



COUNCIL MINUTES

March 11, 2021

The City Council of the City of Mesa met in a Study Session Meeting via a virtual format streamed into the lower-level meeting room of the Council Chambers, on March 11, 2021 at 7:30 a.m.

COUNCIL PRESENT

John Giles*
Jennifer Duff*
Mark Freeman*
Francisco Heredia*
David Luna*
Julie Spilsbury*
Kevin Thompson*

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

(*Council participated in the meeting through the use of video conference equipment.)

Items were discussed out of order, but for purposes of clarity will remain as listed on the agenda.

Mayor Giles conducted a roll call.

1. Review and discuss items on the agenda for the March 15, 2021 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: None

Energy Resources Department Director Frank McRae introduced Energy Resources Program Manager Anthony Cadorin and provided an update on Item 5-d, **Authorizing the City Manager to enter into Purchase Power Agreements with Solon Development, LLC, for four downtown Mesa solar projects, for operational terms of 25 years. (District 4)**, on the March 15, 2021 Regular Council meeting agenda. **(See Attachment 3)**

Mr. Cadorin explained that the City of Mesa operates a gas and electric utility and does not receive power from Salt River Project but does receive 20% from renewable hydropower projects along the Colorado River and another half of a percent from customers with rooftop solar.

Mr. Cadorin commented staff is in the planning process to add three key resources: a 15-megawatt utility scale solar project with storage on the Gila River Indian Community (GRIC) which has been approved by Council and would constitute about 10% of the annual electric supply; a

utility scale project that would bring approximately 10 megawatts that staff is negotiating at this time; and four solar projects in Downtown Mesa, which is the focus of today's presentation. He stated together these projects total 37% of energy from renewable resources. (See Page 2 of Attachment 3)

Mr. Cadorin highlighted the four solar project sites and explained the project is subject to budget approval, will go through the Request for Proposal (RFP) process, and will total over 800 kilowatts per hour (KWh) of solar power. (See Page 3 of Attachment 3)

Mr. Cadorin explained staff is seeking to execute a Power Purchase Agreement (PPA), which is a common contract structure between a utility and a solar provider. He pointed out the solar provider owns and operates the solar project because private solar providers can construct solar projects less expensively and capitalize on tax attributes that the City cannot. (See Page 4 of Attachment 3)

Mr. Cadorin highlighted other major points of the deal, stating the solar panels will not be metered so they will not reduce building energy consumption, and will be contributing directly to the grid, therefore going directly into the City's power portfolio. He reported the 25-year deal will be at a fixed price, which is the vendor bid price plus any reasonable adjustments incurred during construction and design for changes outside of the RFP scope. He clarified the City can purchase the system after year six due to tax provisions.

Mr. Cadorin outlined the results of the RFP, stating three final bids were received, all Arizona companies, and staff is seeking approval to negotiate and enter into a PPA with Solon Corporation. (See Page 5 of Attachment 3)

In response to a question from Councilmember Luna regarding a previous solar project proposed at the Mesa Arts Center, Mr. Cadorin stated the company for that project was Amaresco and while City staff met the deadline for the PPA, at the end of negotiations there were changes in the documents that had not been previously discussed that staff was not comfortable with, which was taken as a sign of bad faith. He added the difference this time is that staff has been able to put forth a more comprehensive document earlier in the process and has a better understanding of what is needed.

Mr. McRae commented the issues that came up with the Amaresco project are not coming up this time and Solon has been working collaboratively with staff and have invested a lot of money upfront in terms of engineering and steel work with the ASU project. He concluded by saying the relationship with Solon is dramatically different than with Amaresco.

Councilmember Luna expressed his support for the project.

Councilmember Thompson expressed support for the project and requested information related to the megawatts per hour (MWh) with a PPA versus purchasing from the grid; and how the system would be upgraded prior to a future City purchase.

