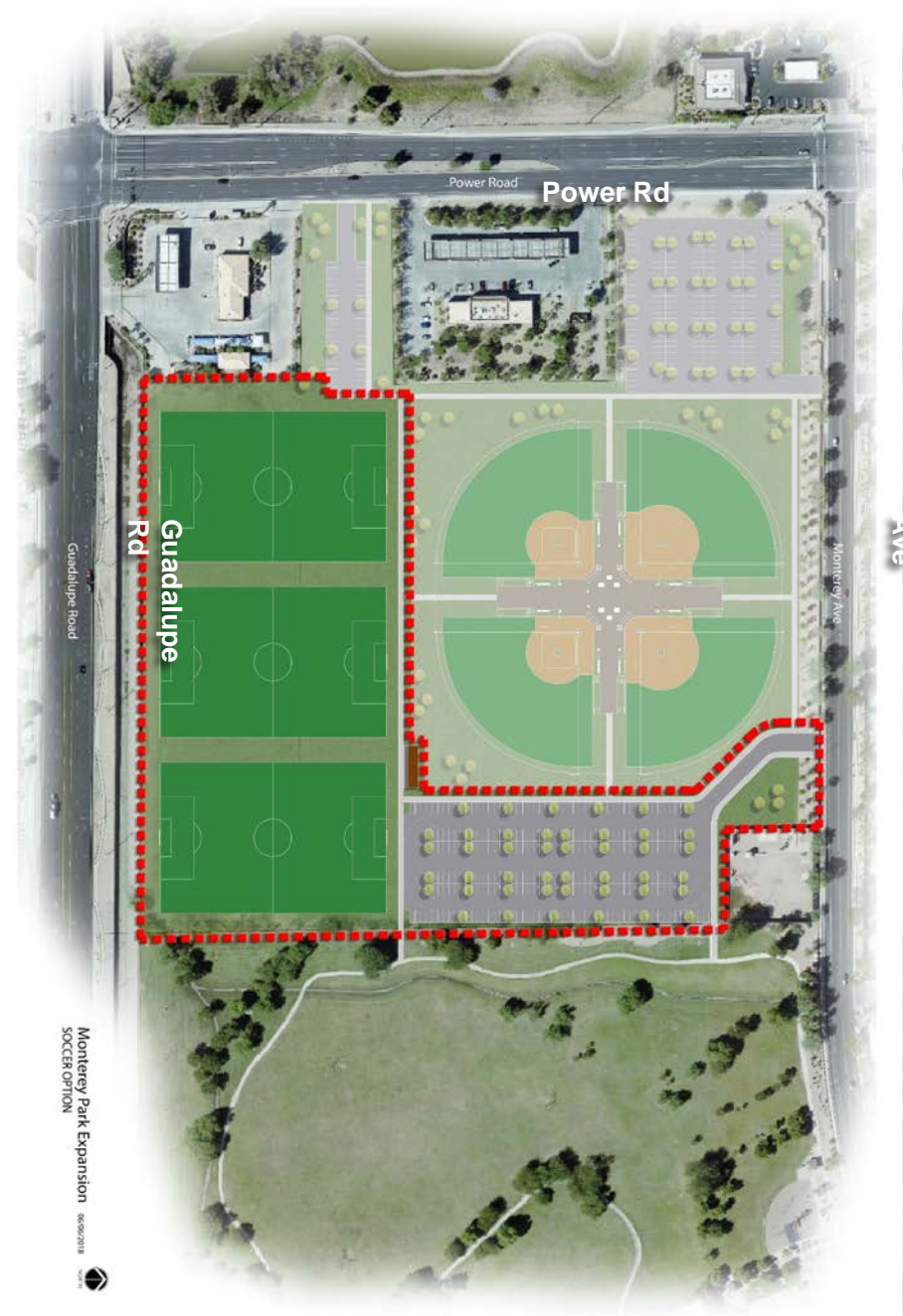
Monterey Park Expansion
YOUTH BASEBALL/SOFTBALL QUAD OPTION
9/6/2018



- 19 acre city parcel
- 5 acre land acquisition
- 4 lighted youth baseball/softball fields
- 420 parking spaces
- Restroom, storage, and offices
- Estimated cost \$7.8M



Monterey Park – Soccer Option



- 19 acre city parcel
- 5 acre land acquisition
- 3 lighted soccer fields (240'x360')
- 420 parking spaces
- Restroom, storage, and offices
- Estimated cost \$8.1M



Crismon & Elliot Basin Athletic Fields



- 2 lighted soccer fields (240'x360')
- 2 drop in fields (goals, no lights)
- 120 parking spaces
- Estimated cost \$2.5M



