

COUNCIL MINUTES

May 10, 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 May 10, 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

1-a. Hear a presentation, discuss and provide direction on a summary wrap-up of the FY 2018/19 budget.

Management and Budget Director Candace Cannistraro displayed a PowerPoint presentation. **(See Attachment 1)** She commented that the tentative adoption of the City's budget is scheduled for May 21, 2018.

Ms. Cannistraro explained that the FY 2017/18 budget can be accessed through the City's Open Data Portal and the portal will continue to be updated with the FY 2018/19 adopted budget, revised budget, and actual budget throughout the year. She noted that actual numbers are updated on the 15th of each month. (See Pages 7 and 8 of Attachment 1)

Mayor Giles thanked staff for the presentation.

1-b. Hear a presentation and discuss the economic impact and projections of potential revenues to Mesa as a result of redevelopment supported by the presence of Arizona State University in downtown.

Manager of Downtown Transformation Jeff McVay displayed a PowerPoint presentation. **(See Attachment 2)** He commented that the 2016 study completed by HR&A Advisors covered the economic impact that Arizona State University (ASU) would have in downtown Mesa and that the original proposal was more than double the size than what is currently being proposed.

Mr. McVay stated that the 2016 study was adjusted to the current proposal. He pointed out that the slides in this presentation are related to the 2006 ASU campus expansion in Phoenix and the economic activity prior to and after the campus was built.

Mr. McVay reported that staff applied a 40% ratio to the original 2016 analysis utilizing all the benefits the analysis provided. He clarified the chart only relates to private investment, job creation, and economic benefits. He added that 45 to 50 jobs per year would be created by private development and result in \$2.36 million in labor income. (See Page 33 of Attachment 1)

Mr. McVay highlighted the utility and consumer sales tax revenue analysis. He pointed out that the permitting fees are conservative and that the secondary property tax could decrease as the assessed values increase in downtown. (See Pages 31 and 32 of Attachment 2)

In response a question posed by Councilmember Whittaker regarding subleasing of non-profit land to investors to alleviate paying property tax, Mr. McVay responded that he is unaware of ASU purchasing land outside of the project.

City Manager Christopher Brady clarified that ASU has the option to purchase city-owned property surrounding the proposed site.

Mr. McVay stated that staff is working with ASU on academic programming, not on commercial ventures. He pointed out that the Intergovernmental Agreement (IGA) with ASU is clear that the second and third phases are for expansion for new and existing academic programs.

Mr. Brady explained that the City is only committed to phase one with ASU, however, the City would continue to utilize the original 2016 study as the vision and include in the City's Master Plan.

In response to a question from Councilmember Whittaker, Mr. McVay replied that the original 2016 study included 17,000 sq. ft. of commercial space that was included as part of ASU's facilities.

Mr. McVay remarked that the ASU project will provide an economic benefit to the City long-term.

In response to a question posed by Councilmember Heredia, Mr. McVay responded that all facilities in downtown Phoenix were included as part of the private capital development, such as the Biomedical Campus and University of Arizona. (See Page 27 of Attachment 2)

In response to a question from Councilmember Thompson, Mr. McVay reported that the original 2016 HR&A study did not include student housing or core curriculum. He added that student housing in downtown is anticipated.

Discussion ensued relative to students commuting from other college/university campuses to Mesa, programs to keep students active in downtown Mesa, and creating economic activity.

In response to a question posed by Councilmember Whittaker, Mr. McVay remarked that not all of the development in downtown Phoenix is attributed to ASU and emphasized that ASU is a big factor in the amount of development that has occurred.

In response to a question from Councilmember Whittaker, Mr. McVay responded that the department does have data related to the median sale price of single-family homes in the downtown Phoenix area and will provide the data to Council.

Discussion ensued relative to the price per square foot in downtown Phoenix versus downtown Mesa, unemployment rates, economic impact amounts, and additional development with the ASU presence.

In response to a question posed by Mayor Giles, Mr. Brady replied that the cost to the City is currently ongoing since the City is working with a design consulting team. He pointed out that an upcoming presentation will cover the programming side of the ASU project to determine a maximum cost on the academic building. He added that once the amount is determined it will be included in the agreements to be presented to Council in June.

Christopher Bown, a Mesa resident, stated his concerns using the 2016 HR&A study and that the City should redo the projections with current numbers. He expressed concern for residents and what the development means to them and asked if the location for the ASU project is right for the City.

Councilmember Thompson read comments from Angel Lavine, a Mesa resident. She reported that she welcomes ASU, however, believes that the project is being forced on Mesa residents. She noted that her main concern was Public Safety and thanked Council for addressing that issue by placing the .25% sales tax increase on the November ballot. She stated the opinion that the sales tax increase may be voted down and that the ASU project would still be funded, making the City look irresponsible and asked that the ASU project be placed on the November ballot.

In response to a question from Vice Mayor Luna, Rick Naimark, Associate Vice President of Arizona State University Planners Office commented that he had worked for the City of Phoenix for 29 years and was involved in the University of Arizona and ASU developments. He explained that the City of Phoenix's goal was to create a more diverse economy, access to more higher education opportunities, and a downtown job focus. He noted the transformation to downtown Phoenix occurred when the light-rail opened and ASU was developed.

In response to a question posed by Councilmember Thompson, Mr. Naimark reported that ASU was completed by both public funding through bonds and funding by the City of Phoenix.

Mayor Giles clarified that the City is not raising taxes or utility rates for the ASU project and the City cannot have advisory opinions on the ballot.

City Attorney Jim Smith confirmed that a municipality cannot place an advisory opinion on the ballot.

Discussion ensued relative to the funding of ASU and use of the current sales tax and Enterprise funds.

Councilmember Whittaker remarked that he finds it appalling that developers are not willing to move their projects forward unless the City funds the ASU project.

Councilmember Whittaker made a motion that none of the utility rate schedules, resolutions, and ordinances are to be used to fund ASU until the City's Public Safety is adequately funded through the sales increase in November.

Mayor Giles stated that the item in the motion is not on the agenda and the motion cannot be made.

Mayor Giles thanked staff for the presentation.

1-c. Hear a presentation and discuss an overview of the Economic Investment Fund.

Management and Budget Director Candace Cannistraro displayed a PowerPoint presentation. **(See Attachment 3)** She commented that the Economic Investment fund was created for Spring Training to verify where funding was coming from, what the funding was spent on, as well as collect any revenues from investment projects.

In response to a question posed by Councilmember Thompson, Ms. Cannistraro reported that staff has not updated the Economic Investment Fund summary page. (See Page 8 of Attachment 1)

In response to a question from Mayor Giles, Ms. Cannistraro confirmed that funding for the ASU project would come out of the Enterprise Investment fund.

Mr. Brady explained the creation and tracking of the Enterprise Investment fund. He noted that some projects are paid for through lease payments and other revenues that are not tracked through the fund. He pointed out that ASU will be funded through excise tax bonds which are not utility bonds and will be the mechanism by which the City will issue the debt. He added that the department determined that no utility rate increases would be needed based on the performance of savings and debt, as well as the increase in utility revenues. He stated that the department placed the ASU project in the Economic Investment fund and set the amount of the fund at \$6 million for FY 2018/19 which includes funding of the innovation studio and the surrounding infrastructure. (See Page 8 of Attachment 2)

Discussion ensued relative to the revenues from the utility fund to the enterprise fund and how the \$6 million is being offset, as well as the utility rate recommendations determined by Council annually.

In response to a question posed by Councilmember Thompson, Mr. Brady reported that there has been no recovery on the original investment on the projects listed. (See Page 4 of Attachment 2)

Mayor Giles thanked staff for the presentation.

1-d. Hear a presentation and discuss an update on the lease negotiations, City Center master plan, and the programming for the downtown Arizona State University project.

Manager of Downtown Transformation Jeff McVay introduced Rick Naimark, Associate Vice President of Arizona State University Planners Office and Jacob Pinholster, Associate Dean of Policy and Initiatives and Associate Professor of Herberger Institute Design and Arts who displayed a PowerPoint presentation. **(See Attachment 4)** He commented that the Intergovernmental Agreement (IGA) consisted of a lease negotiation, final master plan development, and building program to develop the project budget to present to Council in June 2018.

Mr. McVay reported that due to timing the department used the on-call list versus sending out a Request for Proposal (RFP) and selected Perlman Architects of Arizona, Inc. who partnered with Orcutt/Winslow and TRUEFORM Landscape Architecture Studio for the design of the Master Plan. He pointed out that the Master Plan will be consistent with the City Center Master Plan. He clarified that the displayed drawing of the buildings is not the final architecture, the building

programming assists with a budget and a final design team would be hired to complete. (See Page 7 of Attachment 4)

Mr. Pinholster explained that the design of the classrooms has been created to serve curricular needs and a partner to the Digital Innovation District. He noted that the buildings include gaming and design as well as a program for creative futures. He stated the opinion that the creative futures program will bring students and faculty from across ASU together to look at new futures and to solve problems. He added that a large portion of the building is flexible space devoted to classrooms as the programs are for intensive upper division and graduate students. (See Pages 9 through 13 of Attachment 4)

Mr. Pinholster pointed out that the first floor is designed as a public space that includes exhibit lobby display, café, and screening theaters which is critical for the film program. He emphasized that on evenings and weekends the first floor could provide public movie theater screening opportunities and as public event spaces.

Discussion ensued relative to parking for students and faculty.

In response to a question posed by Councilmember Thompson, Mr. Pinholster responded that none of the 750 students used in the metrics will be online, they are intended to be present and actively using the studios and laboratories.

Councilmember Thompson stated that the focus of the programs should not only be what ASU is bringing but include programs of what the City's business community needs.

Discussion ensued relative to business startups, businesses being attracted to downtown Mesa, and the draw of the students and faculty to be near the ASU project.

In response to a question from Mayor Giles, Mr. Pinholster reported that three to four other Universities have similar programs.

Mayor Giles thanked them for the presentation.

- 1-e. Hear a presentation, discuss, and provide direction on the release of a Request for Proposal for the redevelopment of the Serrine House (160 North Center Street) into a "farm-to-fork" restaurant and urban agricultural space, and a Request for Interest in operating a downtown farmers' market.

Mayor Giles stated that this item would be continued to a future date.

- 1-f. Information pertaining to the Council's Strategic Priority for Transforming Neighborhoods including projects, statistics, and key performance indicators.

Mayor Giles stated that this item would be continued to a future date.

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

2-a. Housing and Community Development Advisory Board meeting held on April 5, 2018.

It was moved by Vice Mayor Luna, 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:

Thursday, May 17, 2018, 7:30 a.m. – Study Session

6. Adjournment.

Without objection, the Study Session adjourned at 9:40 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 10th day of May, 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 – 4)

Budget Wrap-up Fiscal Year 2018/19

May 10, 2018
City of Mesa

Presented by: Candace Cannistraro, Management and Budget Director



FY 18/19 Budget - A Balanced Plan

- Investment in Human Resources
- Investment in Community Assets
- Sustainability of Quality Services
- Evaluation of Community Needs
- Continuous Performance Analysis
- Community Communication

Employees - Our Greatest Asset



- Salary market survey to ensure skilled, professional employees are recruited and retained
 - Some position salaries were adjusted recently
- Step pay up to 4% as employees progress in their roles
- Medical and Pension benefits
- Demand/workload reviews to allow for work/life balance
 - Conversion/addition of full-time employees to handle increased demands

A Growing Inventory of Great Places

Facilities: parks, sports fields, pools, libraries, museums, theaters, fire stations, police stations, digital communities, etc.



Infrastructure: utility lines, roadways, etc.

The City addresses needed maintenance and repairs of facilities and infrastructure through numerous life cycle programs administered by multiple departments



Facilities/Parks Maintenance
Fleet Services
Information Technology
Transportation
Energy Resources
Water Resources



Data Driven Decision Making/ Process Review and Enhancement

- Vehicle replacement program
 - Increase in maintenance costs offset with significant savings in capital costs
- Fire and Medical response flexibility
 - Pilot programs regarding unit configuration
- Staffing model analysis
 - Full-time employees versus temporary employees and/or overtime
- Certificate in Performance Excellence program
 - Performance efficiency training and projects throughout the City



community

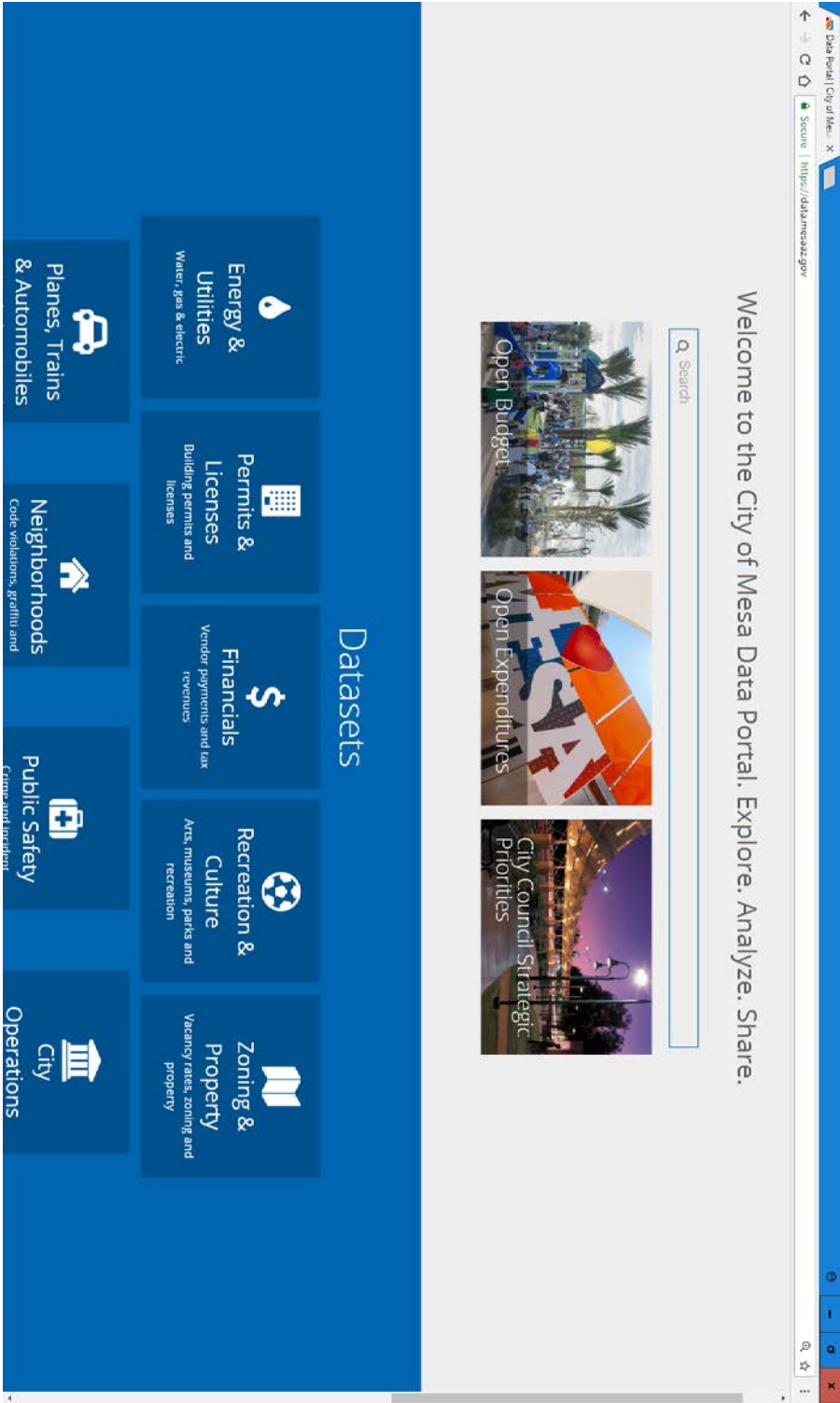
Communication

- Use of social media for increased communication and education
- Upgraded open data portal on City website
 - Ability to tell the stories with the related data
- Increased financial transparency with Open Budget module on the open data portal



