

## COUNCIL MINUTES

May 21, 2015

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 May 21, 2015 at 7:38 a.m.

### COUNCIL PRESENT

John Giles  
Alex Finter  
Christopher Glover  
David Luna  
Dave Richins

### COUNCIL ABSENT

Dennis Kavanaugh  
Kevin Thompson

### OFFICERS PRESENT

Kari Kent  
Debbie Spinner  
Dee Ann Mickelsen

(Mayor Giles excused Vice Mayor Kavanaugh and Councilmember Thompson from the entire meeting.)

#### 1-a. Approval of minutes from an Executive Session held on April 16, 2015.

It was moved by Councilmember Luna, seconded by Councilmember Glover, that the above-listed minutes be approved.

Mayor Giles declared the motion carried unanimously by those present.

#### 1-b. Hear a presentation, discuss and provide direction regarding redevelopment along the Main Street corridor from Gilbert to Power.

Deputy City Manager Kari Kent introduced Economic Development Project Manager Andrew Clegg and Zoning and Civil Hearing Administrator Gordon Sheffield, who were prepared to address the Council.

Mr. Clegg displayed a PowerPoint presentation of the East Main Street Study, which was completed at the request of the Council to better understand the existing area in order to consider options for improvement. (**See Attachment 1**)

Mr. Clegg reported that the boundaries of the Main Street corridor run west to east from Gilbert Road to Power Road and north to south from University Drive to Southern Avenue. He explained that staff began by researching the historic and existing conditions of the area, including demographics, land use, vacant land and buildings, business types, employment numbers, and sales tax. He added that staff compared the study corridor to the entire City, as well as the McKellips Road and Southern Avenue corridors, which are similar in size. He displayed a map of the respective corridors. (See Page 4 of Attachment 1)

Mr. Clegg highlighted the demographic numbers for Mesa and each of the studied corridors. (See Page 5 of Attachment 1) He noted that the population numbers were derived from census data and may be slightly elevated due to the inclusion of county islands in those areas. He explained that the East Main Street corridor population was 6% of the total City population as of 2014, which increased by 8.3% since 2000.

Mr. Clegg remarked that the study reaffirmed what staff expected to find. He reviewed the details of the study and said that the area between Gilbert Road and Lindsay Road is more similar to the rest of the City. He noted that the demographics change east of Lindsay Road and discussed the following facts:

- The median age is mostly over 60, with the highest being 73.
- 39% of the area's population is 65, as compared to 14% for the City as a whole.
- 70% of the income is below \$50,000, as compared to 50% for the City.
- 5% of the income is above \$100,000, as compared to 27% along McKellips Road.
- 65% of the occupied dwellings in the area are occupied year round, as compared to 82% for the City.
- Solid waste pickup decreases by over 1,000 barrels in some areas from March to August.

Mr. Clegg, in addition, displayed a land use map of the study corridor, which illustrates that retail use extends the length of the road as opposed to only in the power corners, which occurs in most areas of the City. (See Page 7 of Attachment 1) He stated that 61% of the corridor is comprised of single residence homes and pointed out that 30% of the manufactured homes in Mesa are located within the study corridor. He further remarked that the area has a low percentage of open space and vacant land and added that of the 138 acres total, 85 acres are zoned Limited Commercial.

Mr. Clegg referred to maps of the businesses in the study area (See Pages 10 and 11 of Attachment 1), which only reflect data from CoStar, a database used by professional real estate brokers. He explained that staff looked specifically at vacant businesses within the corridor as compared to occupied businesses and determined that only 9% of the existing businesses were vacant.

Mr. Clegg further reported that staff researched the employers by type and employment density in the East Main Street study area. (See Page 12 of Attachment 1)

Mr. Clegg provided a short synopsis of a number of statistics as follows:

- In 2007, the top 10 employers represented 3252 jobs.
- In 2013, the top 10 employers represented 4209 jobs.
- The 23% increase of employment was largely due to the medical facilities along Power Road.
- In the same time period, the Southern Avenue and McKellips Road corridors experienced job loss and business loss.
- The study area has more retail, but smaller businesses as compared to the other corridors.
- The study area has less professional, scientific and technical employers than the other corridors.

Mr. Clegg also commented that the study area does not have the significant sales tax generators that are present in the other corridors. He pointed out that the primary sources of sales tax include RV sales, grocery stores and Home Depot. He noted that the summer reduction of sales tax revenue is consistent with the rest of the City and displayed maps of the Citywide tax revenue collected in March 2014 as compared to August 2014. (See Pages 16 and 17 of Attachment 1)

Mr. Clegg concluded his presentation by stating that the study corridor is unique with its two anchors, consisting of the medical facilities on the east end and the terminus of the light rail on the west. He reported that staff would propose to build on those two anchors by working with Banner to increase their facilities in that region and also exploring how to best leverage the terminus of the light rail. He noted that one idea was to develop a zoning overlay to encourage diversity in the middle of the study area, whether it be consolidating retail or adding other types of housing.

Mayor Giles thanked Mr. Clegg for his presentation and said that it was interesting to know that the average age of Mesa residents was younger than he thought.

Councilmember Finter commented that he would encourage staff to come up with innovative ideas for the study area. He suggested that options might include ways in which to rehabilitate the older mobile homes that are left vacant when the residents relocate to assisted living facilities. He also remarked that with respect to the commercial space, Banner is an amazing community partner, but expressed concern that nearby Main Street has a different dynamic. He pointed out that retail uses were not working in the area and challenged the Planning Department to create flexible zoning that offers other options to the property owners. He thanked staff for their efforts and hard work in developing the East Main Street study.

Mr. Clegg responded that the study was the first look at the area. He assured the Council that the intent of the overlay will address the same concerns mentioned by Councilmember Finter.

Mayor Giles concurred with Councilmember Finter's comments. He recounted that last Sunday, he attended St. Mark's Lutheran Church, which is located in the heart of the study corridor. He explained that he was visiting a new congregation that was sharing the space in the church and recalled that the pastor told him that was a reflection of the change in demographics in the area. He added that now is the time to start thinking about what the next East Main Street area will be in the long term.

Mayor Giles thanked staff for the presentation.

2. Information pertaining to the current Job Order Contracting projects.

(This item was not discussed by the Council.)

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

3-a. Parks and Recreation Advisory Board meeting held January 14, 2015.

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

Mayor Giles declared the motion carried unanimously by those present.

3-b. Economic Development Advisory Board meeting held April 7, 2015.

Councilmember Richins stated that pages were missing from this set of minutes and asked that this item be pulled from the agenda until the matter is resolved.

Ms. Kent indicated that staff would resubmit a complete set of minutes at the May 28, 2015 Study Session for Council acknowledgement.

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.

Deputy City Manager Kari Kent stated that the meeting schedule is as follows:

Friday, May 22, 2015, 7:30 a.m. – Coffee with Councilmembers at Sheraton Mesa at Wrigleyville West

Saturday, May 23 2015, 11:00 a.m. – Mesa Aquatics Complex Dedication

Monday, May 25, 2015, 5:00 p.m. – Grand Opening of Sheraton Mesa Hotel at Wrigleyville West

Wednesday, May 27, 2015, 5:00 p.m. – Water Safety Event with Councilmembers Luna and Thompson at Shepherd Aquatics Complex

Thursday, May 28, 2015, 7:30 a.m. – Study Session

6. Adjournment.

Without objection, the Study Session adjourned at 7:58 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 21<sup>st</sup> day of May, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

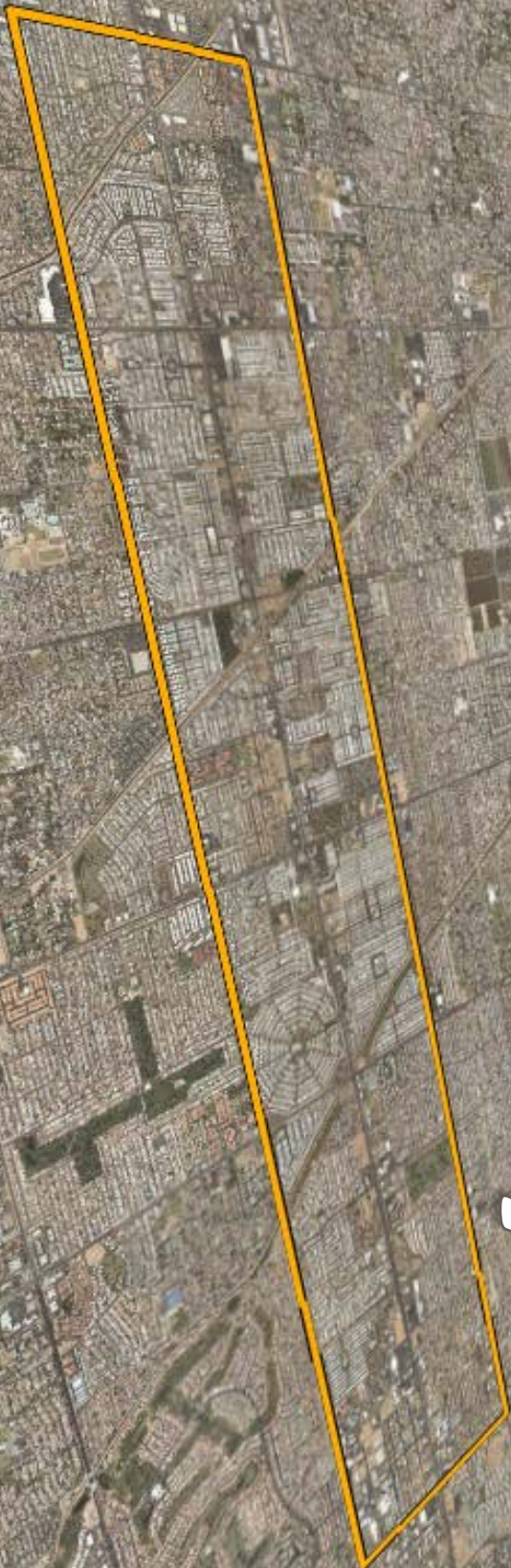
  
DEE ANN MICKELSEN, CITY CLERK

hm  
(attachment – 1)

City Council Study Session

May 4, 2015

# East Main Street Study



## »Main – Gilbert to Power

- > Understand existing area
  - > Consider options for improvement
- ## »Review findings, discuss next steps

# Background/Purpose ><sup>2</sup>



## » For this study we

- > Reviewed historic and existing conditions
  - Demographics
  - Land use
  - Vacant land/buildings
  - Business types/employment
  - Sales taxes
- > Compared this corridor to
  - Entire City
  - McKellips and Southern corridors

