



COUNCIL MINUTES

October 26, 2023

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 October 26, 2023, at 7:30 a.m.

COUNCIL PRESENT

John Giles
Francisco Heredia
Jennifer Duff
Mark Freeman
Alicia Goforth
Scott Somers
Julie Spilsbury

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Holly Moseley
Kelly Whittemore

Mayor Giles conducted a roll call.

1-a. Hear a presentation, discuss, and receive an update on Mesa's Community Electric Vehicle Charging Plan.

Assistant to the City Manager Ian Linssen introduced Brad Davis, Civil Engineer at Kimley-Horn, and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Davis explained that the transition to electric vehicles (EVs) continues to grow with the significant increase in EV sales over the past 10 years. He stated in Arizona, EVs account for 7% of all vehicle sales and 1% of the total number of vehicles registered in the state. (See Pages 2 through 4 of Attachment 1)

Mr. Linssen mentioned in 2020, 250,000 of all vehicle registrations in the United States were EVs. He shared in 2023 there are a million EVs registered, indicating a continued upward trend.

Mr. Davis provided a map showing the locations of existing charging stations, which are largely clustered along major corridors. He reported that analysis has been done to identify areas of need as the market increases. (See Page 5 of Attachment 1)

In response to a question from Councilmember Freeman, Mr. Davis replied that Mesa has a mix of charging stations and ports accessible to the public at various venues/sites, including the Main Library, grocery stores, Habitat for Humanity, and hotels.

Mr. Davis discussed the 80% gap between existing charging ports and the number of ports needed for workplace and public charging. He pointed out that the greatest need is for Level 2 charging. (See Page 6 of Attachment 1)

In response to a question posed by Councilmember Goforth, Mr. Davis replied that the 80% gap in charging ports was determined based on a variety of factors such as accessibility of home charging stations, the current adoption rate in the region, and a few other factors.

Mr. Davis reported that Mesa has a higher number of multi-family housing units than is typical in the United States, with four out of every ten households being multi-family properties, which makes charging difficult to access. He suggested Council consider supporting permits or other options that can provide access to home charging. (See Page 7 of Attachment 1)

Mr. Davis reviewed the projection of EVs in 2030, considering national trends and original equipment manufacturers (OEMs) commitment in terms of EV sales through 2030. He stressed there is still a significant increase in sales and adoption if they become more available. He stated 85% of charging will occur at home, while 15% will be a combination of fast charging, public charging, or workplace charging. He estimates that 386 public charging ports will be needed annually from now until 2030. (See Pages 8 through 10 of Attachment 1)

In response to a question posed by Councilmember Duff, Mr. Davis responded that Level 2 charging is being offered by utilities with several home-based incentives. He stated the multi-family and commercial sector of EV charging are focused on a required number of EV ready parking spaces with conduit in place for the addition of chargers in the future but are not required to install chargers as part of the development.

Mr. Davis provided an overview of the results of an online survey conducted regarding access to charging stations and their preferences for locations of charging stations. He emphasized the importance of having a variety of opportunities as the market changes. (See Page 11 of Attachment 1)

Mr. Davis discussed how public policy can affect charging demand and the electric load on the grid. He reviewed the differences in demand for public charging and mentioned if home charging is increased, the demand for public charging ports will decrease. He explained the more access people have to home charging, the easier it will be to provide incentives through utilities or Salt River Project (SRP) to help manage demand and improve access. (See Pages 12 through 14 of Attachment 1)

In response to a question from Councilmember Duff, Energy and Sustainability Director Scott Bouchie stated that the City offers EV charging rates that incentivizes people to charge their vehicles after peak hours to reduce demand. He added charging EVs during off-peak hours offers a much lower rate for electric.

Mr. Davis reviewed the focus areas for potential options to explore and support EV adoption from a policy or a funding perspective. He discussed opportunities for charging locations throughout the City and regionally, as well as other fuel sources to support Mesa businesses. (See Page 15 of Attachment 1)

Mr. Davis advised that the City submitted a grant application for a federal Charging and Fueling Infrastructure (CFI) for public charging ports and stations. He explained that the 118 proposed ports represent only 30% of the ports that will be needed annually between now and 2030. He discussed strategies for fast charging and Level 2 charging stations in neighborhood areas around multi-family properties, as well as close to downtown to take advantage of the infrastructure bill

and the funds available for those projects over the next five years. (See Page 16 of Attachment 1)

In response to a question posed by Mayor Giles, Mr. Linssen replied that the grant requires a 20% local match, which can be provided by a private sector organization. He stated the likely approach will be to determine the best partnership for the City and the most sensible; however, the City would not be responsible for the long-term, unless that is the direction provided.

Mr. Davis reported that the federal grant program requires that charging stations are accessible to the public 24 hours a day, seven days a week and operational within a specified amount of time. He stated to ensure compliance, the requirements can be incorporated into an agreement with the vendor.

In response to multiple questions from Councilmember Goforth, Mr. Linssen replied that EVs are not profitable everywhere, it can be expensive to bring the necessary power to certain areas for fast charging. He explained there is some hesitation to invest due to changes in charging port standards.

In response to a question posed by Councilmember Spilsbury, Mr. Davis responded Mesa has two to four ports at any particular station: however, Tesla stations have approximately 16 ports. He noted the purpose of the grant is to construct charging stations in East Mesa to improve accessibility.

In response to multiple questions posed by Councilmember Heredia, Mr. Linssen explained that currently EV charging plugs are not a universal standard and may require an adaptor; however, by 2025 all cars will support the North American Charging Standard (NACS) charger. He commented under the National Electric Vehicle Infrastructure (NEVI) Formula program, there are specific standards for the installation of fast charging stations along highways. He noted Mesa does not have an alternative fuel corridor, and applying for the grant may allow Mesa to take advantage of the NEVI program.

In response to multiple questions from Mayor Giles, City Manager Christopher Brady replied that the City's role regarding EV charging stations is to help facilitate the infrastructure and buildout. He explained the challenges of obtaining the correct amount of power to locations, and the City continues to strategically work on solutions as the cost is significant. He commented the staff will work with the Development Services Department to determine the best practices for residential and non-residential and return to Council with their recommendations.

Mr. Linssen stated there are standalone charging bases, and the City wants to ensure that charging stations are safe, accessible, and that an installation process is followed.

Councilmember Duff expressed her opinion that the City should prepare for an electrified world as cars move towards EVs. She indicated moving towards an electrified world aligns with the City's Climate Action Plan (CAP) and reduces emissions within the City, while improving Mesa's air quality.

Mayor Giles thanked staff for their presentation.

1-b. Hear a presentation, discuss, and provide direction on the future development of the 25-acres of City-owned land at the southwest corner of University Drive and Mesa Drive, known as "Site 17,"

including providing direction on the selection of the finalist for the Request for Proposals for the development of the site (Solicitation #2024017).

Downtown Transformation Manager Jeff McVay introduced Economic Development Project Manager Jimmy Cerracchio and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. McVay provided the history of the conceptual plan for Site 17. He discussed the requirements of applicants for the request for proposal (RFP) that will align with the vision for Site 17. (See Page 2 of Attachment 2)

Mr. McVay advised that two developers submitted RFPs and both are capable developers who have financial capacity for the project. He noted that the City's analysis is based on how their proposals and concepts addressed the guiding principles. He described the characteristics of the guiding principles that were developed as part of the public process for a new urban neighborhood development. (See Page 3 of Attachment 2)

Mr. Cerracchio summarized the Caliber proposal which focuses on a mixed-use project, including multi-family with a variety of different components. He described the layout of the site plan, illustrating various sections throughout the project site. He highlighted the four phasing plans and noted Phase 4 will be similar to 29 West Main Street and the Zen City project, and the proposed terms. (See Pages 5 through 8 of Attachment 2)

In response to a question posed by Mayor Giles, Mr. McVay explained that a land lease provides ownership rights to work with private third-party partners; however, since they intend to acquire fee simple ownership at some point, they will purchase the land as a fee simple upon completion of the development, based upon market appraisal. He added then the land would be deeded to the City through the Government Property Lease Excise Tax (GPLET), where it would remain for an eight-year period and be exempt from property taxes.

Mr. Brady added that the City does not want to convey property to a developer until the City is certain that the development will take place to ensure land does not remain undeveloped.

In response to a request for clarification from Councilmember Freeman regarding the school property tax, Mr. McVay replied that all GPLETs approved by the City include an in-lieu fee that is negotiated through the development agreement (DA) and is equivalent to the school property tax that would have been paid if the land had not been developed during the eight-year period.

Mr. McVay discussed the selection committee's analysis of Caliber's response to the RFP, which includes a film studio, and a significant residential component. He emphasized that the City is excited to have some of the investment and economic opportunities that could come from having the ASU film school in association with a private film production. He shared the primary concerns of not providing a smooth transition between the two neighborhoods and lack of a variety of building types that the guiding principles envision. (See Pages 9 and 10 of Attachment 2)

In response to a question from Mayor Giles, Mr. McVay replied that the height of the multi-family buildings can be up to eight stories.

In response to a question posed by Councilmember Duff, Mr. Cerracchio explained that the Film Studios plans to have educational, media, and technology components, and proposed having multiple students centers to serve both the film school students and ASU students.

In response to multiple questions from Councilmember Freeman, Mr. McVay stated that the ASU MIX Center focuses on academics. He explained the recently passed tax credit for film production allows an opportunity to capture activity associated with film production.

Mr. McVay explained that Caliber's RFP has two separate components: the film production studio and the Student Center. He discussed Caliber's proven track record of successful developments and identified some concerns and challenges with the proposal. (See Page 11 of Attachment 2)

In response to a question from Mayor Giles, Mr. McVay replied that the proposal is for a vast majority of market rate rental type housing.

Discussion ensued relative to Council concerns with the proposal.

In response to a question from Councilmember Goforth, Mr. McVay responded that the presentation is a summary of the responses from Caliber and Culdesac. He stated he will provide the full, detailed responses to Council to get a better understanding of the concept and vision.

In response to a question from Councilmember Freeman, Mr. McVay replied that the Evaluation Committee is aware that surface parking is not ideal, and currently does not support a grocery store on the first floor of a high-rise building with underground parking in Downtown Mesa.

Deputy City Attorney Kelly Whittemore explained that Council's responsibility today is to provide direction on staff's recommendation and once a decision is made a Memorandum of Understanding (MOU) will be created with terms for the developer and an agreement will be entered into.

Mayor Giles declared a recess at 9:03 a.m. The meeting was reconvened at 9:15 a.m.

Mr. Cerracchio provided an overview of Culdesac's RFP. He mentioned their proposal is also for a multi-family mixed-use development. He described the layout to include retail, a small grocery store, bike shop dog park, food court, food truck parking, as well as the mobility hub for roads and pathways for pedestrians. He noted the low scale housing and green buffer to the south is to create a comfortable transition to the historic neighborhood. (See Pages 13 and 14 of Attachment 2)

Mr. Cerracchio summarized the three phasing plans which will take place over 10 years. He discussed the proposed terms and mentioned that Culdesac is open to the idea of a GPLET but is not 100% committed. (See Pages 15 and 16 of Attachment 2)

In response to a question from Mayor Giles, Mr. McVay replied that he does not believe the City would enter into a purchase agreement in which the City would sell the property without commitments and an understanding of the direction of the project.

Mr. Brady clarified that if a developer wants to complete the project without a GPLET, the City will not object. He stated the advantage to using a GPLET is not just for the benefit of the developer, but also an opportunity for the City to increase the quality of the development.

Ms. Whittemore explained that when looking into using a GPLET, the City will need its own direct consideration to receive more tax incentives. She advised that the City must receive something as a result of entering into a GPLET separately.

Mr. McVay discussed the analysis of Culdesac's proposal compared to the vision and guiding principles from 2019. He reported that Culdesac proposes to create a walkable environment that is a vibrant and active neighborhood that does not distract from the historic downtown. He emphasized that both Caliber and Culdesac have created green spaces, pedestrian connections, and streetscapes that will encourage pedestrian and bicycle activity. (See Pages 17 and 18 of Attachment 2)

Mr. McVay reviewed additional considerations for Culdesac, noting that Culdesac proposes to become the owner, developer, and operator of the project for the long term. He commented that Culdesac has also provided letters of support from Tempe Valley Metro and Sun Belt Holdings in relationship to their experience on the Tempe Culdesac project. (See Page 19 of Attachment 2)

In response to a question from Mayor Giles, Mr. McVay responded that in the proposed terms there is an expectation that the City will provide some level of support for the infrastructure for improving the streetscape connection to Main Street, the light rail, and transit.

Mr. McVay remarked the recommendation is to move forward with the Culdesac proposal as it relates to the vision and the guiding principles to create a new urban neighborhood that is complementary to downtown and is closer to what the City has envisioned. (See Page 20 of Attachment 2)

In response to a question posed by Councilmember Spilsbury, Mr. McVay replied he is an advocate for more housing in Downtown Mesa and in 2019 an important element to the vision of having a successful downtown would require a significant residential component.

In response to a question from Councilmember Goforth, Mr. McVay replied that the film studio concept was derived from a six-month envisioning concept, guiding principles, and a lot of public engagement, which were incorporated into the RFP.

Discussion ensued amongst Council regarding the differences between the proposals and which one fits best with Mesa's vision.