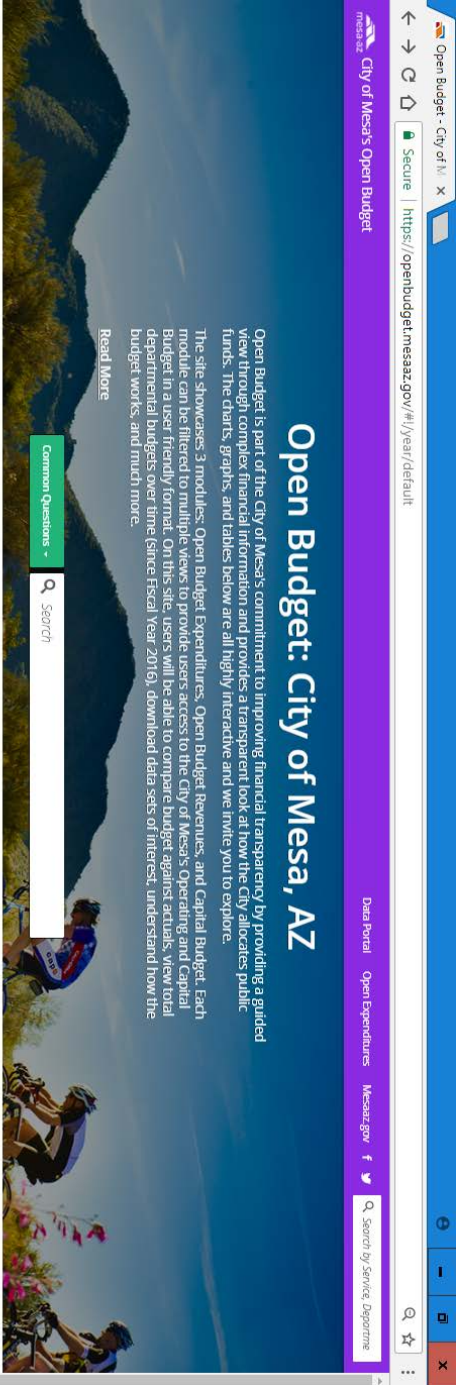
Mesa's New Open Data Portal

data.mesaaz.gov



Mesa's New Open Budget

openbudget.mesaaz.gov



Operating Budget Summary

Revenue Budget
\$1.74 Billion

The City relies on several different funding sources to provide for services and infrastructure that Mesa residents depend on every day. The three main revenue categories are taxes, intergovernmental revenues, and sales and charges for services. Bond proceeds and potential refunding of bond issuances, though not considered true revenues, are included as other revenues. They are used by the City to finance capital improvement projects. This module highlights the various revenues the City of Mesa has plans to receive.

Explore Revenue Budget

Expenditure Budget
\$1.74 Billion

The City of Mesa Expenditure budget is organized by Departments. Each department has an operational plan where the funding level and the achievement of desired outcomes are related to the core business processes provided by the City. This is done by employing staff, utilizing outside services and purchasing goods to meet the needs of the residents and businesses of the City which are highlighted in this section.

Explore Expenditure Budget



ASU IMPACT DATA

Mesa City Council Study Session

May 10, 2018

Jeff McVay

Manager of Downtown Transformation

INTRODUCTION TO DATA USED

STUDIES AND DATA USED

A 2004 Phoenix study by Elliot D. Pollack and Company

A 2018 report published by Downtown Phoenix Inc.

Current real estate, geographical and census data

A 2016 Mesa study by HR&A Advisors

HOW WAS THE DATA USED?

The data was used to estimate the impact of the current proposal and to estimate the general value of the return on investment



PHOENIX IMPACT ANALYSIS

ANALYSIS ASSUMPTIONS

- 15,000 students
- 1,800 faculty
- 1.5 million square feet of academic space
- 900,000 square feet of private development
- 1.5 million square feet of student living
- Total construction cost of \$948 million



BEFORE & AFTER: 1ST AND WASHINGTON



PHOENIX IMPACT ANALYSIS

BEFORE & AFTER: 1ST AND ROOSEVELT



ECONOMIC IMPACT SUMMARY

CITY OF PHOENIX-ASU CAMPUS TOTAL ONGOING FISCAL IMPACT^[1]

IMPACT TYPE	UNIVERSITY OPERATIONS	RETAIL OPERATIONS	OFFICE OPERATIONS	STUDENT SPENDING	TOTAL OPERATIONS
OPERATIONS (ON-GOING ANNUAL IMPACT)	.09 MILLION	2.29 MILLION	1.64 MILLION	2.49 MILLION	7.3 MILLION

^[1] Sources: Elliot D. Pollock & Company; IMPLAN; Arizona Department of Revenue; Arizona Tax Research Association

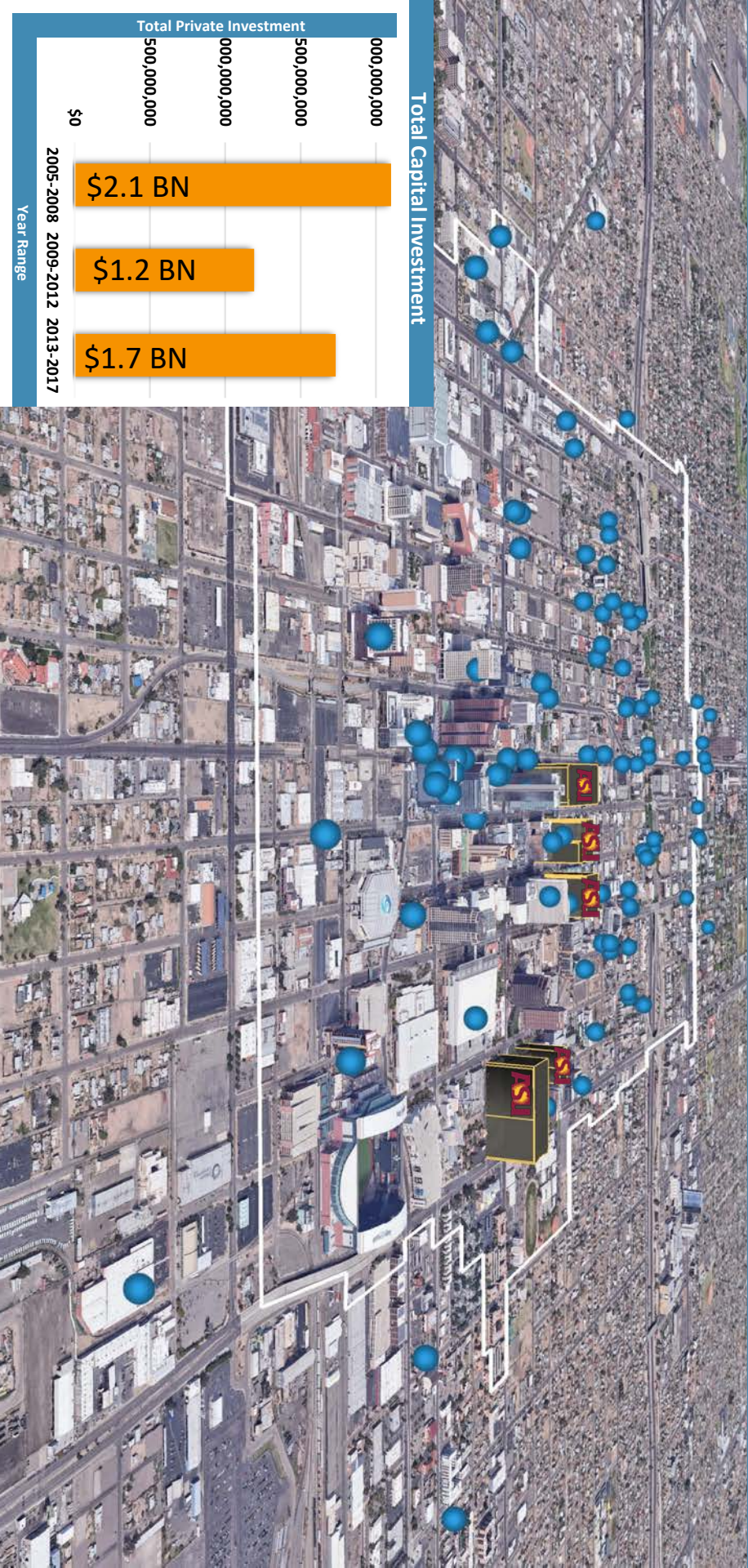
CITY OF PHOENIX--ASU CAMPUS FISCAL IMPACT OF CONSTRUCTION ONLY (ONE-TIME IMPACT)^[2]

IMPACT TYPE	CONSTRUCTIO N SALES TAX	EMPLOYEES SPENDING SALES TAX	PROPERTY TAX	STATE SHARED REVENUE	TOTAL REVENUE
DIRECT REVENUE	11,091,600	912,000	739,800	1,114,000	13,857,400
INDIRECT REVENUE	N/A	635,700	529,300	427,300	1,592,300
INDUCED REVENUE	N/A	507,100	451,600	338,800	1,297,500
TOTAL REVENUE	11,091,600	2,054,800	1,720,700	1,880,100	16,747,200

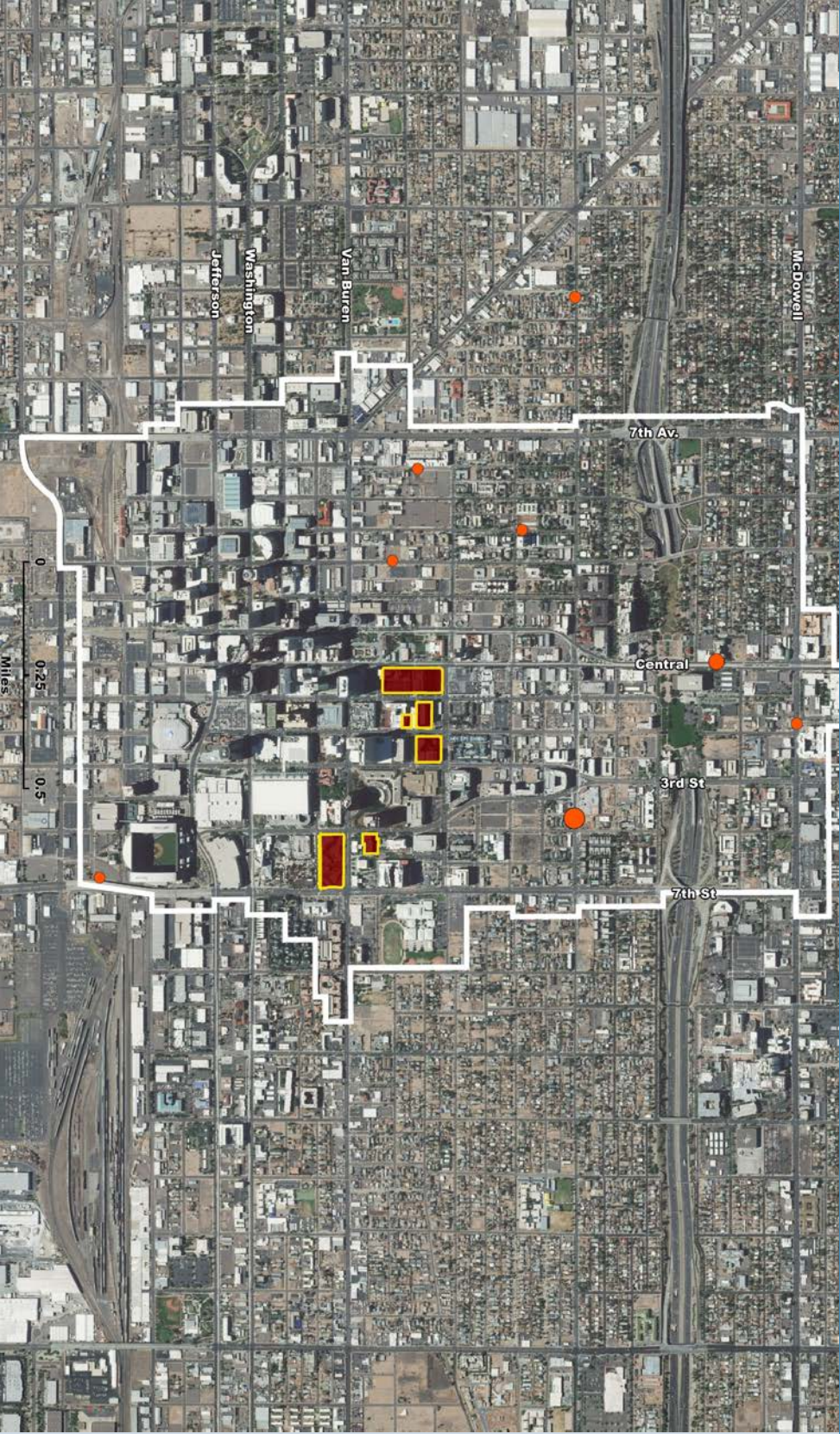
^[2] Ibid

Downtown Phoenix Recently Completed Developments

Multifamily, Commercial, Hospitality, Education, Industrial: 2005 - 2017



Downtown Phoenix Sales by Year: 2013 - 2017



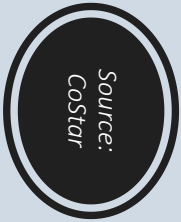
2013

Price / Sq.Ft.

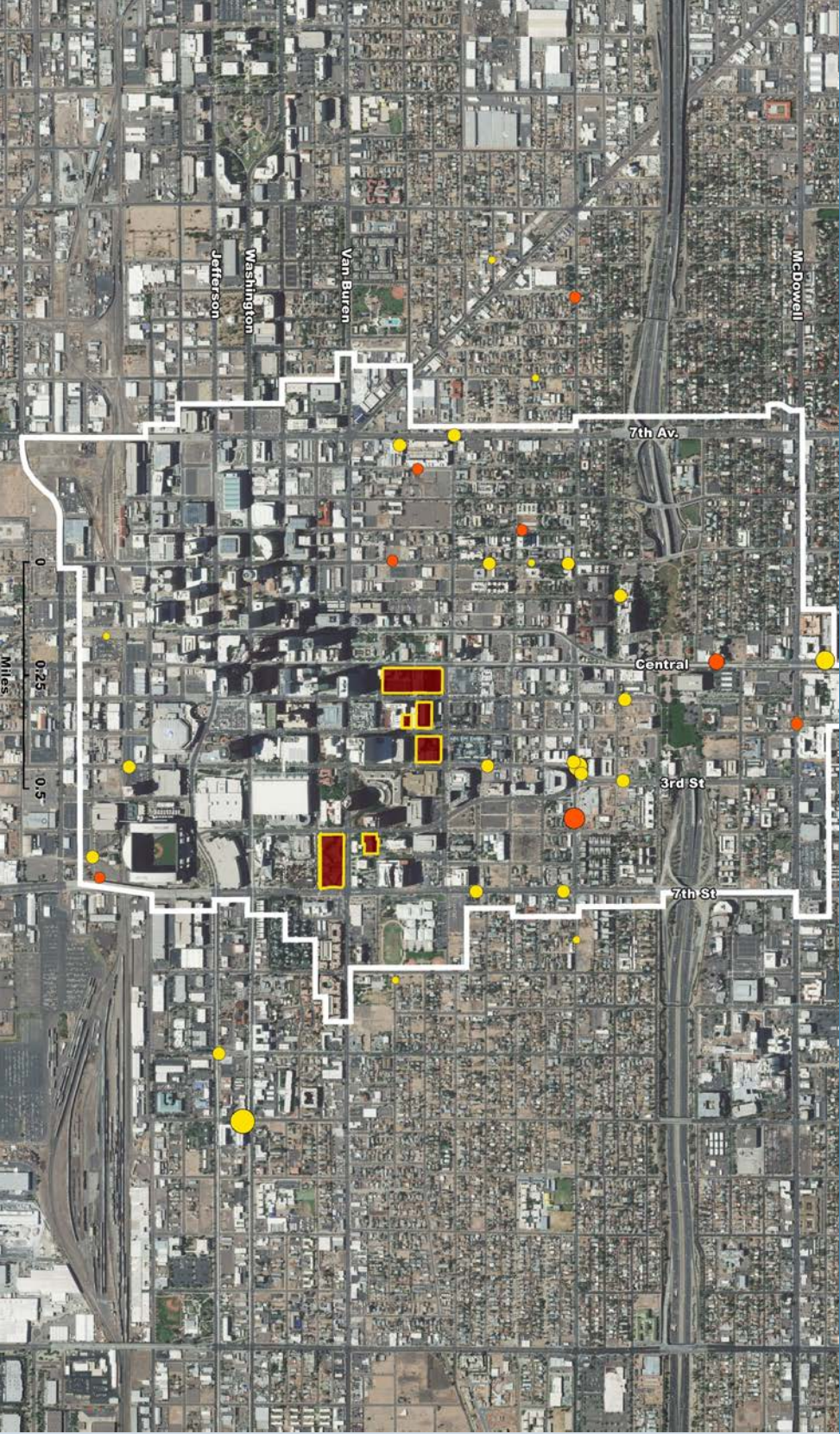
- \$1 - \$25
- \$26 - \$50
- \$51 - \$75
- \$76 - \$100
- \$101 - \$136



- 2013



Downtown Phoenix Sales by Year: 2013 - 2017



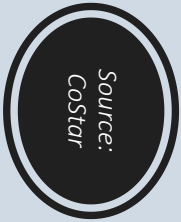
2014

Price / Sq.Ft.