North Center Street Athletic Fields



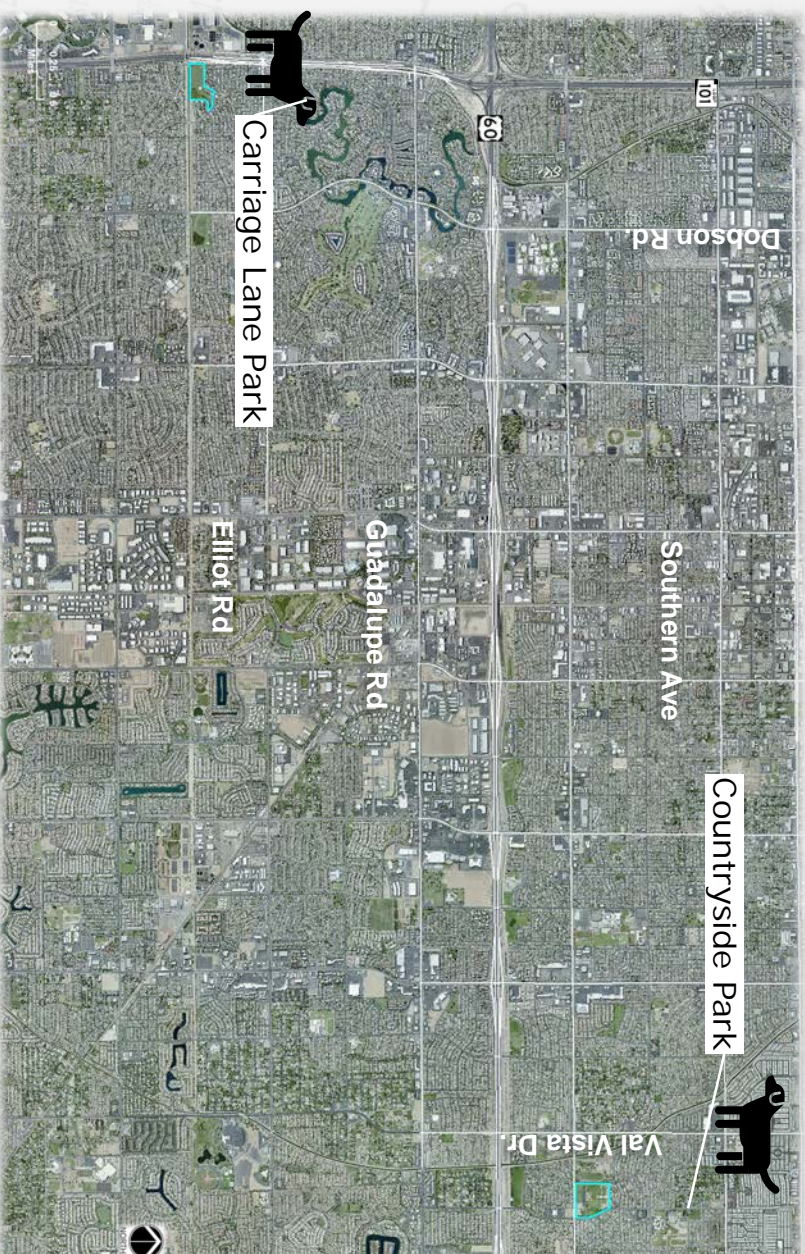
- 5.8 acre city parcel
- 18.6 acre land acquisition
- 6 lighted soccer fields (240' x 360')
- 360 parking spaces
- Restroom & storage
- Estimated cost \$14.2M



Dog Parks

Carriage Lane Park & Countryside Park

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- 3.5 acre new dog park at Countryside Park
- 1.5 acre expansion at Carriage Lane Park
- Estimated cost \$1.1M