Mr. Brady expressed his appreciation for the two strong proposals. He added the partnership with Caliber will continue for a long time due to their commitment to downtown. He noted Culdesac has a lot of experience and spent a lot of time trying to understand the City's vision.

Mayor Giles indicated the consensus of Council is to move forward with staff's recommendation to use Culdesac.

Mr. McVay advised that staff move forward with the recommendation and will bring a presentation to Council or set up a meeting with Culdesac if necessary.

Mayor Giles thanked staff for their presentation.

2. Current events summary including meetings and conferences attended.

Mayor Giles and Councilmembers highlighted the events, meetings and conferences recently attended.

3. Scheduling of meetings.

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

Thursday, November 2, 2023, 7:30 a.m. - Study Session

4. Adjournment.

Without objection, the Study Session adjourned at 10:18 a.m.

JOHN GILES, MAYOR

ATTEST:

HOLLY MOSELEY, 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 26th day of October 2023. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK

lr
(Attachments – 2)

City of Mesa

Community EV Action Plan

City Council Presentation 10-26-23



EVs Today

Current Conditions Relating to Electric Vehicles in Mesa and Arizona



The transition to EVs will take time.



Vehicles on the Road Today

These personal light-weight vehicles represent the 280 million cars, SUVs, vans, and pickup trucks on America's roads today. The vast majority run on gasoline.

Projected on the Road in 2035

Electric vehicles sales have been growing. Even if they reached 100% of sales in 2035, 60% or more of vehicles on the road would still be powered by gasoline.

Projected on the Road in 2050

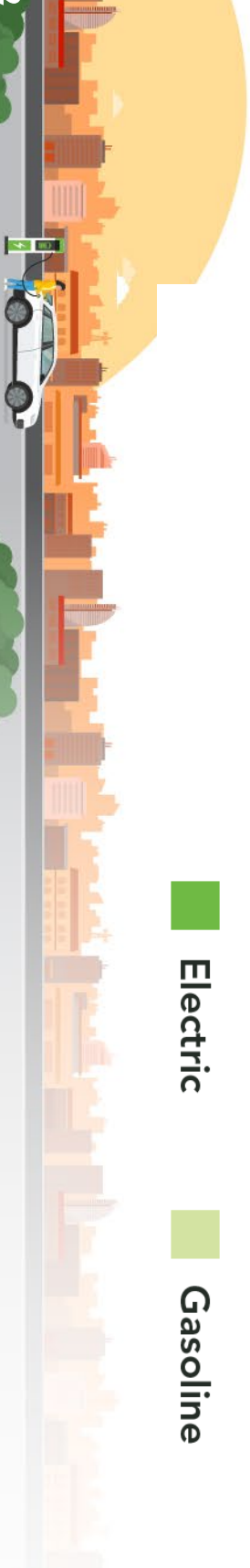
Even in 2050, after 15 years of selling only EVs, a small but significant share of vehicles on the road will still run on gasoline.