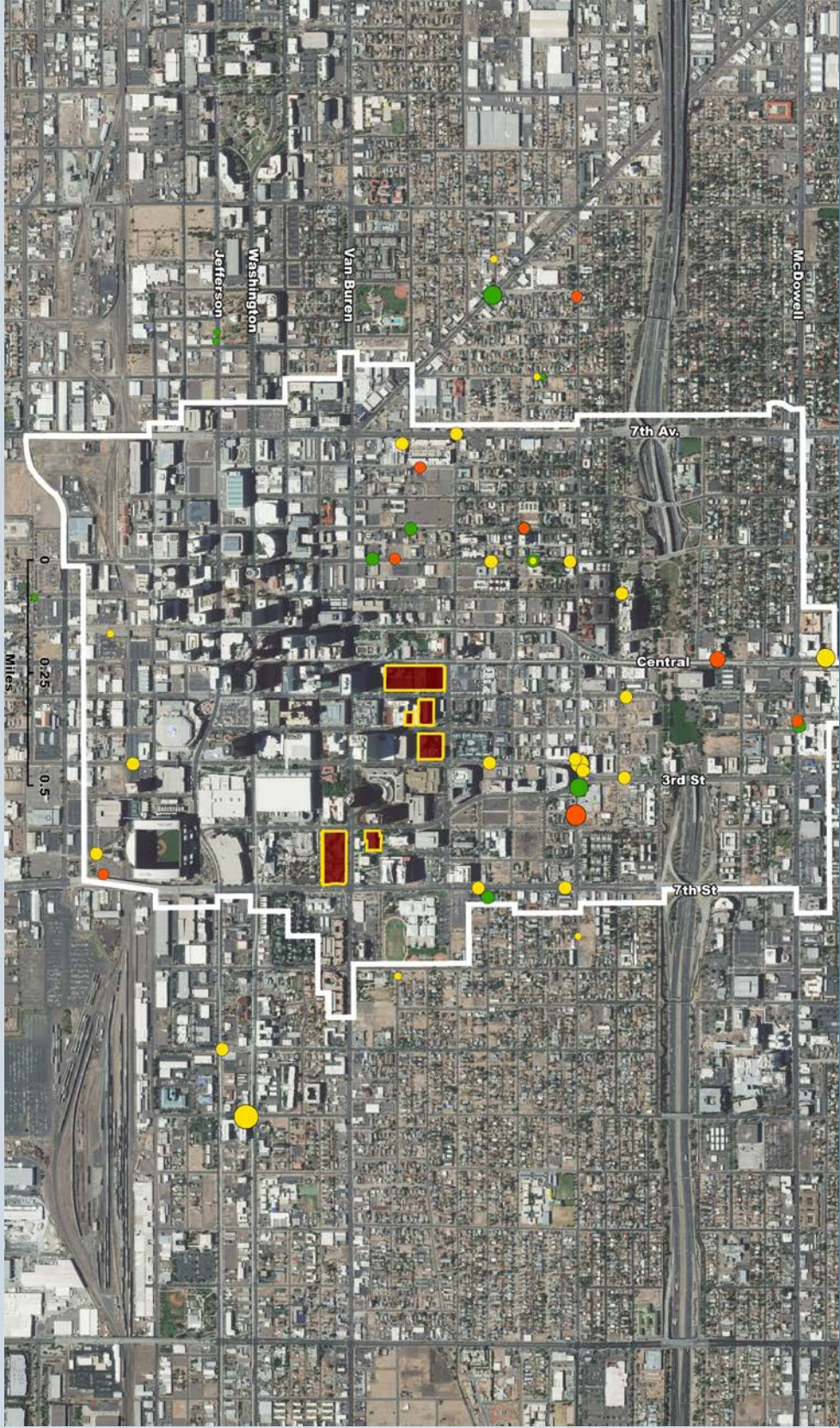
- \$1 - \$25
- \$26 - \$50
- \$51 - \$75
- \$76 - \$100
- \$101 - \$136

ASU

- 2013
- 2014



Downtown Phoenix Sales by Year: 2013 - 2017



2015

Price / Sq.Ft.

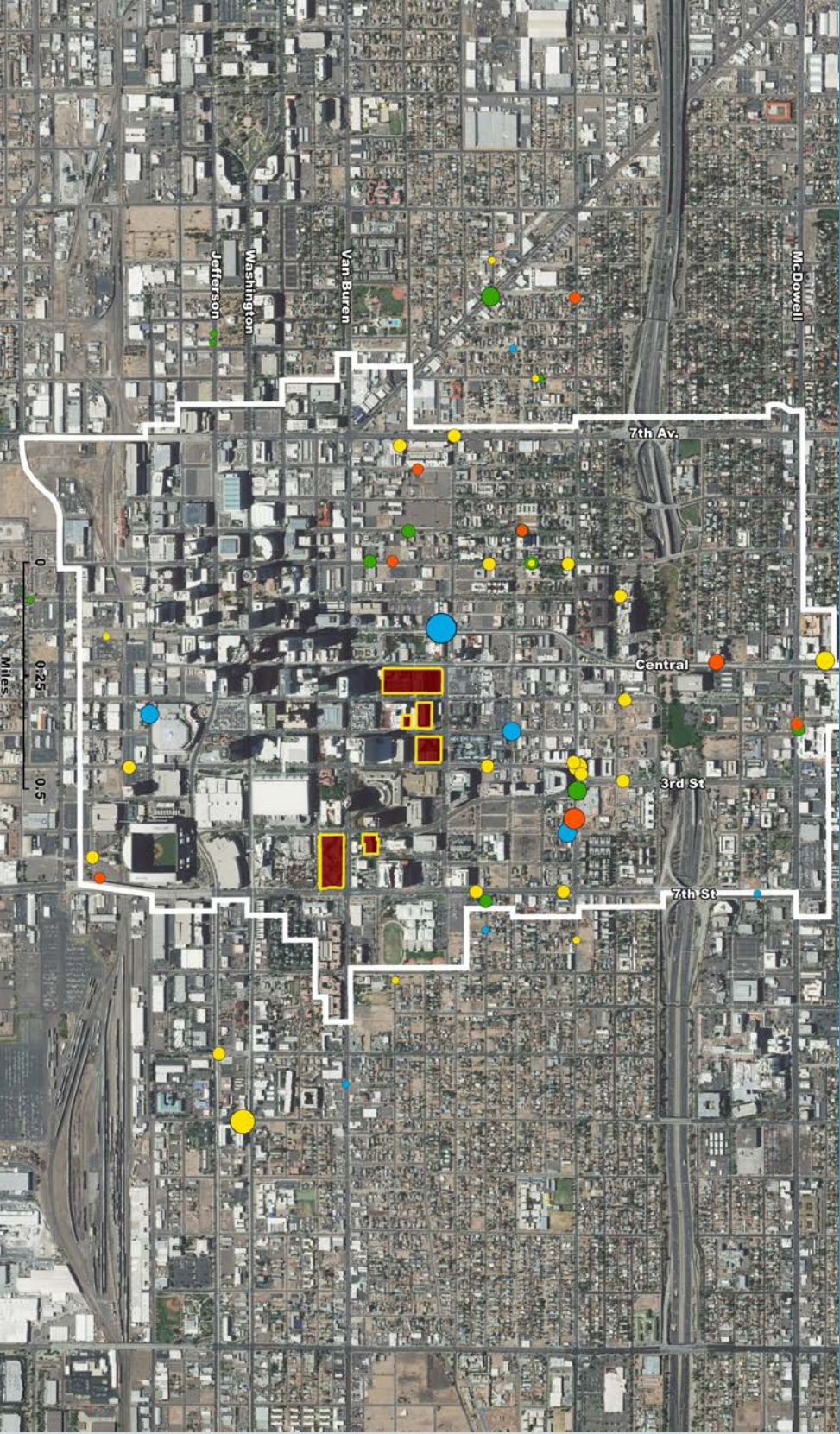
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- \$76 - \$100
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 **ASU**

- 2013
- 2014
- 2015



Downtown Phoenix Sales by Year: 2013 - 2017



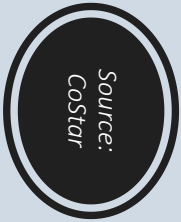
2016

Price / Sq.Ft.

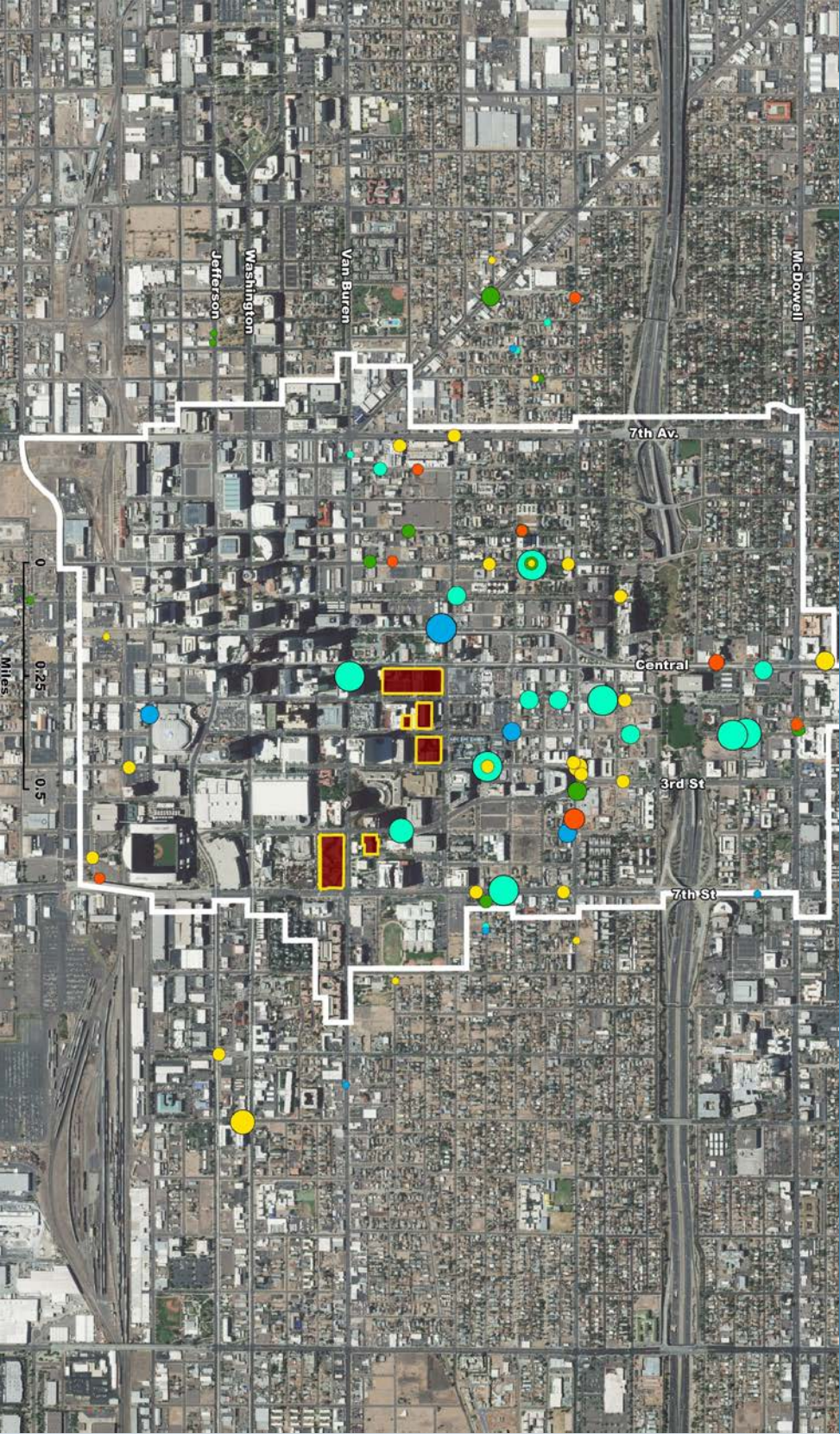
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ASU

- 2013
- 2014
- 2015
- 2016



Downtown Phoenix Sales by Year: 2013 - 2017



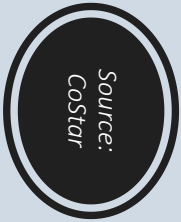
2017

Price / Sq.Ft.

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- \$51 - \$75
- \$76 - \$100
- \$101 - \$136