# Background/Purpose >



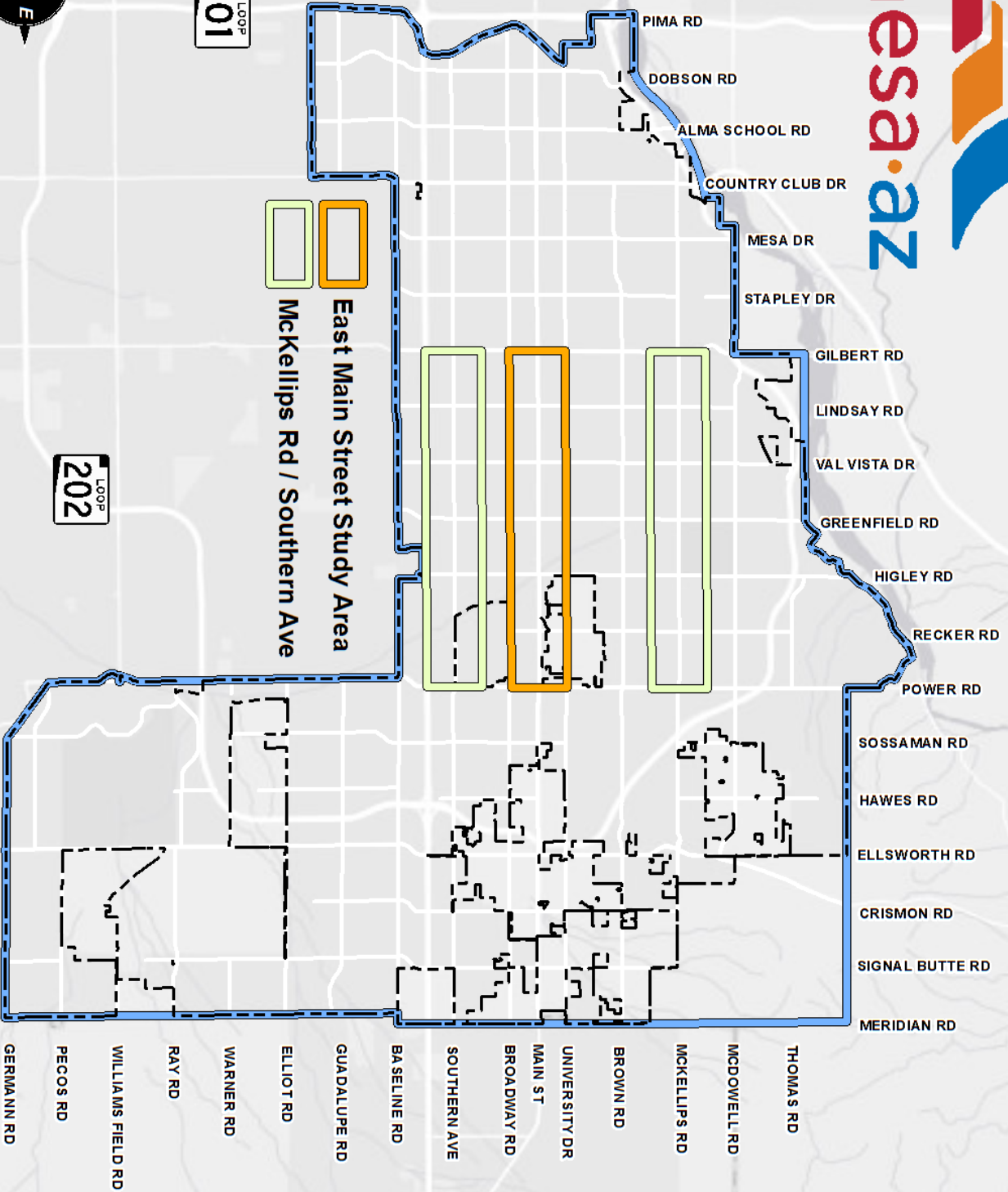
mesa·az



LOOP  
101

LOOP  
202

**East Main Street Study Area**  
**McKellips Rd / Southern Ave**



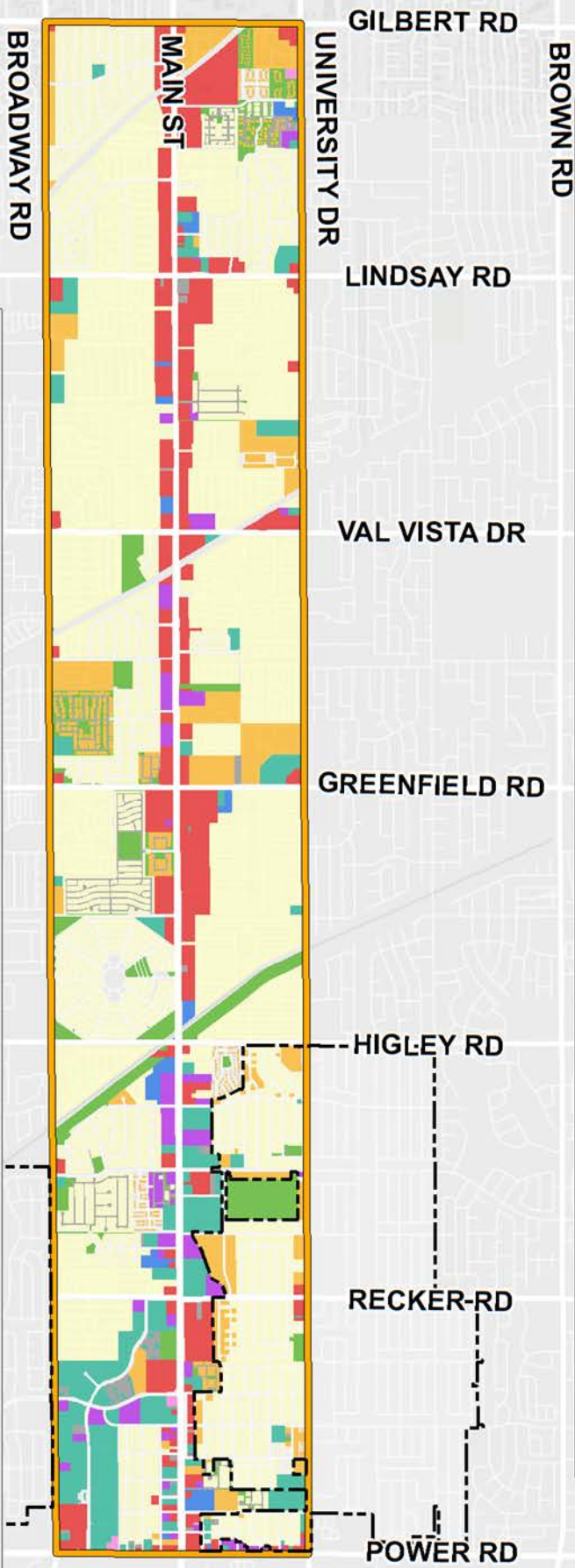
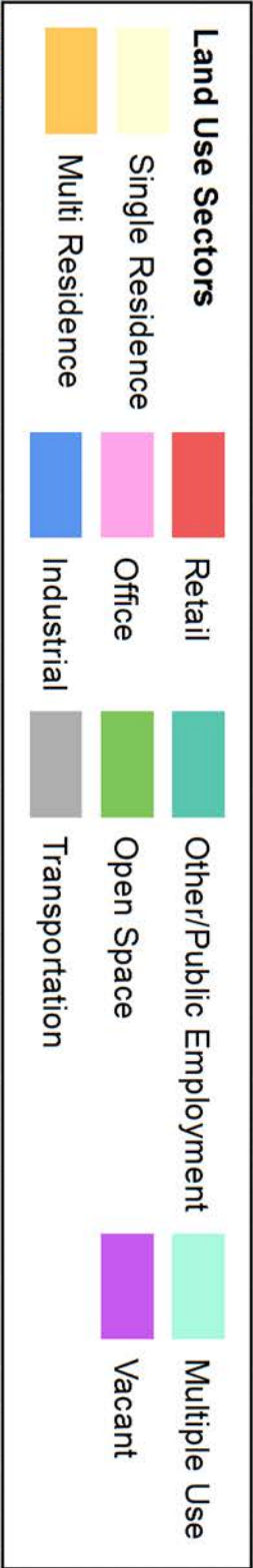
US  
60

Area	Population			Percent of Population (2014)	Percent change 2000-2014
	<u><b>2000</b></u>	<u><b>2010</b></u>	<u><b>2014</b></u>		
Mesa *	436,500	483,737	502,842		15.2%
<i><b>East Main *</b></i>	<i><b>29,825</b></i>	<i><b>31,407</b></i>	<i><b>32,291</b></i>	<i><b>6%</b></i>	<i><b>8.3%</b></i>
McKellips	34,362	34,528	35,389	7%	3.0%
Southern *	46,993	49,081	51,182	10%	9.5%

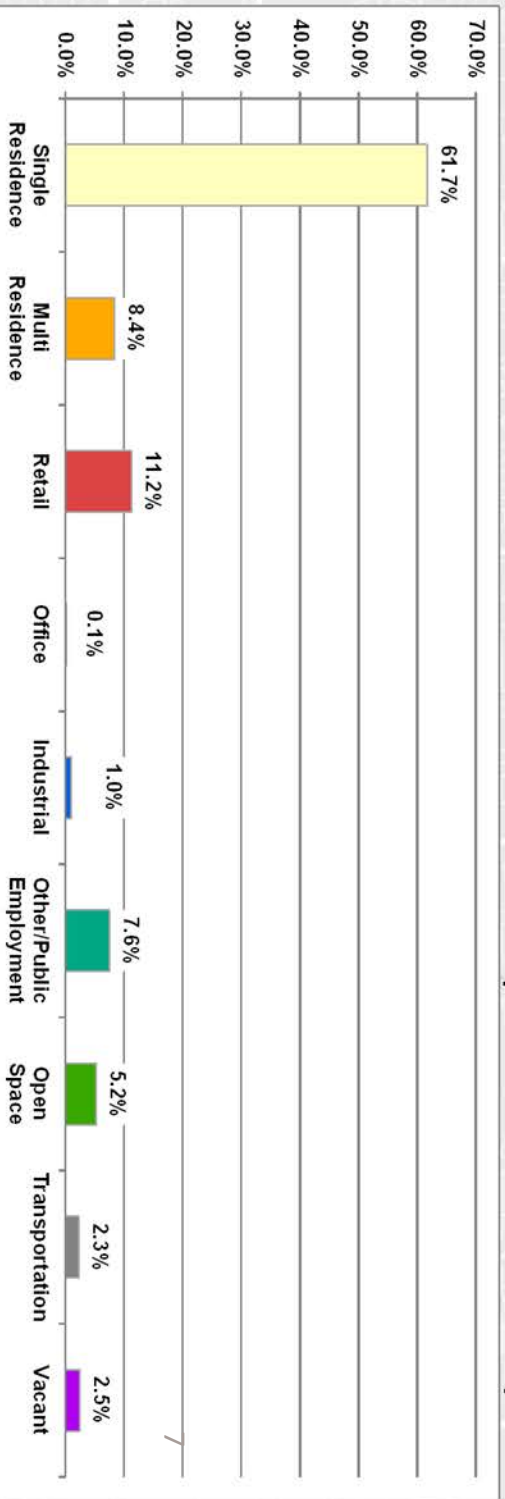
\*Numbers include county islands within the area

## » We verified what we thought we knew:

- > The area between Gilbert and Lindsay is more similar to the rest of the city
- > Older population
  - east of Lindsay median age mostly over 60, highest 73
  - 39% over 65 compared to 14% for City
- > Lower income
  - 70% below 50K compared to 50% for City
  - 5% above 100K compared to 27% along McKellips
- > Lower percent of occupied dwelling units (seasonal occupants)
  - 65% compared to 82% for City
  - Solid waste pick up decreases from March to August in some areas by over 1,000 barrels



SOUTHERN AVE

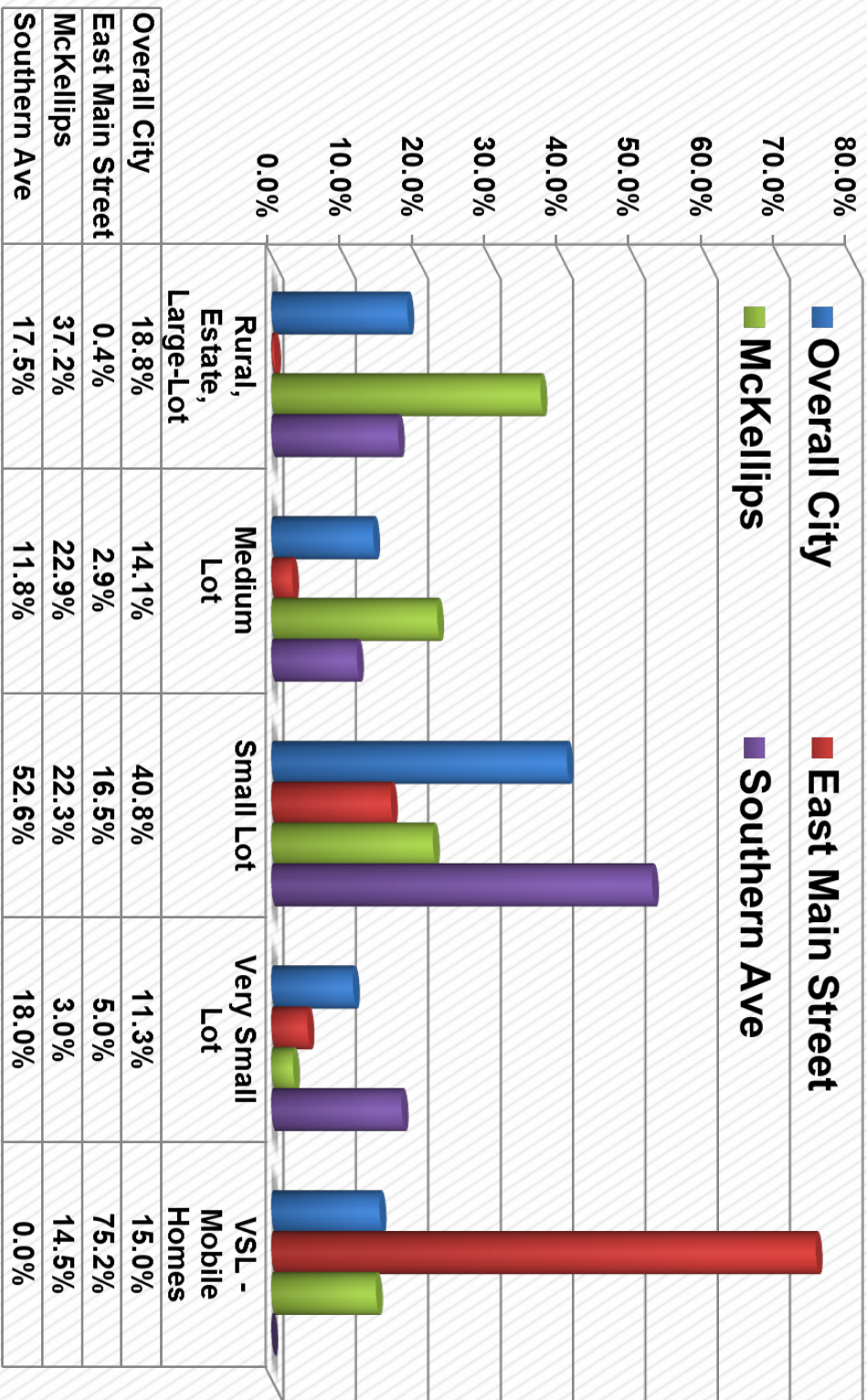




## » Main Street Land Use –

- > Generally older, highway strip commercial
- > Higher percentage of single residential
  - More RV/Manufactured Home (30% of city total)
- > Percentage of multi-residence and retail
  - Very similar to Southern
  - Double both City and McKellips
- > Low percentage of open space
- > Low percentage of vacant land
  - 138 acres total, 85 acres zoned LC

