

COUNCIL MINUTES

July 6, 2017

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 July 6, 2017 at 7:30 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

Ryan Winkle

OFFICERS PRESENT

Kari Kent
Dee Ann Mickelsen
Jim Smith

(*Councilmember Glover participated in the meeting through the use of telephonic equipment.)

Mayor Giles excused Councilmember Winkle from the entire meeting.

1. Review items on the agenda for the July 10, 2017 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: 5-i.

Assistant City Manager Kari Kent informed Council that on item #4-p the language will be modified to reflect various safety improvements.

Councilmember Thompson requested that item #5-i **(Approving and authorizing the City Manager to disburse FY 2017/2018 Human Services funds for activities by non-profits approved by the City Council and to enter into agreements for the disbursement of Human Services funds)** be removed from the consent agenda.

Housing and Community Development Director Liz Morales explained that the early childhood education pilot program has been put on hold and hopes that the \$60,000 from FY 2016/17 funding can be used on the pilot program. She confirmed that the \$60,000 is General Fund dollars.

Councilmember Thompson emphasized that the use of taxpayer dollars to fund early childhood education blurs the line between the core function of the City and the educational community. He

stated the opinion that many organizations like First Things First have grant dollars that the City could use on any type of research or programming. He stated that if the item stays on the agenda he will vote no.

In response to a question posed by Councilmember Freeman, Ms. Morales replied that Human Services funding is made up of General Funds and A Better Community (ABC) funds, which come from donations through the utility bills.

Councilmember Freeman stated that he questions if the City should be involved in pre-k and early childhood development or if it should be left to the professionals.

Deputy City Manager Natalie Lewis remarked that this is a policy decision for Council and explained the history of where the \$60,000 came from. She noted that an early childhood task force was formed one year ago by Council and that the task force determined early childhood development is a challenge in Mesa. She added that the Housing and Community Development Department has filed for a grant with First Things First and is currently in the final stages of the agreement with possible approval of the grant by Council in late August.

Vice Mayor Luna reported that a "Start Up" program for pre-k is being considered, specifically for children living in poverty. He emphasized that state funding for education is specifically for K-12 and does not include pre-k programs.

Councilmember Thompson stated the opinion that by utilizing taxpayer dollars to fund educational type projects sets a dangerous precedent and added that he believes the issue is better served by the educational community and the Legislature.

Councilmember Glover expressed the opinion that the City's involvement as a funding source would become an ongoing cost to the City in the future and agreed that funds for schooling is a school board initiative not the City's.

Mayor Giles stated that he looks forward to the community coming to the July 10, 2017 Council meeting to speak on this item. He reported that the City of Mesa does not rank well in comparison to neighboring communities, the state, or the nation on kindergarten readiness. He continued by saying that if the City chooses to ignore this issue, it will be to the peril of the City as it will continue to become more challenged and businesses will become less interested in asking their employees to raise a family in the City of Mesa. He pointed out that the \$60,000 will not be spent unless a specific plan is agreed upon.

In response to a question posed by Councilmember Whittaker, Ms. Morales confirmed that the \$60,000 would be on hold if the resolution is approved, and prior to the funds being spent an approval is required by Council.

Manager of Downtown Transformation Jeff McVay introduced Tim Sprague, President of Habitat Metro (developer) and Kent Lyons, Investor who displayed a PowerPoint presentation (**See Attachment 1**) and discussed item 5-q (**Approving and authorizing the City Manager to enter into a Memorandum of Understanding with MAC DEVCO, LLC, for a mixed-use development of approximately 1.0 acre of City-owned property located near the southwest corner of Main Street and Center Street (the Drew Street surface parking lot)**) on the Regular Council Meeting agenda.

Mayor Giles thanked Mr. McVay, Mr. Sprague, and Mr. Lyons for the presentation.

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

(This item was not discussed by the Council.)