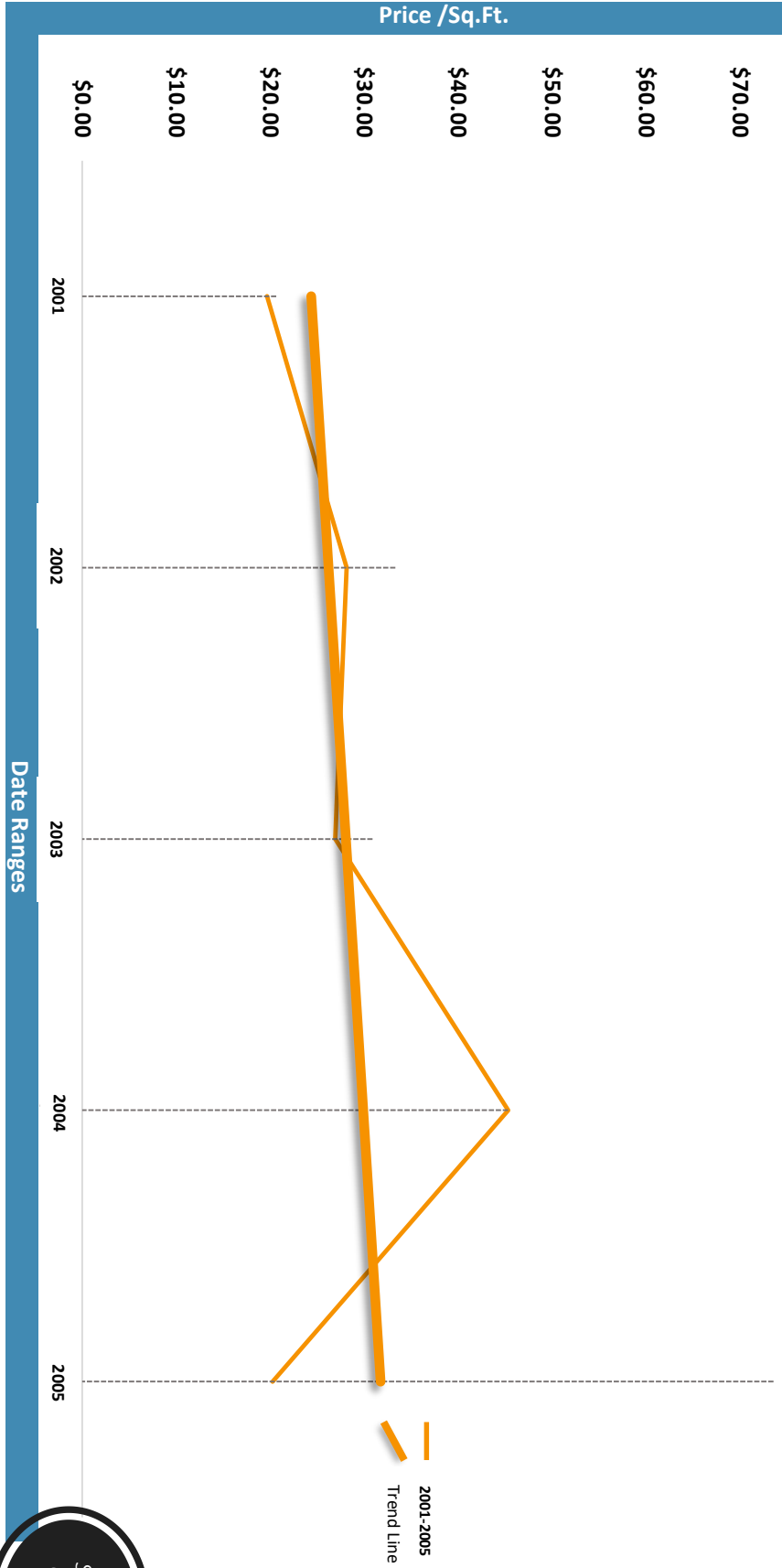
ASU

- 2013
- 2014
- 2015
- 2016
- 2017



Commercial, Retail, Multi-Family, Industrial, Vacant Sales

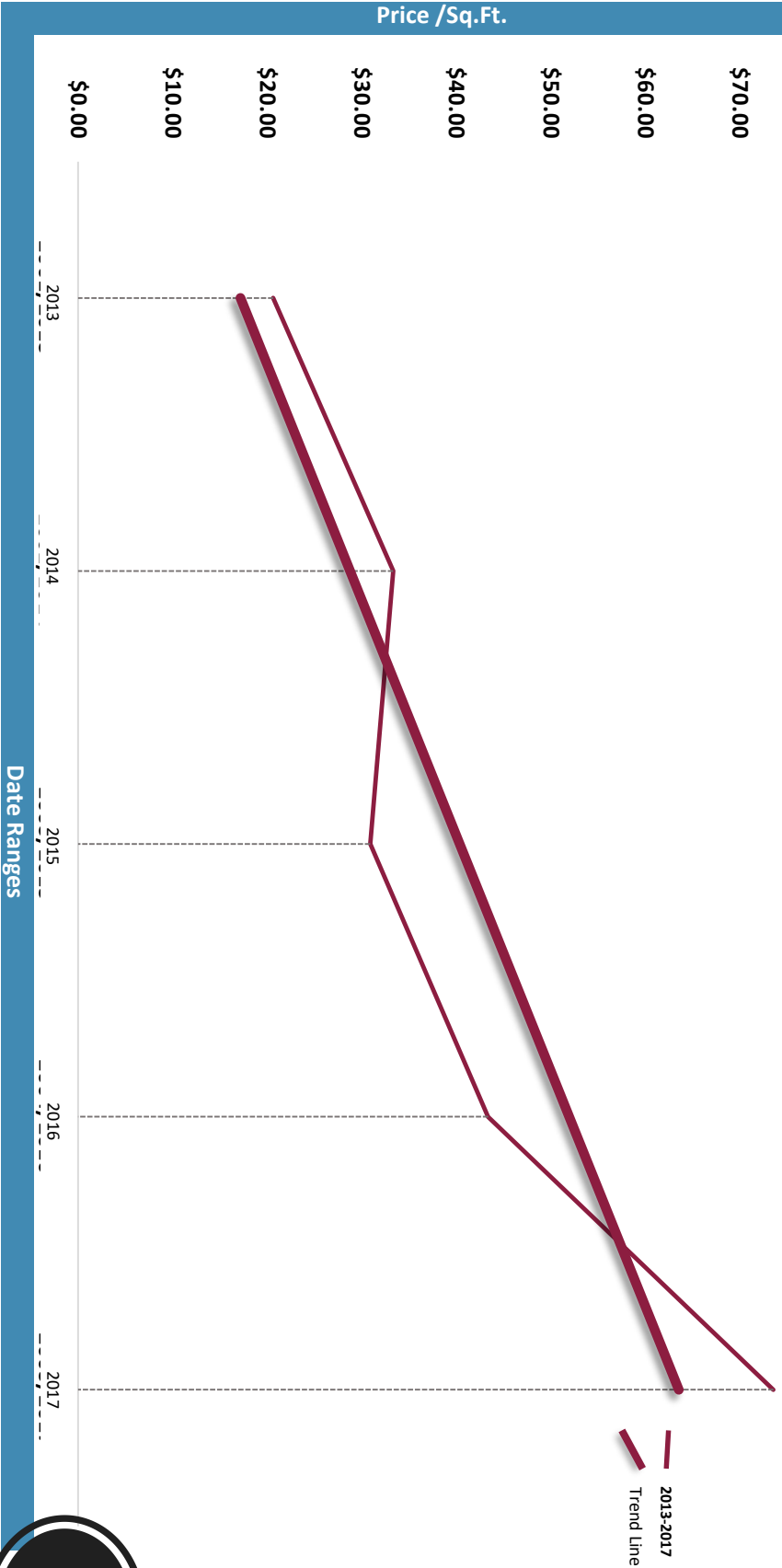
2001 – 2005



Source:
Costar

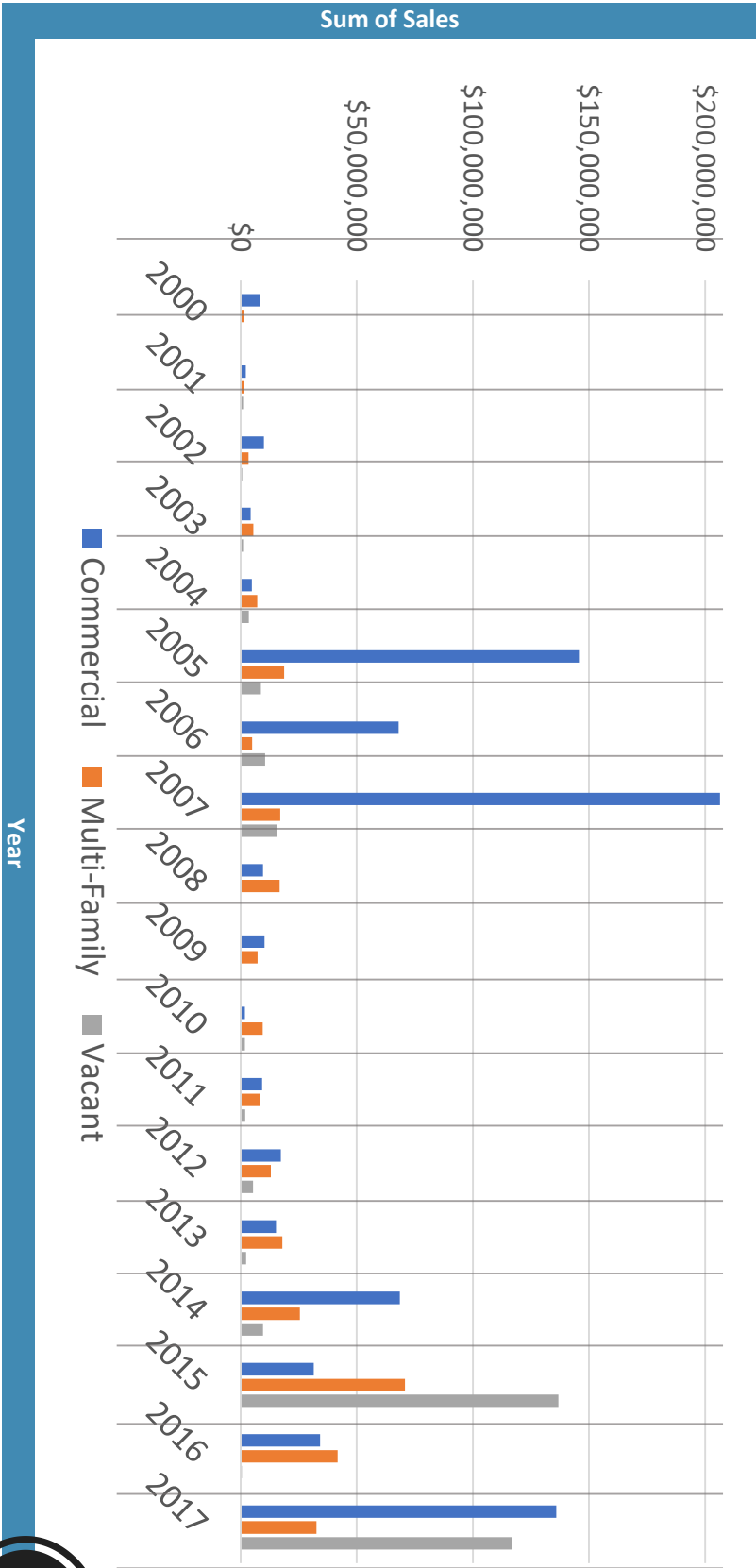
Commercial, Retail, Multi-Family, Industrial, Vacant Sales

2013 - 2017



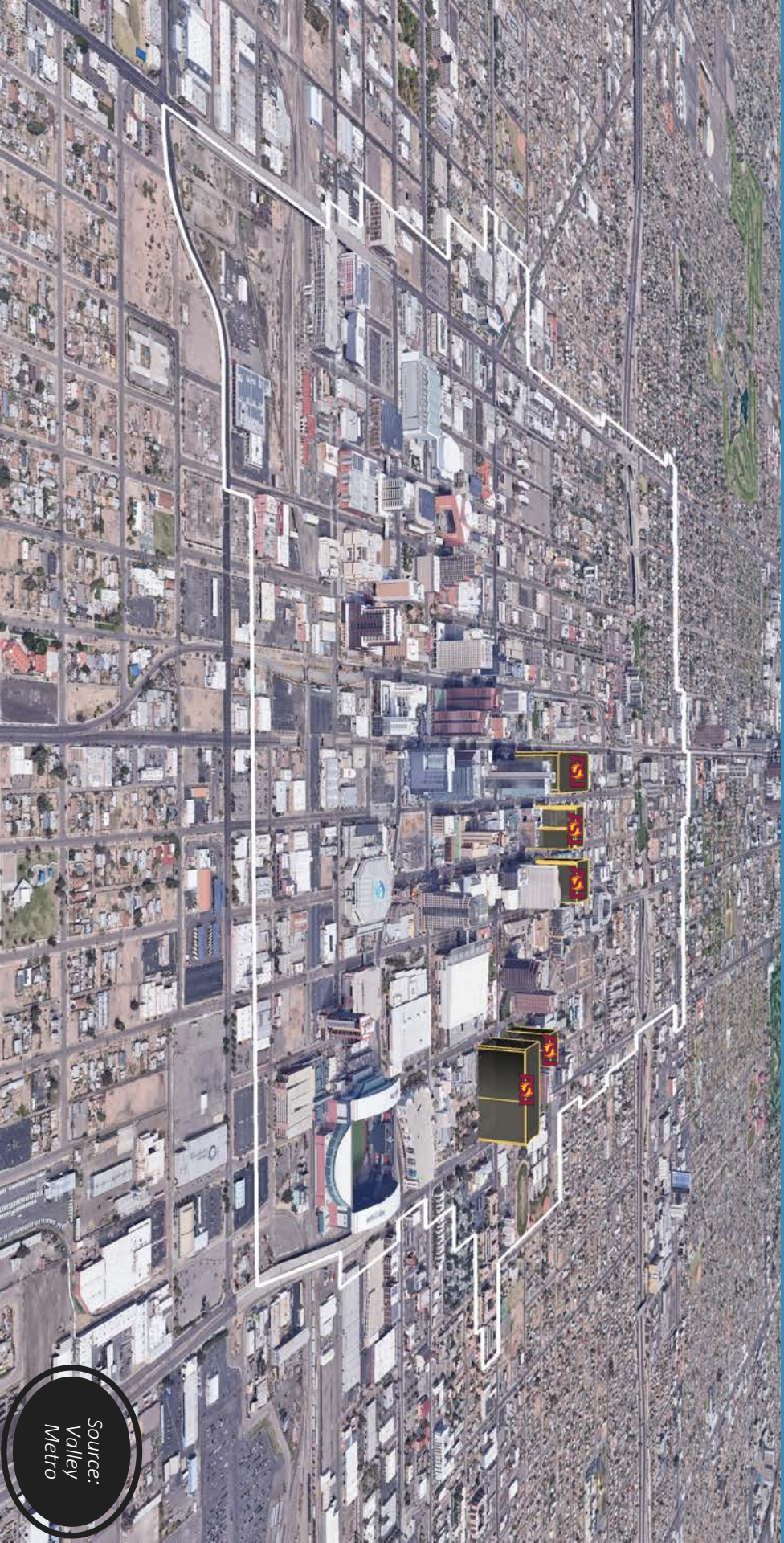
Source:
CoStar

Downtown Phoenix Sales by Type: 2000 - 2017



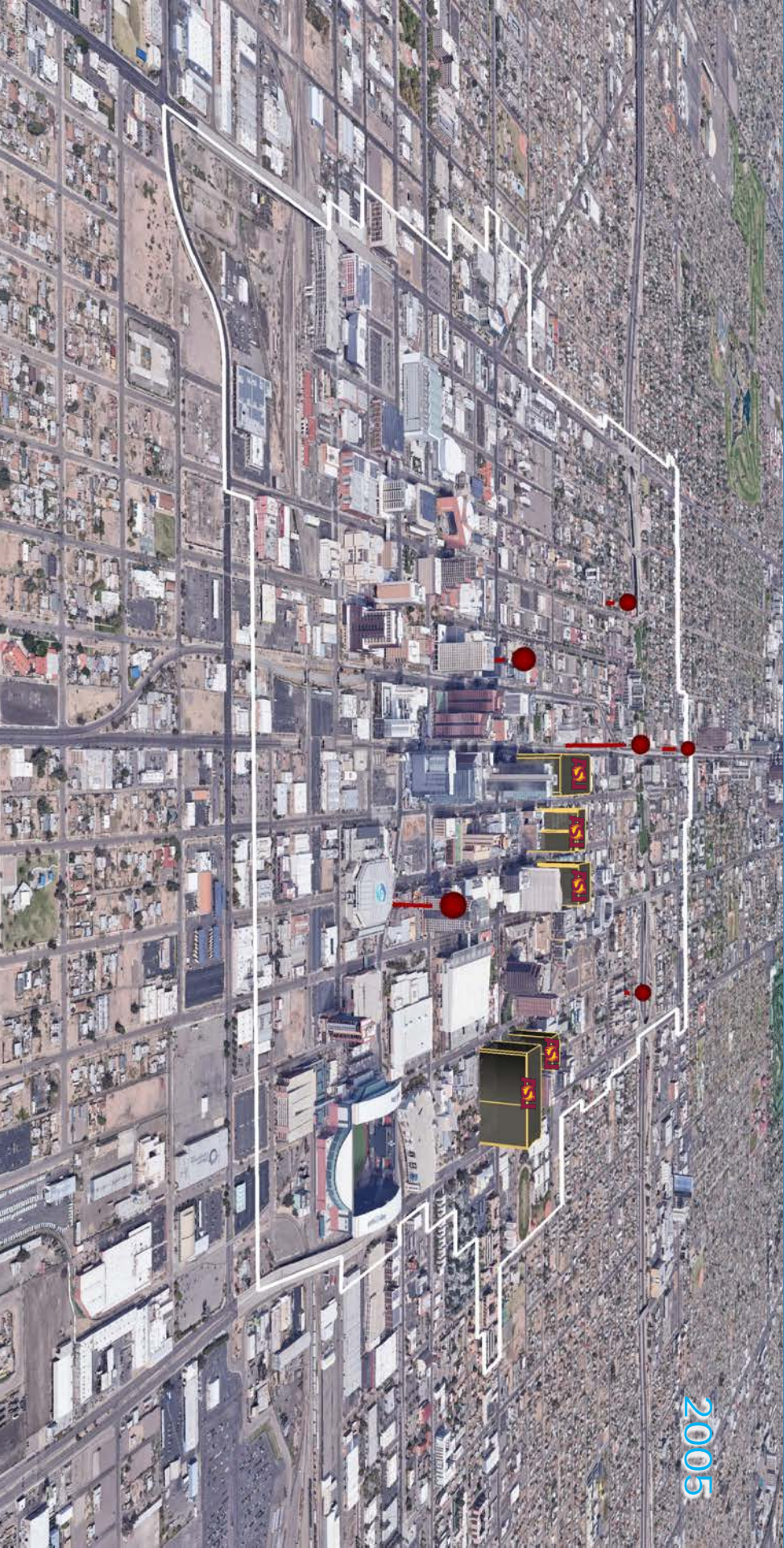
Source:
Maricopa
County Assessor
2018 Sales
Affidavits