Electric



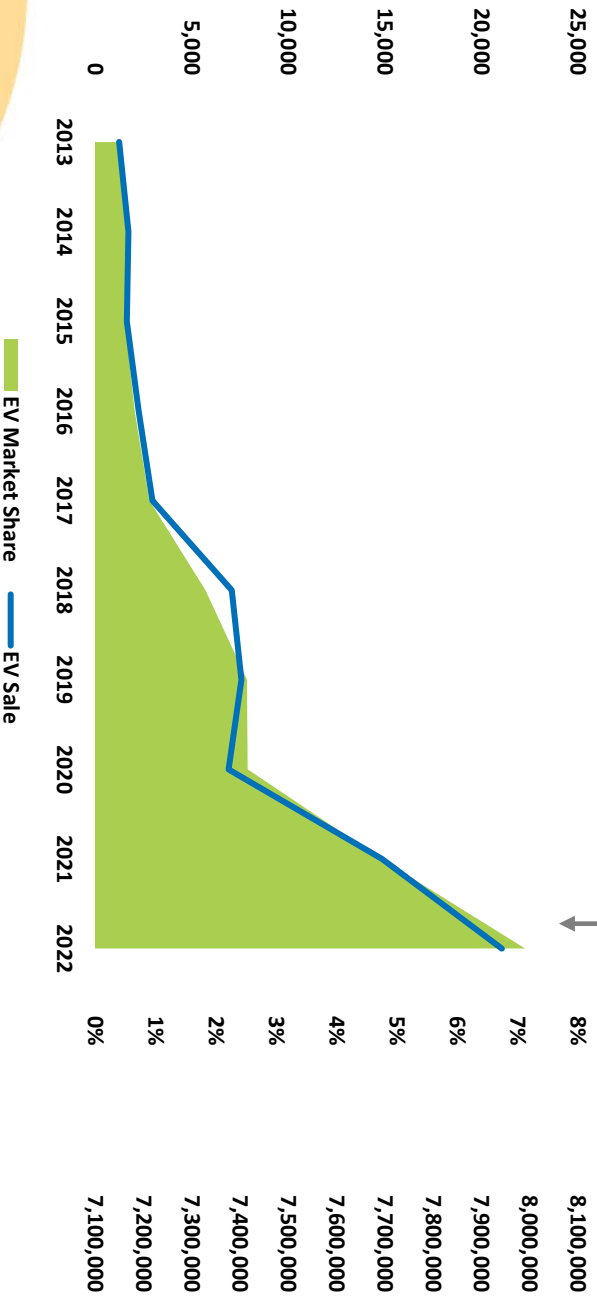
Gasoline



EV Sales and Ownership Are Growing in AZ

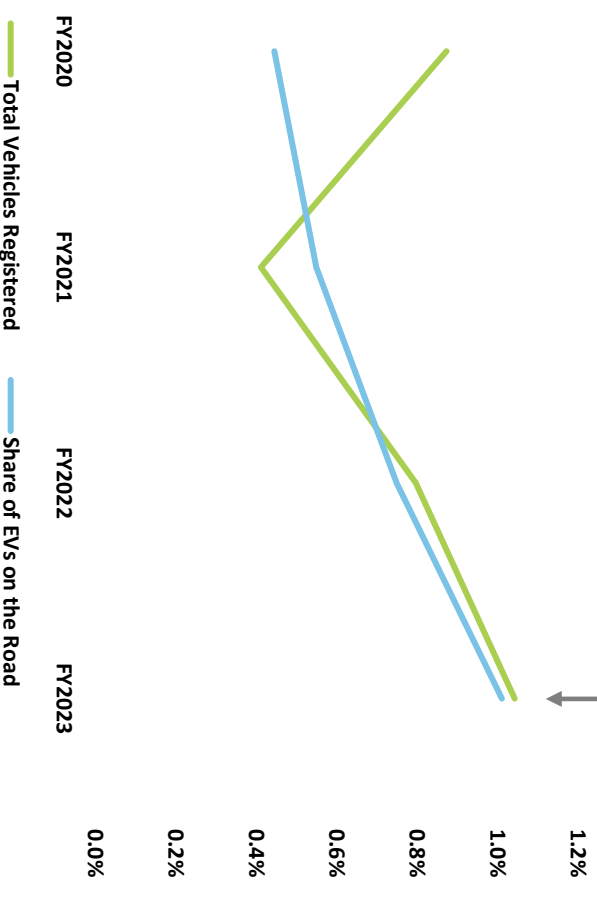
1,600%

Increase in EV sales over past ten years

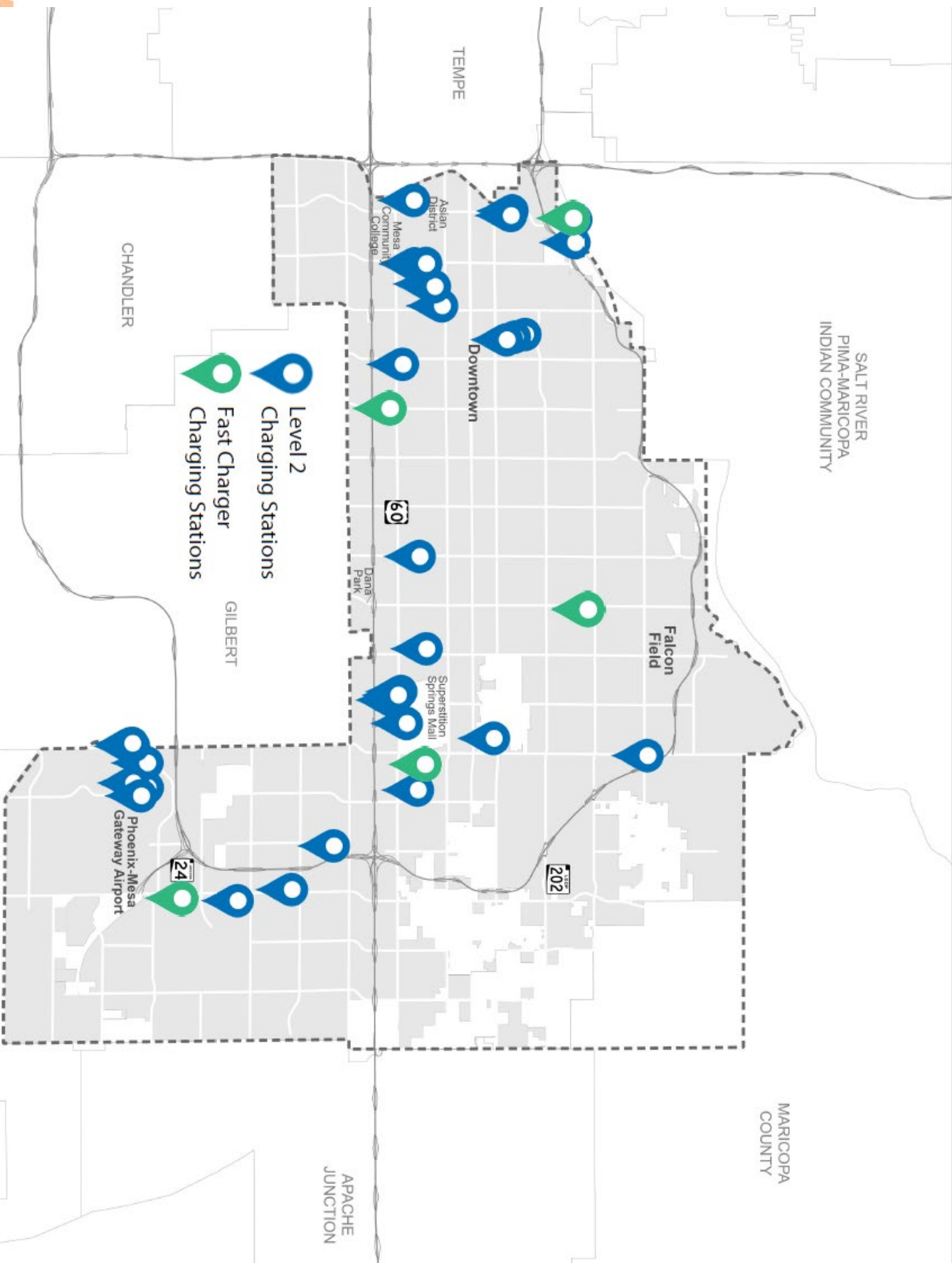


131%

Increase in EVs over three years

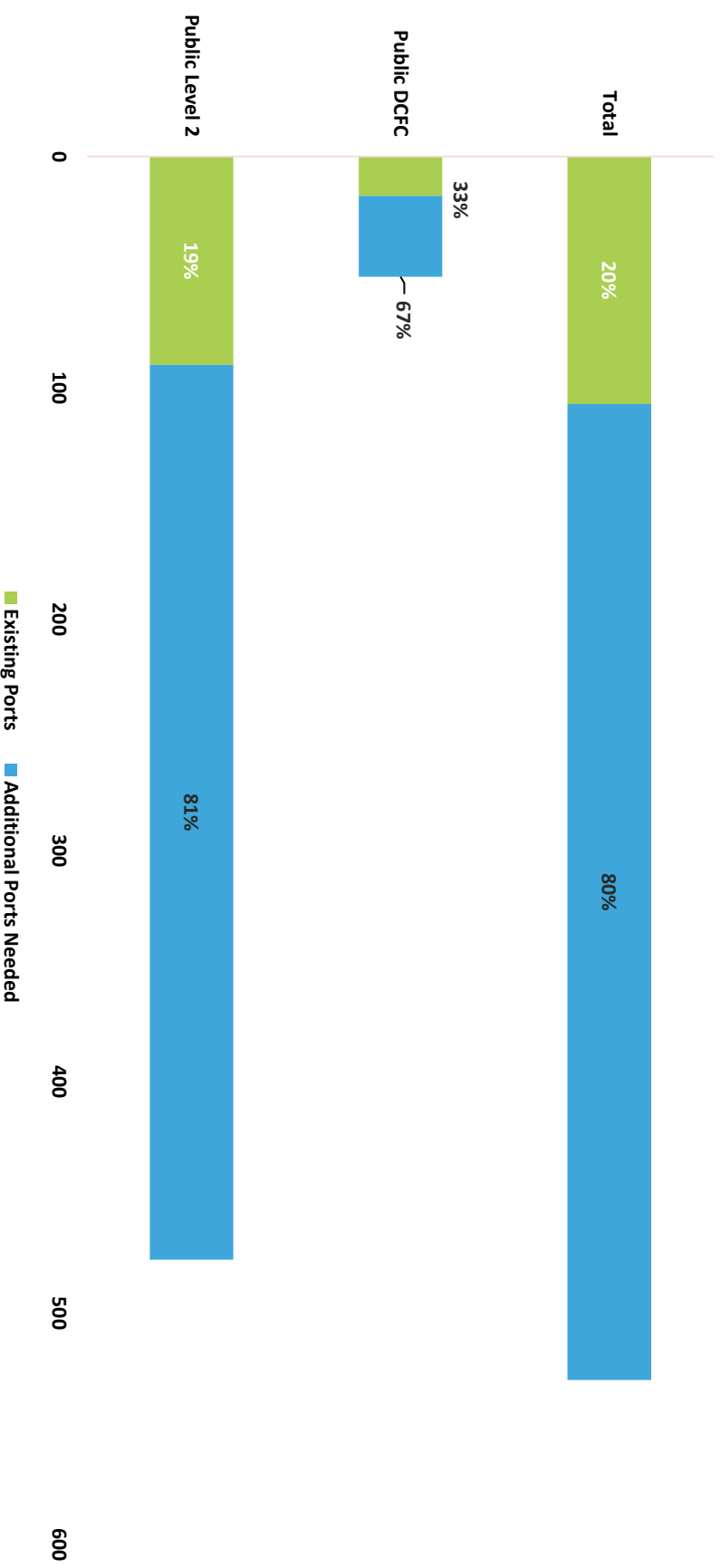


Existing Charging Station Locations



Chargers are here today but supply lags demand

Today: Existing Ports vs Ports Needed



Housing Units in Mesa

62%

Single Family

38%

Multi-Family



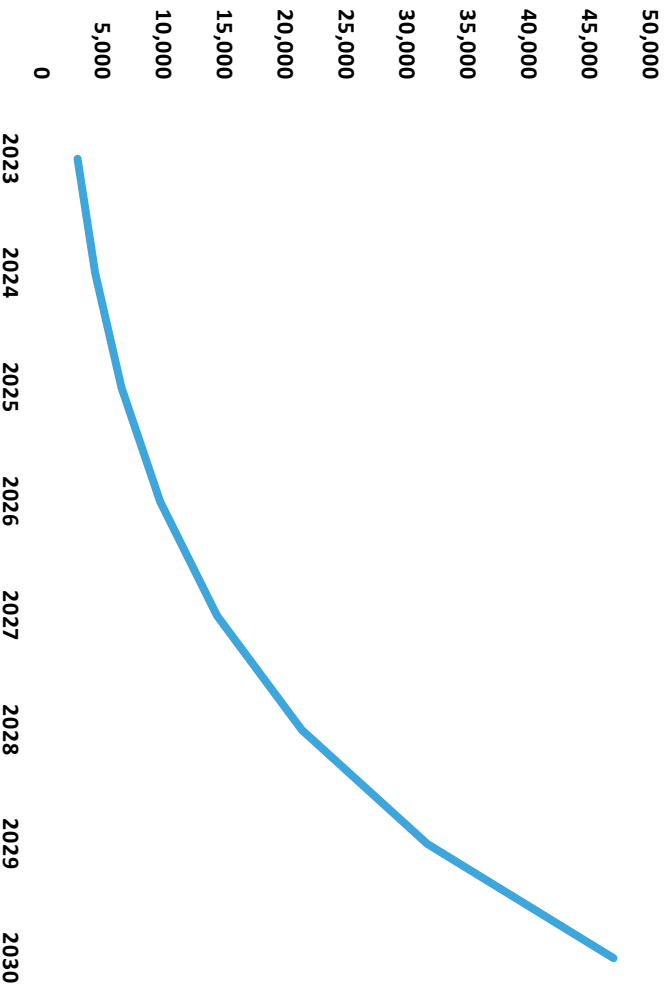
EVs Tomorrow

2030 Expectations and Projections

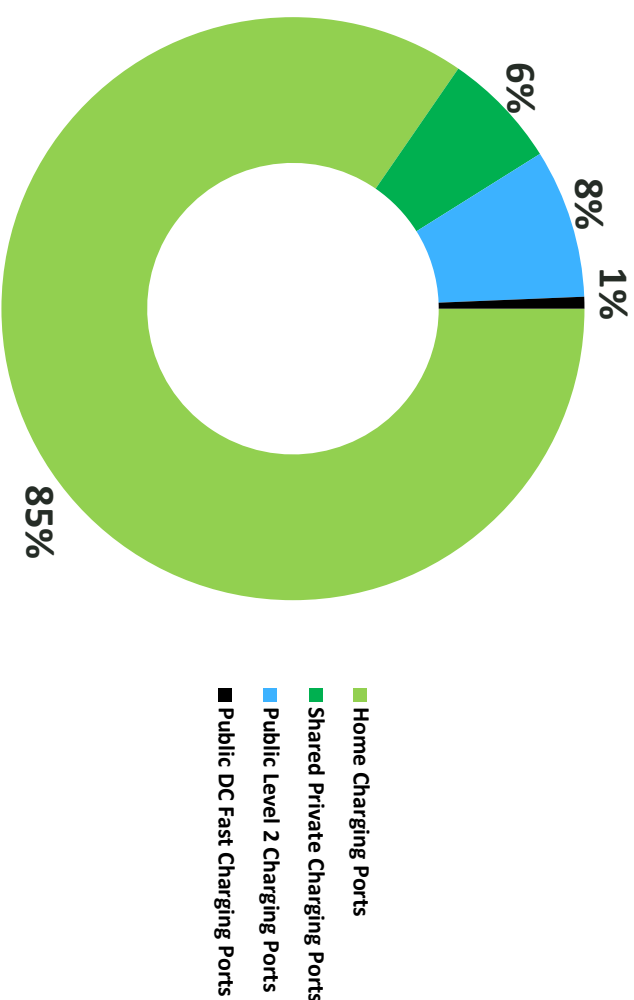


Where will people charge their vehicles in 2030?

Projected EVs on the Road in Mesa to 2030



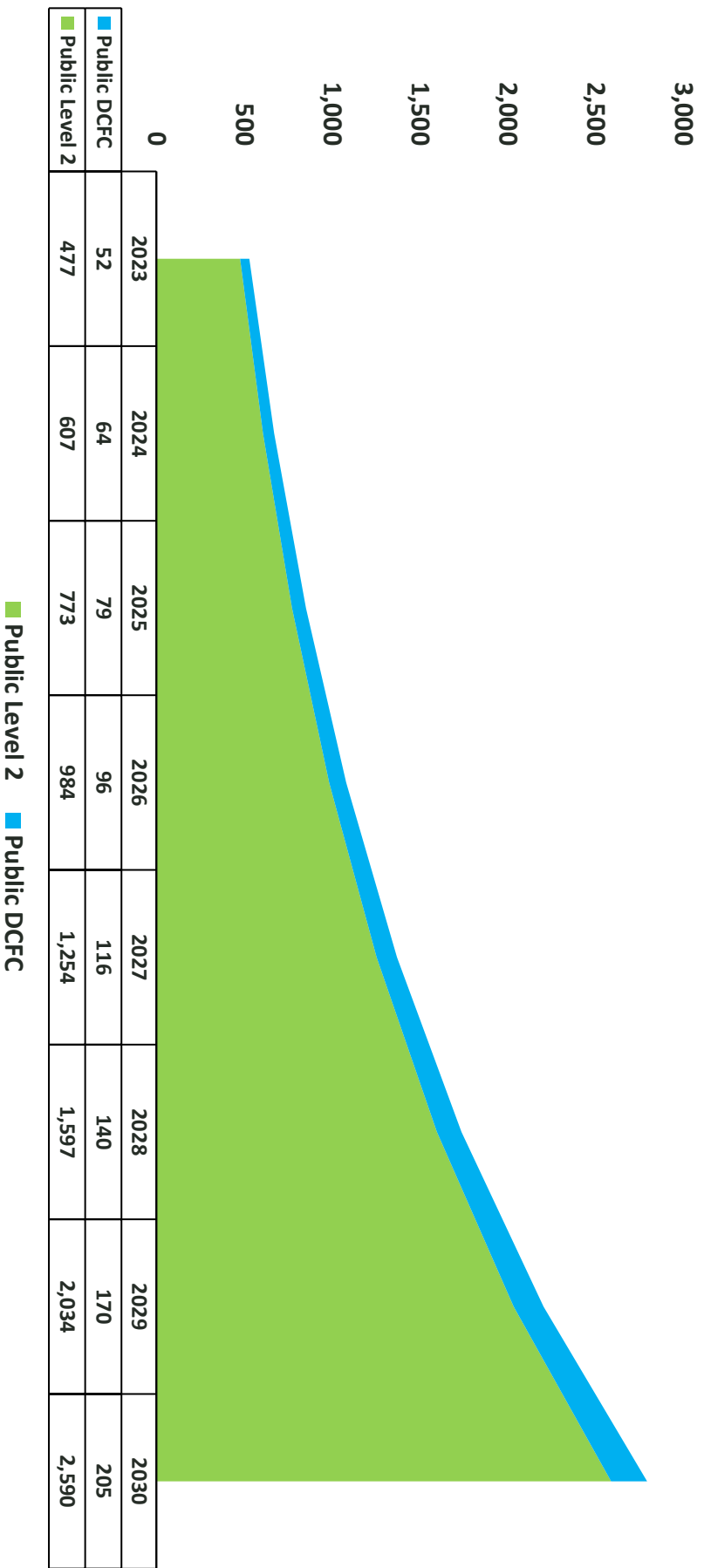
Mesa Distribution of Charging Ports Needed in 2030



- Home Charging Ports
- Shared Private Charging Ports
- Public Level 2 Charging Ports
- Public DC Fast Charging Ports

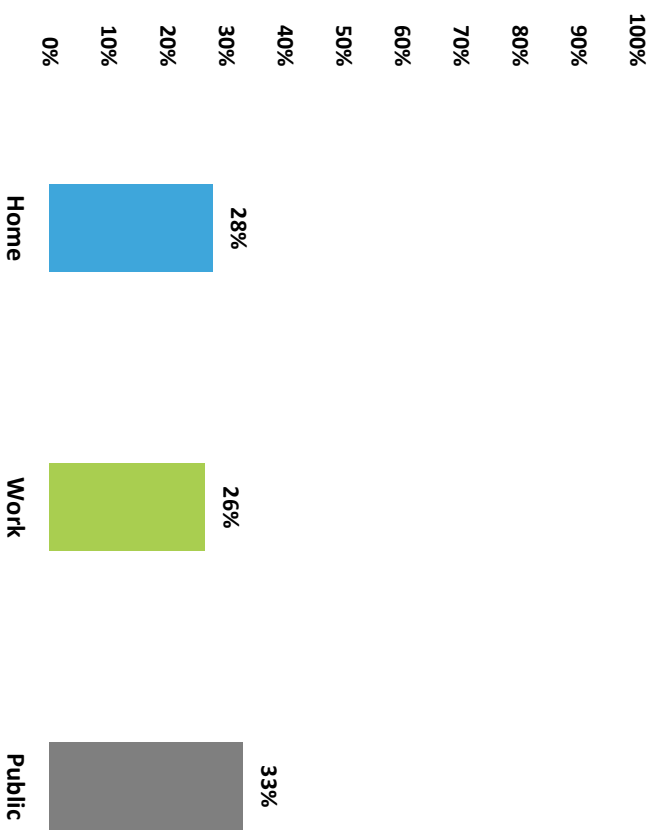
886 ports per year are needed between now and 2030

Projected Public Charging Ports Needed in Mesa

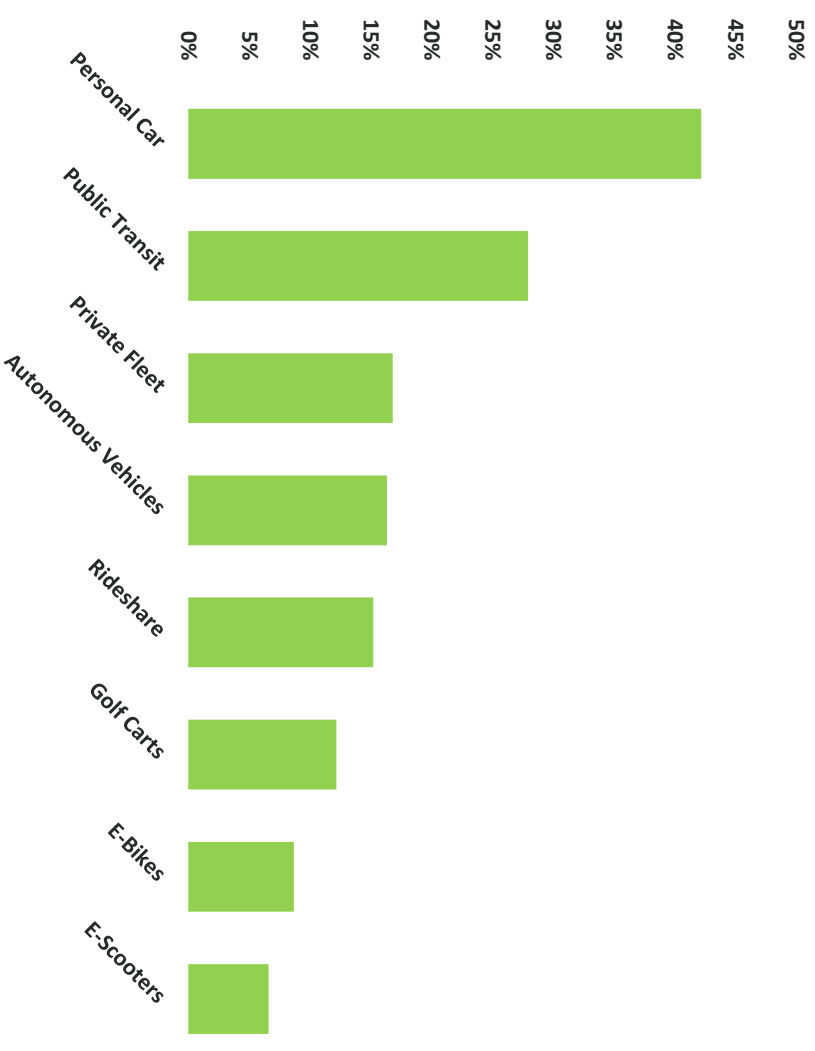


EV Perceptions and Priorities

Do you have access to EV charging?