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

Vice Mayor Luna: Arizona Celebration of Freedom

Mayor Giles: Naturalization Ceremony

4. Scheduling of meetings and general information.

Assistant City Manager Kari Kent stated that the schedule of meetings is as follows:

Monday, July 10, 2017, 4:30 p.m. – Audit, Finance and Enterprise Committee Meeting

Monday, July 10, 2017, 5:15 p.m. – Study Session

Monday, July 10, 2017, 5:45 p.m. – Regular Council Meeting

Thursday, August 17, 2017, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 8:26 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 6th day of July, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

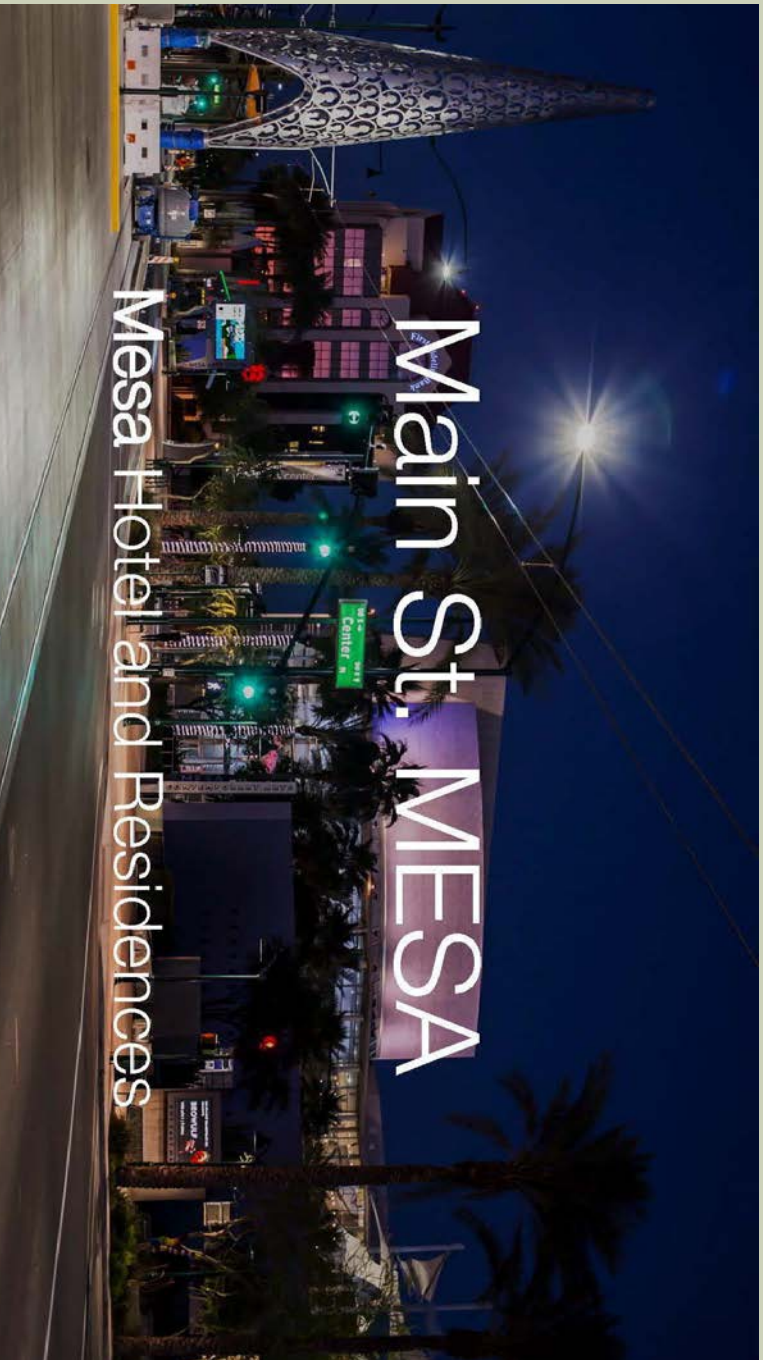

DEE ANN MICKELSEN, CITY CLERK

MEMORANDUM OF UNDERSTANDING: DREW STREET PARKING LOT

City Council
Study Session
July 6, 2017

Jeff McVay
Manager of Downtown
Transformation

PROJECT



Mesa Hotel and Residences

PROJECT



MESA HOTEL & RESIDENCES
MESA, ARIZONA

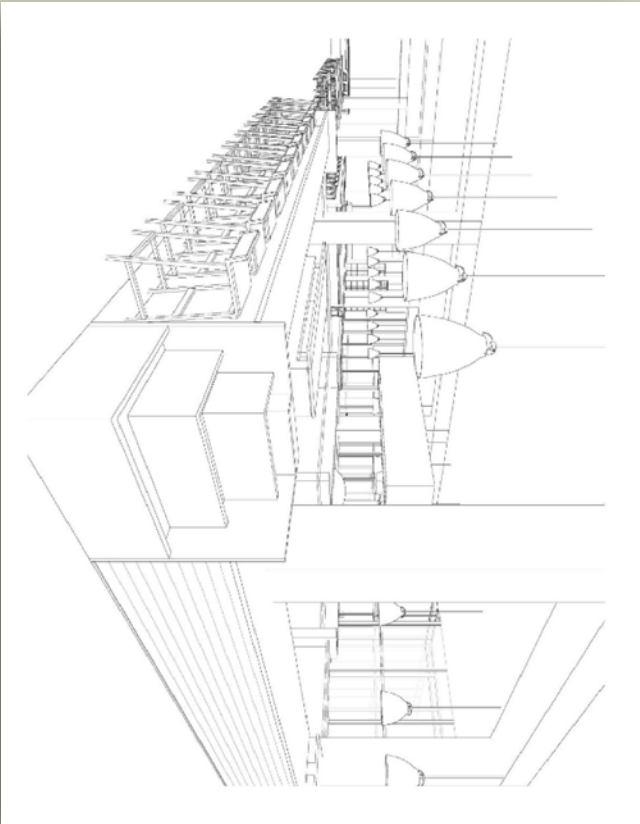
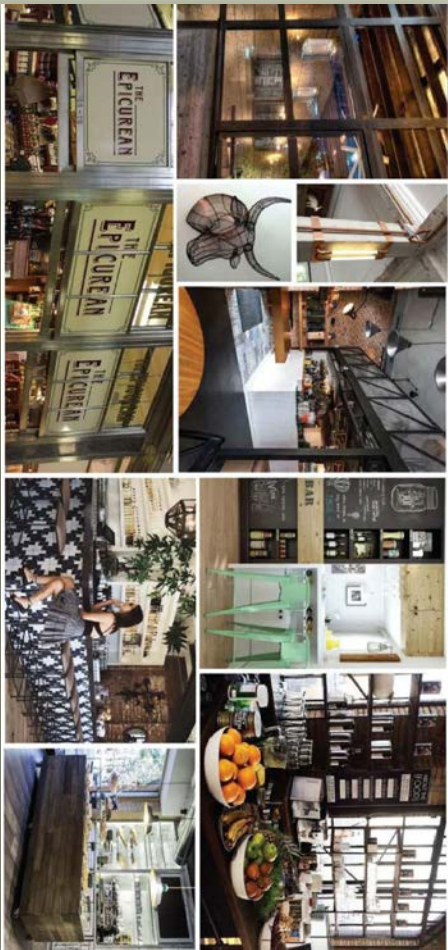


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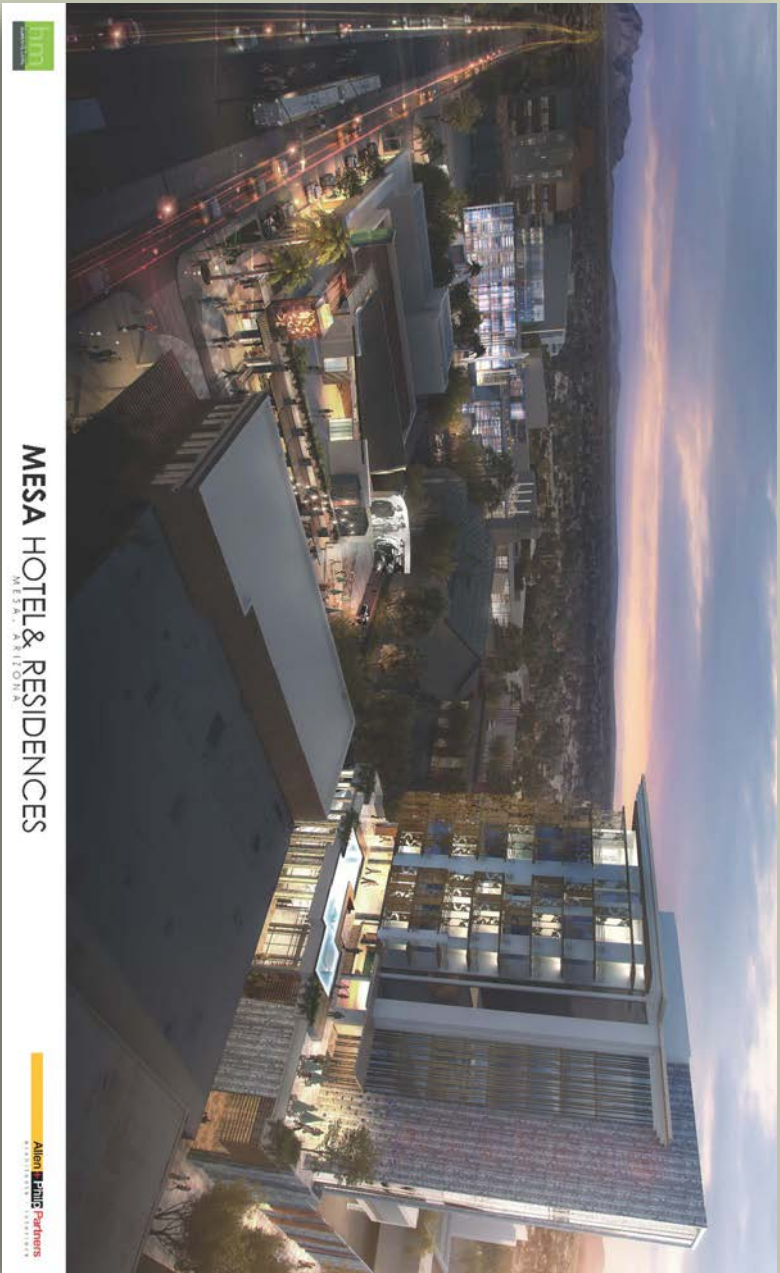