Downtown Phoenix Private Capital Development 2005 - 2017



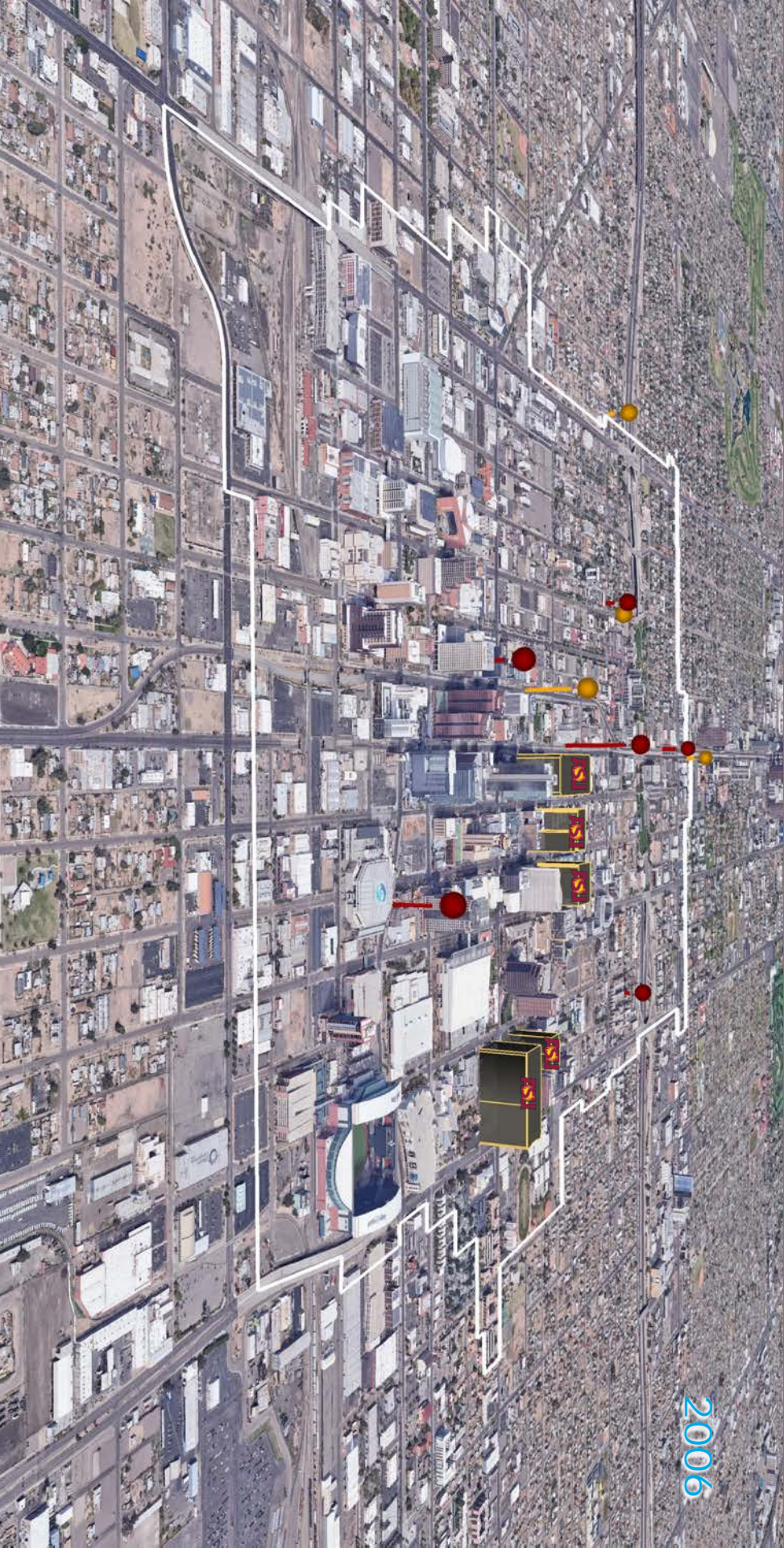
Source:
Valley
Metro

Downtown Phoenix Private Capital Development 2005 - 2017



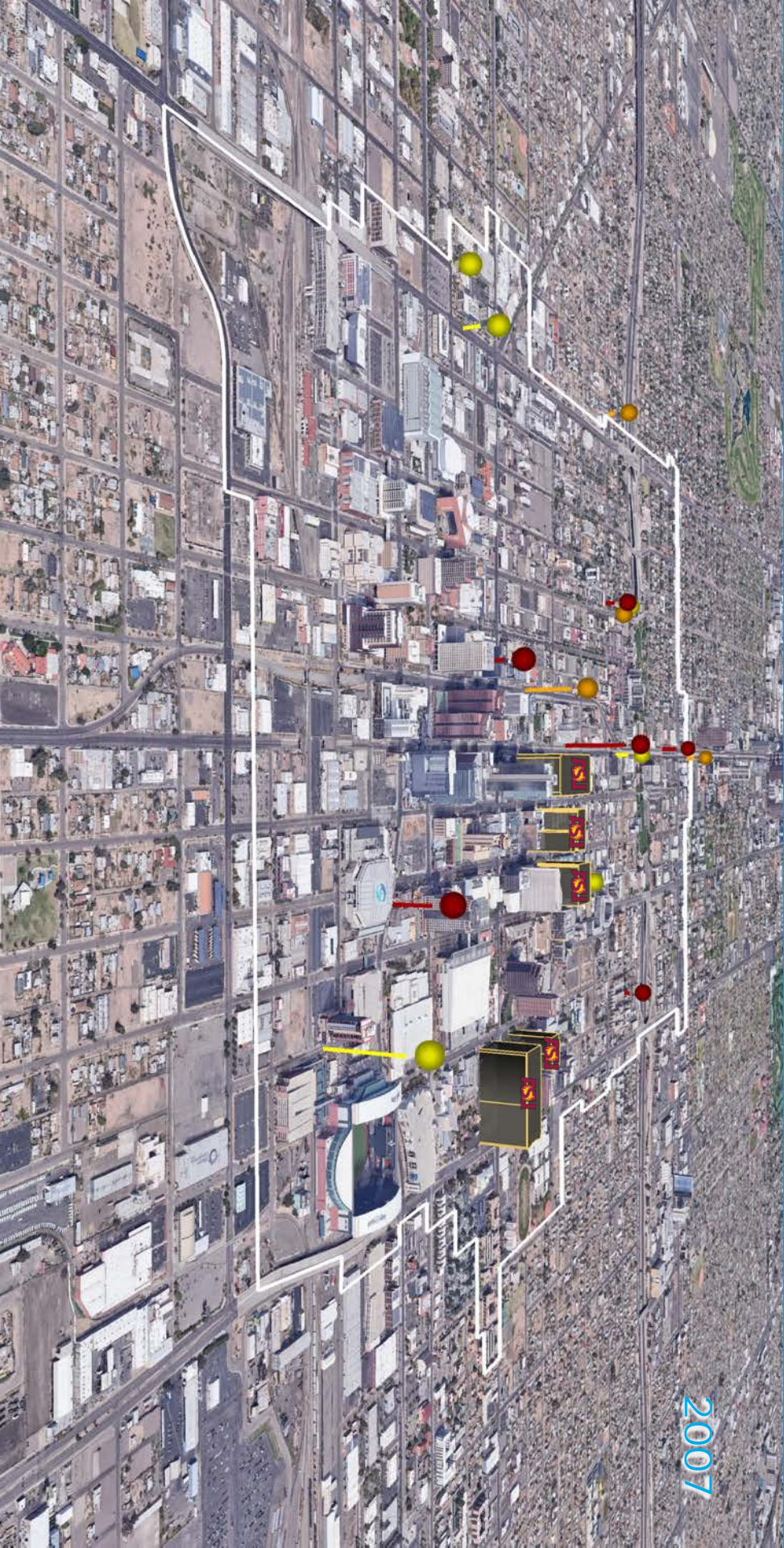
2005

Downtown Phoenix Private Capital Development 2005 - 2017

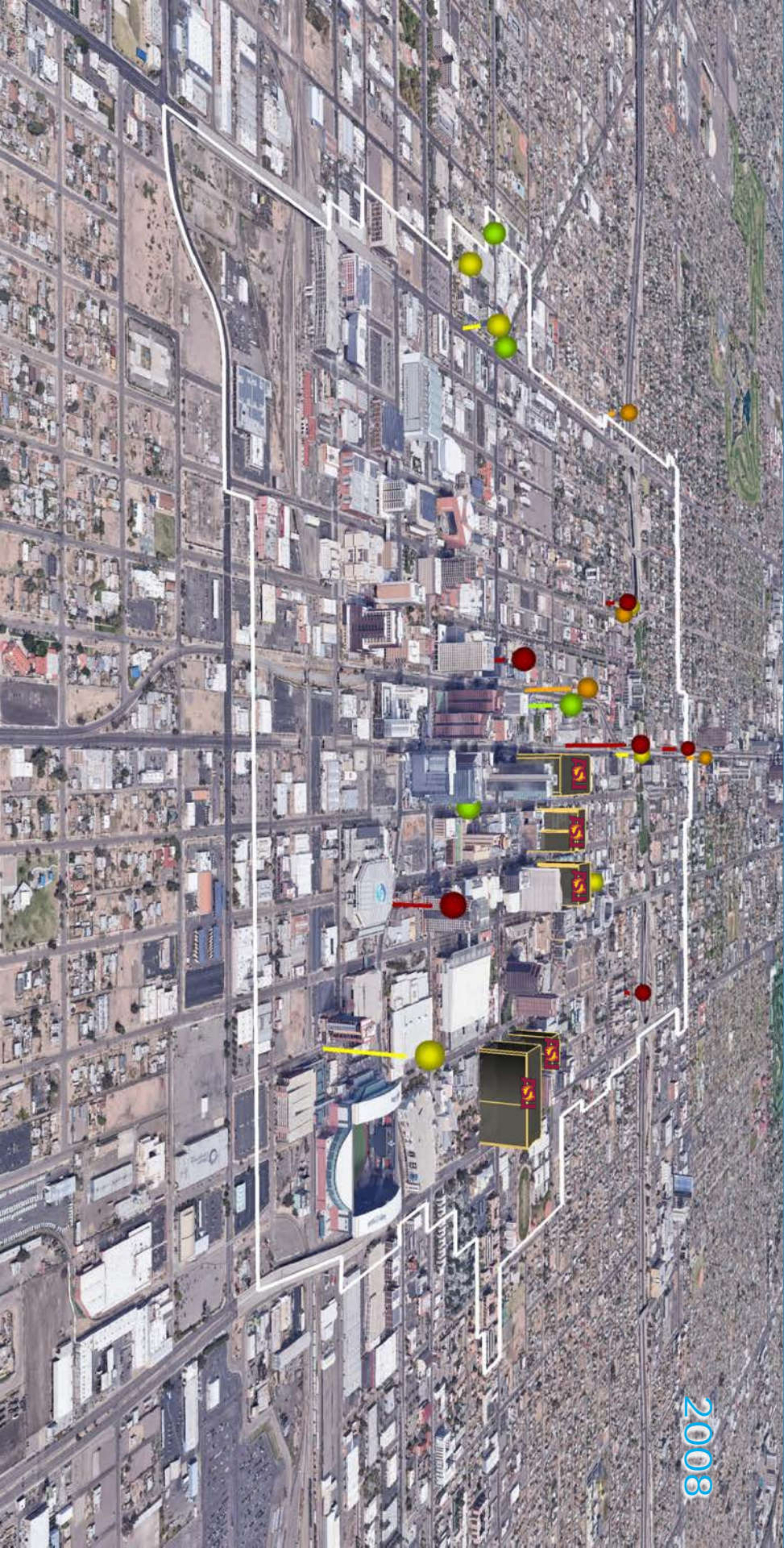


2006

Downtown Phoenix Private Capital Development 2005 - 2017

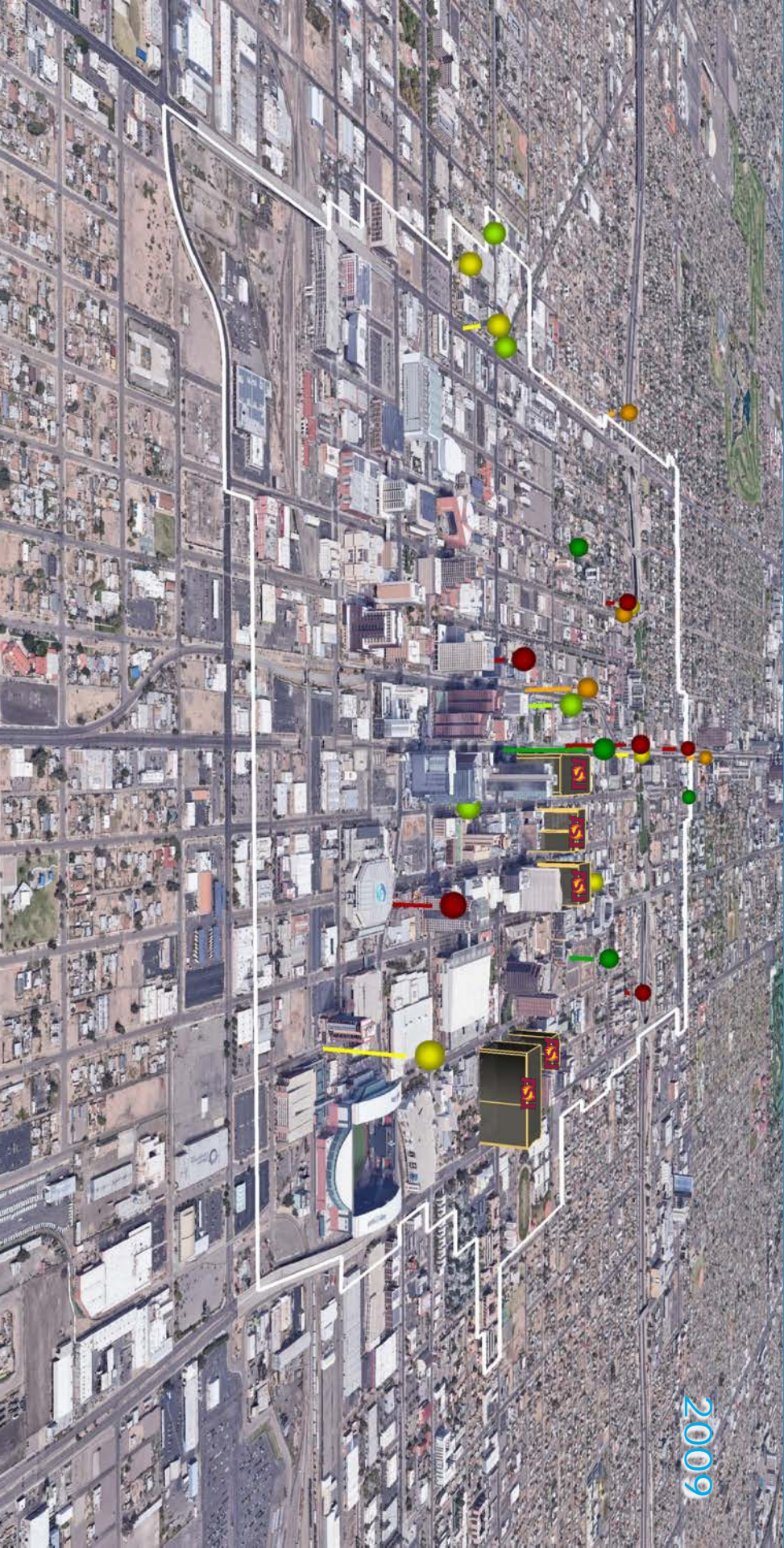


Downtown Phoenix Private Capital Development 2005 - 2017

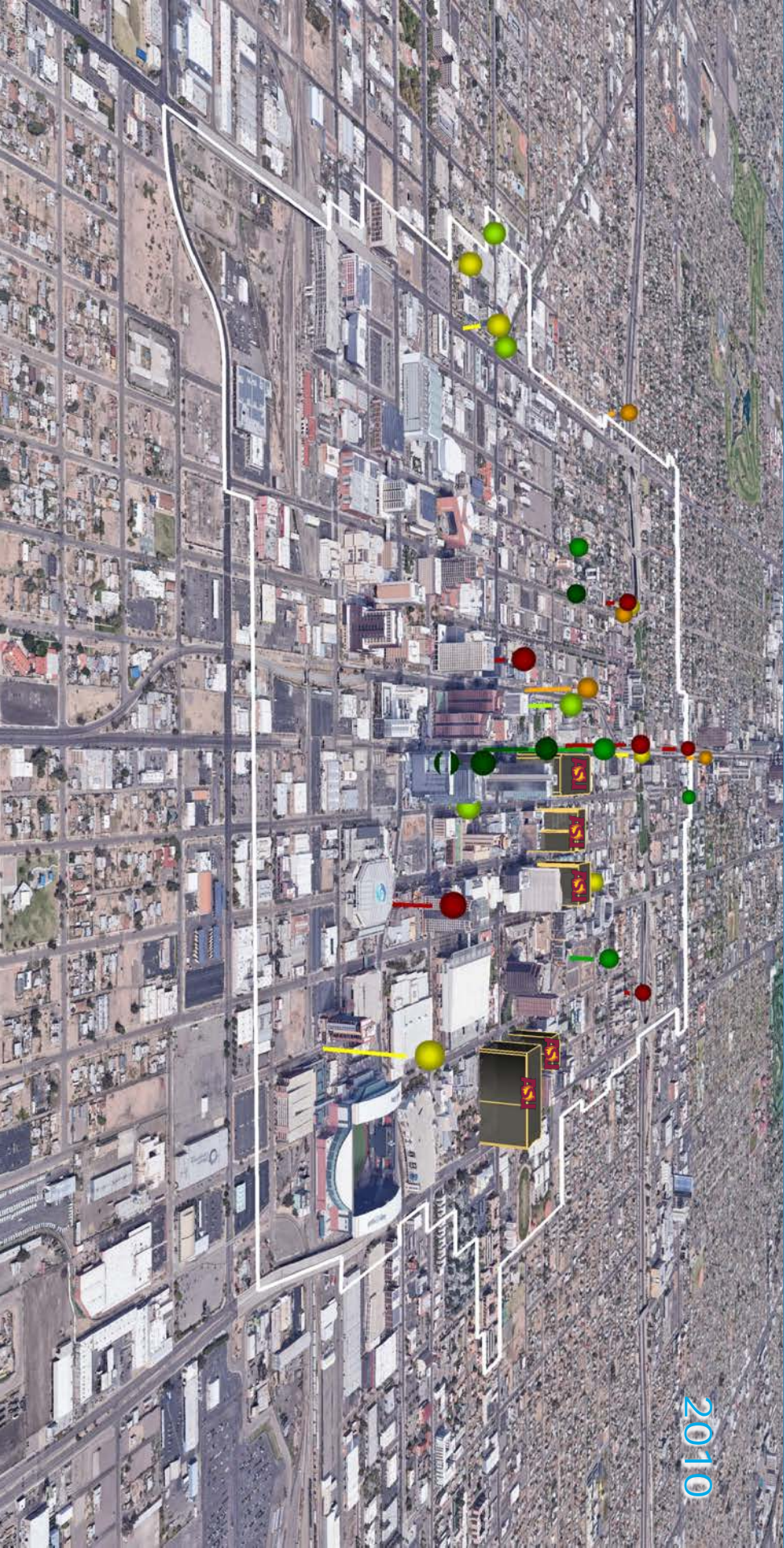


2008

Downtown Phoenix Private Capital Development 2005 - 2017

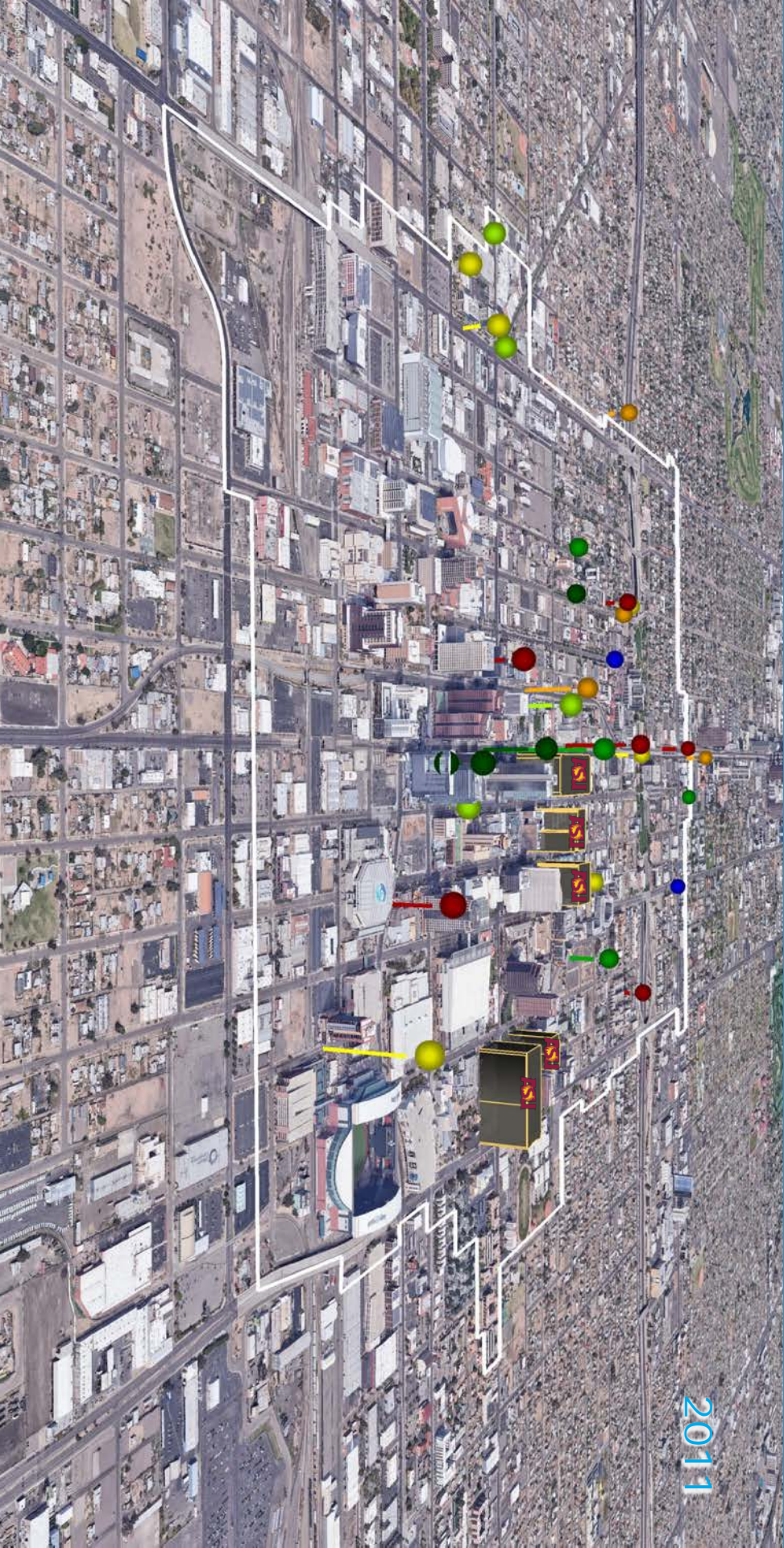


Downtown Phoenix Private Capital Development 2005 - 2017



2010

Downtown Phoenix Private Capital Development 2005 - 2017



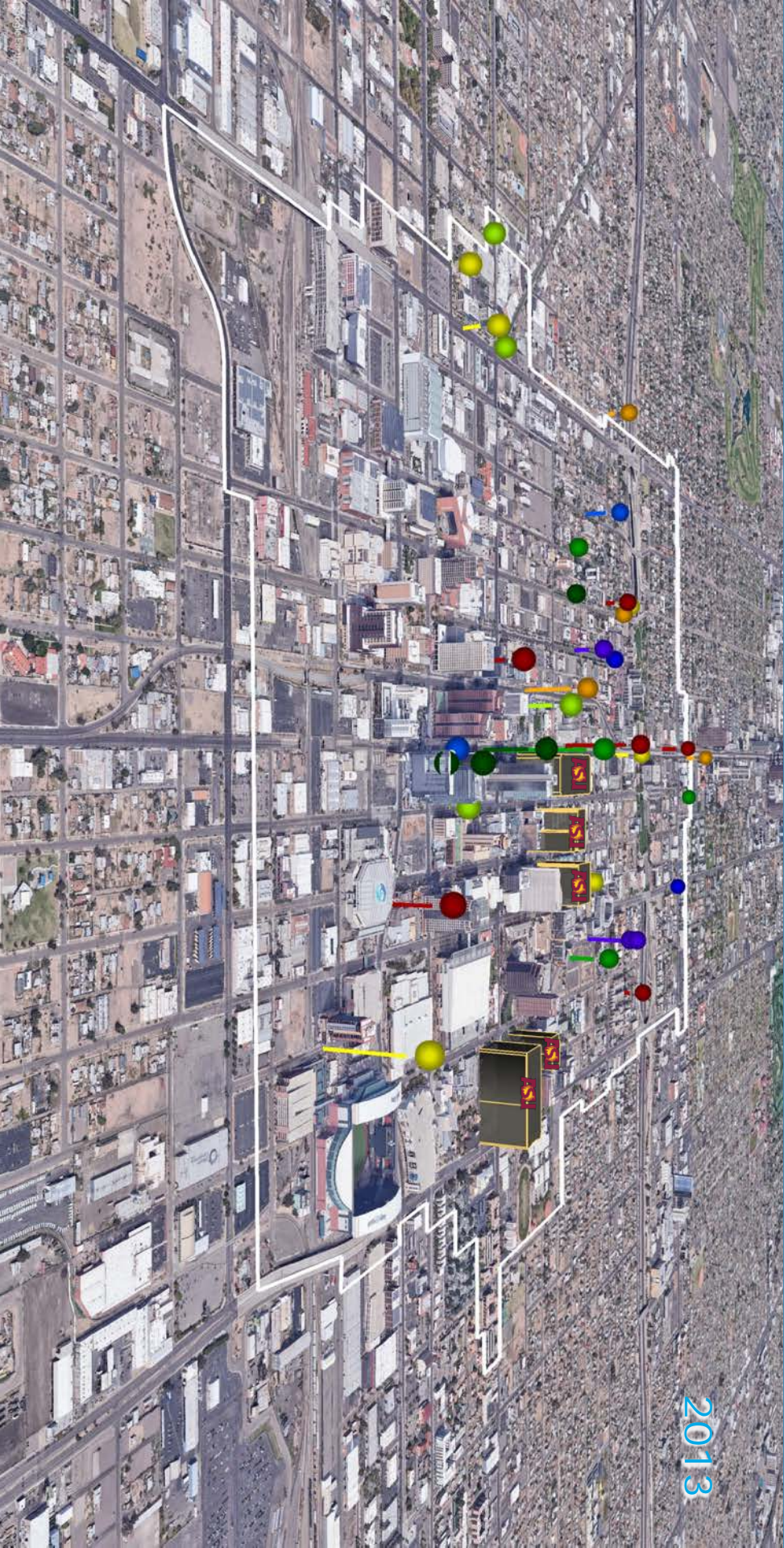
2017

Downtown Phoenix Private Capital Development 2005 - 2017



2012

Downtown Phoenix Private Capital Development 2005 - 2017



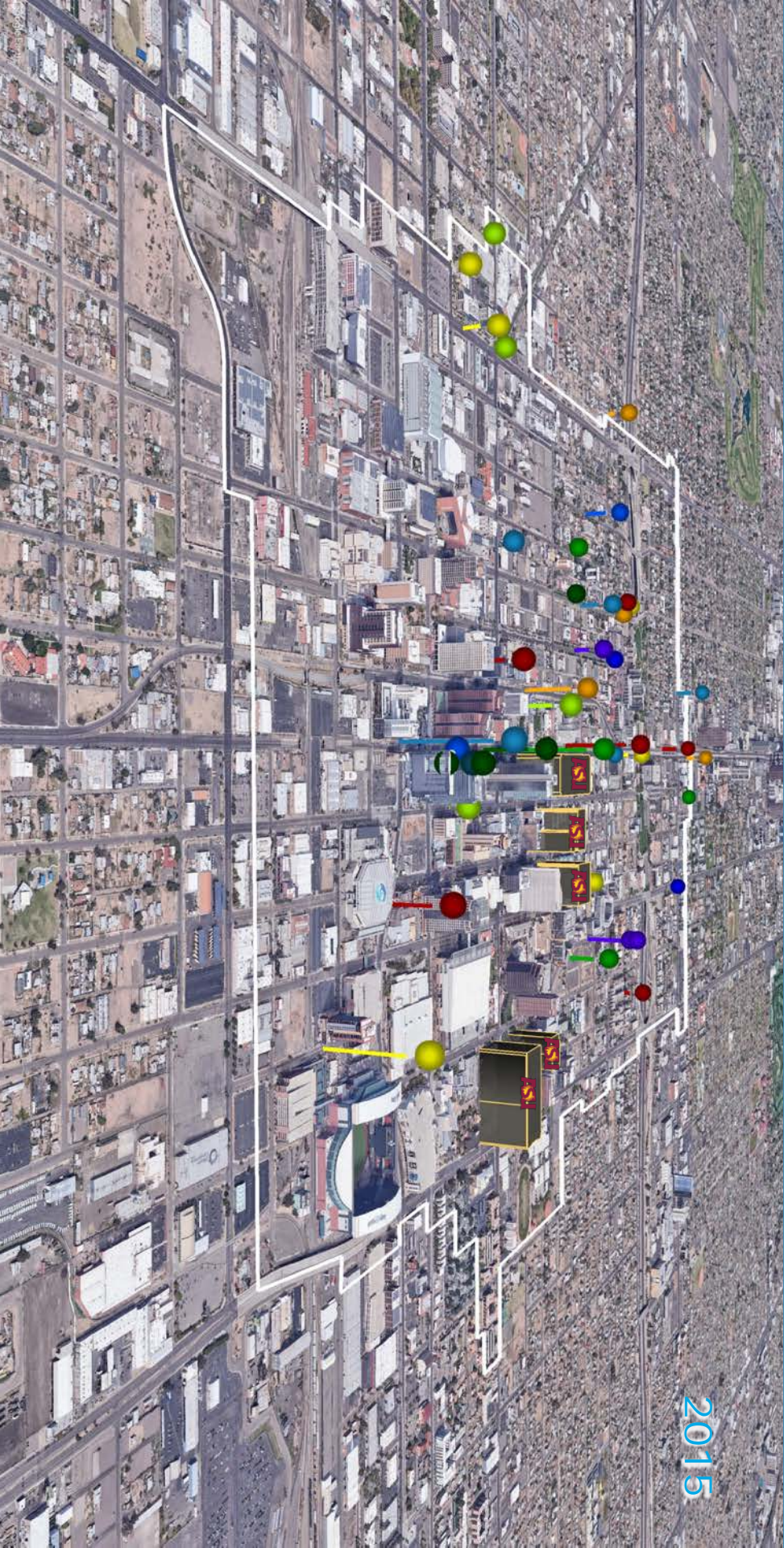
2013

Downtown Phoenix Private Capital Development 2005 - 2017



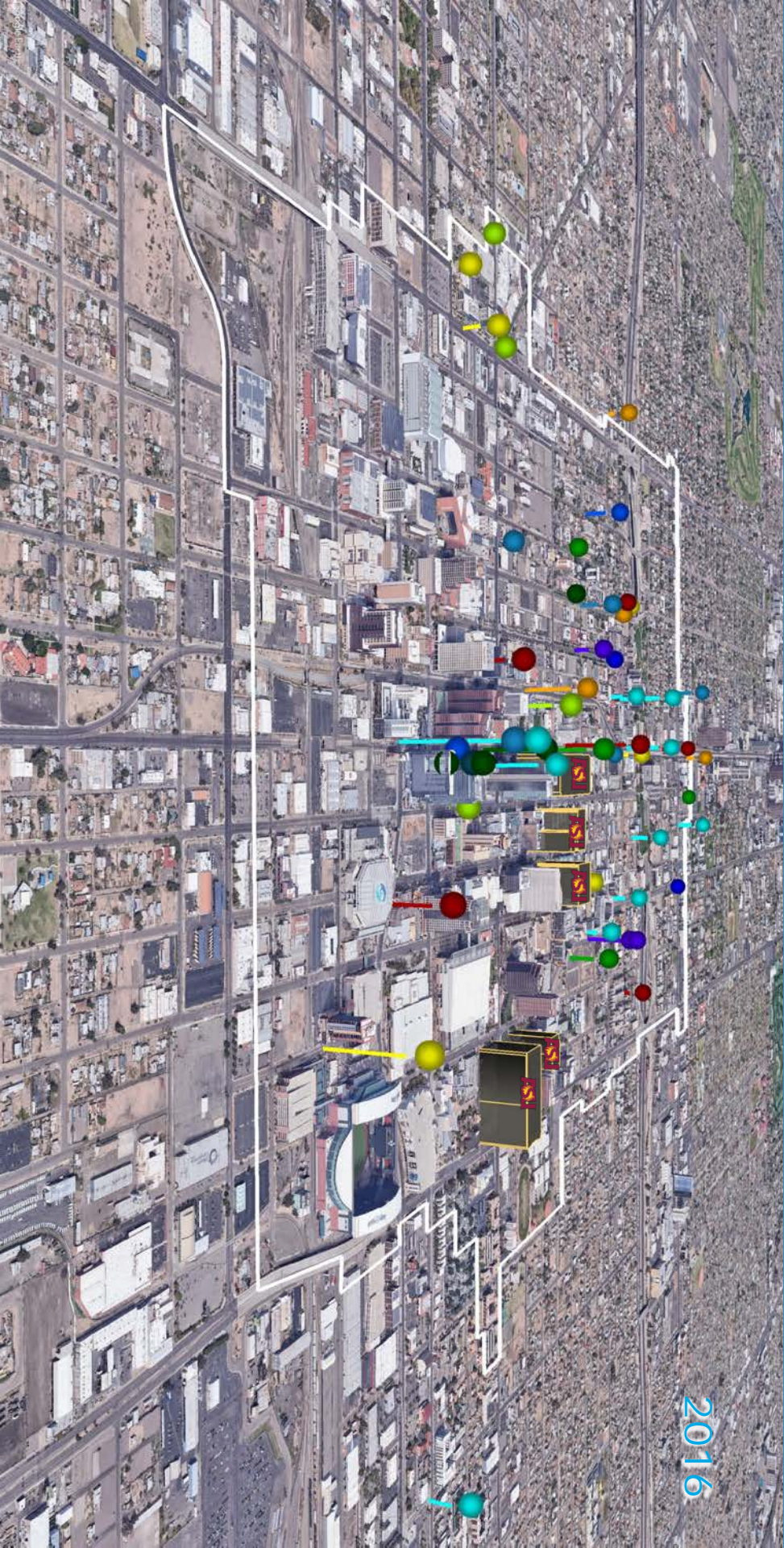
2014