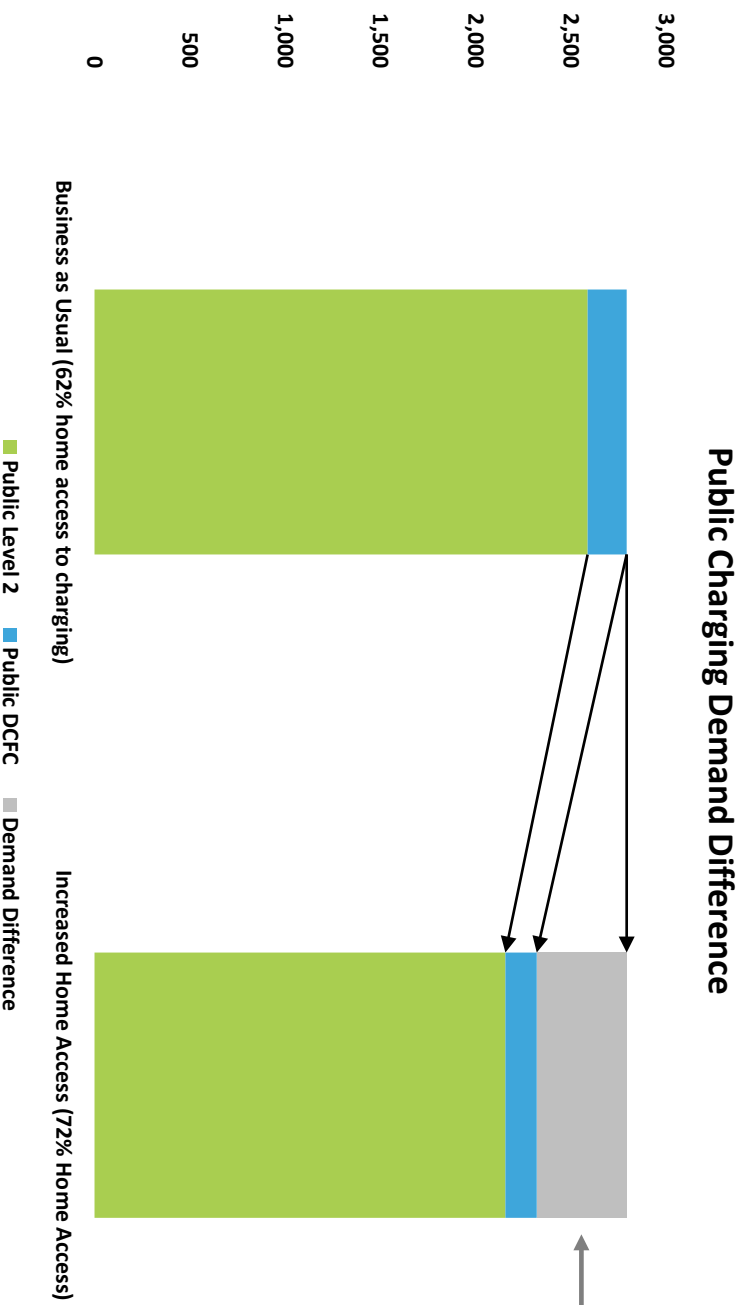
Highest EV Priority



EV Strategies



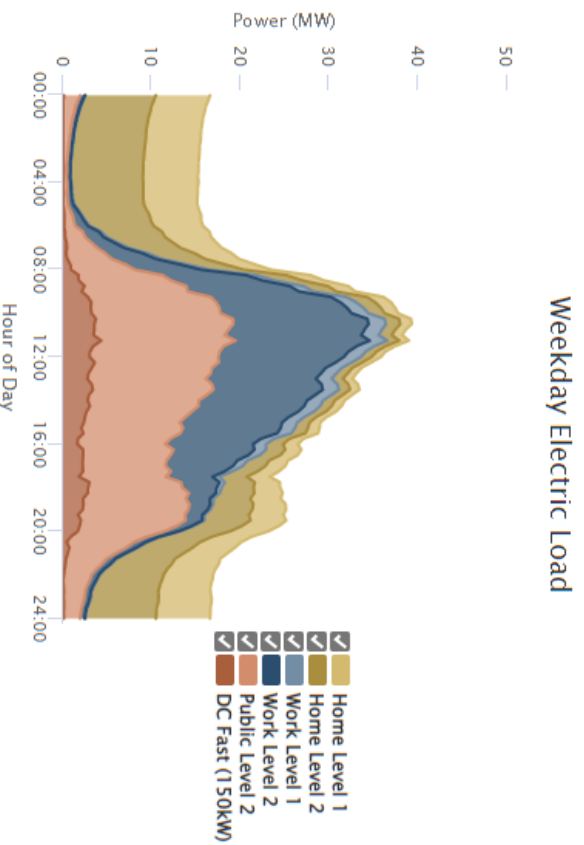
How can public policy influence charging access?



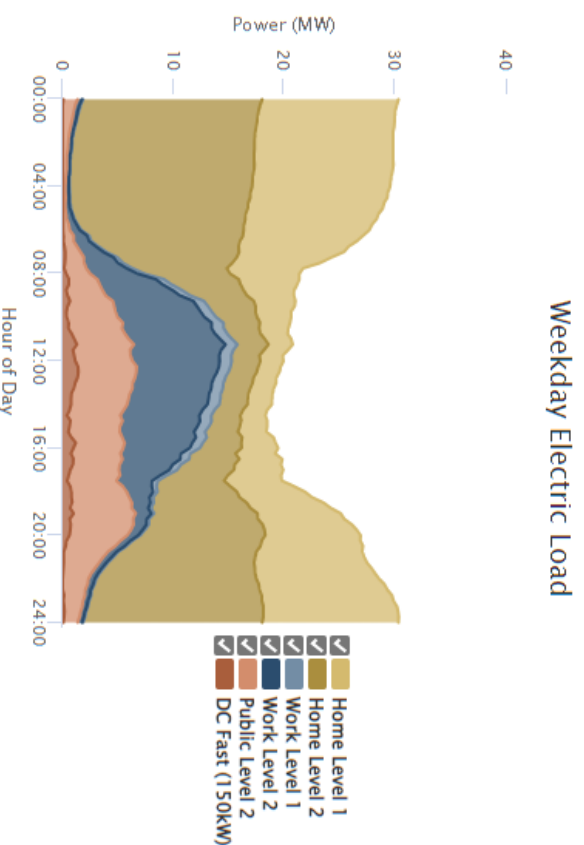
A 10% increase in home charging will result in a 17% decrease in public charging port demand.

EV 2030 Public Charging Scenarios: Time of Day Electric Load

50% access to home charging



100% access to home charging



Our Strategy Focus Areas



Increase charging access at home, particularly for people in multifamily housing.



Support multi-modal access to electrification, including e-bikes, transit, neighborhood electric vehicles, and other micromobility devices.



Increase access to public charging in neighborhoods, at work, and where home charging is less accessible.



Support development of a wide range of energy sources that reduce greenhouse gas emissions.

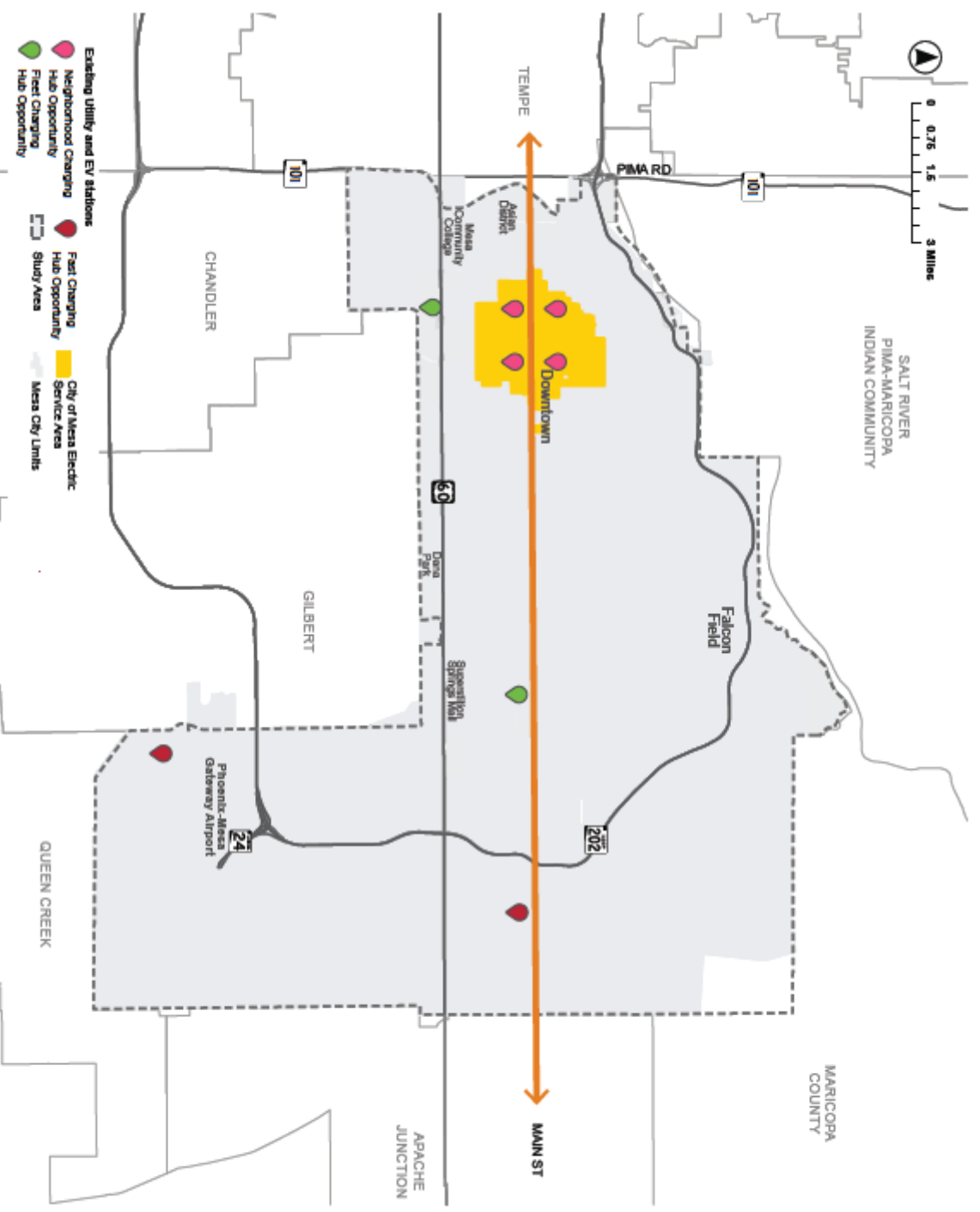
Charging and Fueling Infrastructure Grant

Proposed Station Locations

Number of Proposed Stations: 8

Number of Proposed Ports: 118

**118 ports = 30% of ports
needed in one year**



Discussion



Site 17 Request for Proposals

City Council Study Session

October 26, 2023

Jeff McVay

Manager of Downtown Transformation

Jimmy Cerrachio

Downtown Transformation Project Manager



RFP Summary

- Intent
 - Understand proposed approach to development of 25-acre site
 - Requested with submission
 - Conceptual site plan showing anticipated land uses and densities
 - Key business terms for acquisition and development of property
 - Demonstrate experience and soundness of approach to planning, financing, and developing site
 - Proposed development timeline
 - Letters of intent and support

Guiding

Principles

- Vibrant & Active
- Good Neighbor
- Varied District
- Strengthens Downtown
- Publicly Accessible
- Complementary