PROJECT

OVERVIEW



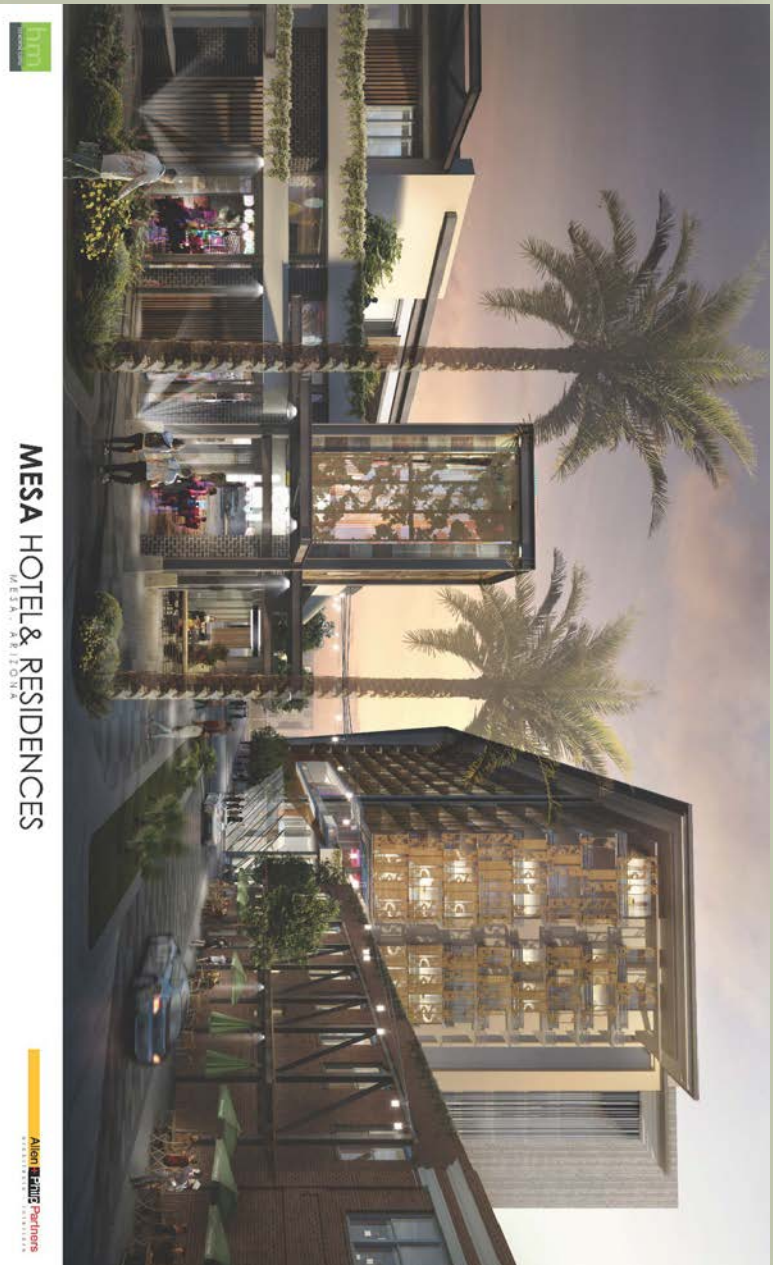
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MESA HOTEL & RESIDENCES
MESA, ARIZONA