Mr. Cadorin responded by saying the average portfolio price is approximately 3.5 to 4 cents per KWh; however, due to the recent Texas and California energy crisis instability that number will increase. He explained that solar projects are looked at in terms of the life of the asset; and because these are complex solar projects, they require a lot of steel to get off the ground and are more expensive than the current portfolio price, ranging from 9 to 14 cents per KWh. He expanded by saying this is not a large portion of the portfolio so the impact to customers will be very minimal

and other benefits, such as shade and a renewable asset, brings value to the table to make up the gap in pricing.

In response to a question from Councilmember Thompson regarding the difference in pricing and how that would not impact customers, Mr. Brady stated that is the reason for proposing projects with dual benefits. He commented that Council has challenged staff to look at opportunities to bring solar into the portfolio, recognizing that may be more expensive initially, but that other sources might not be as renewable or environmentally friendly. He added staff is trying to move at a pace that combines all options.

Mr. McRae clarified that the variation in costs per KWh is over the course of the year. He reminded Council that the 13 cents per KWh is a fixed price for the 25-year term of the agreement, so the magnitude of the impact will be minimal compared to all the other costs due to the small amount of KWh.

Mr. Cadorin explained the degradation is not so much in the modules but in the inverters, which have a shelf life of 6 to 10 years. He clarified the inverters are the other major piece of equipment that converts the direct current (DC) electricity coming out of the panels to the alternating current (AC) grid electricity. He added replacing the inverters is an expensive undertaking.

Mr. McRae stated if the City chose to purchase at the end of the term, staff would complete a thorough analysis of the value of the panels based on degradation to ensure the City is not making a bad financial decision.

Vice Mayor Duff expressed her support for solar power and to help the City reach the long-term goal outlined by the Arizona Corporation Commission for 100% carbon free energy by 2050. She stated, based on Mesa's approximately 36% renewable energy, the City can achieve the goal by 2030 or 2035. She inquired what percentage these four projects will add to our renewable energy portfolio.

In response to a question from Vice Mayor Duff regarding the clean energy and Renewable Energy Service Rider program, Mr. McRae explained under the program residential and commercial customers agree to pay one cent per KWh more on their bill based on their consumption for the City to meet varying percentages of the customers energy supply with renewable energy. He stated renewable energy credits will be purchased on the market and verified via a production serial number which cannot be used anywhere else on the grid. He remarked the program will start accepting applications on April 1 and will be promoted through social media with services beginning July 1.

In response to a question from Councilmember Freeman regarding battery storage and capacity, Mr. Cadorin commented there is no onsite storage with any of these projects since each are a small set of installations relative to the total supply portfolio and the City would be able to accommodate the swings in generation with purchasing power. He provided the example of the Clenera Solar Project, which has battery storage and is a 15 MW project with 4.5 MW storage, that cannot store the equivalent of the solar panels. He stated that as the sun goes down and the solar panels fall off in production, the battery will kick in and provide energy during peak times, which is very valuable.

Luke Alm, Vice President of Sales and Marketing with Solon Corporation, explained headquarters are in Arizona and projects are constructed in-house using all Arizona labor. He highlighted Solon's experience with municipalities, school districts, and other commercial clients, and ensured

Council everything possible will be done to make the project a success, and work within the timelines and project viability.

Mayor Giles commented these types of projects are not as competitive but are important in sending the message that this is a priority in our community. He expressed support for the project.

Mayor Giles thanked staff for the presentation.

Planning Director Nana Appiah displayed a PowerPoint presentation on item 7-a, **ZON20-00538 (District 1) Within the 1200 to 1400 blocks of West Bass Pro Drive (south side) and the 1100 block of North Alma School Road (west side). Located south of the 202 Red Mountain Freeway on the west side of Alma School Road (30.9± acres). Modification to the Planned Area Development (PAD) Overlay on the property to amend condition #1 of Ordinance No. 4847 to allow development of a new office building and parking garage within an existing office development. Michael Edwards, The Davis Experience, applicant; Salt River Point, LL LLC, owner**, on the March 15, 2021 Regular Council meeting agenda, and stated this request is to modify a Planned Area Development (PAD) to allow additional office buildings and a parking garage on the property. **(See Attachment 4)**