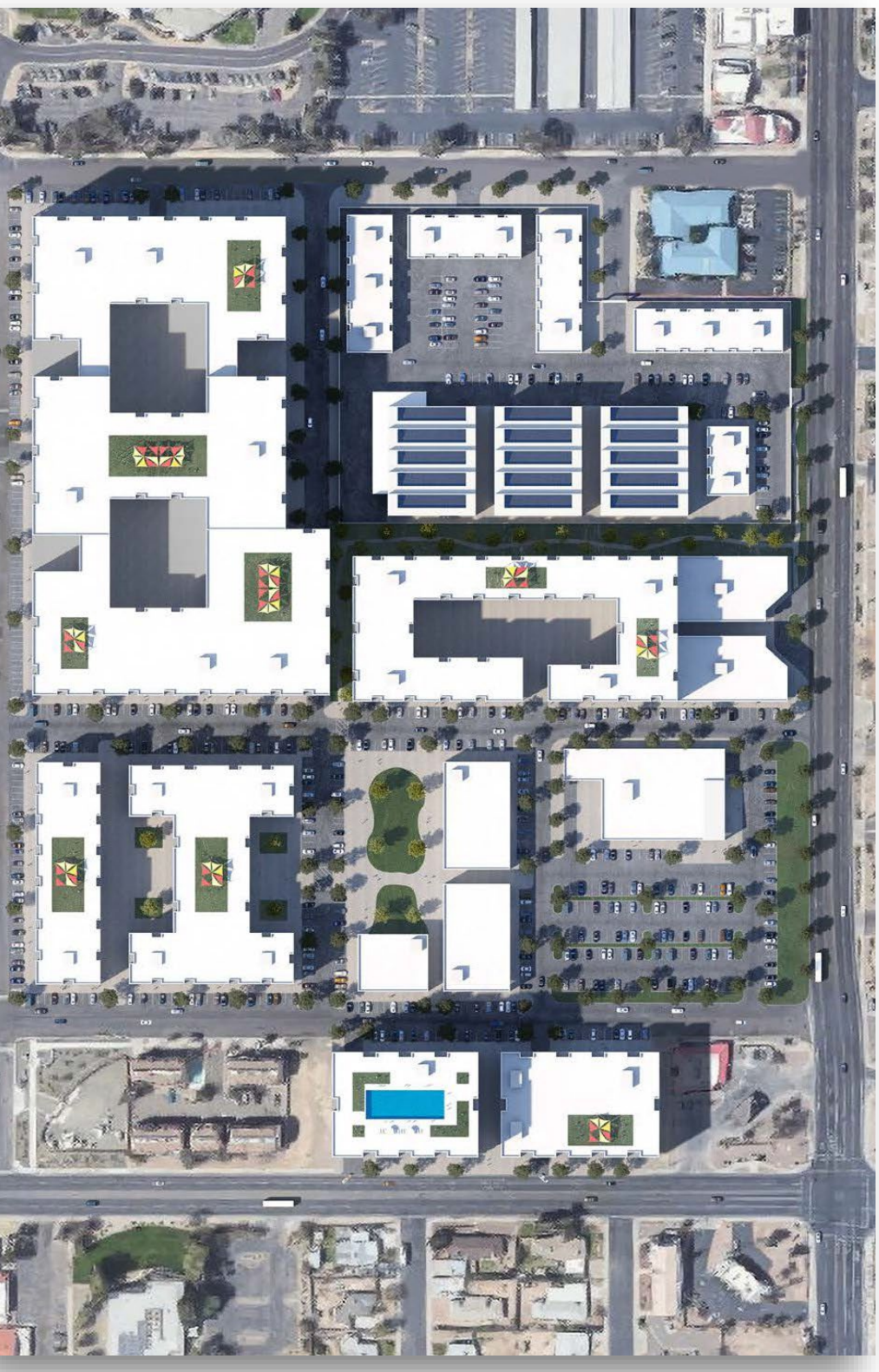
RFP Responses

Caliber

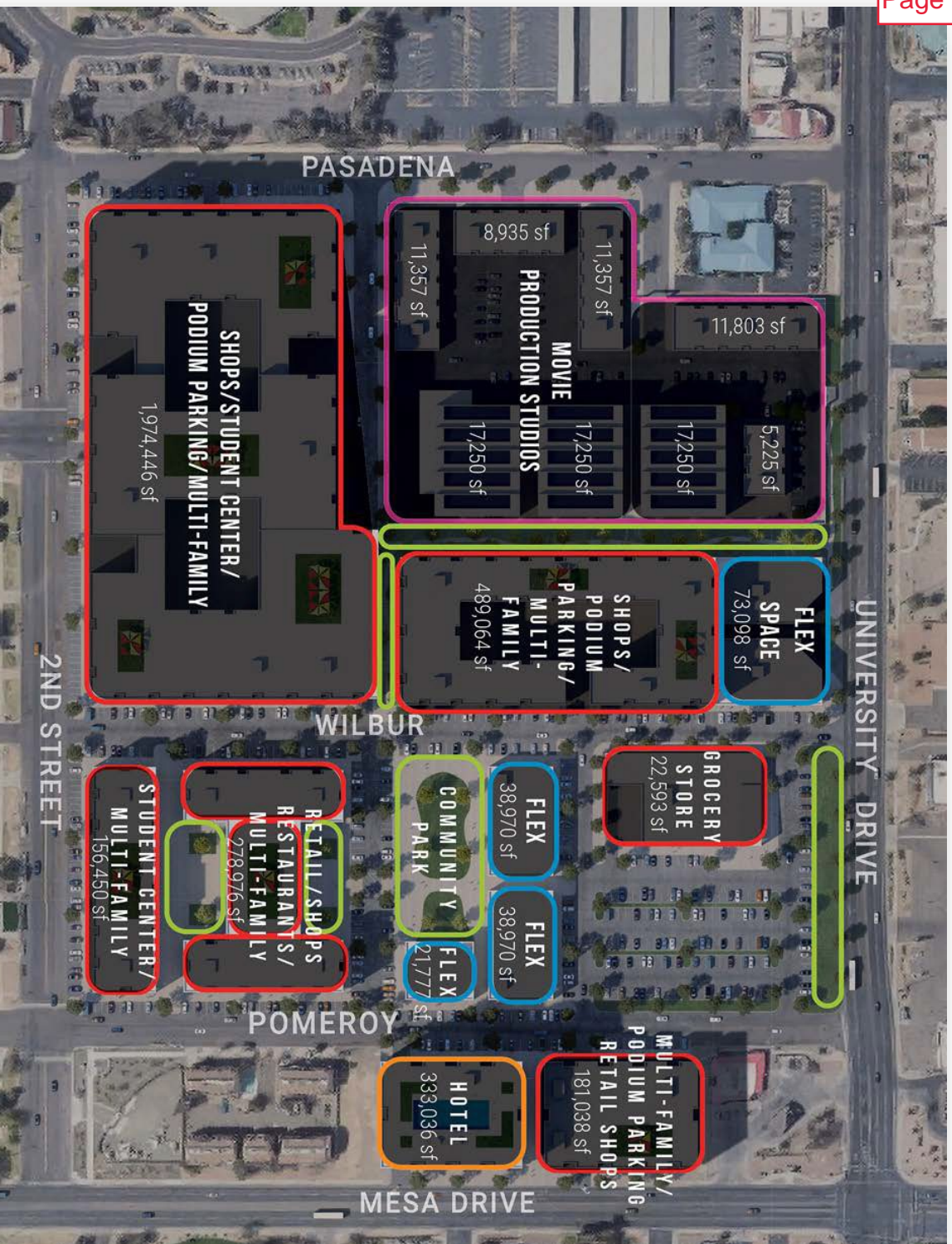


Caliber – Concept overview

- 2,138 Residential Units, 2+ Million Residential Sq Ft
- 1-8 Story Buildings
- 350k Retail/ Restaurant Sq Ft
- 78k Sq Ft Film Studio
- 73k Sq Ft Employment Space
- 80,400 Sq Ft of Open Space, Green Spaces
- Multiple Parking Structures

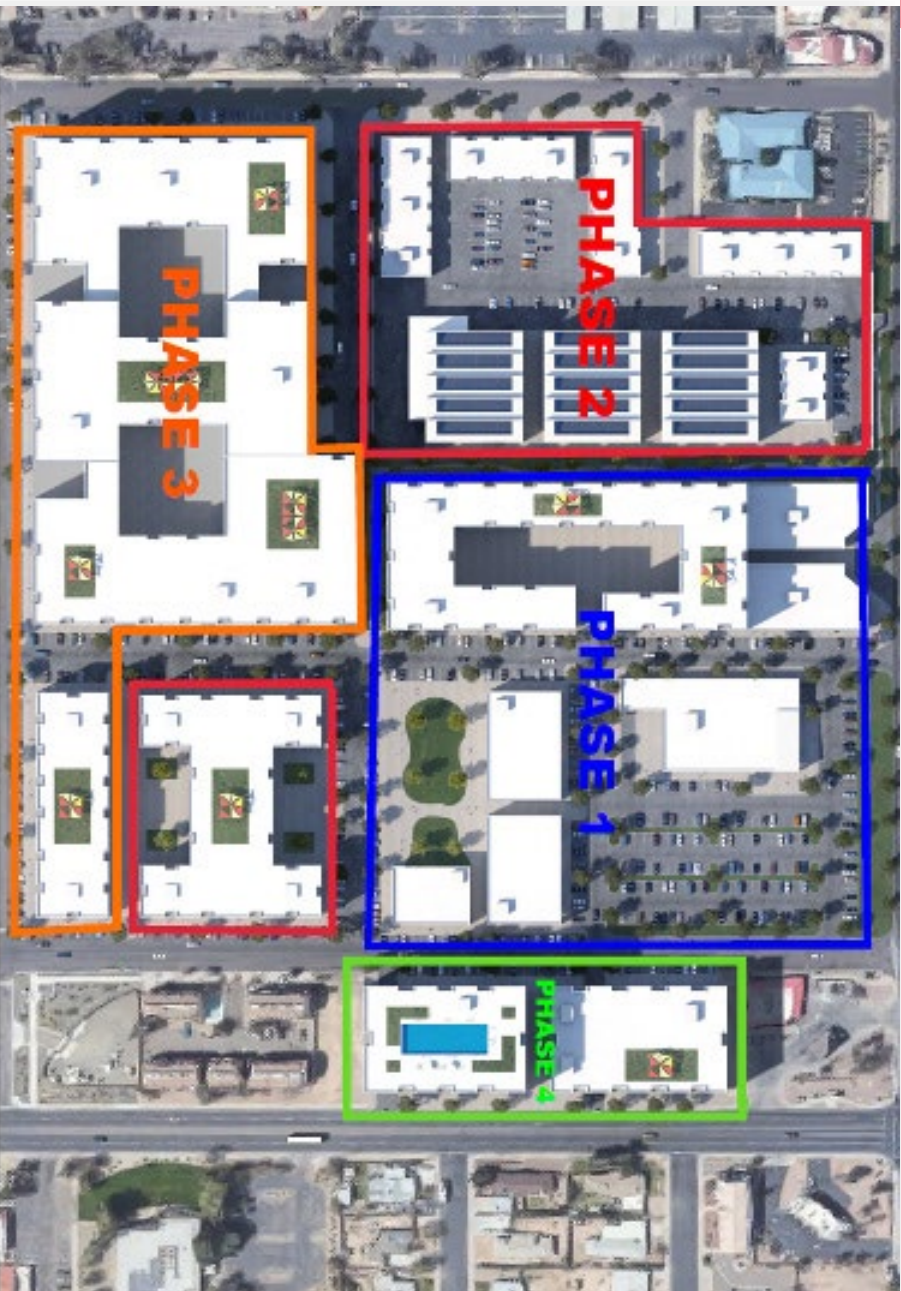


Caliber – Concept Overview



- PARK / OPEN SPACE
- MIXED-USE
- HOSPITALITY
- SPECIALTY
- FLEX SPACE

Caliber - Phasing Plan



Phase 1
Multi-family, ground-floor retail spaces, restaurant, office spaces, community park, and grocery store.

Phase 2
Movie production studio, retail, restaurants, student center, and multi-family.

Phase 3
Multi-family, retail, restaurants, and student center.

Phase 4
Extended stay hotel, multi-family, and retail.