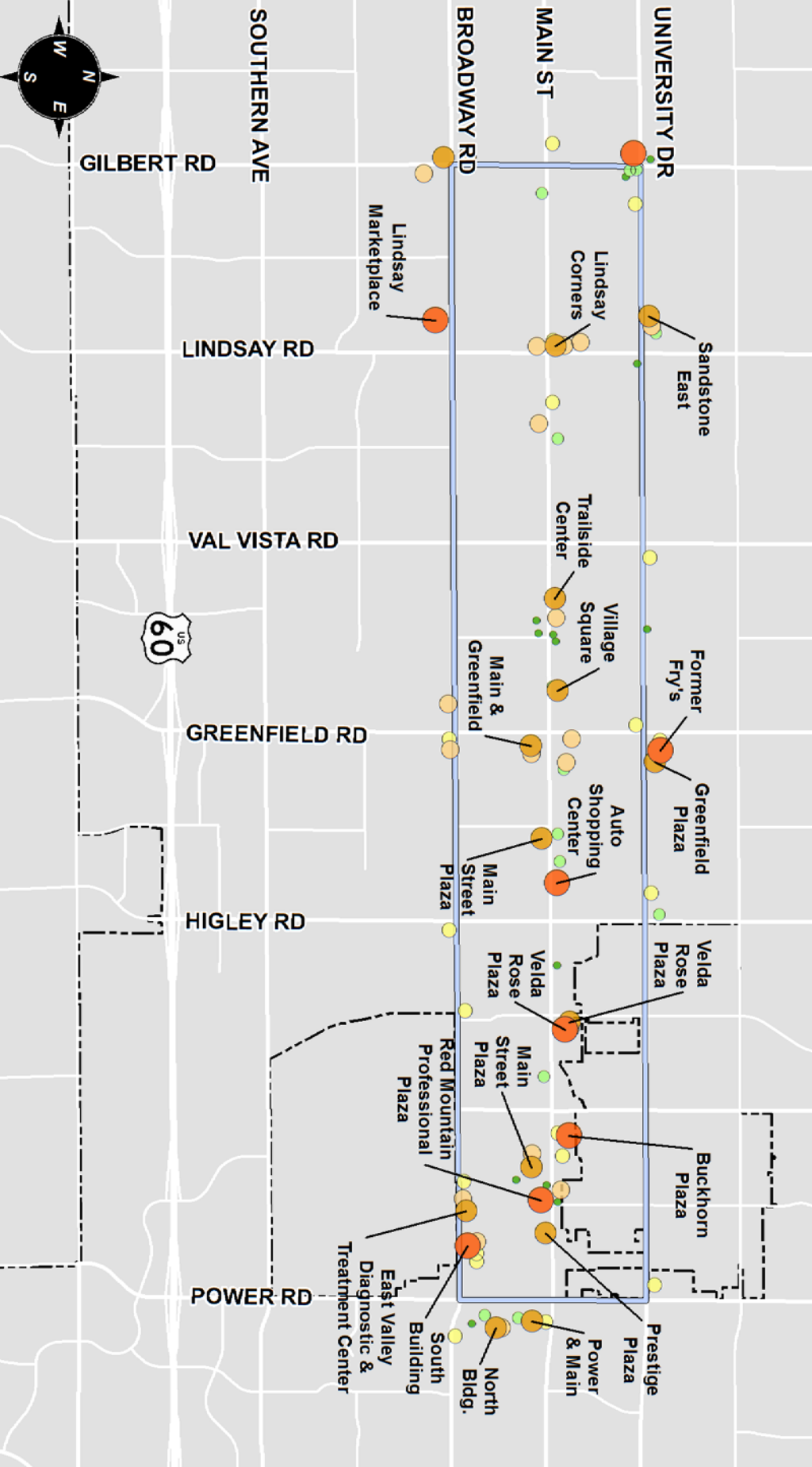
# Single Residence Land Use



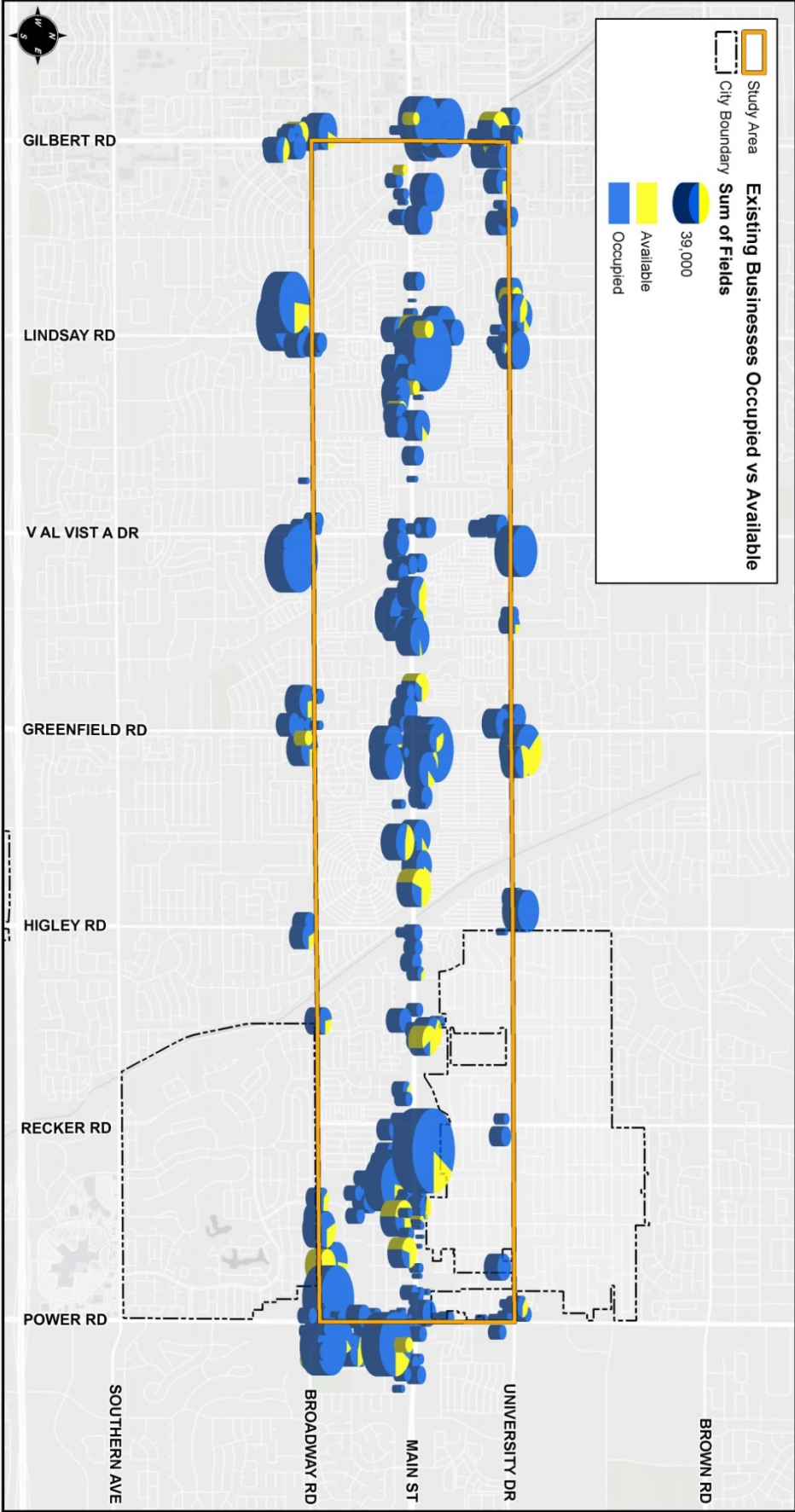
# Existing Business Vacancies by Available SqFt



ELLIPS RD  
BROWN RD



# East Main Street Study Area - Existing Businesses Occupied vs Available



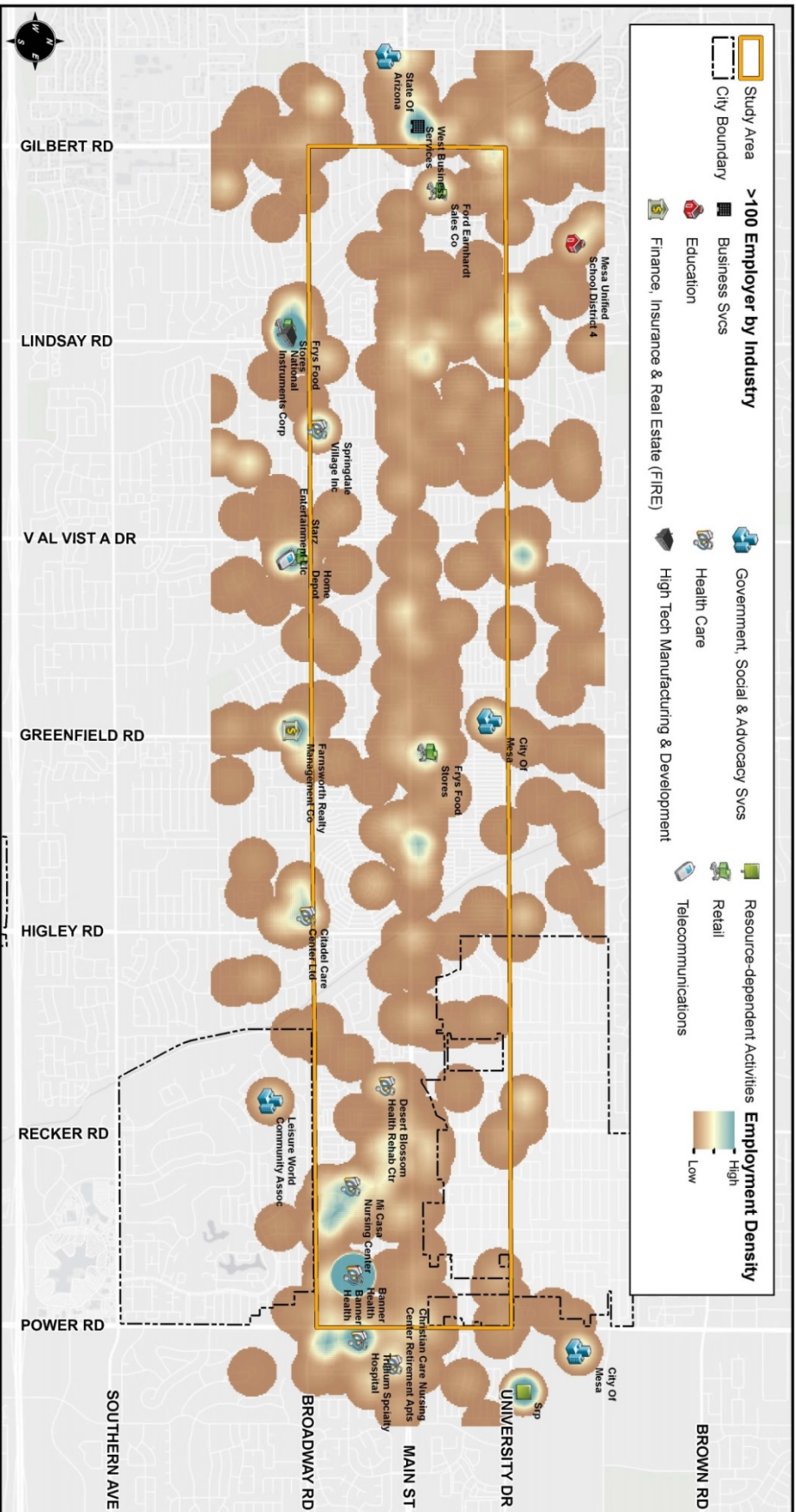
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Vacancy Rate – Approximately 9%



## East Main Street Study Area - 2013 Large Employers by Type



# Top 10 Employers with Number of Employees

2007 Top 10 Employers		2013 Top 10 Employers	
Banner Baywood	2075	Banner Heart Hospital	1800
Mi Casa Nursing Center	198	Banner Baywood	1278
City of Mesa	187	Springdale Village, Inc.	229
Springdale Village, Inc.	158	City of Mesa	167
Fry's Food Store	155	Ford Earnhardt Sales	147
Chula Vista Care Center	113	Fry's Food Store	142
Earnhardt Auto Center	101	Mi Casa Nursing Center	136
East Valley Children's Theater	100	Desert Blossom Rehab Center	110
Brookdale Living Community	85	United States Postal Service	100
United States Postal Service	<u>80</u>	East Valley Children's Theater	<u>100</u>
<b>Total</b>	<b>3252</b>		<b>4209</b>

Note: Banner grew by 33% and the overall growth was 23%; in the other corridors employment declined over this time period