Mr. Appiah provided a history of approvals and site plans for the property. He stated these buildings were approved up to 40 feet high and no parking structure was included in the original plans. He added in 2014, Buildings E and D were approved for up to 55 feet high and the combined square footage for the whole site was reduced to just over 10,000 square feet (sf). He further clarified that as part of the 2014 approval there was a second option which approved a parking structure that was two stories and could go up to 38 feet. (See Pages 4 and 5 of Attachment 4)

Mr. Appiah highlighted the terms of the new application specific to the new building, which is being proposed as 55 feet; and the parking garage, being proposed as 55 feet with three stories and four levels. (See Page 6 of Attachment 4)

Mr. Appiah displayed photos that show the distance between the existing homes and the project site, which is approximately 120 feet and separated by a canal. (See Pages 8 and 9 of Attachment 4)

Mr. Appiah presented the elevations for the parking garage and noted staff recommended the applicant work with the community as a result of the feedback. He stated the applicant made changes to the parking structure, by increasing the landscaping buffer to improve the aesthetics and modifying the solar panels that were part of initial proposal. He highlighted the second revision to the elevation which was to add screening material to each level of parking to block the view of vehicles. (See Page 10 and 11 of Attachment 4)

Mr. Appiah noted the Design Review Board (DRB) reviewed the project in October 2020 and made recommendations for changes. He clarified the project went back to the DRB in February for review, and while they did not have major concerns with the office building, they did have concerns with the parking structure. He explained that as part of the recommendations the applicant reduced the south part of the parking structure to 26 feet, with a stepped down two-story section, added the screening materials, increased the landscaping along the canal, and improved the facade of the parking structure. (See Pages 13 and 14 of Attachment 4)

In response to a question from Councilmember Freeman, Mr. Appiah stated there are no other documents on file related to this project.

In response to a question from Councilmember Heredia regarding the reasoning for the decrease in height of the parking garage and the number of spaces needed for the development, Mr. Appiah explained one of the concerns is the parking garage blocking the mountain view if it is three stories, and the accommodation was to step down a portion of the garage to 26 feet with the remainder at 44 feet. He commented that while the review process takes aesthetics into consideration and considers what makes a healthy city in terms of views, staff does not consider that in isolated cases.

Discussion ensued relative to parking spaces, that the additional office building and the zoning ordinance allows for the parking structure, that the amount of parking spaces are needed to make the development viable, that the proposed solar panels caused neighborhood concern related to the possible glare and hazard, that it is critical to have covered parking with Class A office space, and that it does not make economic sense to add an additional level of parking at a future date.

In response to a question from Vice Mayor Duff related to the total square footage of the buildings, Mr. Appiah explained the square footage decreased from 2007 to 2014; however, the new building will add 153,000 sf which requires additional parking.

In response to a question from Mayor Giles regarding what is obscuring the view, Mr. Appiah commented on the 2008 site plan which had two, two-story buildings, adding the new proposal does not add a significant amount of obstruction from what the developer is already entitled to build. He clarified that the office building is higher than the parking structure and is the reason for the obstruction.

Councilmember Thompson remarked this area has really developed over the last few years and quality jobs have been brought to the area. He recalled previous councilmembers saying if you want to protect your sightline, then you need to buy the neighboring property. He concurred with Vice Mayor Duff, that property rights need to be respected and the developer has the right to build on the property. He expressed support for the project and stated it is needed and will bring jobs to the area.

In response to a question from Mayor Giles, Mr. Appiah stated the diagrams presented are the final landscaping plans. He explained at the last DRB meeting boardmembers recommended the applicant replace the screening material with higher quality materials.

Mayor Giles thanked staff for the presentation.

2-a. Hear a presentation and discuss a proposed development project known as “Legacy Sports Park”, generally located at the southeast corner of South Ellsworth Road and East Williams Field Road, and related pre-annexation development agreement.