Downtown Phoenix Private Capital Development 2005 - 2017

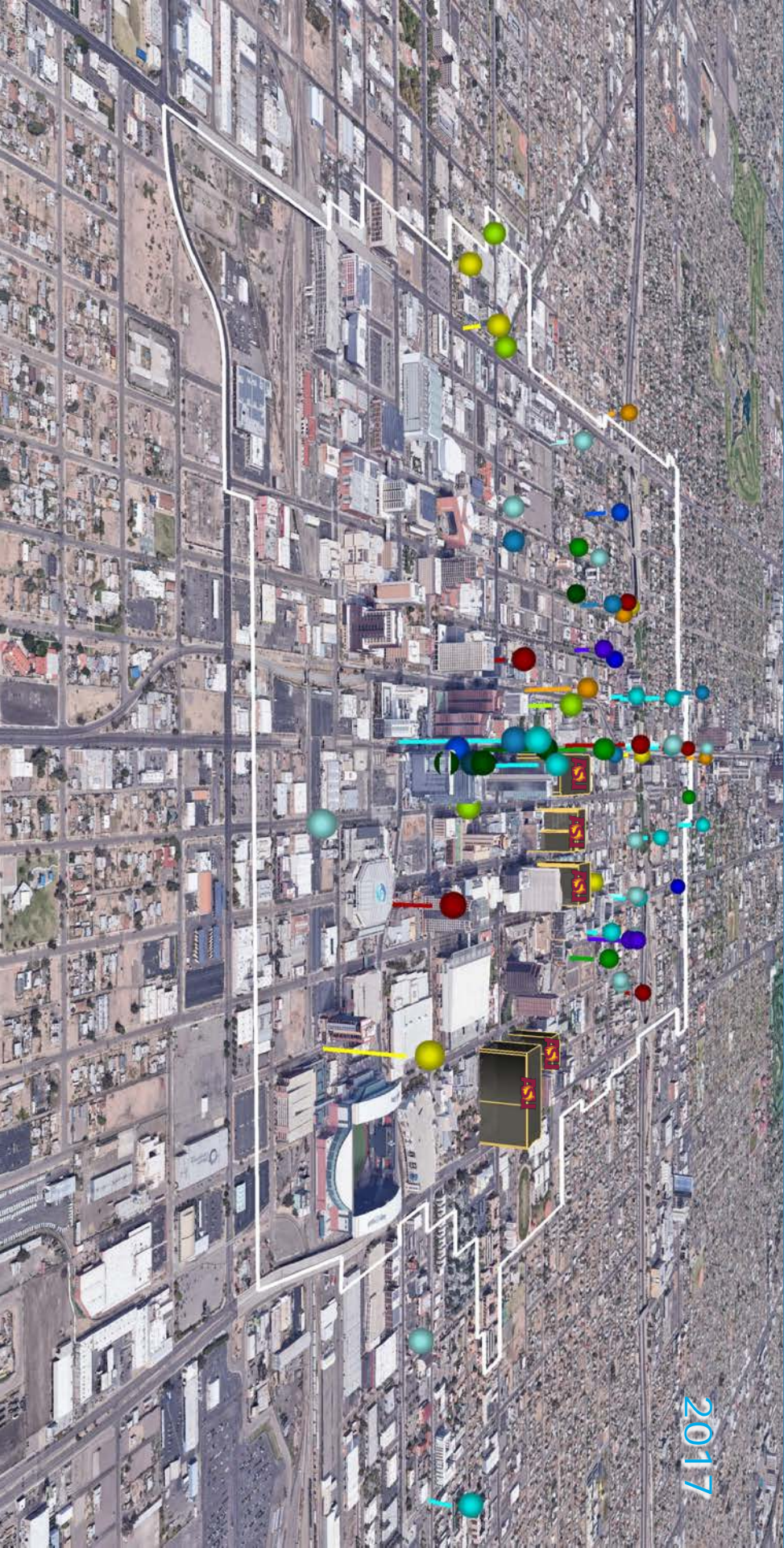


2015

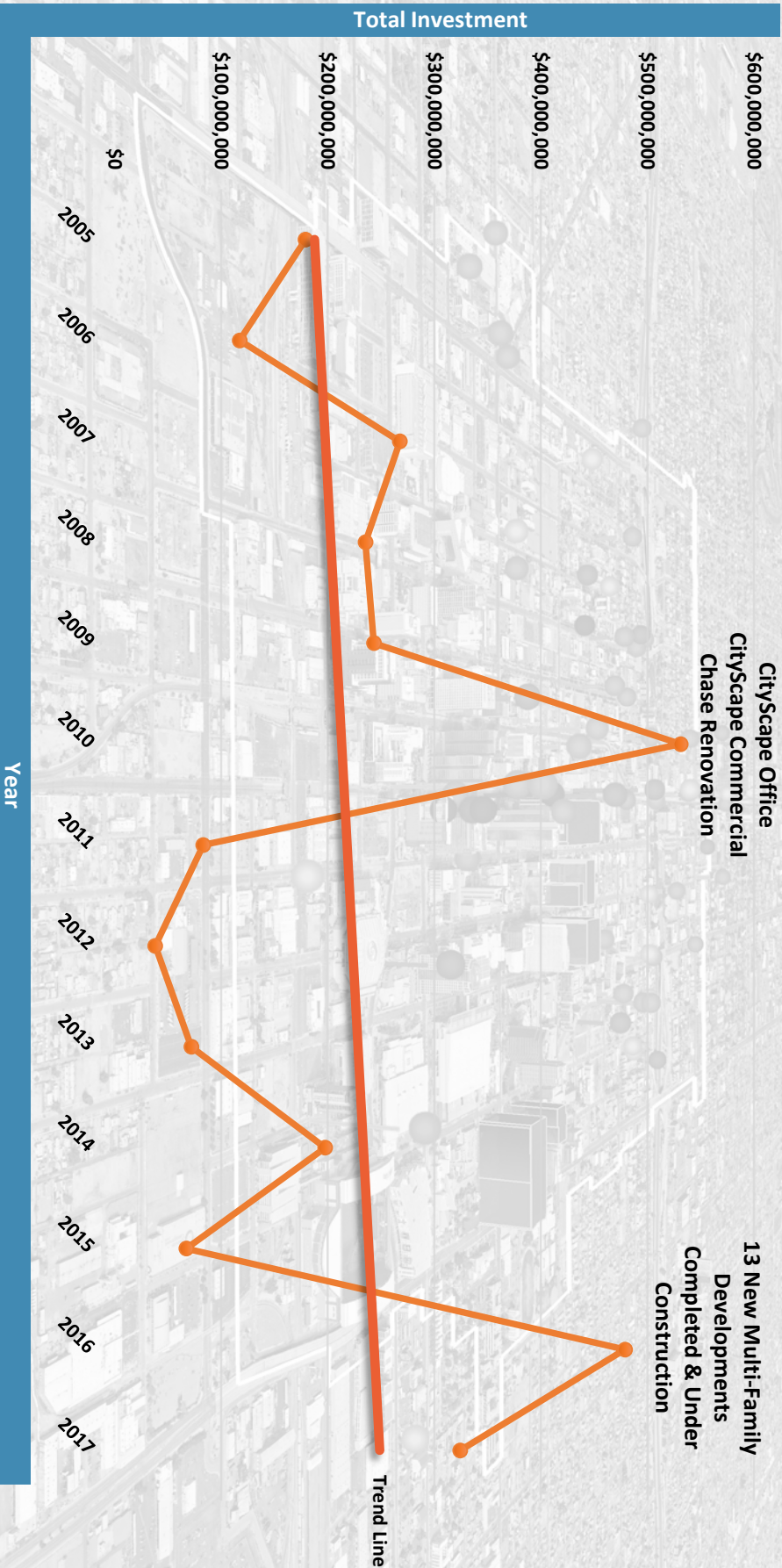
Downtown Phoenix Private Capital Development 2005 - 2017



Downtown Phoenix Private Capital Development 2005 - 2017



Downtown Phoenix Private Capital Development 2005 - 2017



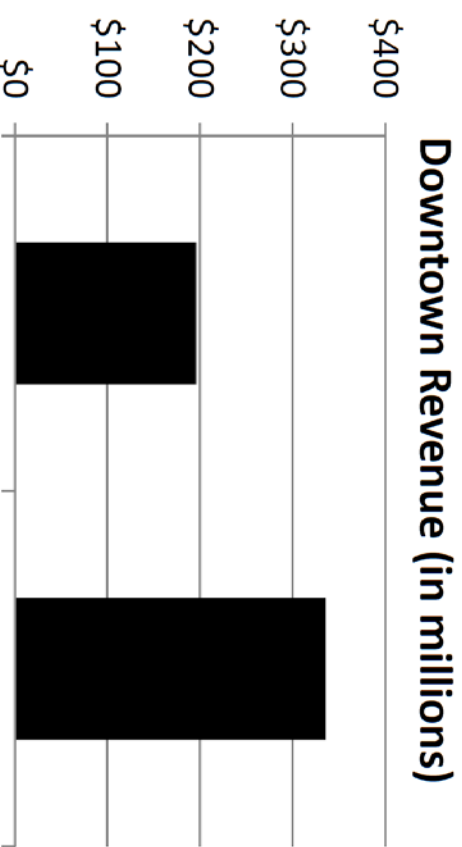
5.5+ Billion Invested

January 2004 and March 2018

Other Key Stats

- Rise in residential population: 2,250 new residential units built since 2012: 2,206 units under construction; 3,339 units in pre-development
- 90 net new restaurants/bars since the start of 2008
- Hotel expansion: 3637 total hotel stock with 210 additional rooms under construction and 400 in pre-development
- ASU downtown campus presence; Over 12,000 students and 1,500 faculty and staff on campus

DOWNTOWN PHOENIX STATS



*From 2008 to 2014 Downtown revenues *retail, hotel and restaurant) increased 74%*

Source: Downtown Phoenix: Past, Present and Future, Downtown Phoenix Inc.

MESA'S HR&A ANALYSIS

BRIEF HISTORY

An analysis from HR&A Advisors estimated the impact of an ASU expansion to the City of Mesa