Caliber – Proposed Terms



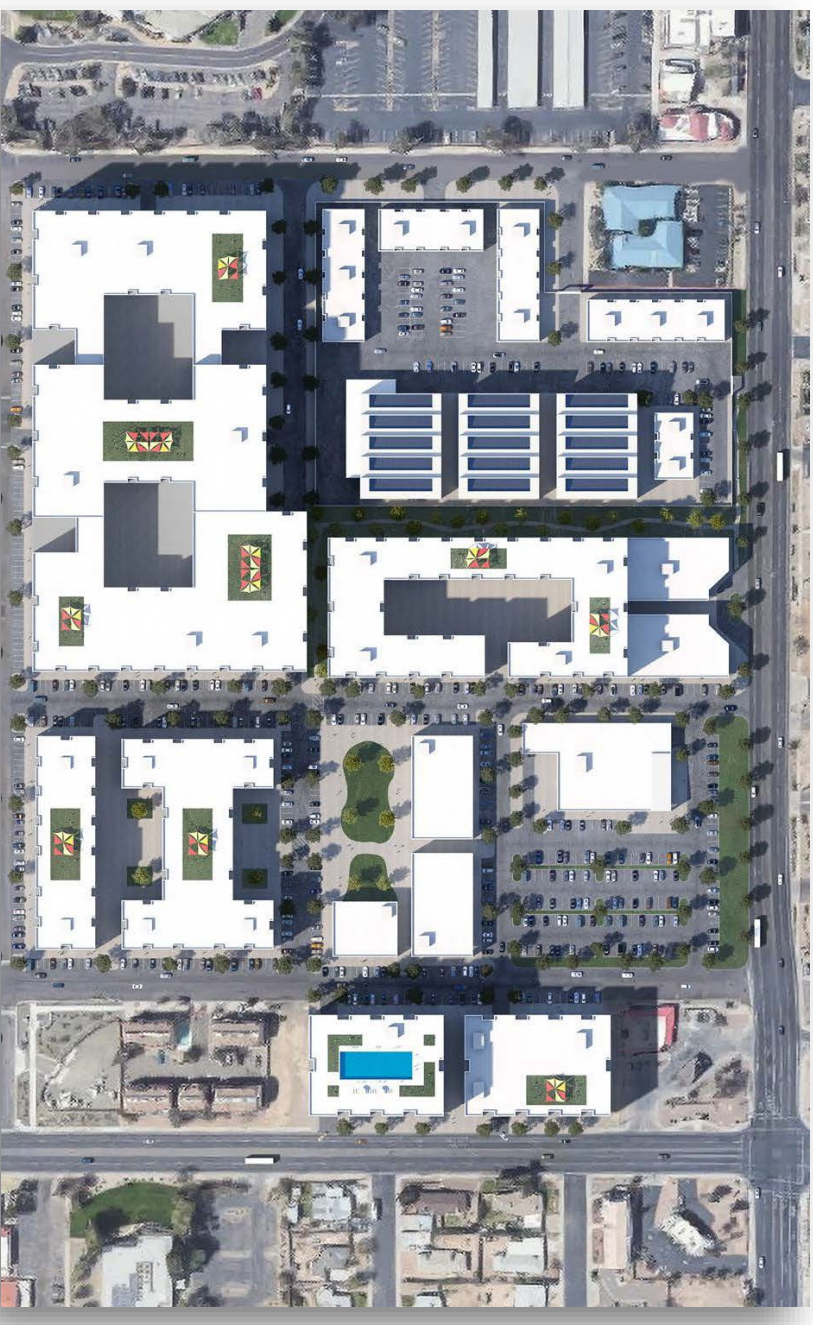
aliber – RFP Response Analysis

Vibrant & Active

- ✓ Significant amount of housing units, including for-sale product, hotel, media studios
- ✓ Community park with water feature
- ✗ Single building grocer with surface parking adjacent to University Dr.

Good Neighbor

- ✓ Will create communication plan for existing community
- ✓ Multiple parking structures proposed
- ✗ Large scale buildings and parking is the transition to historic neighborhood (no buffer)



aliber – RFP Response Analysis



Varied District

- X** Dense uses, lacks numerous types and forms of buildings
 - ✓ Willing to accommodate neon sign collection
- Strengthens Downtown***

- ✓ Will work with local small businesses for retail mix
- Publicly Accessible***

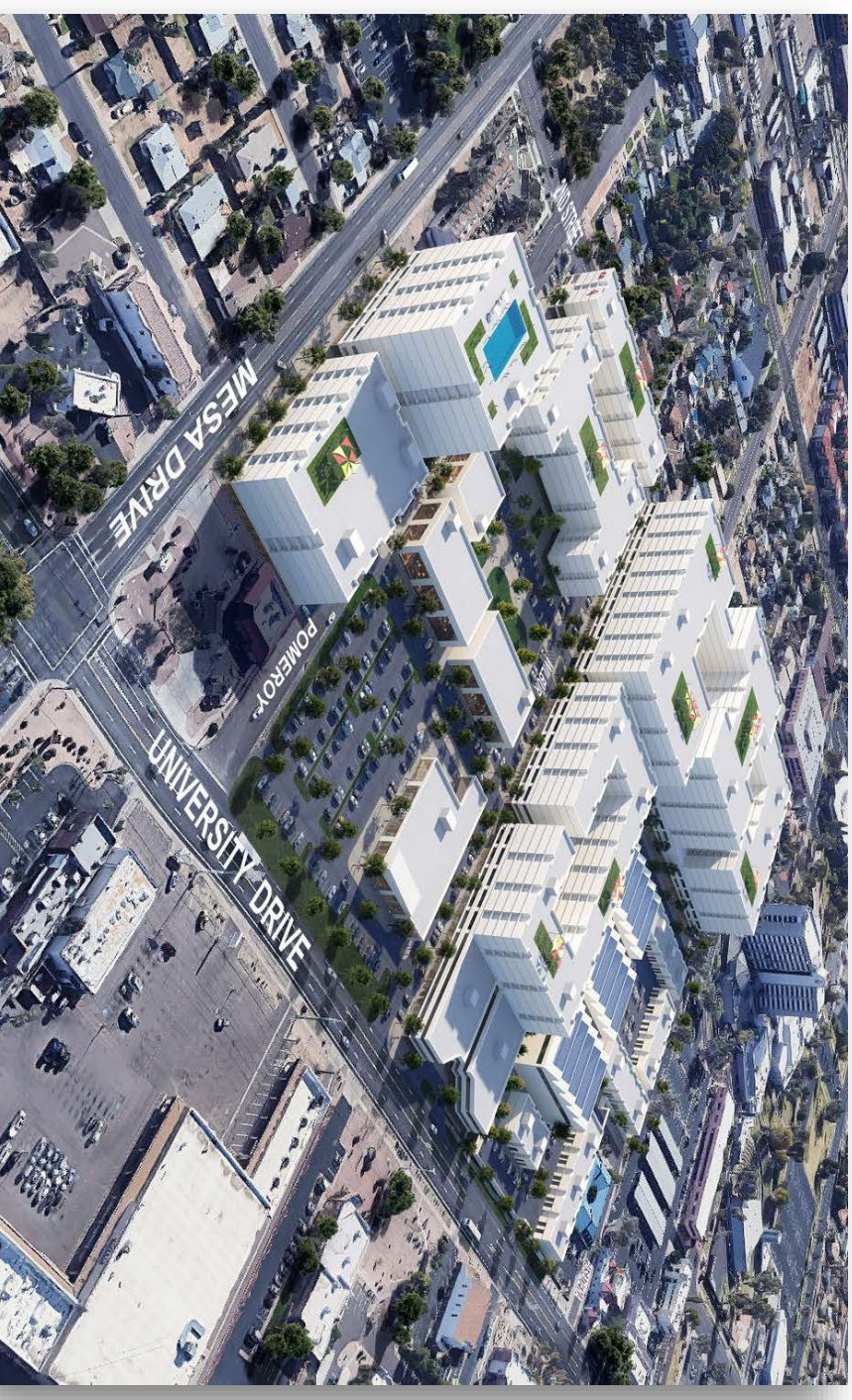
- ✓ Walkable connections between Downtown Mesa, ASU MIX Center, and Convention Center
- ✓ Ample parking and vehicle access
- X** Limited amount of public space

Complimentary

- ✓ Affordable and market rate rental options
- X** Proposes 350k sq ft of retail/ restaurant, creating retail center competing with Downtown Mesa

Caliber - Other Considerations

- Met minimum qualifications and experience
- Financial capacity initially demonstrated
- Requesting right to sell parcels of land to 3rd party in the event the development of parcel does not fit into investment model
- Concept includes significant elements supported by future partnerships with ASU and Redbarre Digital Media and Technology Campus



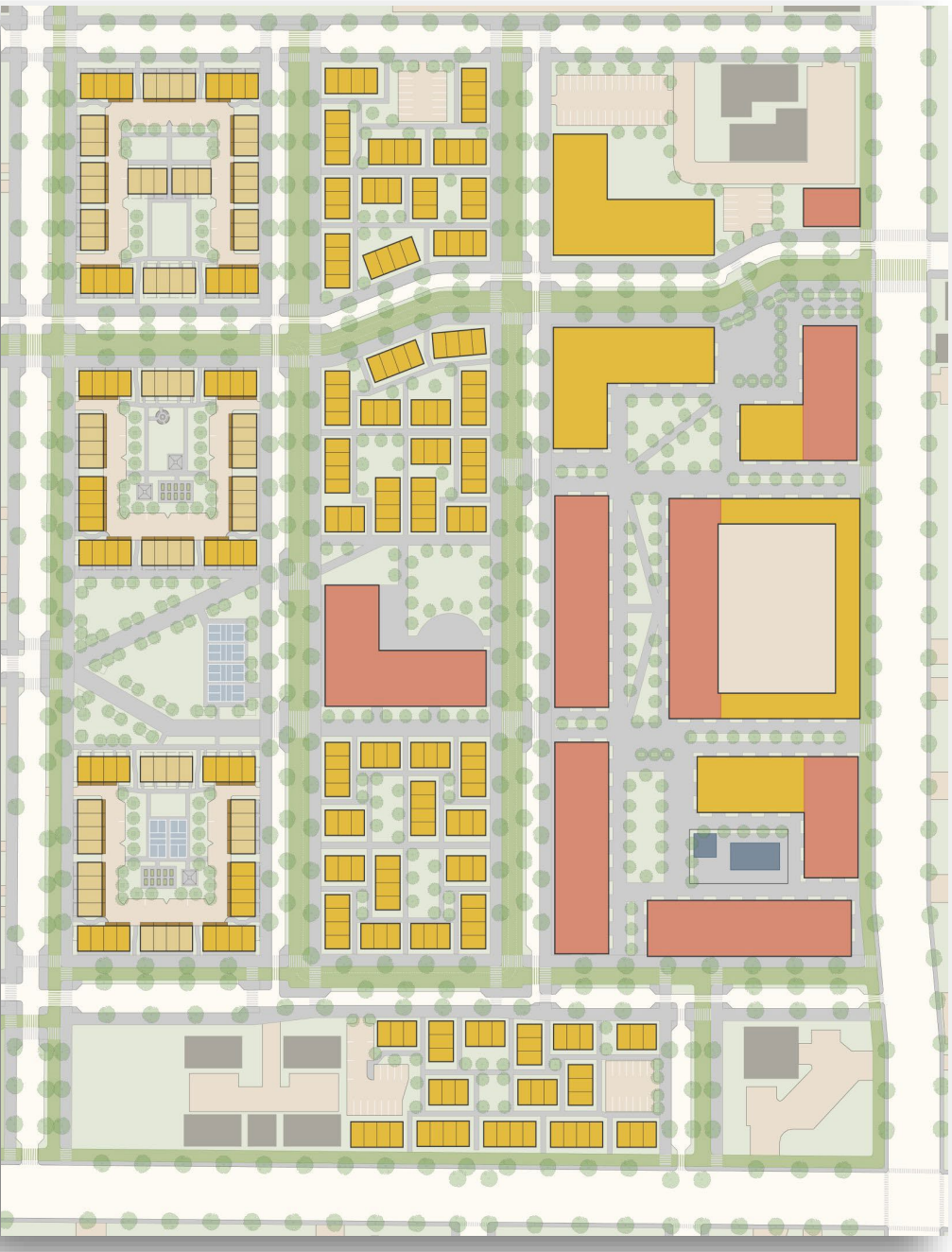
RFP Responses

Culdesac

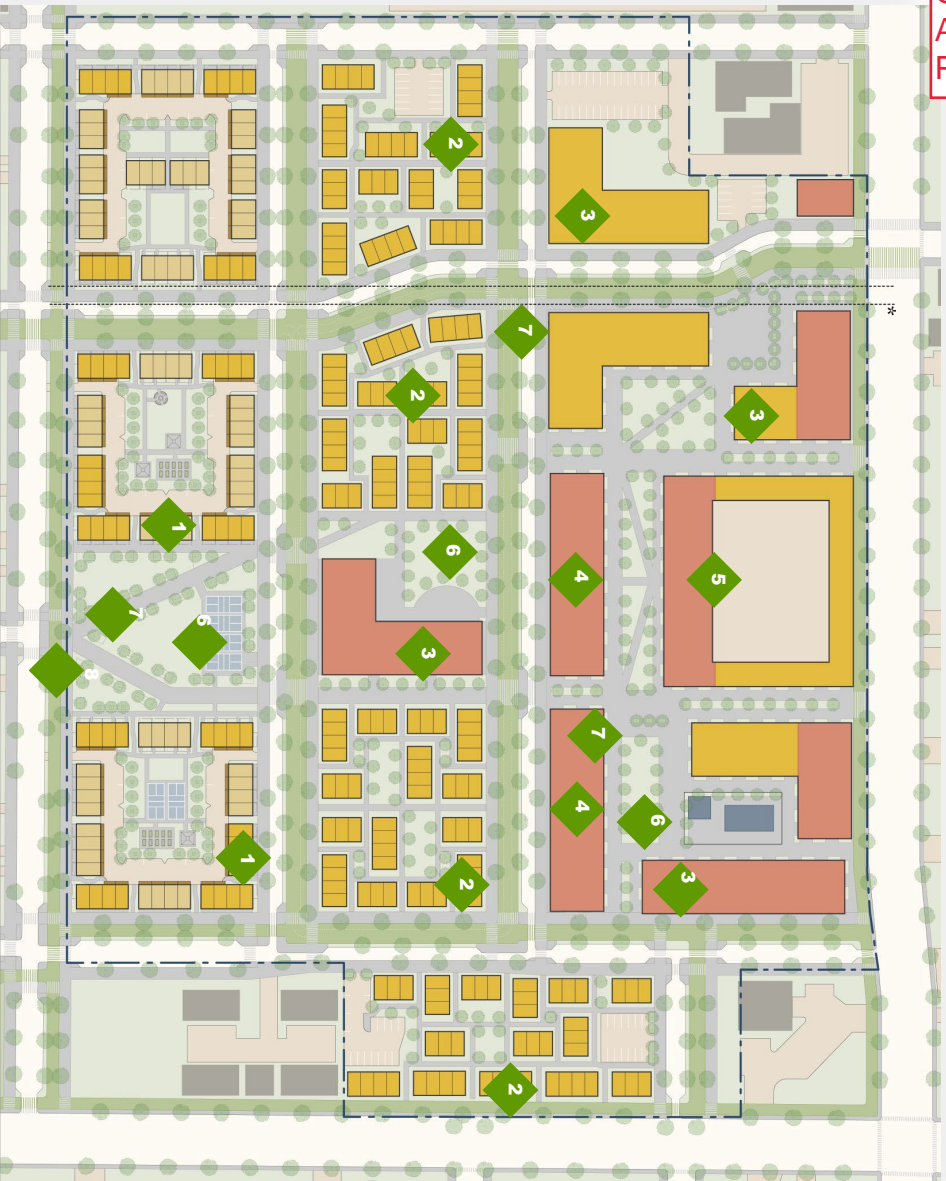


Waldesac – Concept Overview

- 1000 Residential Units, 700K Residential Sq Ft
- 2-5 Story Buildings
- 25k-50k Commercial/ Retail Sq Ft
- 25k-50k Residential Amenity Sq Ft
- 30-50% Open Space, Green Spaces
- 800 Parking Spaces