Development Services Project Manager Veronica Gonzalez displayed a Power Point presentation. **(See Attachment 1)** She commented that the land for the project is currently in the process of being annexed into the Mesa City limits and will be zoned light industrial for approximately 295 acres and zoned leisure and recreation for approximately 41 acres. She added this is to accommodate a multi-use sports and recreation facility. (See Page 3 of Attachment 1)

Ms. Gonzalez displayed a rendering of the site which will include three main buildings totaling 477,000 sf and will house indoor sports as well as various outdoor sports fields. She provided a sample of the types of proposed activities. (See Pages 4 and 5 of Attachment 1)

Ms. Gonzalez explained staff has been working with the developer on a pre-annexation development agreement that covers public street improvements for the three arterial streets adjacent to the property. She stated the developer is responsible for street improvements for the south side of Williams Field Road, which includes the extension of a 20-inch waterline as well as improvements for the east side of Ellsworth Road. She reported that Legacy Avenue is an onsite private street and is a point of access to the development from Ellsworth Road. She highlighted deferral of improvements on Crismon Road at this location and that the City has the option to receive payment in lieu of construction from the developer. (See Page 6 of Attachment 1)

Ms. Gonzalez outlined the development agreement and indicated there is a provision that allows the City to reimburse the developer for the improvements they install on Crismon Road up to \$1.5 million. She added the Williams Field Road improvements will provide a public benefit to the City in that they expand Mesa's street network system as well as connect the Gateway East development plan to Phoenix-Mesa Gateway Airport to the State Route 24 freeway. She further explained the reimbursement will come from the 2020 Bond election funds but will not be payable to the developer until the improvements for both Ellsworth and Williams Field Roads have been completed and accepted. (See Page 7 of Attachment 1)

Ms. Gonzalez highlighted prohibited land uses that are incompatible with the General Plan character designation of the area. She clarified that participants will be allowed to park RV's onsite for no more than three days within any seven-day period. (See Page 8 of Attachment 1)

Ms. Gonzalez commented the developer is on an aggressive construction schedule, having already obtained some building permits from Maricopa County and started construction. (See Page 9 of Attachment 1)

Mayor Giles thanked staff for the presentation.

2-b. Hear a presentation and discuss the master plan and operational update of the Mesa Cemetery.

Acting Parks Recreation and Community Facilities Department Director Andrea Moore provided an update on the cemetery expansion. **(See Attachment 2)**

Ms. Moore displayed an ariel photograph of the cemetery property, showing a majority of the sections are sold out and highlighted sections that still have areas for purchase. She commented on recently expanded sections that will be available for sale in the spring. She added with this expansion, staff is estimating eight years of inventory. (See Pages 2 and 3 of Attachment 2)

Ms. Moore highlighted other cemetery improvements including replanting lost trees, digitizing cemetery records, updating the cemetery office, and repairing the north wall. (See Page 4 of Attachment 2)

In response to a question from Vice Mayor Duff regarding funding of operations, Ms. Moore commented the sale of grave sites fully funds operations and the funding of the expansion will be borrowed from future sales.

In response to a question from Councilmember Freeman regarding expansion, Ms. Moore explained staff has been trying for a few years to get clearance to move the canal to allow for future expansion; however, the Bureau of Reclamation (BOR) is working on clarifying the process of moving the canal and the clearance needed to start that conversation.

Mayor Giles thanked staff for the presentation.

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

3-a. Economic Development Advisory Board meeting held on February 2, 2021.

It was moved by Councilmember Luna, seconded by Councilmember Thompson, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Giles-Duff-Freeman-Heredia-Luna-Spilsbury-Thompson

NAYS – None

Carried unanimously.

4. Current events summary including meetings and conferences attended.

Mayor Giles –

Homeland Security

Vice Mayor Duff –

Lunch Mob at Mesa Chamber of Commerce
Panelist for Mesa Empowerment Summit

Councilmember Luna –

National League of Cities Congressional Meeting
National League of Cities Hispanic Elected Leaders

Mayor Giles and Vice Mayor Duff reported on the 70 years celebration of Pomeroy Men's Store.