Signal Butte & Elliot Park - Paths



Signal Butte & Elliot Park

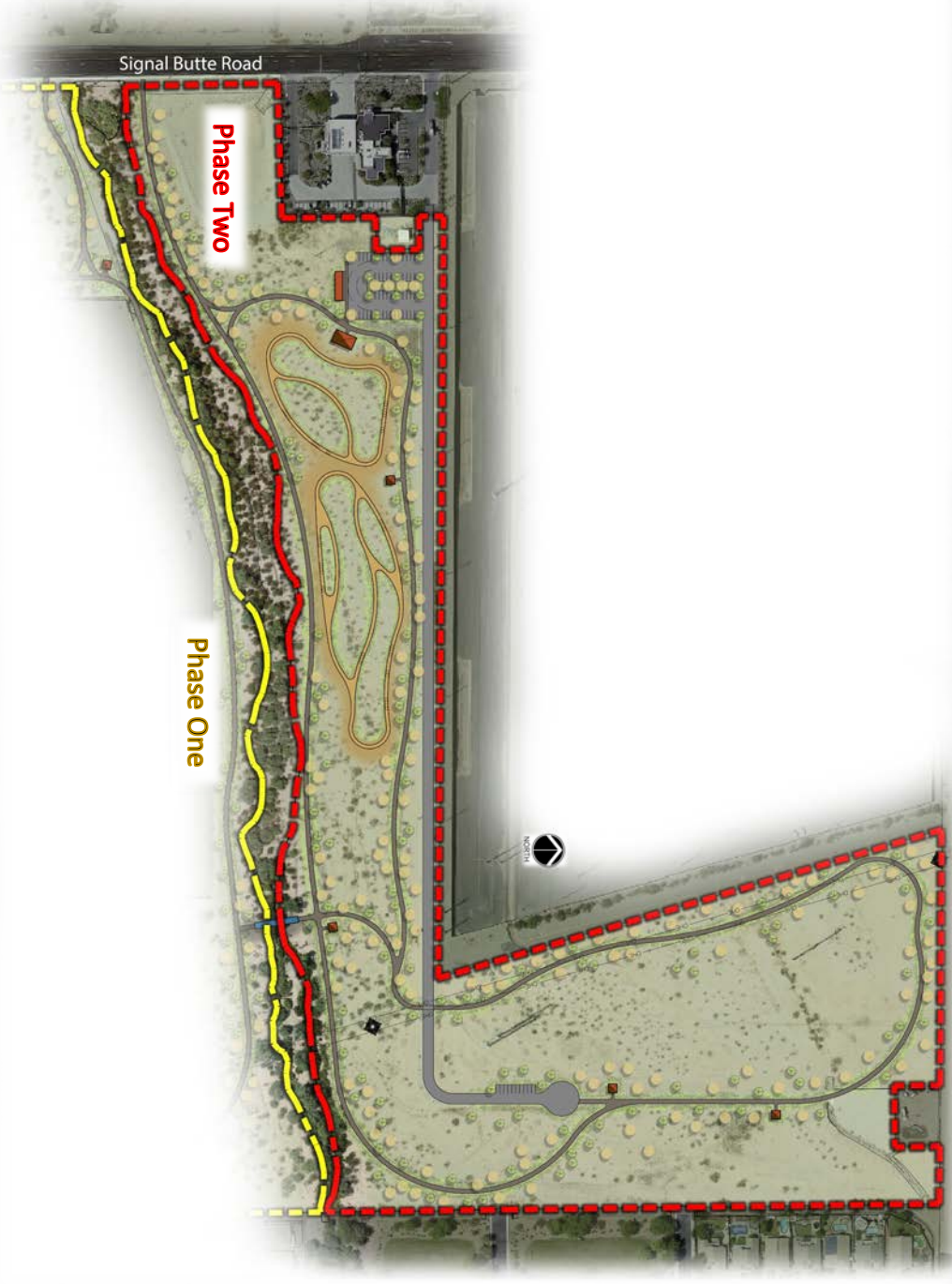
Phase Two

- 46.3 acres
- Park improvements

primarily

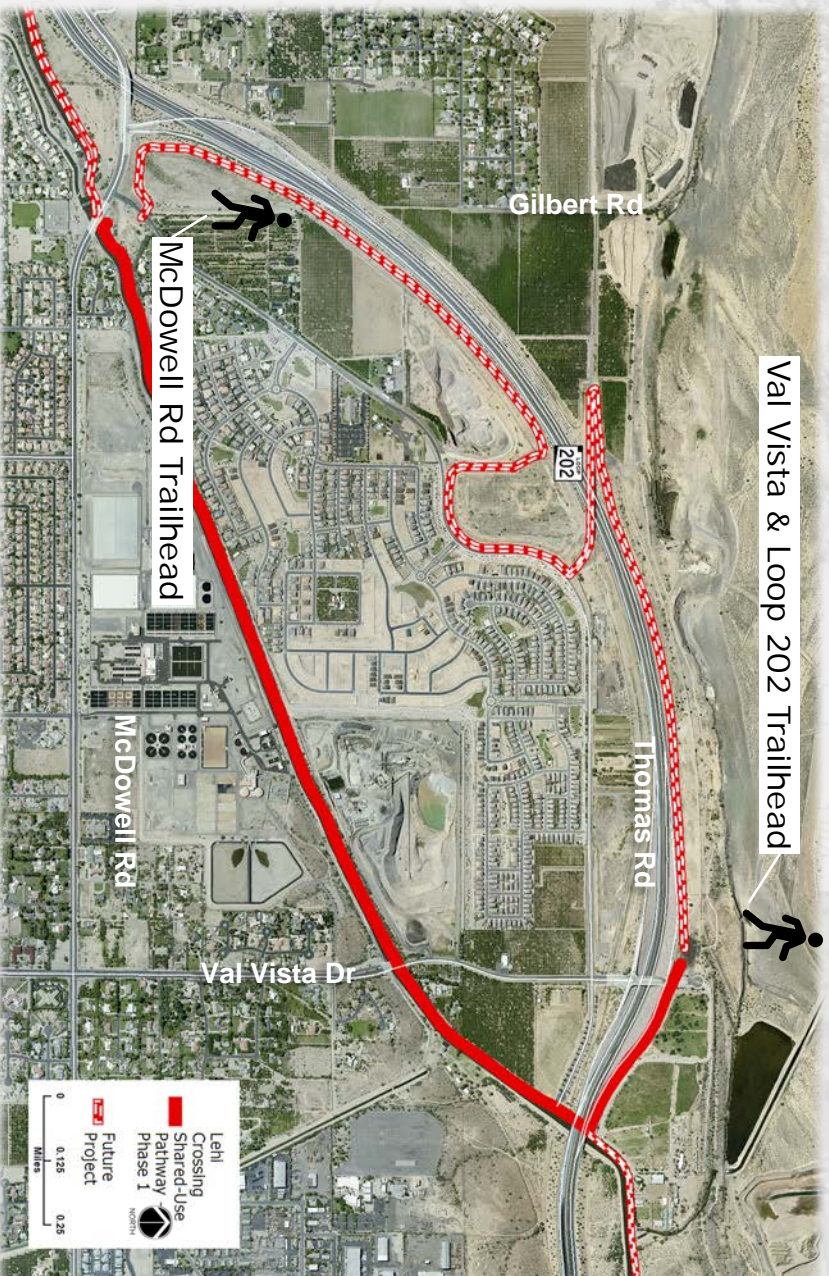
north side of
Siphon Draw
Wash

- Bridge over wash
- Playground and turf area south of wash
- Estimated cost \$5.0M



Lehi Crossing Shared Use Path — Phase I

McDowell Rd. to Loop 202



- 2.2 mile path
- North side of South Canal
- McDowell Rd trailhead (with parking) to new trailhead at Val Vista and 202 (with parking)
- Estimated cost \$5.6M



Southwest Mesa Library



- 23,000 SF (35,000 SF preferred)
- On campus of Queen Creek District High School (Mesa)
- Located in Eastmark
- Estimated cost \$16.8M



Dobson Library Improvements



- New programming space
- Façade improvements
- Estimated cost \$1.5M



Main Library Improvements



- New programming space
- Estimated cost \$1.5M

Federal Building Renovation



- 30,000 SF
- Remaining 2012 Parks Bond funding = \$4.3M
- \$700k expended to date on demolition, abatement, and design