Assuming that the impact scales proportionately, the City could expect an impact of about 40% of the original HR&A estimate.*

ASSUMPTIONS FROM 2016 PROPOSAL

- | | |
|---------------------------------|---|
| • Two phases | • A signature urban plaza |
| • 249,000 SF of academic space | • \$177 million total construction cost |
| • 74,000 SF of commercial space | |

ASSUMPTIONS FROM CURRENT PROPOSAL

- | | |
|--------------------------------|--|
| • One phase | • An urban plaza |
| • 113,500 SF of academic space | • \$70 million total construction cost |
| • 1,500 SF of commercial space | |



*Based on total construction cost. Ratio of .395

UTILITY AND CONSUMER SALES

TAX REVENUE ANALYSIS

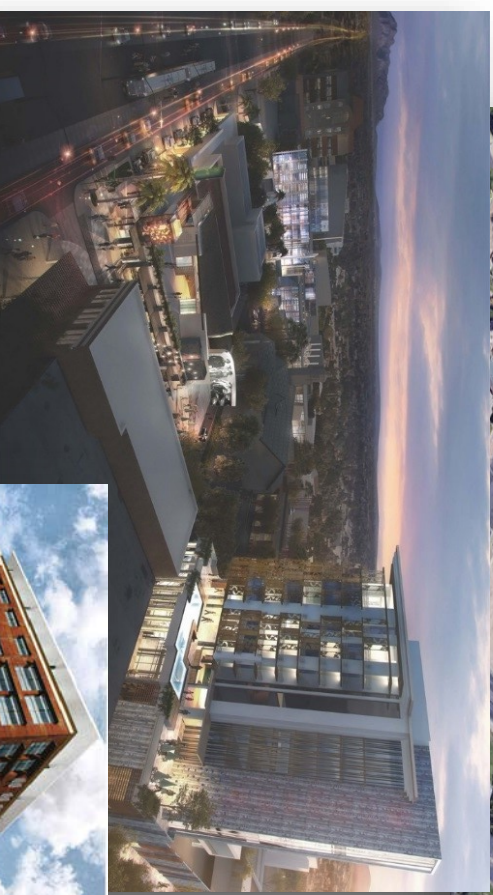
City staff conducted an analysis to estimate the annual direct fiscal impact from downtown developments expected to be catalyzed by ASU and developments currently planned

CATALYZED DEVELOPMENTS

Brown and Brown; University and Mesa Drive; ASU; Innovation Studios

PLANNED DEVELOPMENTS

GRID, FoundRE (Drew Lot); R3 (Pepper Place); Country Club & Main; 1st and Macdonald