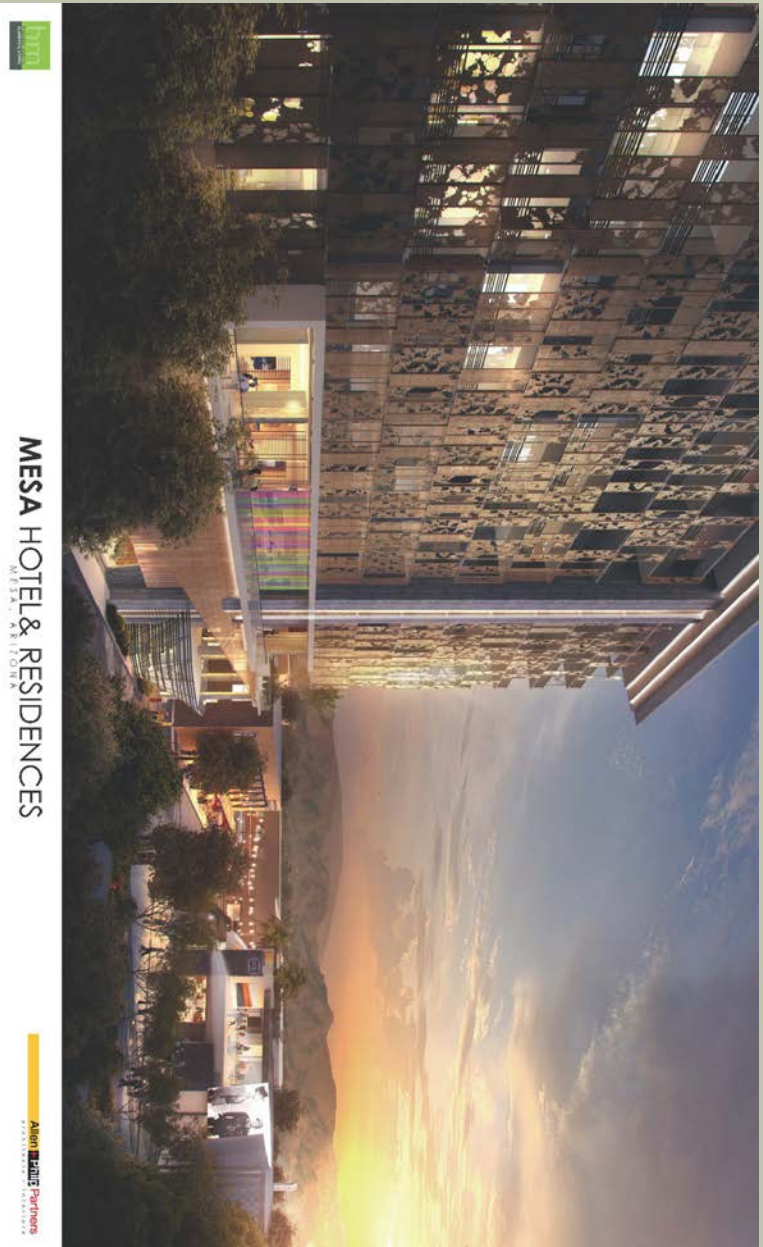
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MESA HOTEL & RESIDENCES
MESA, ARIZONA



PROJECT



PROJECT



MESA HOTEL & RESIDENCES
MESA, ARIZONA



PRIMARY CITY COMMITMENTS

- Long-term lease and/or purchase of the air rights above the Drew Street parking lot
 - Reduced lease/purchase rates that reflects City benefit from new structured public parking and reduced maintenance requirements
 - Consideration of Government Property Lease Excise Tax (GPLET)
- Construction or reimbursement for public streetscape improvements along Drew Street and S. Main Alley, with City approved design and subject to a cap
- Potential abandonment of portions of Drew Street and S. Main Alley to accommodate leasable ground-floor space in parking structure
- Consideration of possible rebate of a portion of City's Transient Occupancy Tax
- Planning, zoning, and building entitlements through a customized review schedule
 - City-initiated rezoning to appropriate Form-Based Code transect
 - Assignment of Development Services Project Manager through zoning and development entitlements