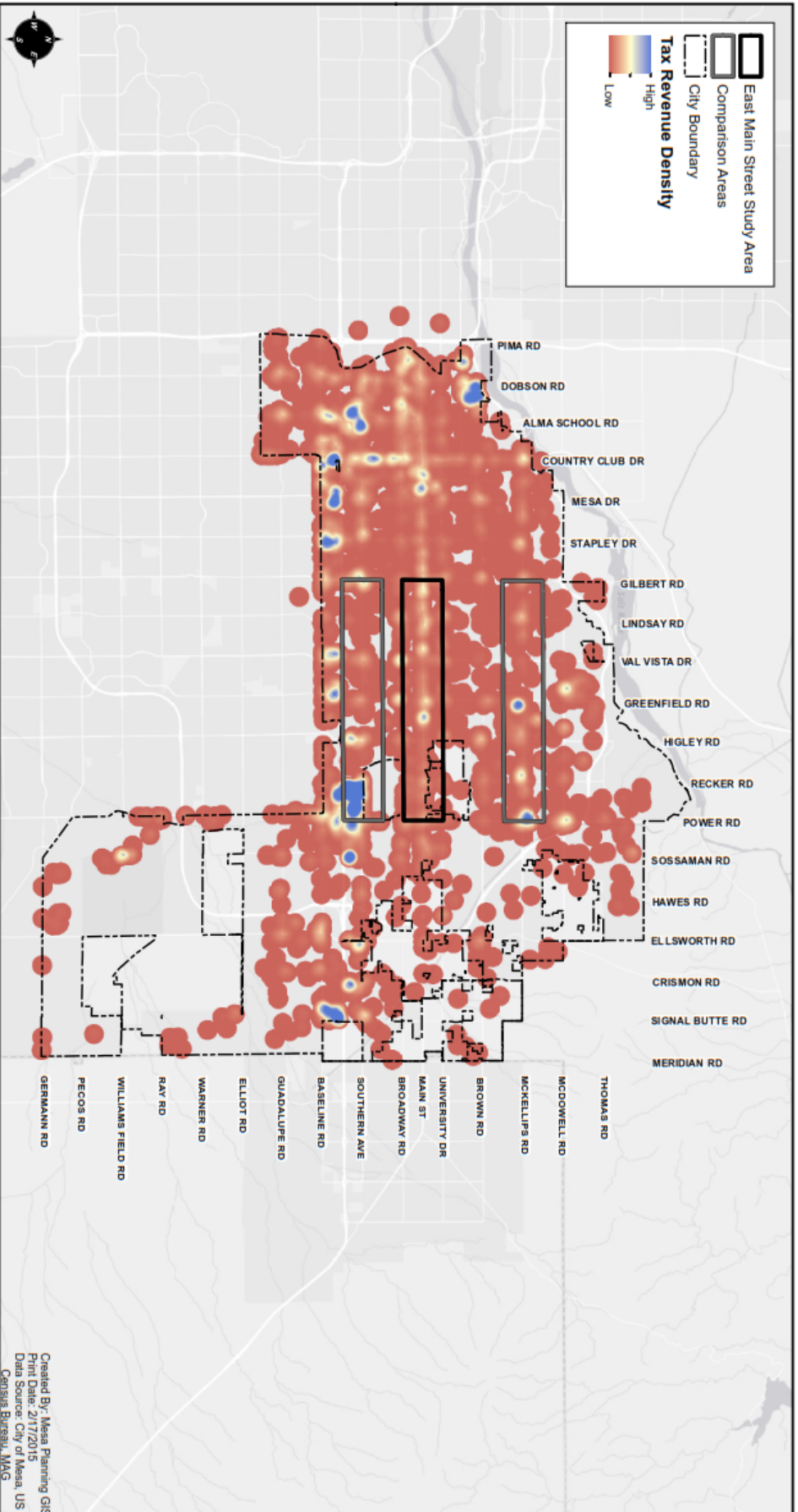
## » Main Street Employment –

- > Medical and related uses primary employer
  - almost 5,000 employed in this sector
- > Overall employment up since 2007, down on other corridors
- > More retail, but smaller businesses compared to other corridors
- > Does not have the professional, scientific, technical employers found in other corridors

- » Main Street does not have significant sales tax generators like other corridors or city
  - > Spread evenly along corridor, no large concentrations as in other areas
- » Primary sales tax generators
  - > RV sales
  - > Grocery store
  - > Home Depot
- » Decline during summer consistent with rest of city



## East Main Street Study Area - Citywide Tax Revenue 2014 March



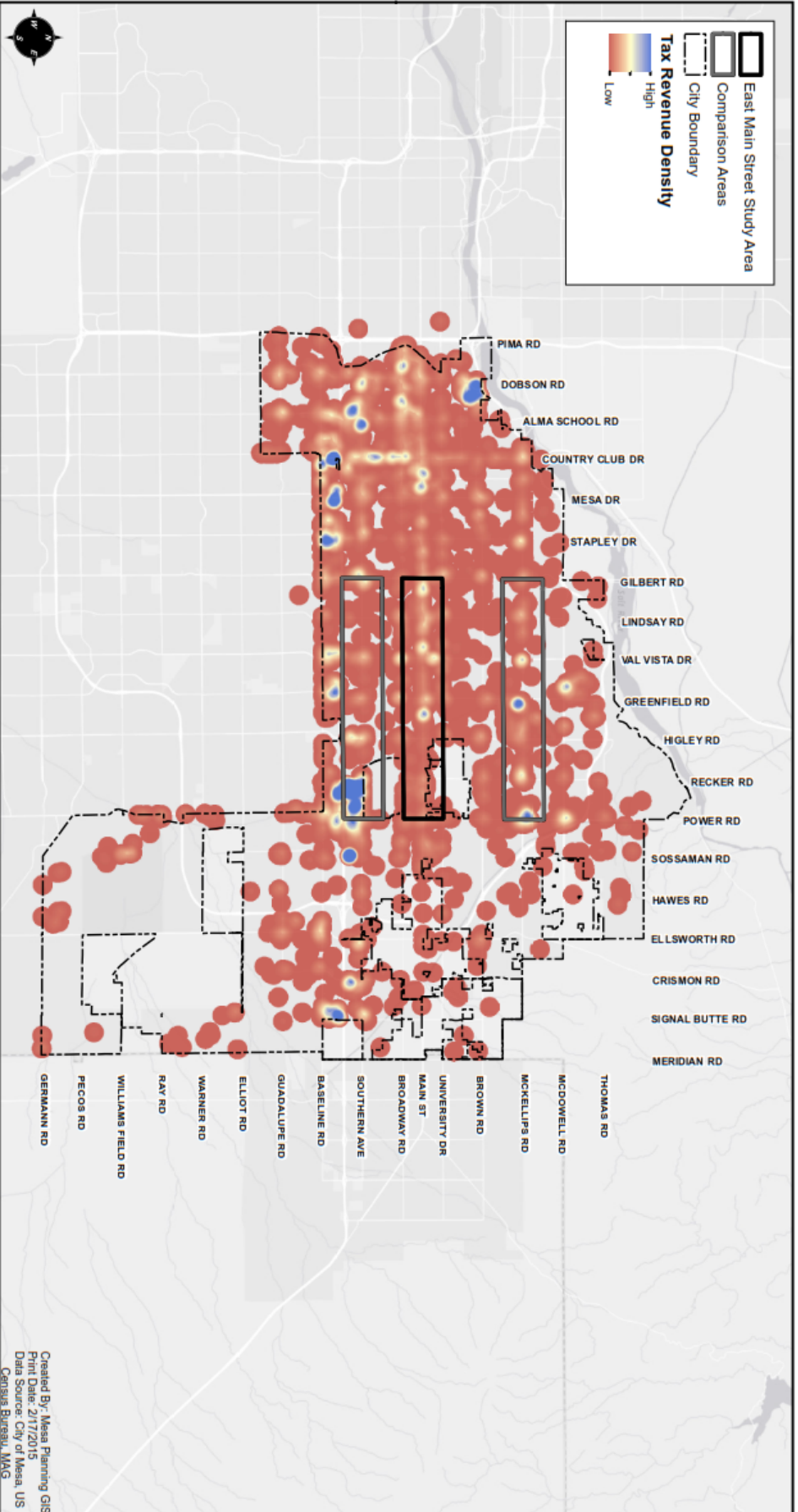
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## East Main Street Study Area - Citywide Tax Revenue Density 2014 August



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# Summary

## » Two anchors

- > Medical on east end
- > Terminus of light rail on west

## » Proposal

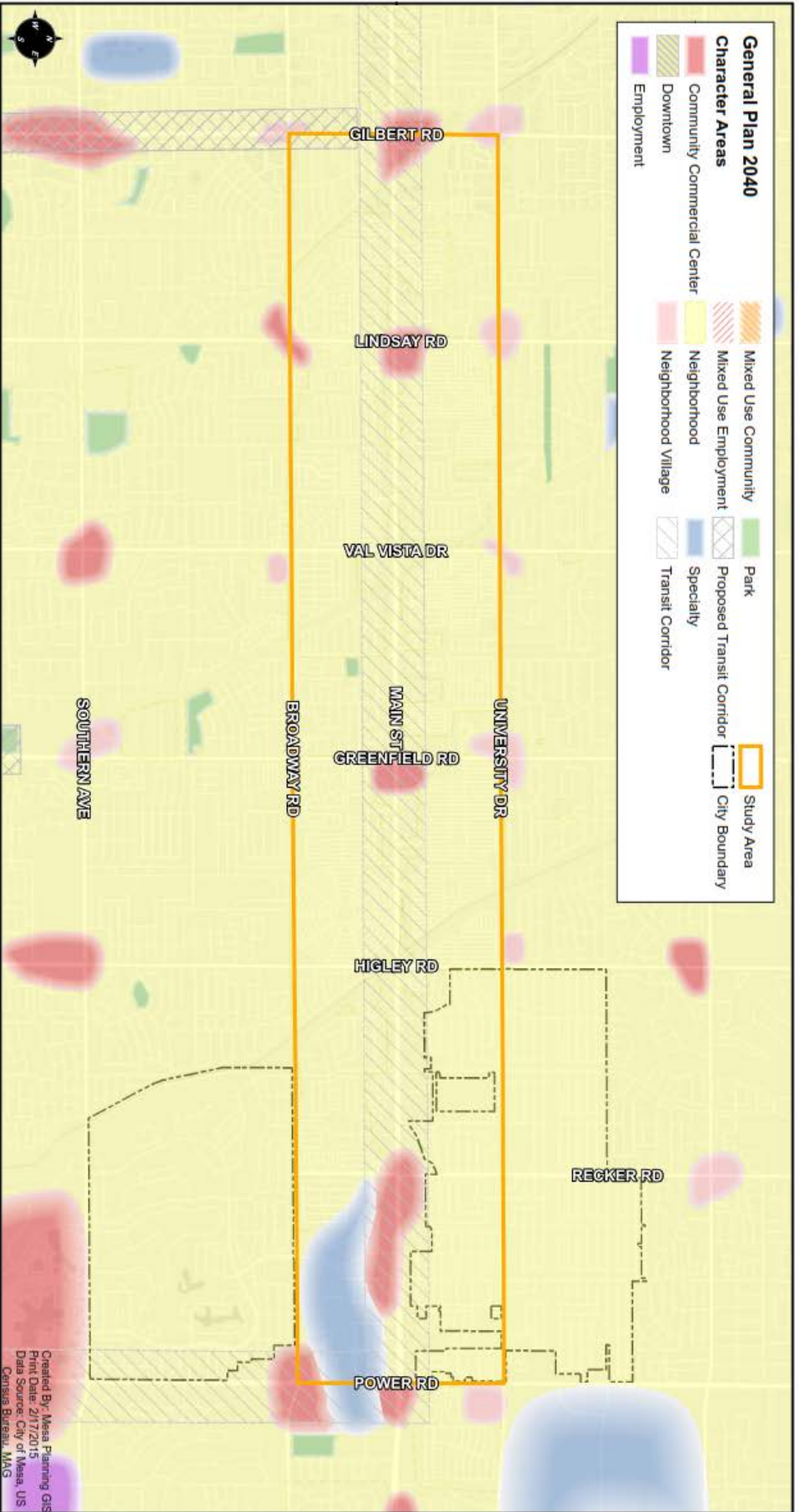
- > Build on two anchors
- > Develop tools such as zoning overlays to encourage diversity in the middle

# Questions & Comments

» Following are slides of information used to evaluate this area but will not be used in the presentation unless needed to answer a question.