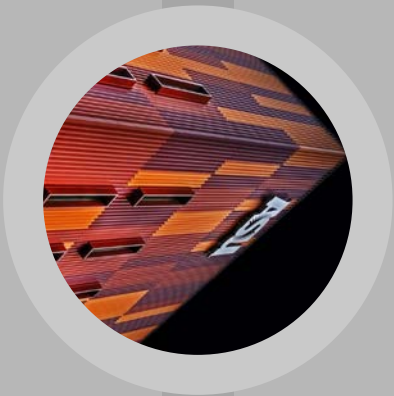
Estimated Benefits to City from ASU and Selected Downtown Developments

	Year 1	Year 2	Year 3	Year 4	Year 5
Utilities	\$4.1 M	\$4.1M	\$4.1M	\$4.1M	\$4.1M
Consumer Sales Tax	\$1.25M	\$1.25M	\$1.25M	\$1.25M	\$1.25M
Permitting Fees	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M
Secondary Property Tax	\$1.1M	\$1.1M	\$1.1M	\$1.1M	\$1.1M
Direct Revenues Total	\$7.45M	\$7.45M	\$7.45M	\$7.45M	\$7.45M

Incremental Economic Activity Associated With New Private Development

	Year 1	Year 2	Year 3	Year 4	Year 5
Jobs (Direct Impact)	29	29	29	29	29
Jobs (Multiplier Impact)	18	18	18	18	18
Total Jobs	47	47	47	47	47
Labor Income	\$2.36M	\$2.36M	\$2.36M	\$2.36M	\$2.36M
Economic Output (Direct Impact)	\$4.46M	\$4.46M	\$4.46M	\$4.46M	\$4.46M
Economic Output (Multiplier Impact)	\$2.36M	\$2.36M	\$2.36M	\$2.36M	\$2.36M
Total Incremental Economic Activity	\$9.18M	\$9.18M	\$9.18M	\$9.18M	\$9.18M

Questions & Discussion



Economic Investment Fund Overview

May 10, 2018

Presented by:

Candace Cannistraro, Management and Budget Director

Spring Training

- Council request for opportunities to fund spring training
- Sale of Pinal County land identified as funding source
- Economic Investment Fund was set up to cover the cashflow of the debt service of the excise tax bonds until the land sales took place

H.E.A.T. Initiative

- Economic Development initiative for investment activities/projects
 - Health, Education, Aerospace, Technology/Tourism
- Economic Investment Fund utilized to leverage debt service savings in Enterprise Fund due to refinancing of existing debt

Investment Projects

- Healthcare study
- Able Engineering
- Mesa Center for Higher Education
- AZ Labs
- Benedictine University
- Accelerator
- Spring Training Multi-use Fields
- Purchase of Mervyn's building
- Redevelopment zones

Facility Lease Revenue

- Operating expenses are off-set with revenues from tenants of the facility
- One-time lease opportunities are allocated to investment projects
 - Ex: Zayo lease
- Net expenses are covered by the Enterprise Fund

Economic Investment Fund

- Serves as a financial tool for investment in growth and expansion of industries in Mesa
- Allows for leveraging development opportunities as they arise
- Proposed budget includes placeholder for new investment in downtown (potential ASU development)



ASU @ CITY CENTER

LEASE, MASTER PLAN, AND PROGRAMMING UPDATE

City Council
Study Session

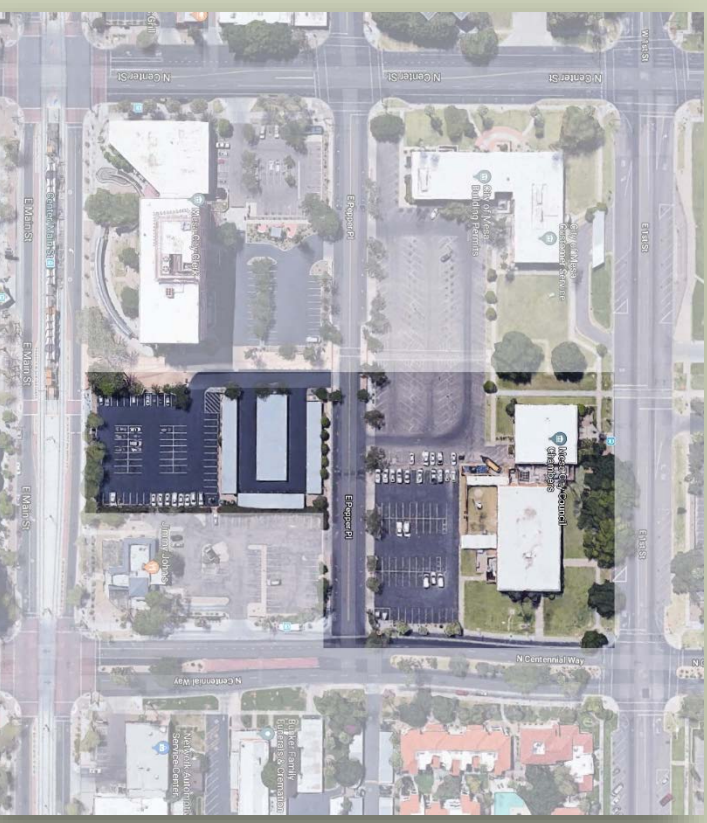
May 10, 2018

Jeff McVay
Manager of Downtown
Transformation

LEASE UPDATE

Lease Agreement

- Draft Lease Agreement prepared by City and provided to ASU for review
- Primary lease terms reflect Inter-governmental Agreement approved February 26, 2018
 - 99 Year term
 - \$100,000/year rent
 - City responsibility for design and construction of approx. 115,000 SF ASU building and approx. two acre park
 - ASU responsibility for FF&E (est. \$10M)
 - ASU responsibility for all O&M (est. \$1.3M/year)
 - ASU student, staff, programming, and scholarship commitments (750 students, 40 faculty and staff)
 - Commercial sub-lease(s) net revenues
- Anticipate final agreement for Council consideration on June 4, 2018



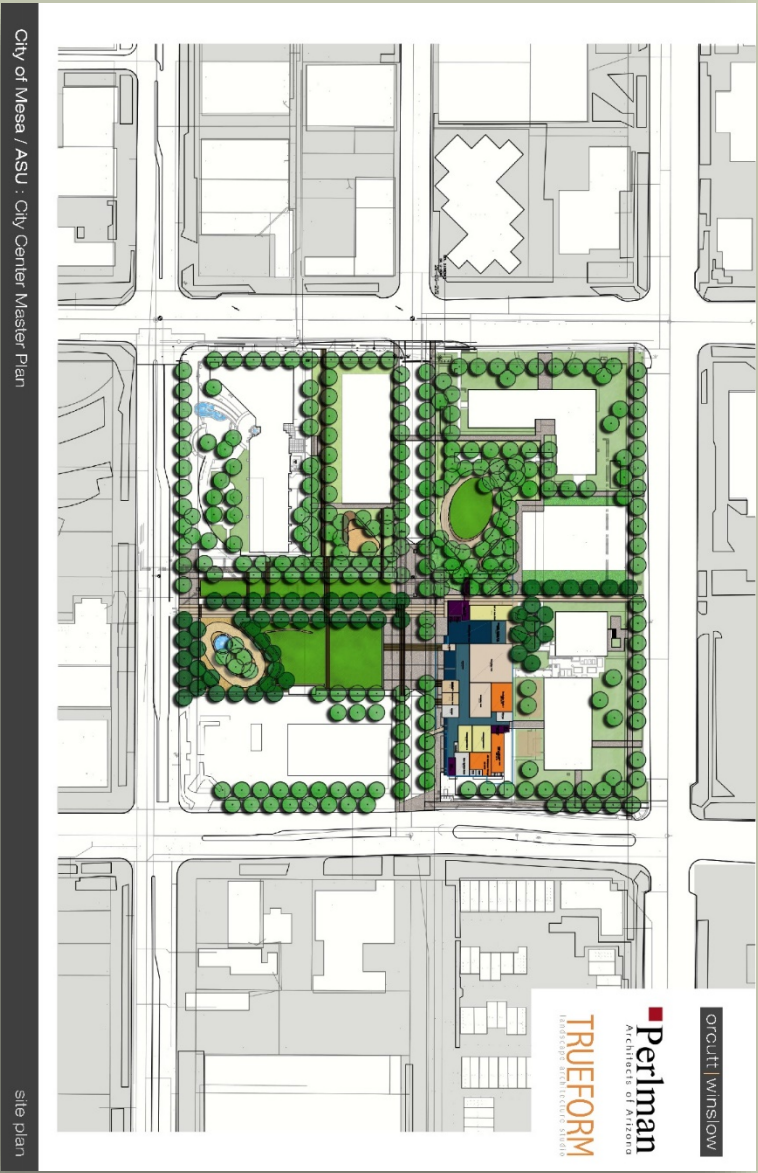
MASTER PLAN UPDATE



MASTER PLAN UPDATE



MASTER PLAN UPDATE





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site area

MASTER PLAN UPDATE



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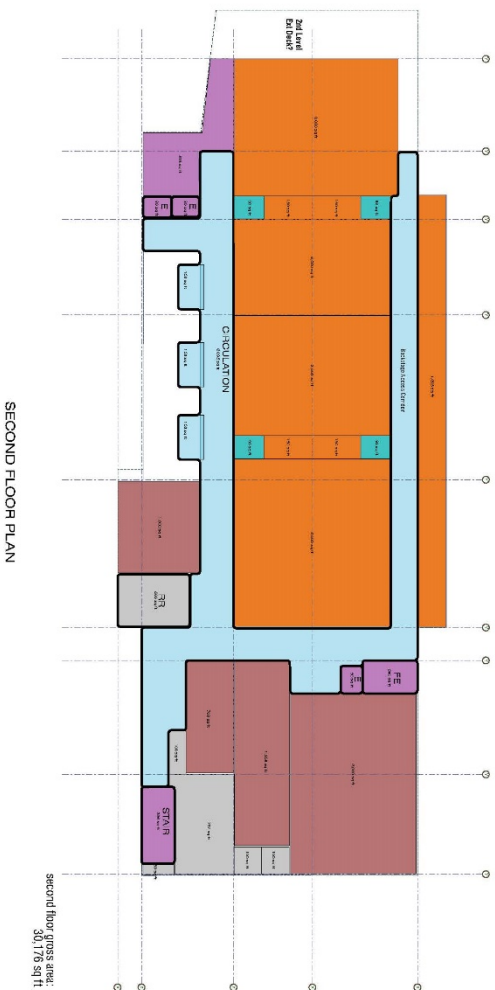
City of Mesa / ASU : City Center Master Plan

massing study | aerial view w/blocking

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Architects of Arizona



MASTER PLAN UPDATE



second floor gross area:
30,176 sq ft

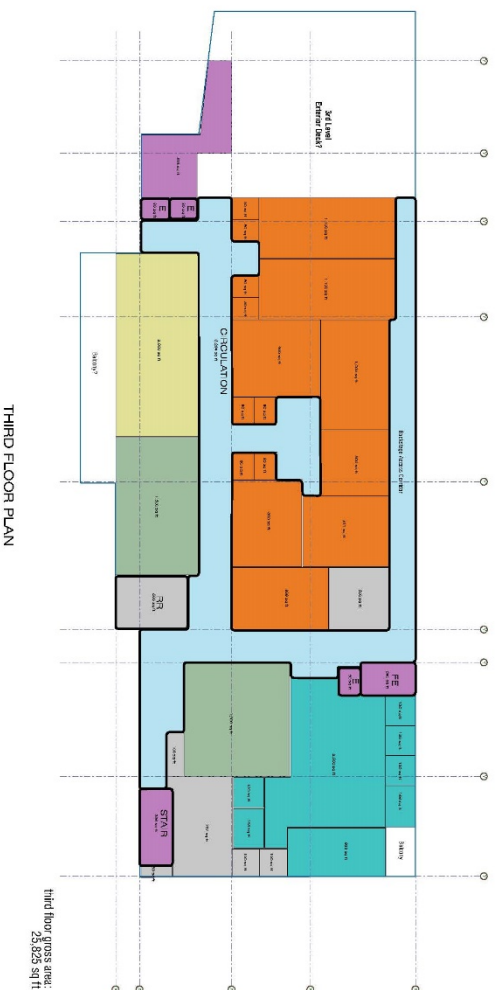
circuit | window

City of Mesa / ASU : City Center Master Plan

floor plan diagram - level 2

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MASTER PLAN UPDATE



third floor gross area:
25,825 sq ft

THIRD FLOOR PLAN

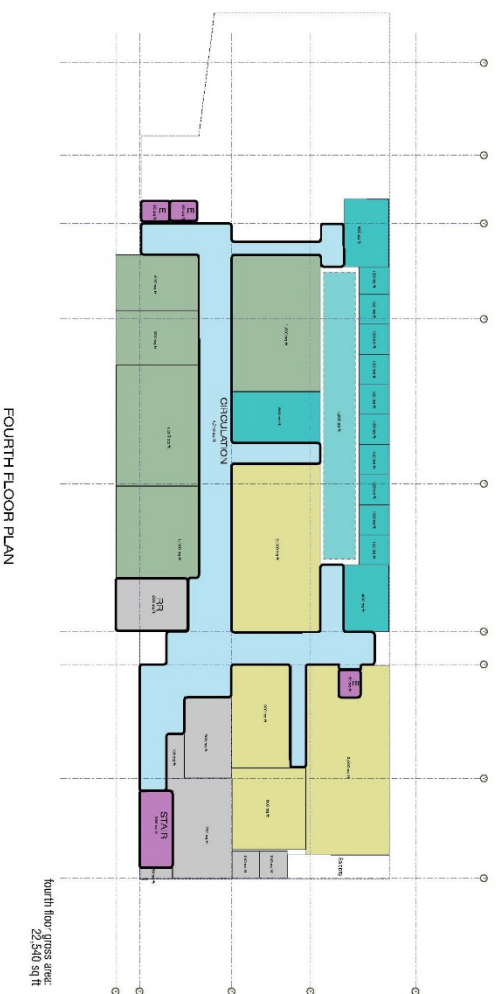
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City of Mesa / ASU : City Center Master Plan

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floor plan diagrams - level 3

MASTER PLAN UPDATE



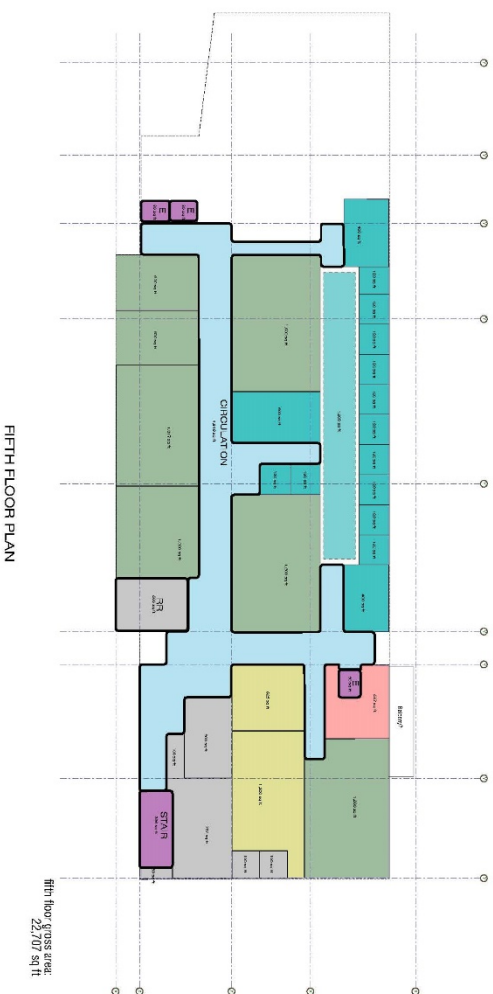
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City of Mesa / ASU : City Center Master Plan

floor plan diagrams - level 4

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MASTER PLAN UPDATE



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City of Mesa / ASU : City Center Master Plan

floor plan diagrams - level 5

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INTERGOVERNMENTAL AGREEMENT - ASU

QUESTIONS AND DISCUSSION