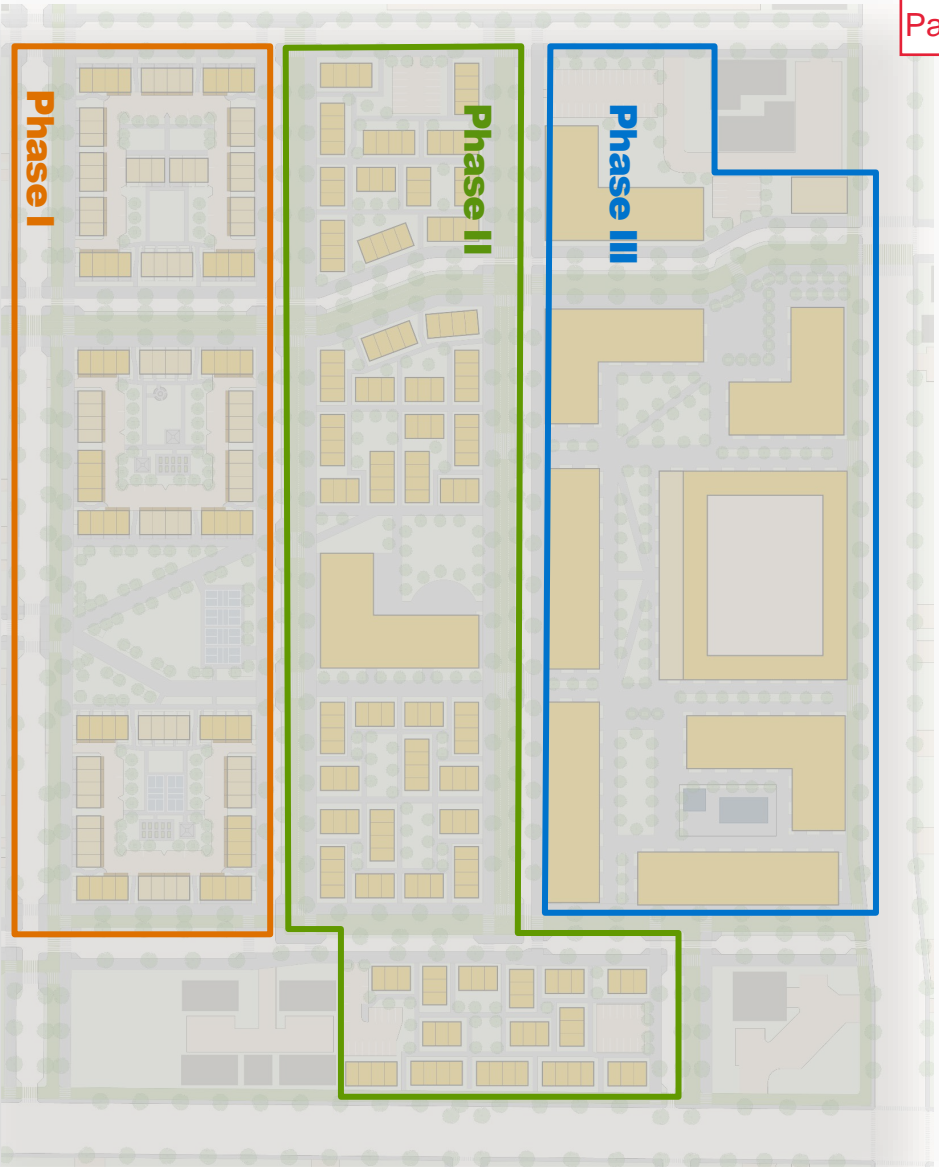


Culdesac – Concept Overview



- 1 2 to 3 story townhomes
- 2 Courtyard residential
- 3 Mid-rise residential and ground floor retail
- 4 Retail row
- 5 Structured parking, wrapped with residential and retail
- 6 Community green spaces
- 7 Mobility hub
- 8 Low-scale housing and green buffer to south

Culdesac – Phasing Plan



Phase I - Southern Edge:

Immediate activation with cart/food truck program, pop-up plaza, and mobility hub. Lower density (5-10 du/a), townhomes, and live-work units

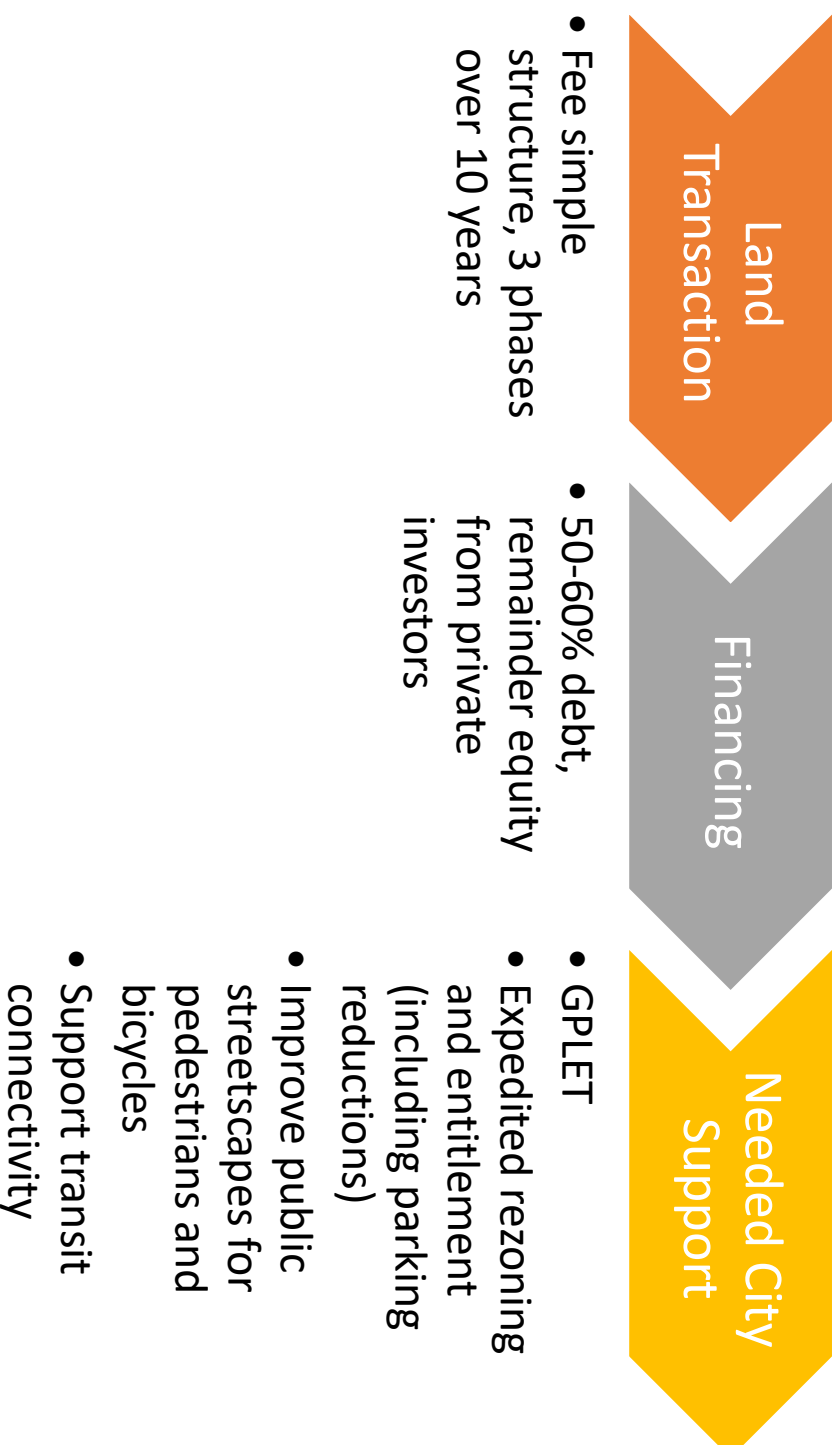
Phase II - Center:

Initial retail and amenities including grocery, coffee, and gym. Middle density residential, courtyard product (30-50 du/a)

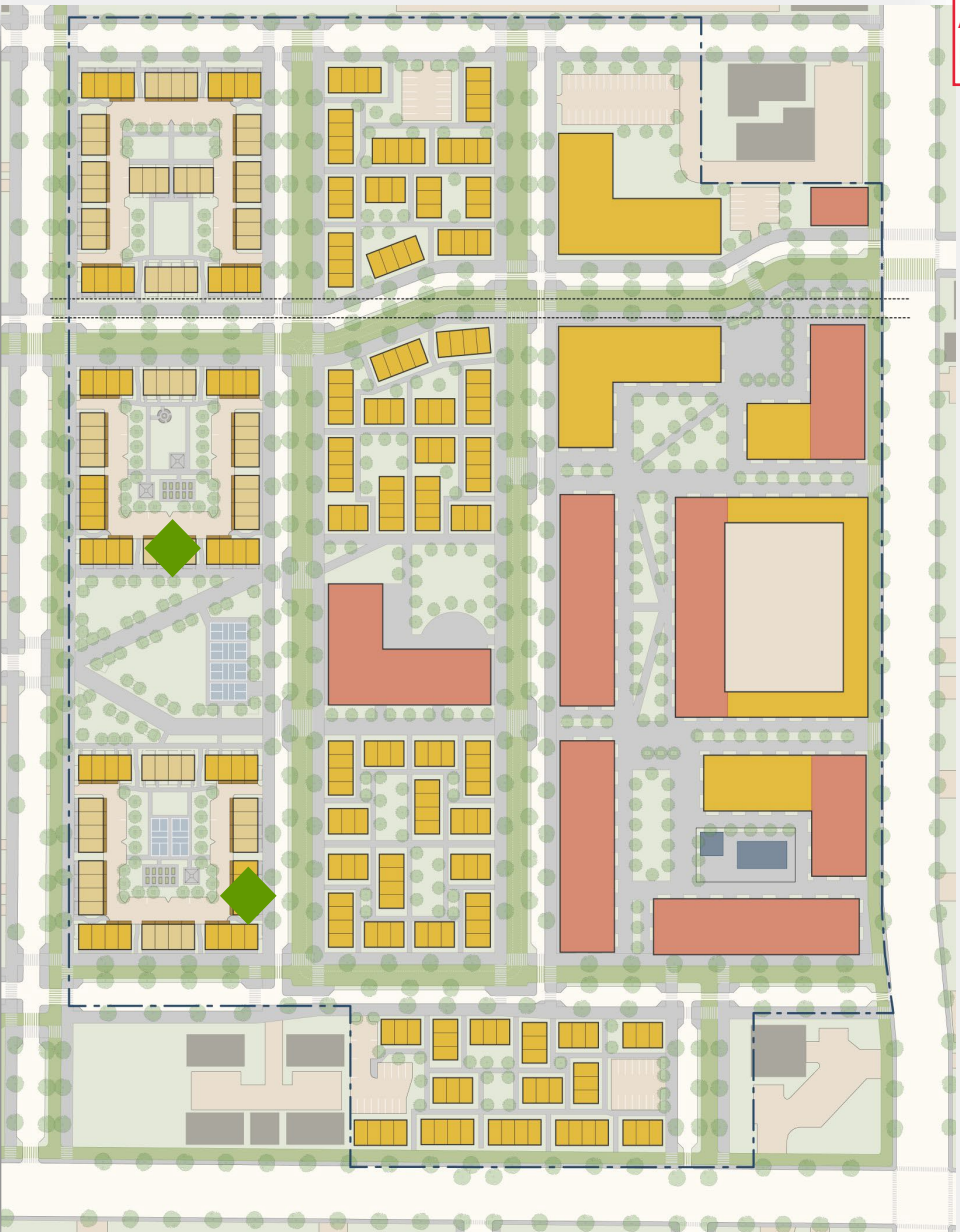
Phase III - Northern Edge:

Full commercial suite with restaurants, bike shop, and coworking. Midrise residential with ground floor retail and amenities (60-120 du/a)

Culdesac – Proposed Terms



Waldesac – RFP Response Analysis



Vibrant & Active

- ✓ Plans to activate site beginning on day 1 of development with events
- ✓ Significant amount of housing units, including for-sale townhomes, courtyard residential, and mid-rise residential
- ✓ Mixed-use with focus on small grocer, bike shop, co-working space, etc.