## East Main Street Study Area - General Plan Character Areas



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# Traffic Counts



Southern



Main

Gilbert

Lindsay

Val Vista

Greenfield

Higley

Recker

Power

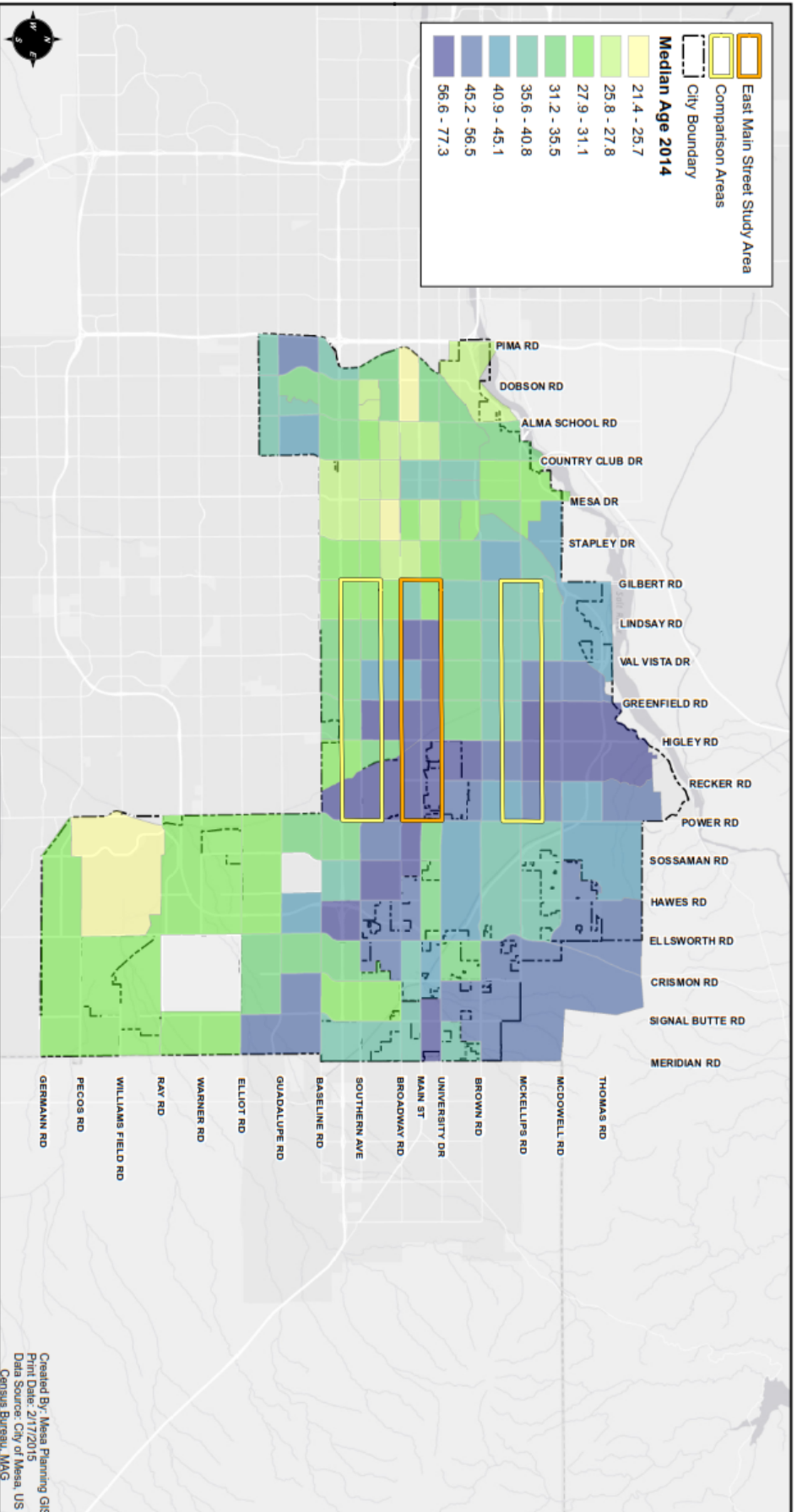


McKellips

Area	Age Distribution (%)				
	<u>&lt;18</u>	<u>18-34</u>	<u>35-49</u>	<u>50-64</u>	<u>65+</u>
Mesa	26.3	24.2	19.0	16.5	14.0
<i>East Main</i>	<i>14.7</i>	<i>16.3</i>	<i>11.2</i>	<i>17.8</i>	<i>39.0</i>
McKellips	22.4	16.4	17.6	22.0	21.5
Southern	21.4	24.0	16.4	16.6	21.6



## East Main Street Study Area - Median Age 2014 Overall City



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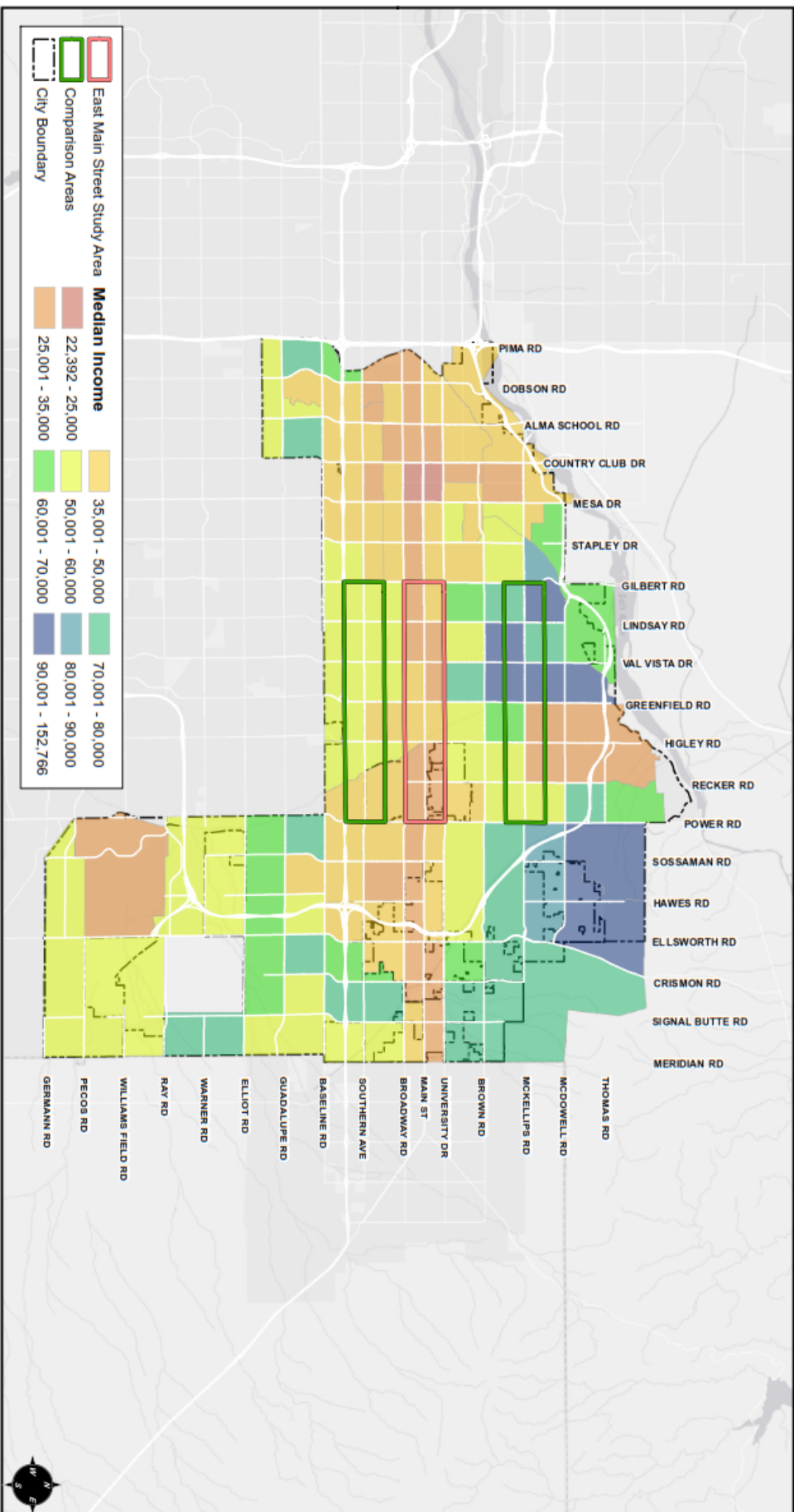
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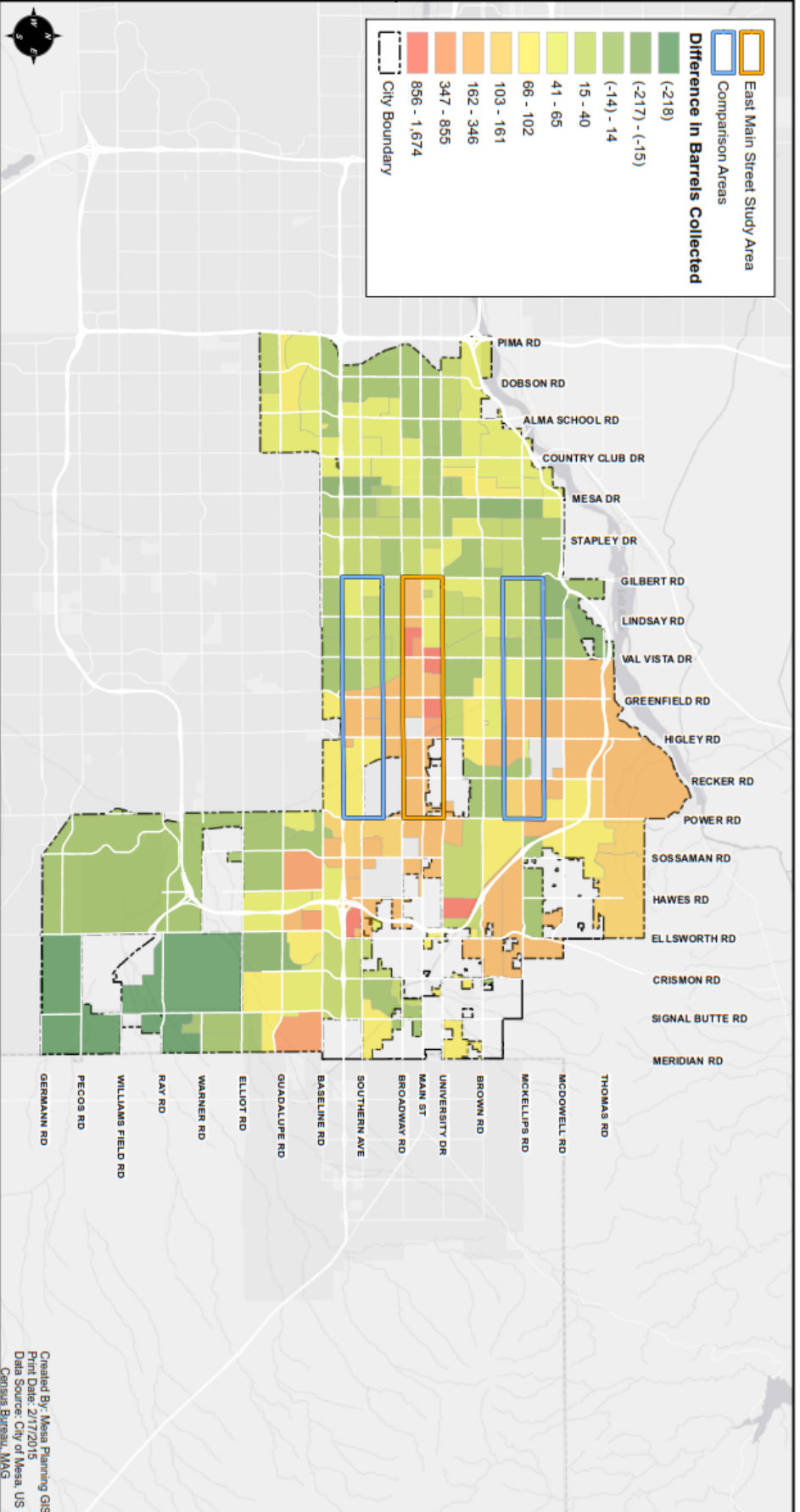
Area	Income Distribution (%)			Occupied Dwellings
	<u>&lt; 50K</u>	<u>50K – 99K</u>	<u>100K+</u>	
Mesa	50.8	32.0	17.3	82%
<b><i>East Main</i></b>	<b>72.3</b>	<b>24.3</b>	<b>5.0</b>	<b>65%</b>
McKellips	41.2	31.7	27.1	81%
Southern	48.7	36.1	15.2	86%