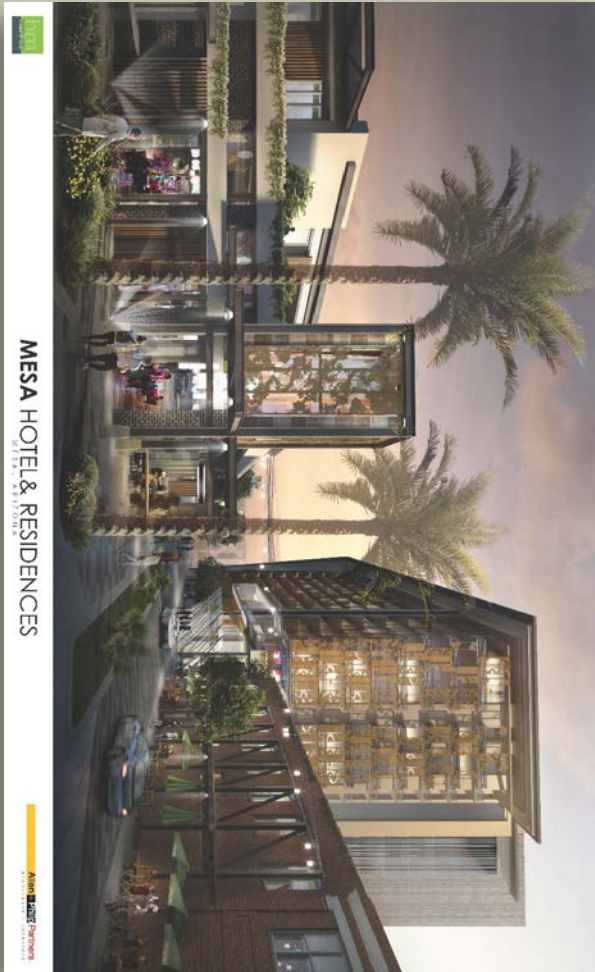
PRIMARY DEVELOPER COMMITMENTS

On Drew Street Parking Lot

- Minimum 75 – room boutique hotel
- Minimum 75 luxury apartments
- Replacement of surface parking with parking structure that includes equivalent amount of public parking and project parking at no cost to City
 - Additional public parking may be included at City's request and expense

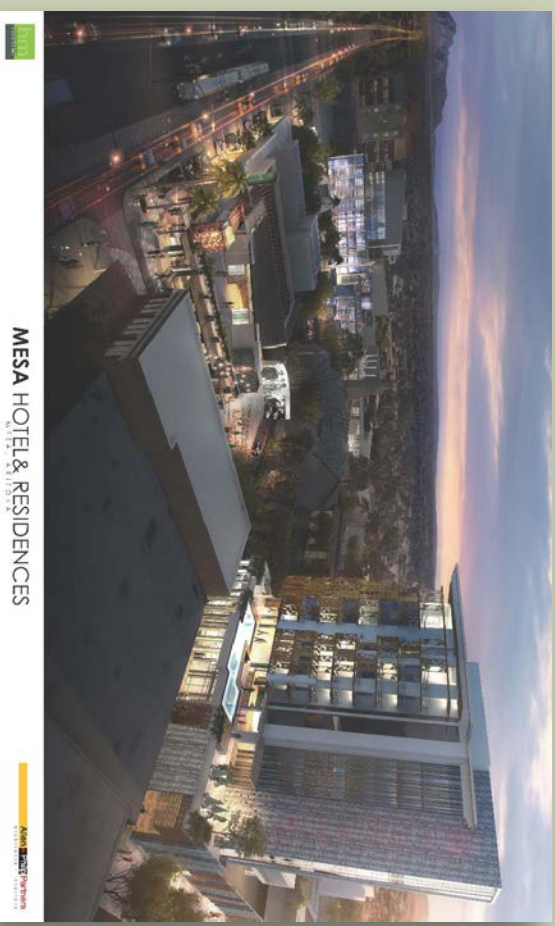
On Developer Lot

- Minimum 7,000 SF of restaurant and/or retail space
- Design for additional restaurant/retail, conference and meeting space in second story with future market demand



COOPERATIVE COMMITMENTS

- Parking structure redevelopment
- Removal of property restrictions associated with a 1957 gift deed
- Maintenance of 102 public parking spaces
- Cost sharing for parking structure O&M
- Consideration of options to provide electricity from renewable energy source
- MOU expires June 30, 2018



DREW LOT - MEMORANDUM OF UNDERSTANDING

DISCUSSION AND DIRECTION