Good Neighbor

- ✓ Outlines how they will communicate with existing community
- ✓ Sensitive to existing historic neighborhood, scales down development as it approaches single-family homes
- ✓ Prioritizes pedestrian and bicycle experience and connectivity to Valley Metro stations

Waldesac – RFP Response Analysis

ied District

- ✓ Appropriate for urban environment, reduced parking, open space, supporting transit and alternative transportation

- ✓ Public art “front and center”, willing to incorporate neon sign collection

Strengthens Downtown

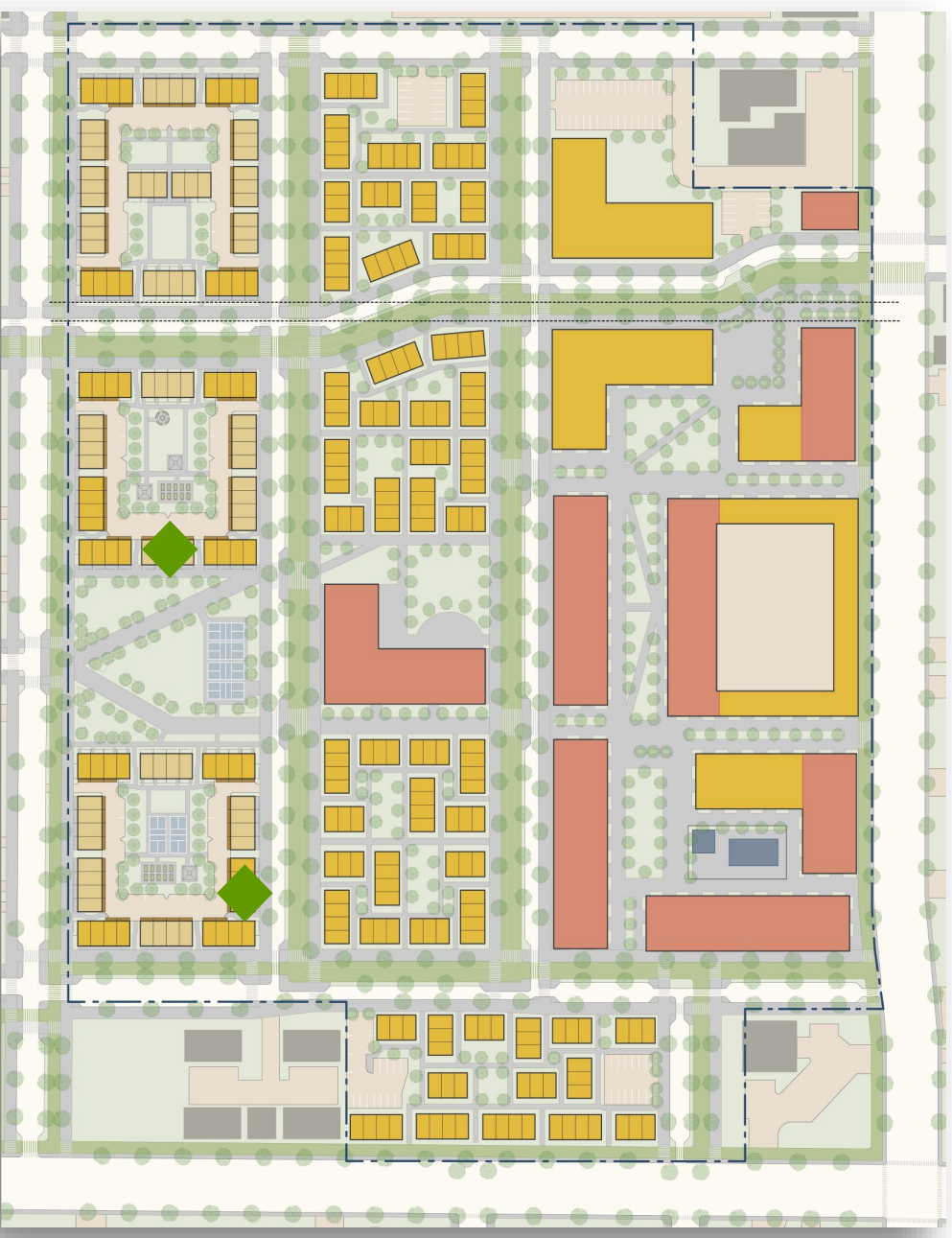
- ✓ Will work with local small businesses for retail mix
- ✓ Walkability minded residents to support area

Publicly Accessible

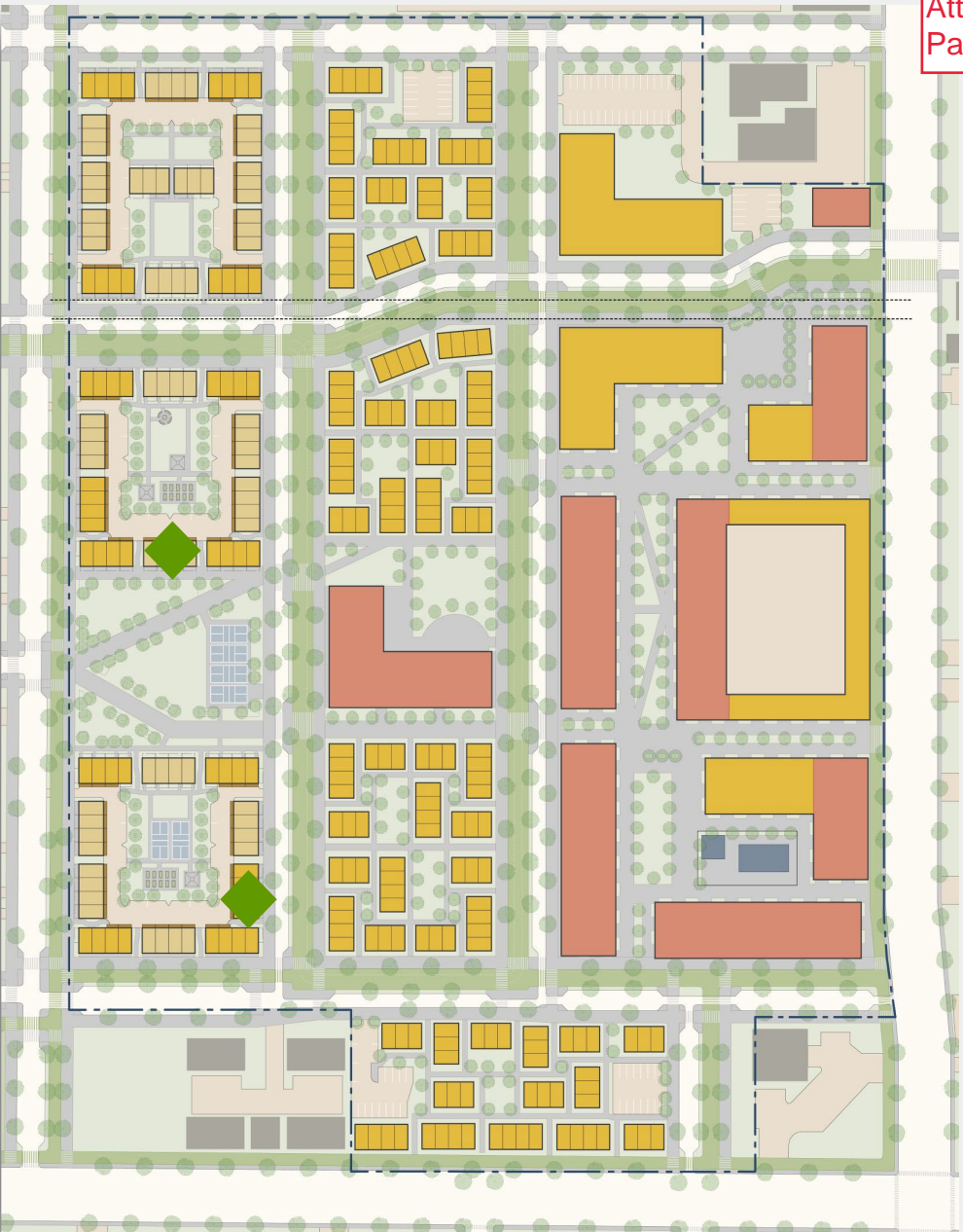
- ✓ Green spaces, retail, walking paths, seating, and some amenities open to public
- ✓ Bike infrastructure and connectivity

Complimentary

- ✓ Planned retail use curated for residents, and will compliment area without competing with Downtown Core
- ✓ Live-work units, co-working space

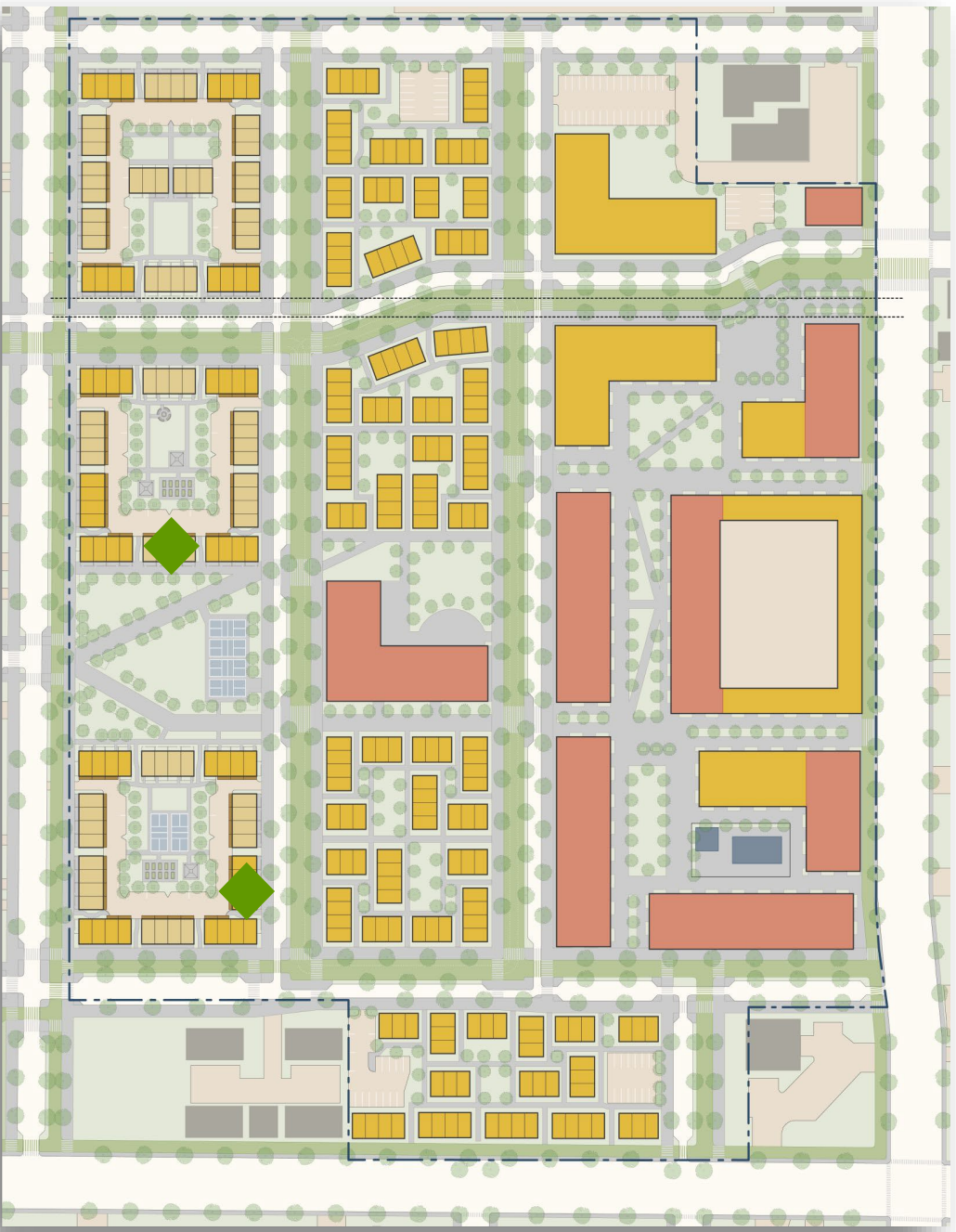



Culdesac - Other Considerations



- Letters of support from City of Tempe, Valley Metro, and Sunbelt Holdings
- Will handle all aspects of development (planning, construction, leasing)
- Environmentally sustainable and helps meet City's Climate Action Plan
- Financial capacity initially demonstrated
- Met minimum qualifications and experience
- No commitments or LOI for commercial space

Evaluation Committee Recommendation: Culdesac





Discussion and Direction