# East Main Street Study Area - Median Household Income 2014 (Overall City)





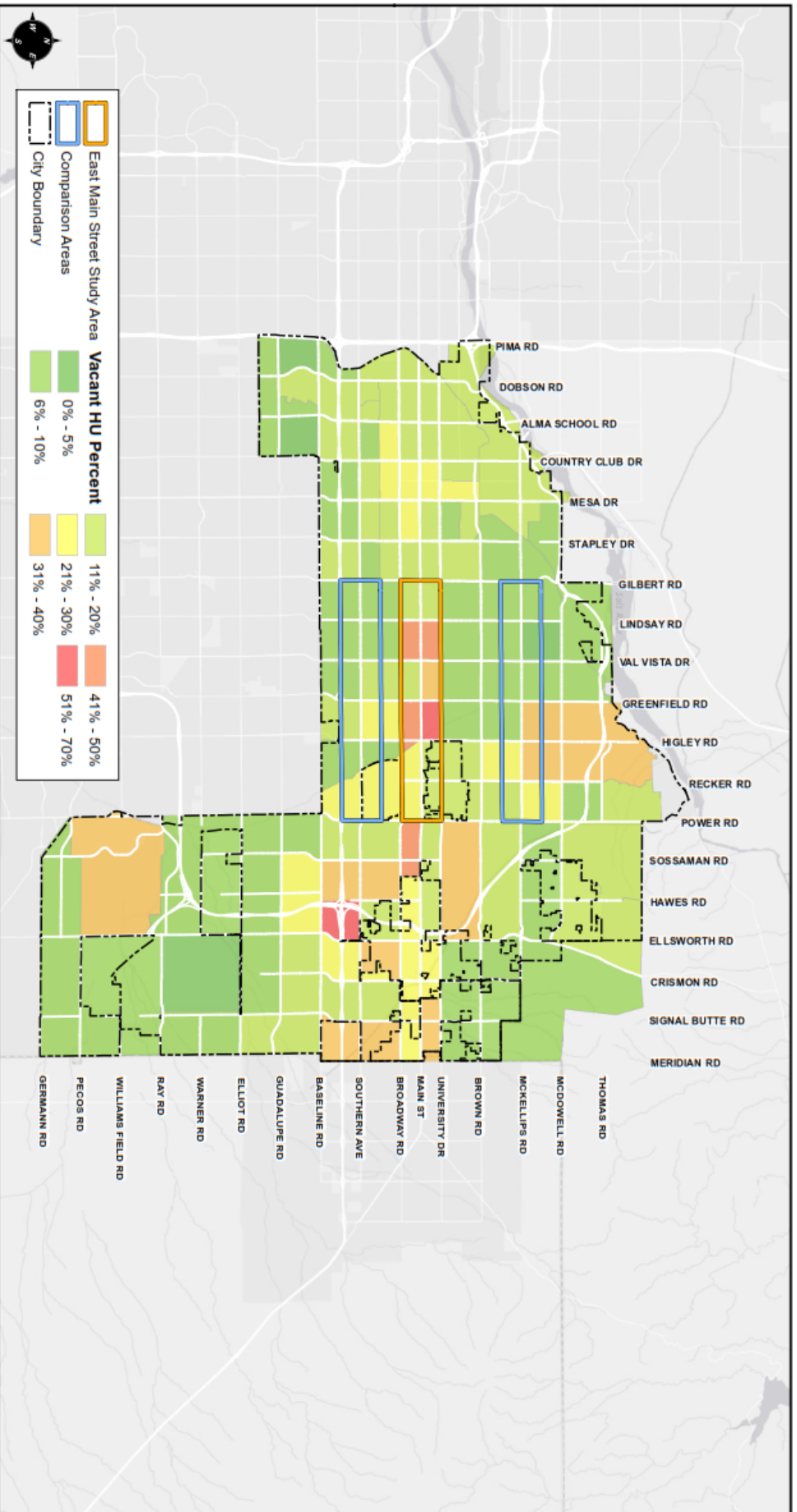
## East Main Street Study Area - Solid Waste Collection March vs August 2014 Citywide



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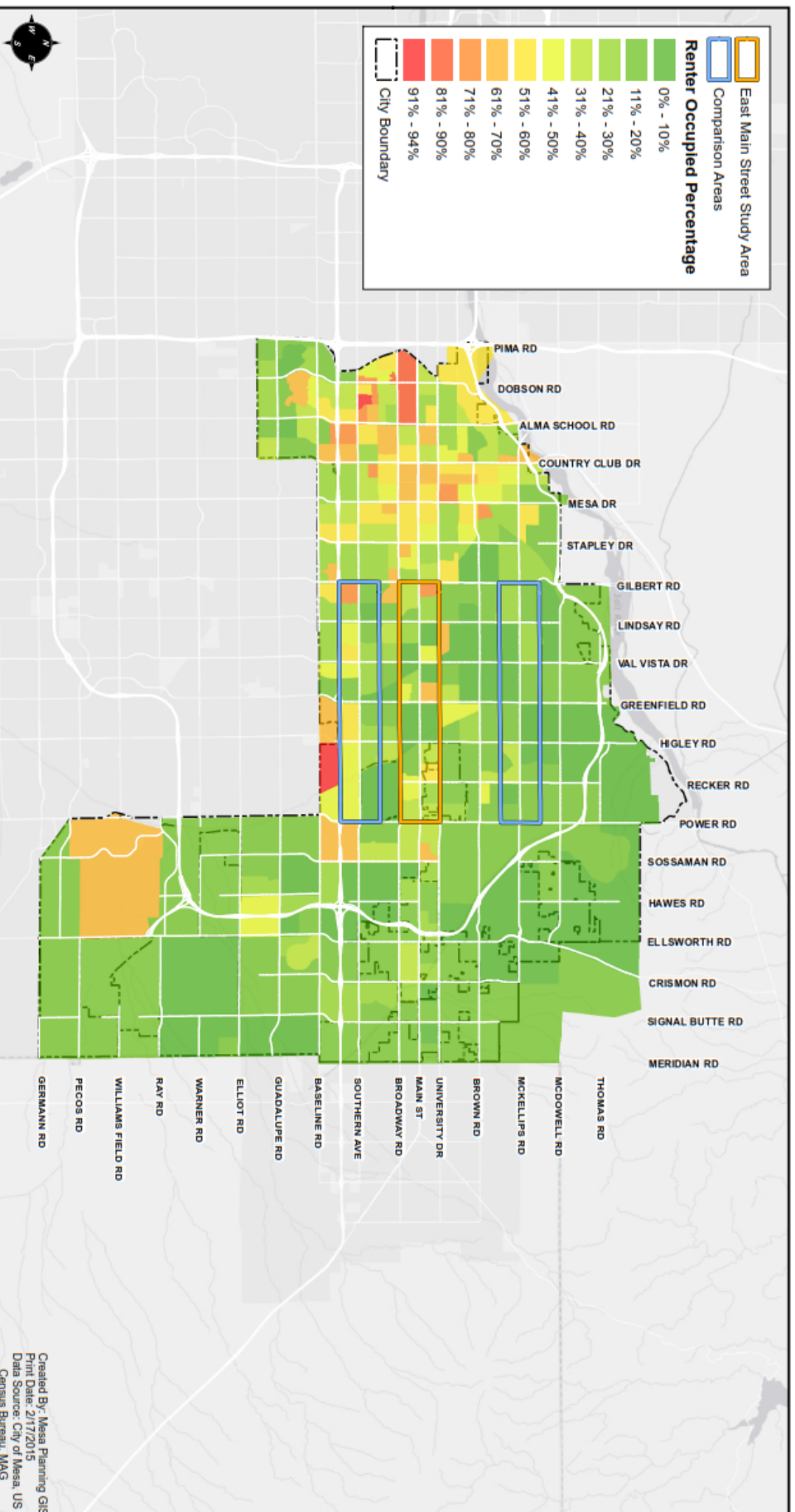


# East Main Street Study Area - Vacant Housing Unit Percentage 2010 (City)





# East Main Street Study Area - Renter Occupied HU (2010) Overall City



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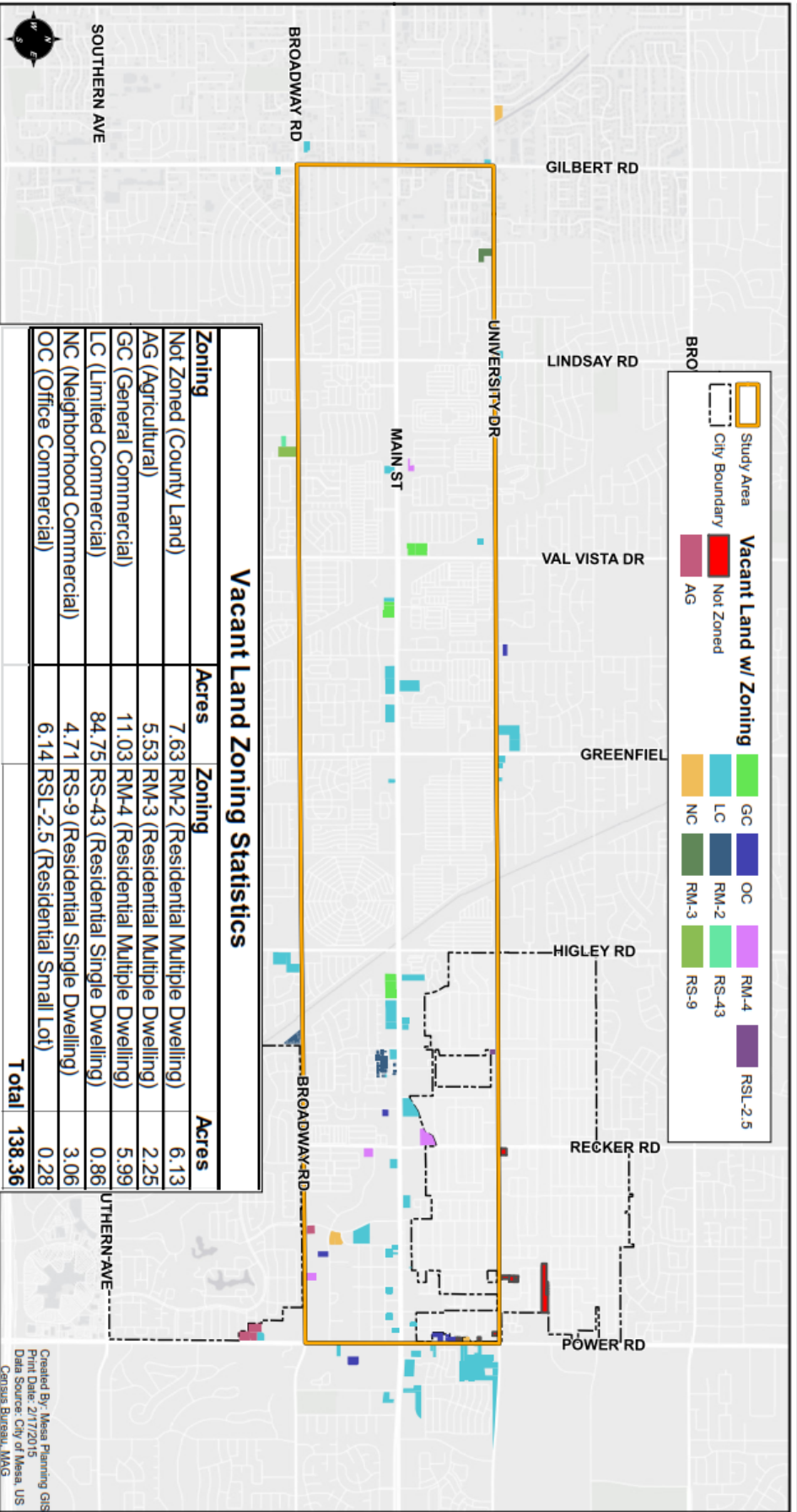
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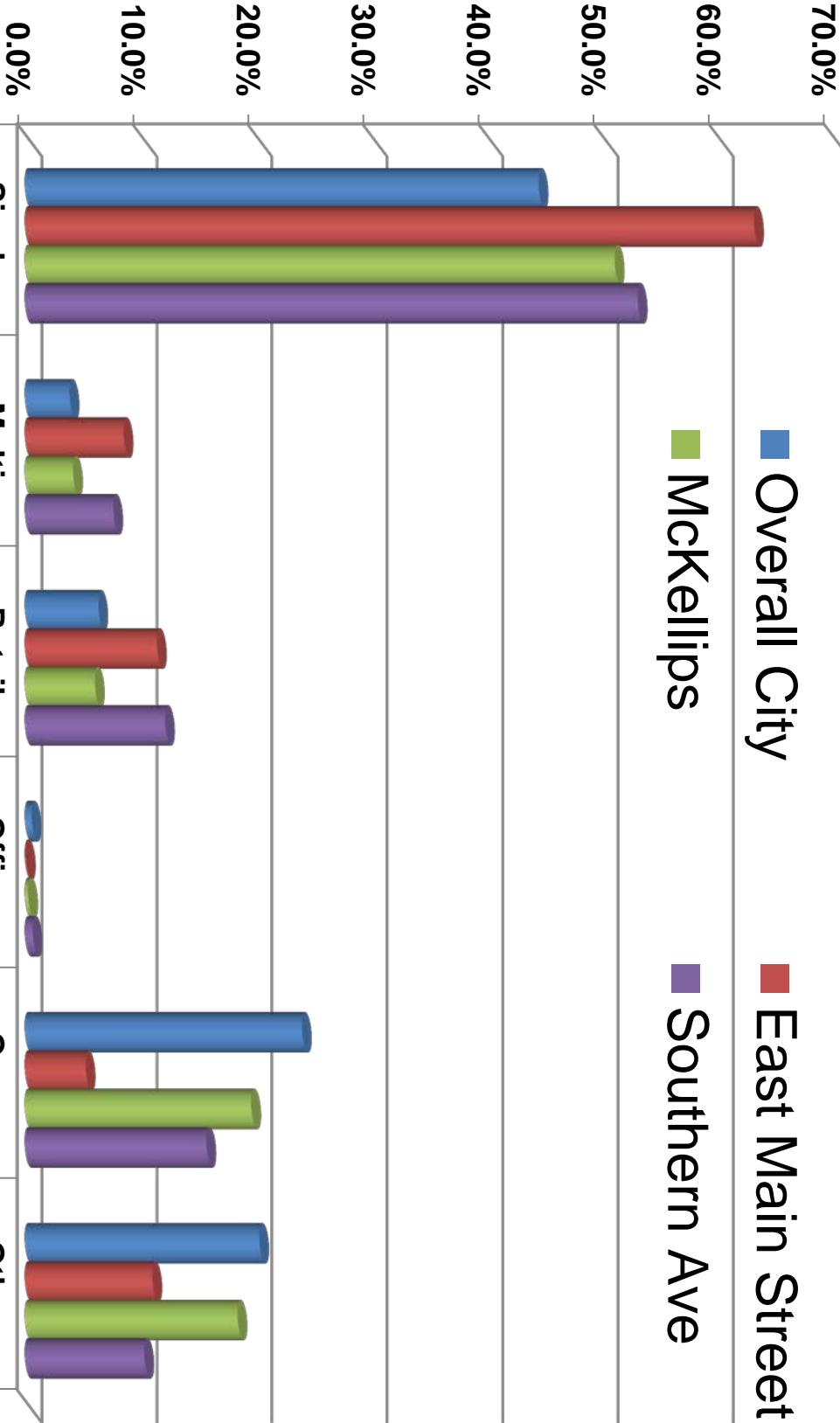