Vice Mayor Duff and Councilmember Freeman reported on a National League of Cities workshop and the Ball Game Exhibit at the Mesa Historical Museum.

5. Scheduling of meetings.

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

Monday, March 15, 2021, 4:15 p.m. – Audit, Finance and Enterprise Committee

Monday, March 15, 2021, 5:15 p.m. – Study Session

Monday, March 15, 2021, 5:45 p.m. – Regular Session

6. Adjournment.

Without objection, the Study Session adjourned at 9:16 a.m.



JOHN GILES, MAYOR

ATTEST:



DEE ANN MICKELSEN, CITY CLERK

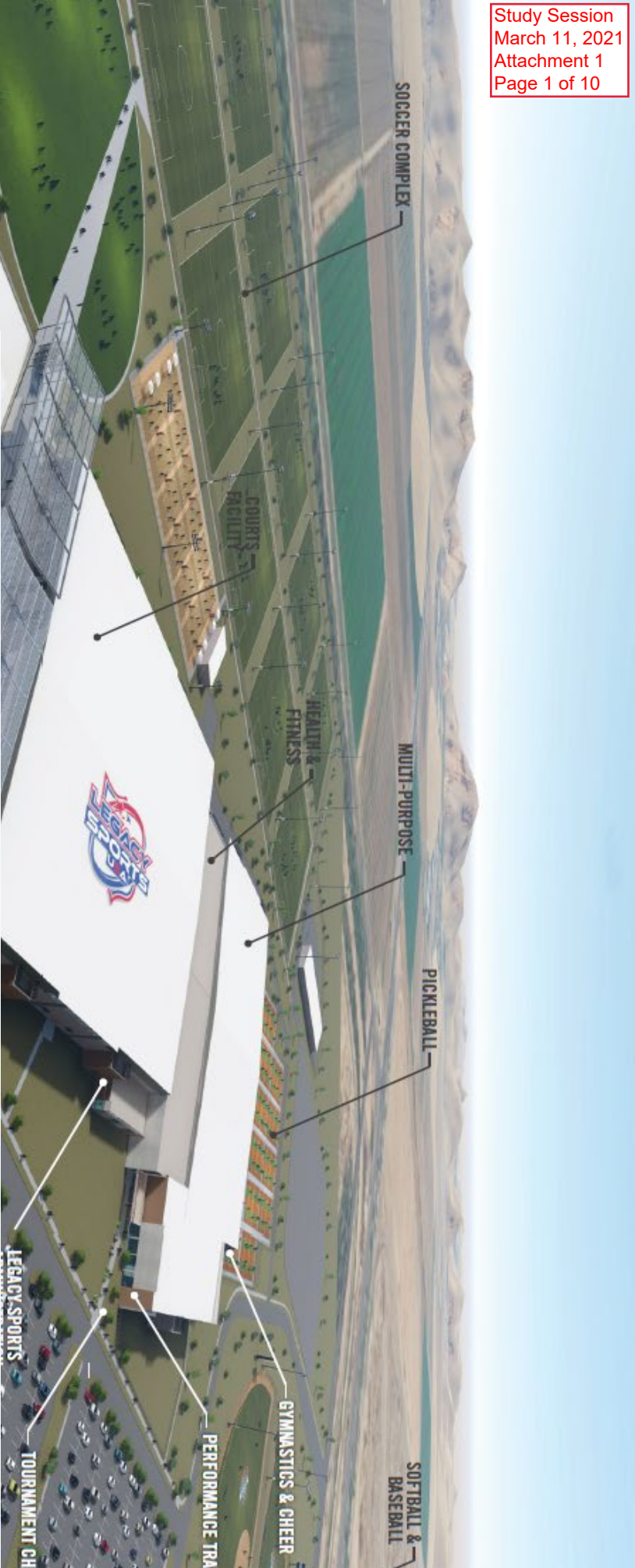
I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 11th day of March 2021. I further certify that the meeting was duly called and held and that a quorum was present.



