

COUNCIL MINUTES

July 1, 2019

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 1, 2019 at 5:00 p.m.

COUNCIL PRESENT

Mark Freeman
Jennifer Duff
Francisco Heredia
David Luna
Jeremy Whittaker

COUNCIL ABSENT

John Giles
Kevin Thompson

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

Vice Mayor Freeman excused Mayor Giles and Councilmember Thompson from the entire meeting.

1. Review and discuss items on the agenda for the July 1 and July 8, 2019 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: 4-d

Councilmember Whittaker commented he will abstain on item 4-d because he is an investor in Google and their parent company.

Items removed from the consent agenda: None.

2. Convene and Executive Session:

It was moved by Councilmember Heredia, seconded by Councilmember Luna, that the Council adjourn the Study Session at 5:03 p.m. and enter into an Executive Session.

Upon tabulation of votes, it showed:

AYES – Freeman-Duff-Heredia-Luna-Whittaker

NAYS – None

ABSENT – Giles-Thompson

Vice Mayor Freeman declared the motion carried unanimously by those present.

- 2-a. Discussion or consultation for legal advice with the City Attorney. (A.R.S. §38- 31.03(A)(3))
Discussion or consultation with the City Attorney in order to consider the City's position

and instruct the City attorney regarding the City's position regarding contracts that are the subject of negotiations. (A.R.S. §38-431.03(A)(4)). Discussion or consultation with the City Attorney regarding negotiations for the purchase, sale or lease of real property. (A.R.S. §38-431.03(A)(7)).

1. Negotiation on a purchase and sale agreement and associated development agreement and lease relating to approximately 27 acres of City-owned property north and northeast of the corner of Cubs Way and Riverview Drive related to the proposed sale, lease and development of the real property.

3. Reconvene the Council Study Session.

- 3-a. Hear a presentation, discuss, and provide direction on the proposed development of the Union at Riverview on approximately 27 acres of City-owned property north and northeast of the corner of Cubs Way and Riverview Drive and the agreements related to such development.

Economic Development Department Director William Jabjiniak introduced Economic Development Project Manager JD Beatty who displayed a PowerPoint presentation. (**See Attachment 1**) He commented approximately one year ago Council approved a Memorandum of Understanding (MOU) with Lincoln Property and Harvard Investments to pursue the Union at Riverview development project. He emphasized this is the largest office project developed in the history of Mesa.

Mr. Jabjiniak noted the building site sits on 28.2 acres and the existing site is limited commercial use with planned area development overlay and there is also a facility use agreement with the Cubs for their events and game days. (See Page 2 of Attachment 1)

Mr. Jabjiniak presented the project highlights for The Union at Riverview. (See Page 3 of Attachment 1)

Mr. Beatty stated Phase A of the development will be on the northeast corner of the Riverview site. He stated once the site is complete there will be a total of four office structures ranging from four to eight stories and two parking garages, surface parking, and grass area parking for employee, public, and Cubs game day use all on the 1,350,000 square foot (SF) building site. (See Page 6 of Attachment 1)

Mr. Beatty explained there will be a total of eight years to execute all four phases of construction on 23.6 acres. He stated the City Manager will have the option to grant 12-month extensions on each phase if needed. (See Page 7 of Attachment 1)

Mr. Beatty reported the initial Phase A purchase price will be estimated at \$3,940,960.32 or \$10.52/SF per the City appraisal. He added a new appraisal will be required every five years on the Phases that have not yet been acquired. (See Page 8 of Attachment 1)

Mr. Beatty stressed the importance on maintaining the Cub's facility as an A+ fan experience during site construction. He mentioned 2,500 parking spaces must be maintained west of Riverview Drive by the City per the facilities use agreement. He commented as site construction continues, The Union team will develop annual parking plans to accommodate parking for Cub's fans on game day, as well as for public parking on other days. (See Page 9 of Attachment 1)

Mr. Beatty stated The Union will lease a portion of the land from the City to construct a six-level private parking garage. He advised the six-story parking garage will be on the west side of the site and have 380 to 430 parking spaces on the first level for the public to use. (See Page 10 of Attachment 1)

In response to a question from Committeemember Duff regarding the construction timeline, Mr. Jabjiniak explained the construction timeline depends on when they sign a tenant, however they hope to begin utility relocation by the end of the year.

In response to a question from Committeemember Duff regarding the soccer fields, City Manager Christopher Brady responded by stating the soccer fields are top priority and that the City has control of the property on Center Street north of Thomas Road. He mentioned the City will be meeting with the design team this week. He noted the completion of the soccer fields could take up to two years.

City Engineer Beth Huning explained the City is in the process of hiring a designer for the soccer fields and the company must start construction no later than the third quarter of 2020 to open Fall of 2021.

In response to a question from Committeemember Duff regarding parking for the upcoming Cubs spring training season, Mr. Jabjiniak stated the plan is to build the first office building and half of the parking garage on the northeast corner. He stated the grass parking to the south will be used for construction purposes, but the remainder of the grass will be used for the Cubs parking.

In response to a question from Committeemember Duff regarding the start of construction, Mr. Beatty explained construction for Phase A will be active during the upcoming Cubs spring training season, but there will be plenty of available parking.

In response to a question from Committeemember Duff, Mr. Brady clarified only the ground floor of the west parking garage will be used as public parking, which is the last phase of the development plan.

Justin Piper, General Manager of the Chicago Cubs spring training operations, thanked Mr. Jabjiniak and staff for open communications the past few months regarding the Union development agreement. He stated the Cubs are excited to see the interest in development around Sloan Park and the fans and revenues it will bring to Mesa. He noted there are questions and concerns that will need to be resolved before the development agreement is finalized such as needing to provide adequate and convenient parking for all fans.

Vice Mayor Freeman pointed out there has been an open dialogue and partnership with the Cubs for decades and hopes that will continue.

4. Hear reports on meetings and/or conferences attended

Councilmember Duff i.d.e.a Museum Volunteer Appreciation Event

Councilmember Luna Arizona-Mexico Commission Conference

5. Scheduling of meetings and general information.

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

Thursday, July 4, 2019, 6:00 p.m. – Celebration of Freedom

Monday, July 8, 2019, 5:15 p.m. – Study Session

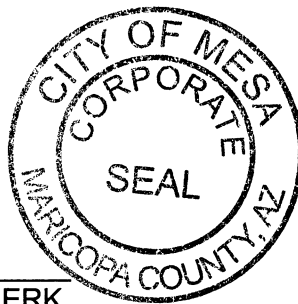
Monday, July 8, 2019, 5:45 p.m. – Regular Council Meeting

6. Adjournment.

Without objection, the Study Session adjourned at 6:07p.m.

ATTEST:


DEE ANN MICKELSEN, CITY CLERK




JOHN GILES, MAYOR

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 1st day of July 2019. I further certify that the meeting was duly called and held and that a quorum was present.


DEE ANN MICKELSEN, CITY CLERK