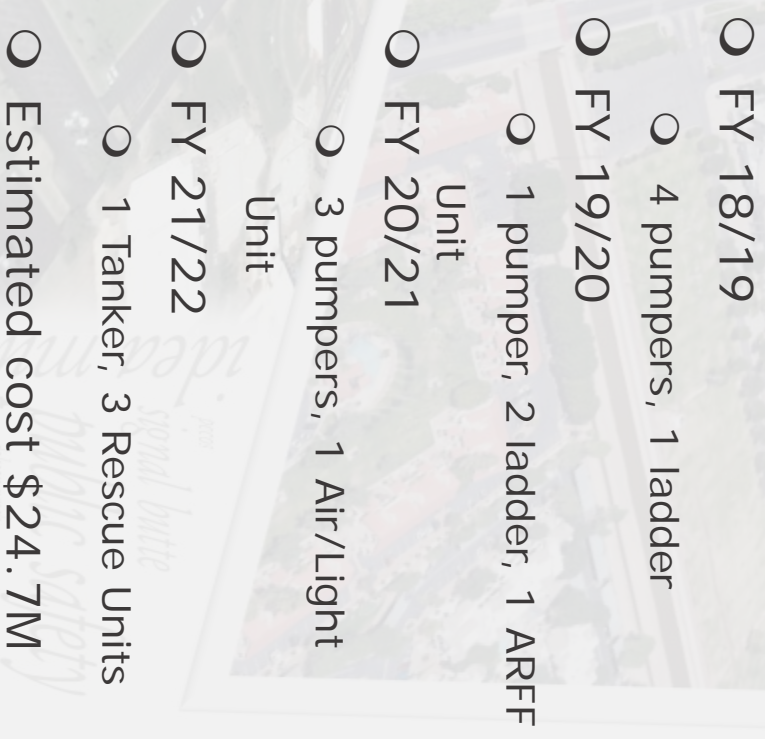


Federal Building Renovation

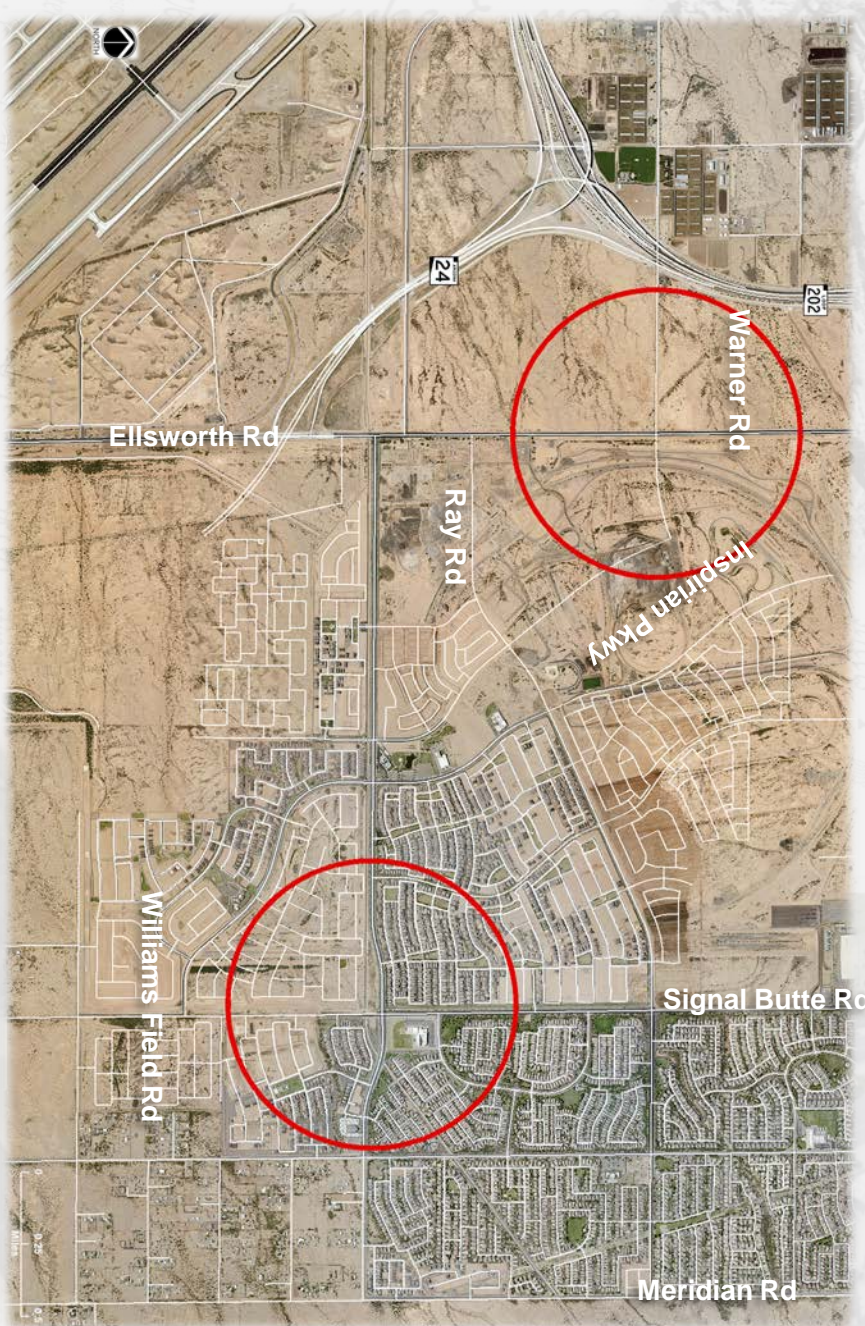


- Bring building systems up to standard
- Develop an open shell space for public use
- Estimated additional cost \$3.2M (2018 bond funding)



