



City Council

Date: April 7, 2025
To: City Council
Through: Christopher J. Brady, City Manager
From: Jeffrey McVay, Manager of Downtown Transformation
Jimmy Cerracchio, Project Manager, Downtown Transformation
Subject: Mesa Town Center Improvement District No. 228
Setting Hearing Date to consider FY2025/2026 assessments
District 4

Purpose and Recommendation

The purpose of this report is to provide information for the City Council to set a hearing date to review and consider approval of the 2025-2026 (tax year) Mesa Town Center Improvement District No. 228 assessments. The proposed FY 2025-2026 final assessments do not reflect any rate increase from the previous year.

Staff recommends that the City Council approve the Resolution setting May 19, 2025, as the hearing date for the considering the 2025-2026 Mesa Town Center Improvement District No. 228 assessments.

Background

On October 7th, 1985, the Council passed Resolution No. 5617 establishing the Mesa Town Center Improvement District No. 228 to provide enhanced municipal services for the Town Center (see Exhibit "A" Location Map). The Council is required by law to hold an annual public hearing on the assessments to provide the property owners with the opportunity to review their annual assessments to ensure that the assessment rates have been correctly applied and assessed to their property. The annual hearing is not to address the continuation of the district. On December 8, 2021, City Council approved continuation of the District for an additional five (5) years. The 2021 approval allowed the District to annually assess property owners through the Fiscal Year (FY) 26/27.

Discussion

The first step in the approval process for the proposed assessments is for the Council to set a hearing date. It is proposed that May 19, 2025, be set as the annual public hearing date for the proposed annual assessments.

On April 8th, 2025, a Notice of Hearing on Continuation of the Mesa Town Center Improvement District will be mailed to all Town Center property owners, as listed on the Maricopa County tax rolls that are currently being assessed. The notice will provide property owners with the FY25/26 property assessment and information on their rights

to protest and the procedures they need to follow to do so (see Exhibit "B" for the Notice of Hearing). The Notice of Hearing will be published in the Arizona Republic for five (5) consecutive days starting on Tuesday, May 13, 2025 through Saturday, May 17, 2025.

Alternatives

One alternative would be for the Council to choose not to assess the Mesa Town Center property owners as outlined under Resolution No. 5617. This would mean that the City would not levy any assessments this year and that the enhanced services being provided by the Downtown Mesa Association (DMA) would be terminated or funded by another funding source, rather than with assessments.

This alternative is not recommended as the DMA provides a valuable service to the downtown area.

Fiscal Impact

For fiscal year 2025/2026, the Town Center Improvement District will assess approximately 531 parcels for an estimated total of \$369,935.87. These assessment funds are provided to the City from the County and the City functions as a pass-through of the funds to DMA. In addition, and per State Statute, the City is responsible for providing staff time to review and set procedures, record protest(s) received, and provide for the mailing of notices for the Downtown Mesa Association.

Because the City is a governmental agency, it is exempt from paying annual District assessments. However, the City does provide an annual voluntary assessment (\$240,763.36 for FY 25/26) to cover basic services in downtown, such as litter and graffiti removal, pigeon and weed control, and sidewalk power washing.

Concurrence

The Downtown Mesa Association concurs with this recommendation.