## East Main Street Study Area - Vacant Land



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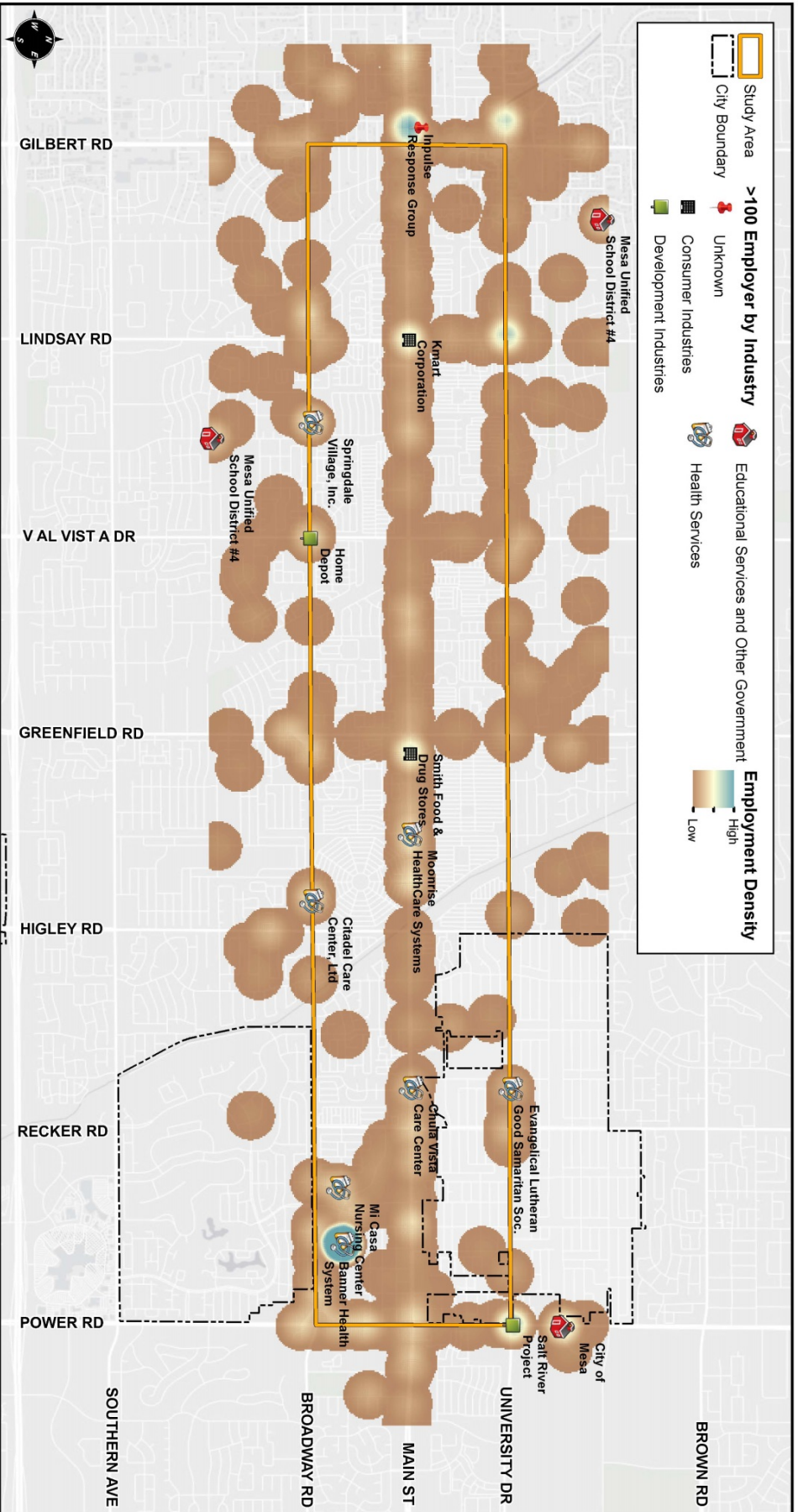
# Land Use



Overall City	44.6%	3.9%	6.4%	0.6%	24.1%	20.4%
East Main Street	63.3%	8.6%	11.5%	0.1%	5.3%	11.1%
McKellips	51.2%	4.2%	6.1%	0.3%	19.7%	18.5%
Southern Ave	53.2%	7.7%	12.2%	0.7%	15.8%	10.4%

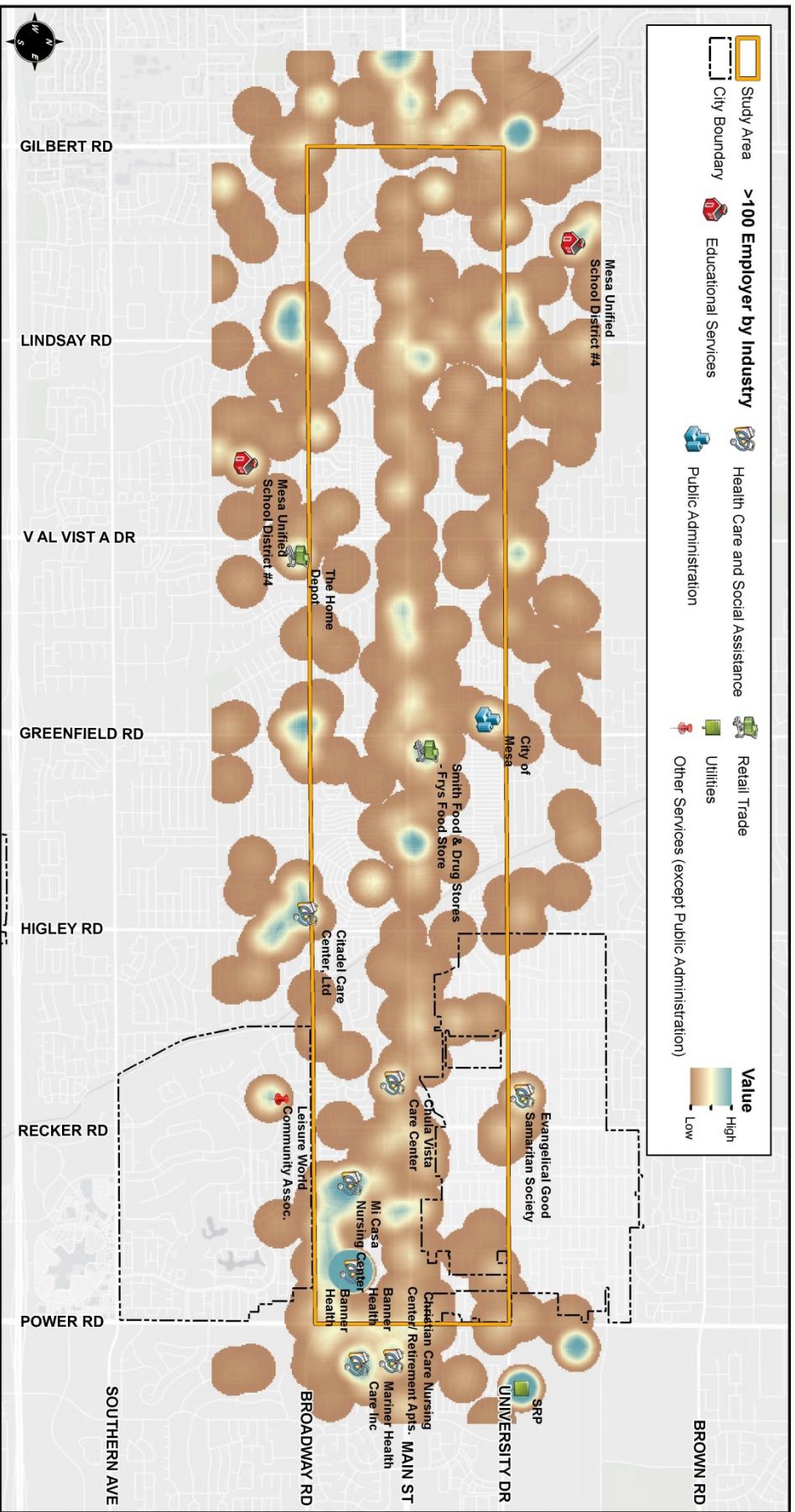


# East Main Street Study Area - 2005 Large Employers by Type



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# East Main Street Study Area - 2009 Large Employers by Type