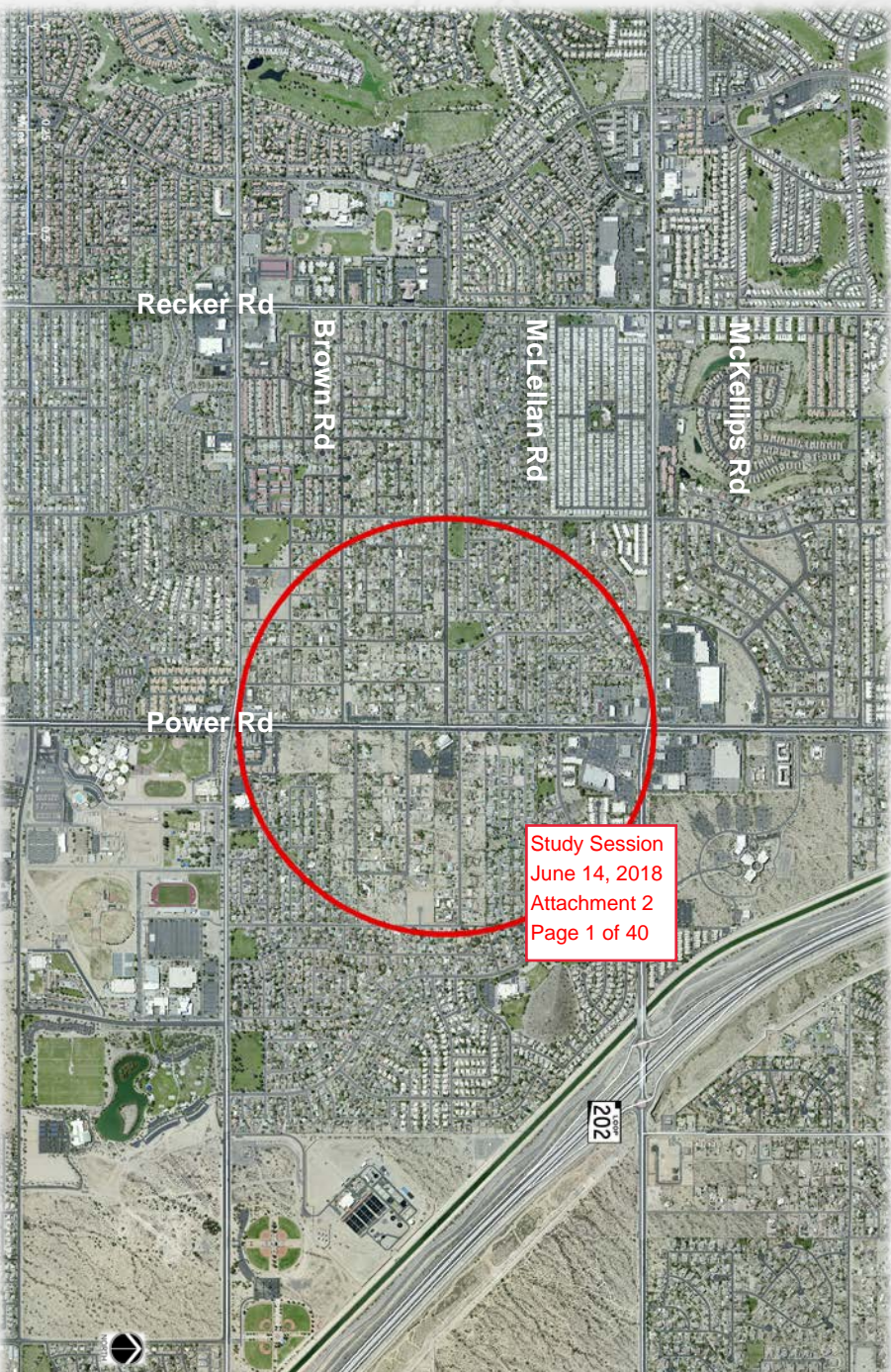


Fire Station 221 (Eastmark)



- 15,000 SF
- Estimated cost \$5.1M

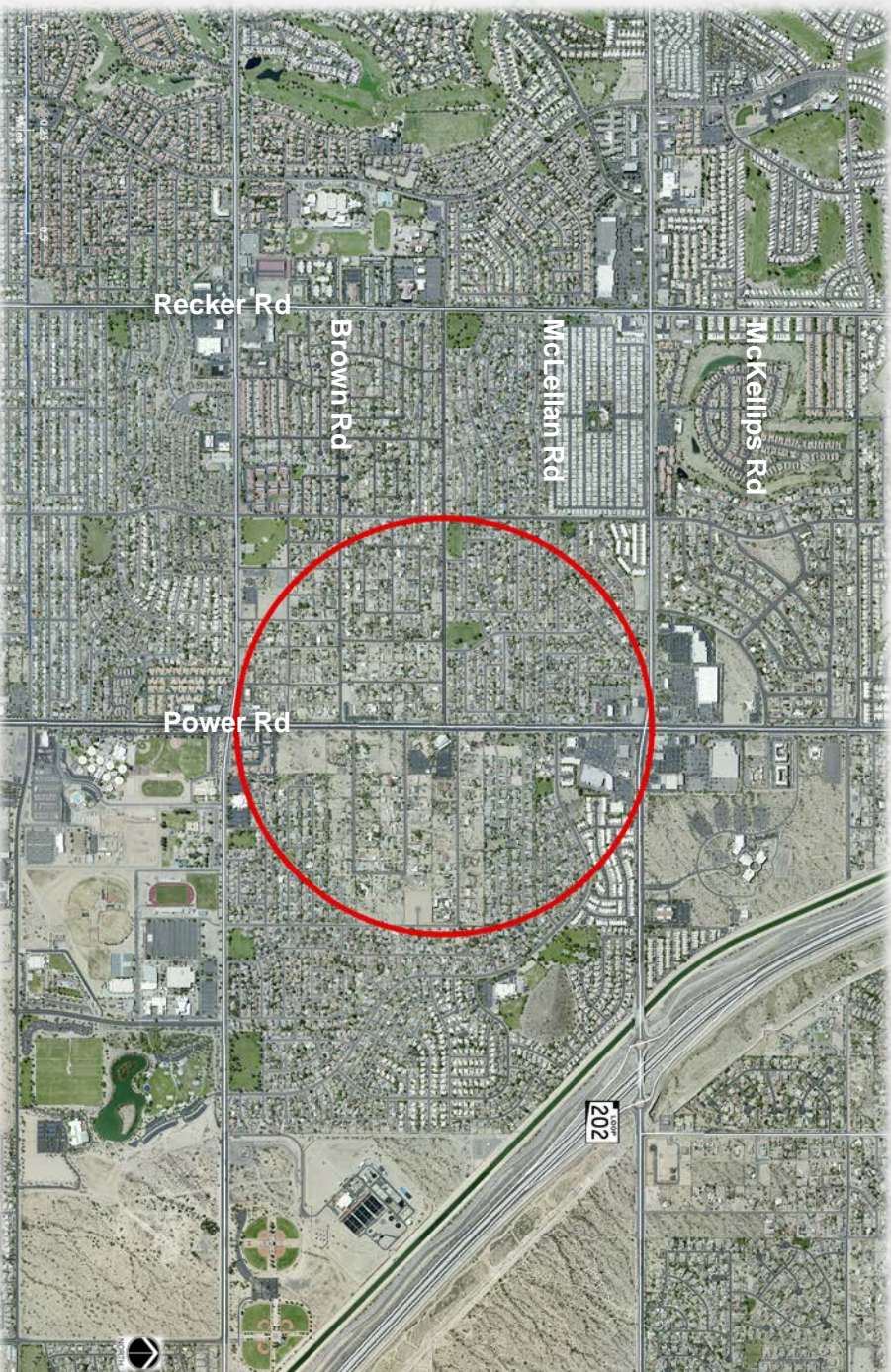
Fire Station 222 (Northeast)



- 17,000 SF
- Opportunity to combine with Police Substation
- Estimated cost \$12.0M



Police Substation (Northeast)



- 32,000 SF
- Opportunity to combine with Fire Station 222
- Estimated cost \$25.0M



Evidence Facility



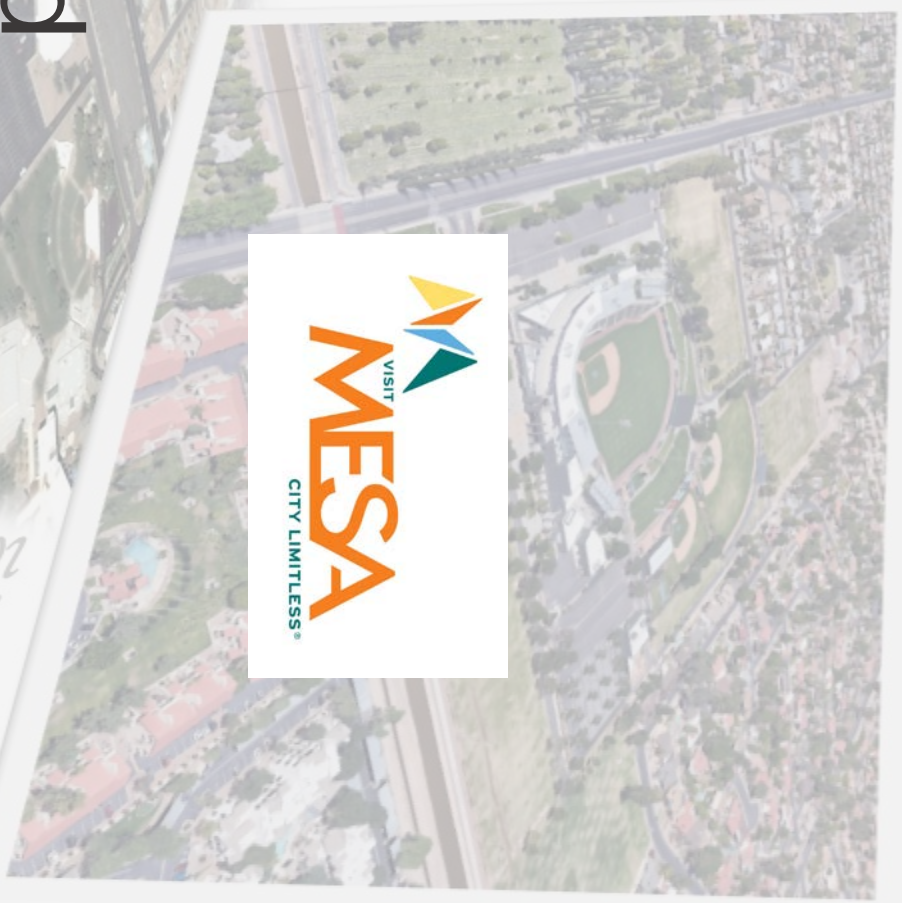
- 30,000 SF
- Evidence processing/storage facility
- Estimated cost \$10.0M





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Mesa Plays/Red Mountain Athletic Fields



Red Mountain – Community Athletic Fields



- Located adjacent to Red Mountain Park
- 9 artificial turf fields (225'x360')
- 960 Parking stalls
- 1 Restroom
- Estimated cost \$25.0M