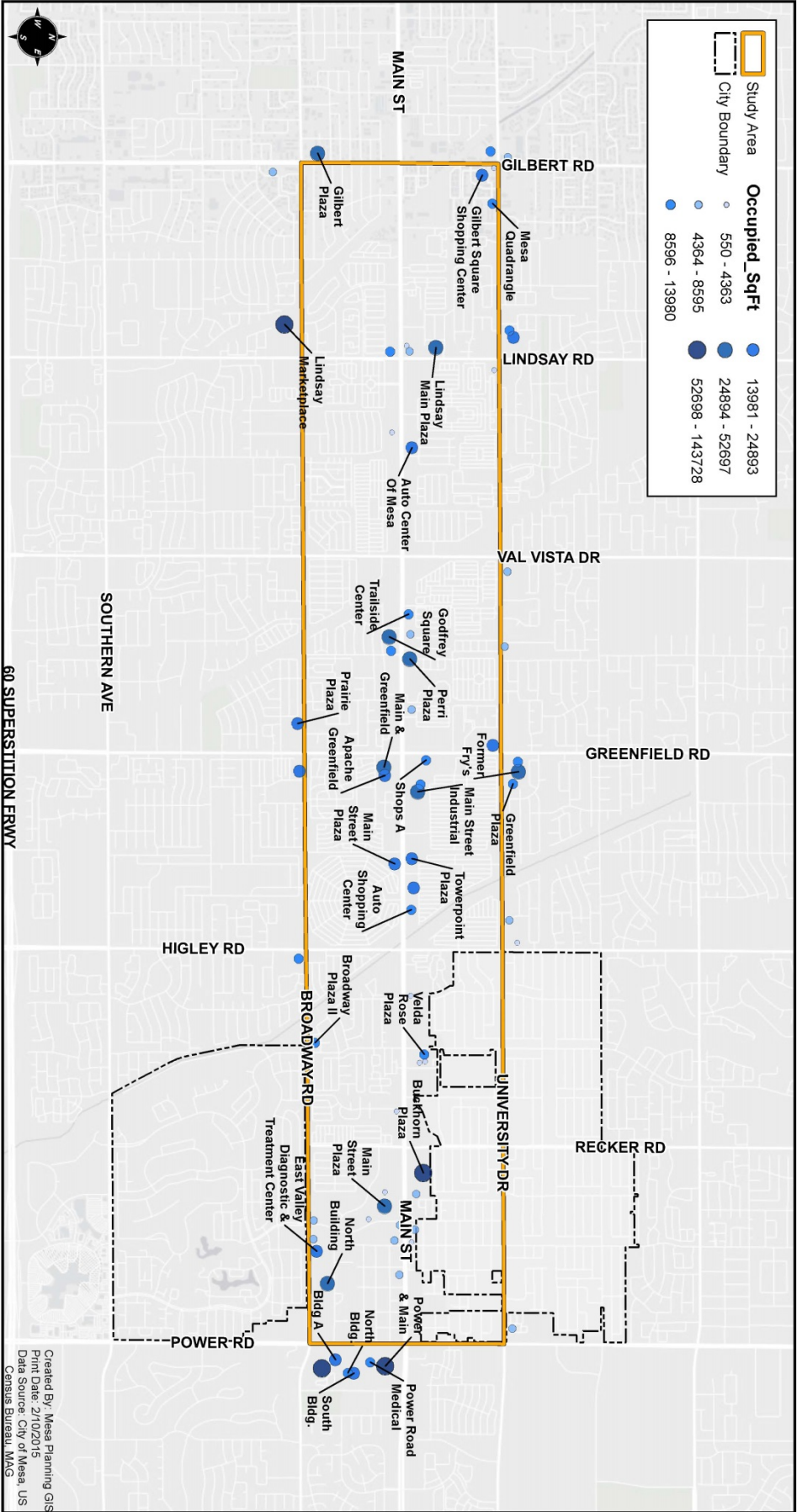
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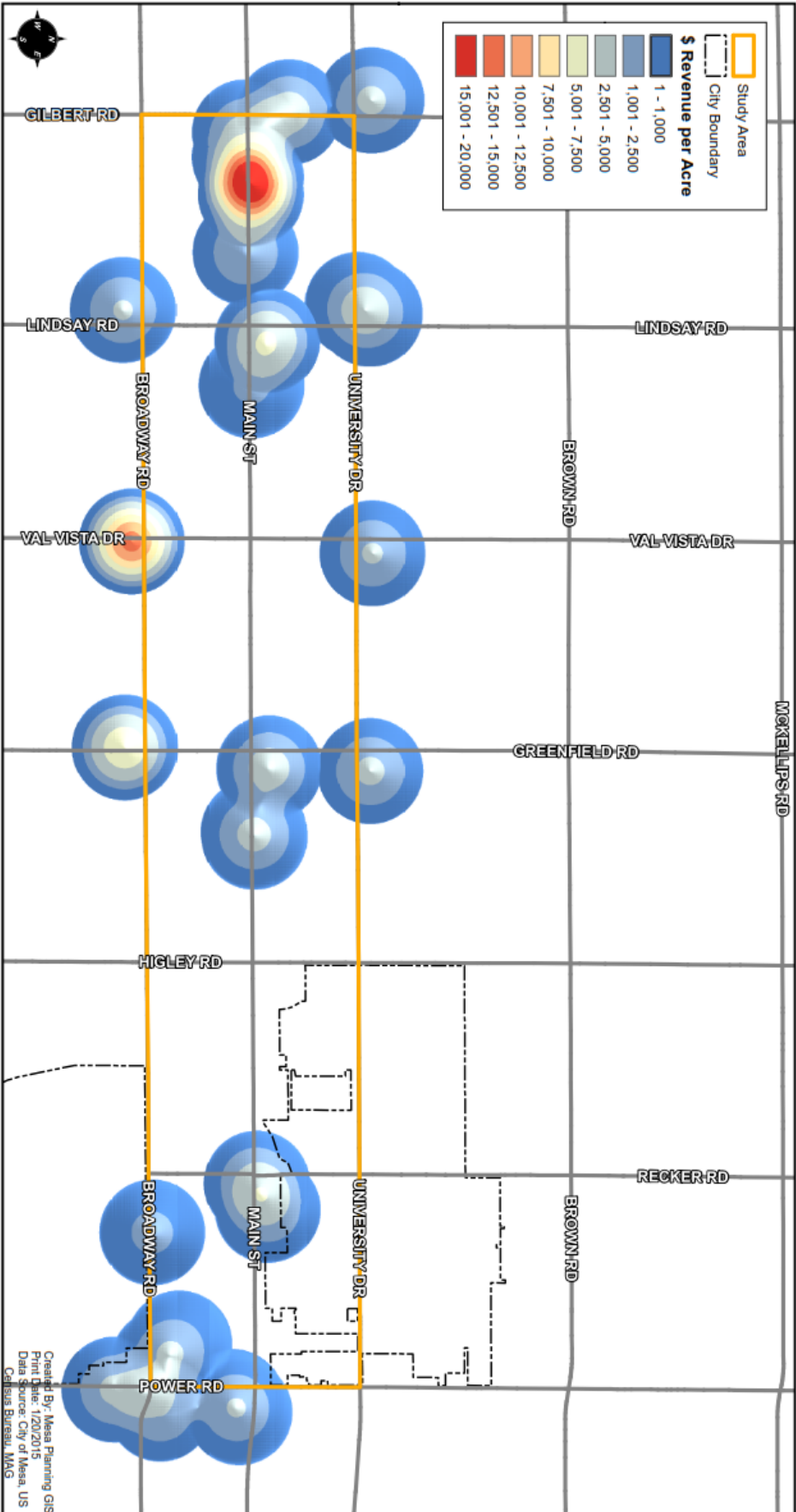


# East Main Street Study Area - Existing Businesses by Occupied Sq Ft



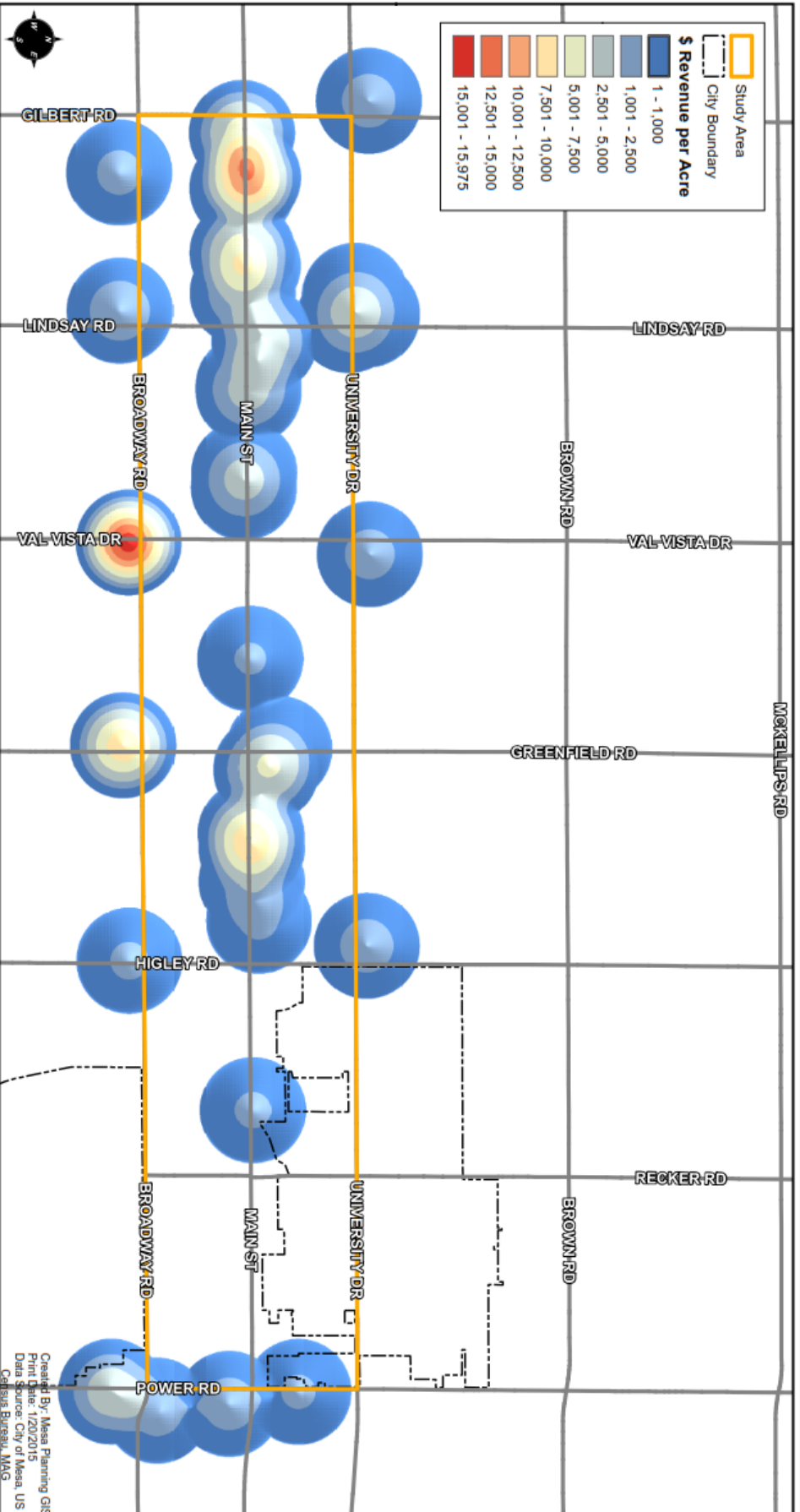
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## East Main Street Study Area - Tax Revenue 2000



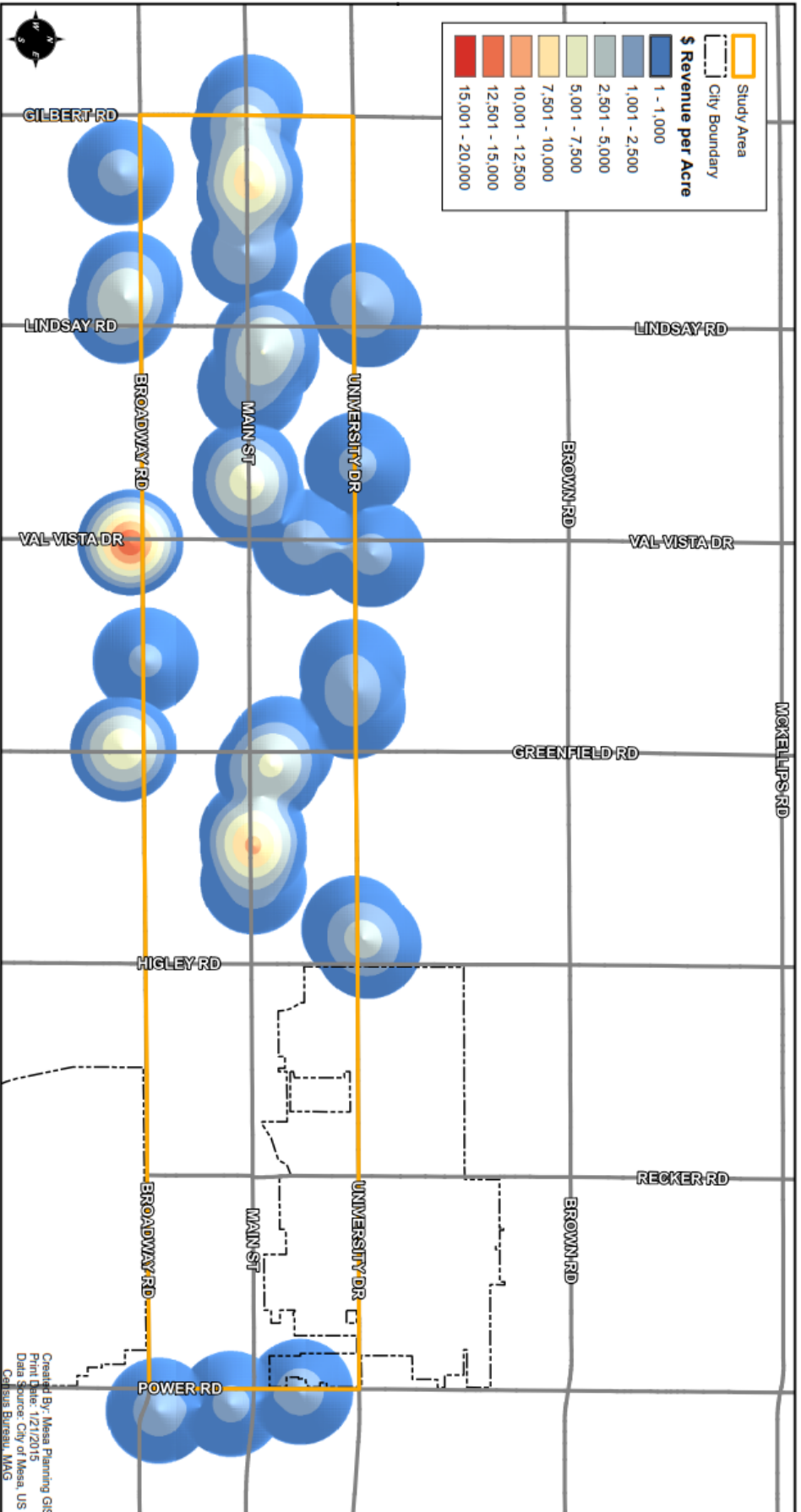
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## East Main Street Study Area - Tax Revenue 2007



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## East Main Street Study Area - Tax Revenue 2013



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# Top Industries by Type and Employees

Industry by Type	Main		McKellips		Southern	
	<u># Bus.</u>	<u># Emp.</u>	<u># Bus.</u>	<u># Emp.</u>	<u># Bus.</u>	<u># Emp.</u>
Health Care & Social Assistance	71	4841	32	342	--	--
Retail Trade	53	1052	83	2596	30	1117
Accommodations & Food Services	36	556	39	1408	22	521
Other Services	28	322	--	--	19	--
Real Estate & Rental and Leasing	22	272	--	--	--	--
Professional, Scientific & Technical	--	--	25	376	18	378
<b>Total</b>	210	7043	179	4722	89	2016