Red Mountain Park – Tournament Athletic Fields



- Located adjacent to Red Mountain Park
- 13 natural grass fields (225'x360')
- 1 natural grass championship field (225'x360')
- 1 artificial turf championship field (225'x360')
- 1,620 parking stalls
- 2 Restrooms
- Estimated cost \$30.0M



Lesesa Plays/Red Mountain - Athletic Fields



- Community fields estimated cost \$25.0M
- Tournament fields estimated cost \$30.0M
- Proposed location for future fieldhouse



Mesa Plays

Potential Visitor Spending Impact

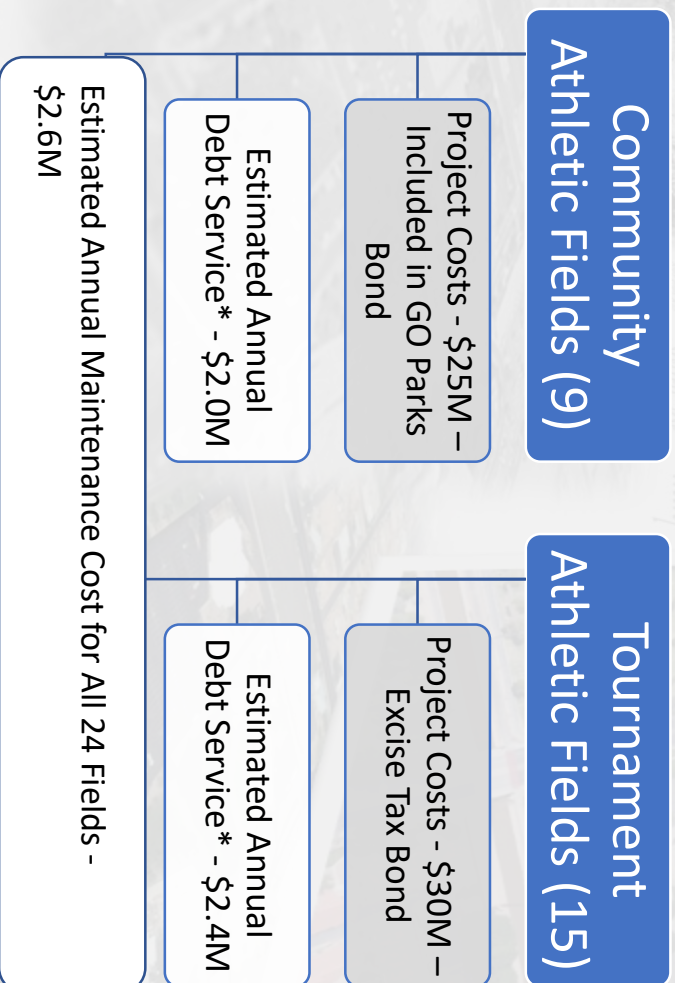
Per Elliott Pollack Study from March 2018, the potential increase in tax revenue excluding secondary impacts is:

- Sales Tax = \$2.4M
- Bed Tax = \$1.2M
- Field Rentals = \$0.5M
- Concessions = \$0.2M



Mesa Plays

Estimated Cost



* Assumed 20 Years at 5% Interest Cost



Mesa Plays

Funding

	Community Fields (9) – Capital	Tournament Fields (15) – Capital	All 24 Fields – Operations & Maintenance
City of Mesa			
Secondary Property Tax	\$2.0M		
Sales Tax (and Field Rentals/Concession)		\$1.0M	\$2.6M
Visit Mesa			
Bed Tax (including assumed 1% increase in rate)		\$1.4M	



parks & rec.

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fs 221
lehi
baseball
reading
brown road
viewview
native parks
bmx
dora road
streets
shared use
xmq



viewview
dabson march
eastern canal
shared use
evidence facility
soccer
native parks
dog park
pecos
streets
center street
idea museum
monterey
idea museum
public safety
signal butte
parks & rec.
library
federal building
idea museum

Mesa Plays

Financing

	Capital – Community Fields (9)	Capital – Tournament Fields (15)	O&M – All 24 Fields	Total Annual Cost
Cost				
Total Estimated Annual Cost	\$2.0M	\$2.4M	\$2.6M	\$7.0M
Revenue				
City of Mesa				
Secondary Property Tax	\$2.0M			\$2.0M
Field Rentals		\$0.5M		\$0.5M
Concessions		\$0.2M		\$0.2M
Sales Tax		\$0.3M	\$2.6M	\$1.9M
Total CoM	\$2.0M	\$1.0M	\$2.6M	\$5.6M
Visit Mesa				
Potential 1% Increase in Bed Tax Rate		\$0.9M		\$0.9M
Bed Tax		\$0.5M		\$0.5M
Total Visit Mesa		\$1.4M		\$1.4M
Total Estimated Annual Revenue	\$2.0M	\$2.4M	\$2.6M	\$7.0M