DEE ANN MICKELSEN, CITY CLERK

jg/dm
(Attachments – 4)





LEGACY SPORTS PARK



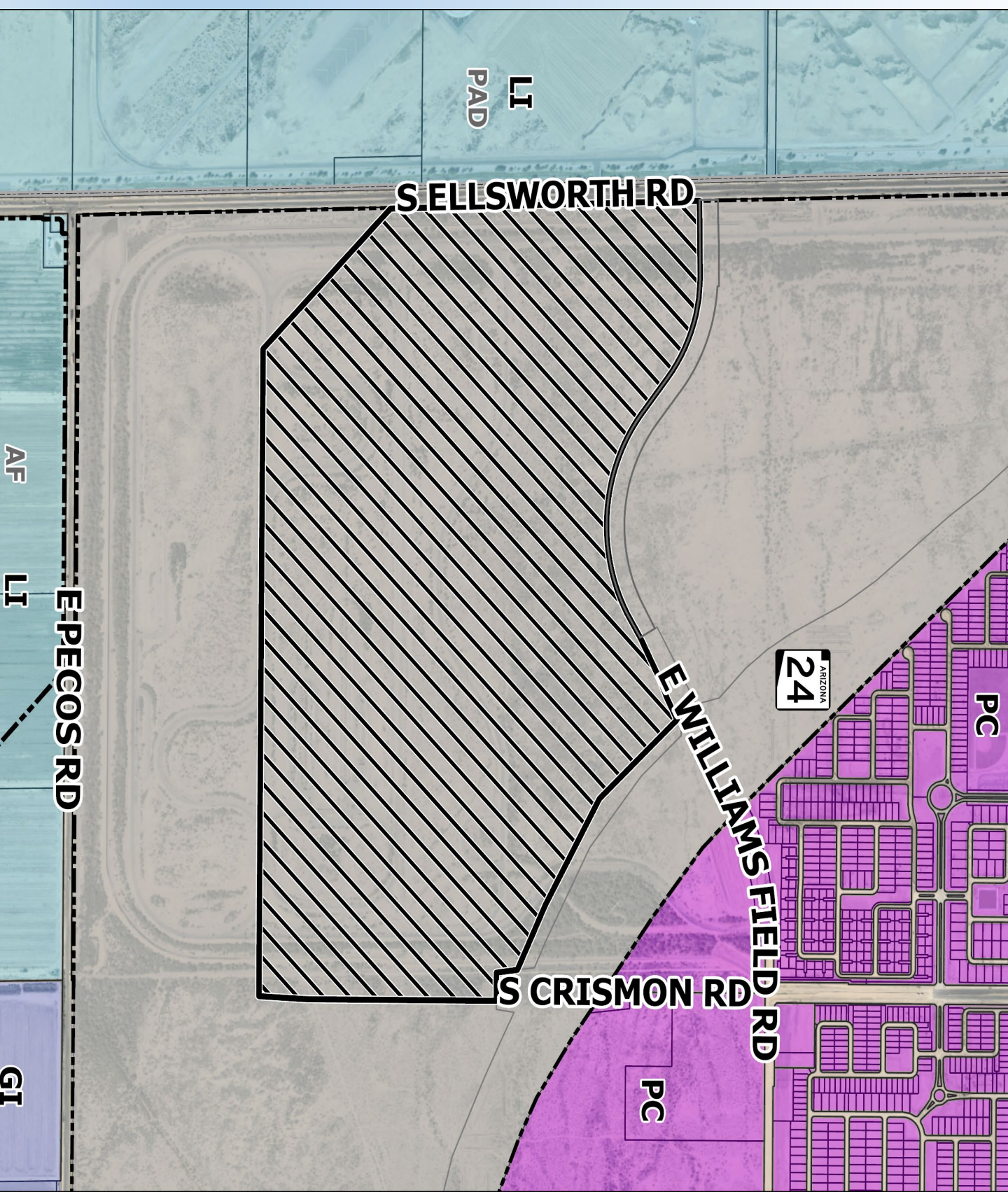
City Council
Study Session

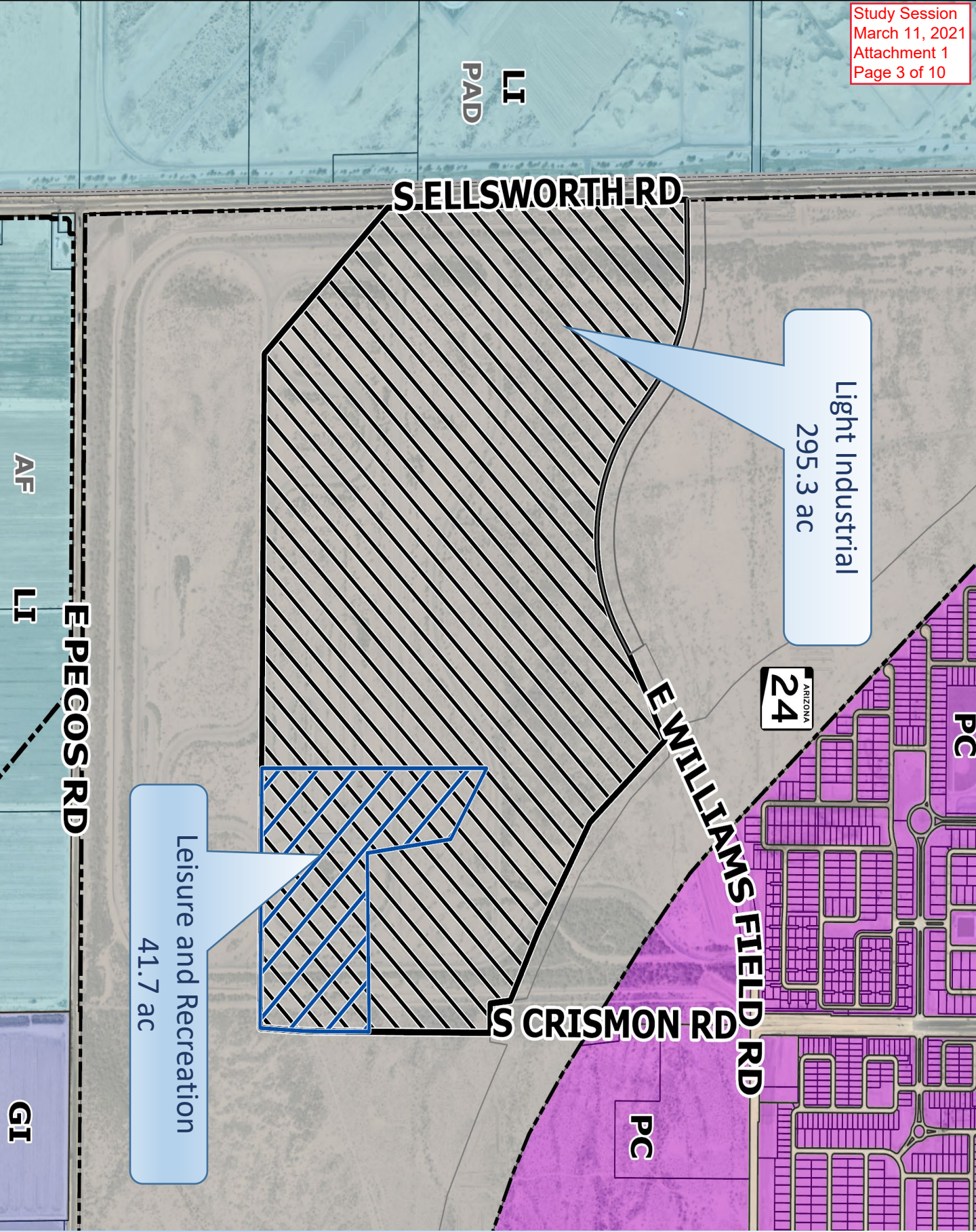
March 11, 2021

Veronica Gonzalez,
Development Services
Project Manager

LOCATION

- South of Williams Field Road on the east side of Ellsworth Road



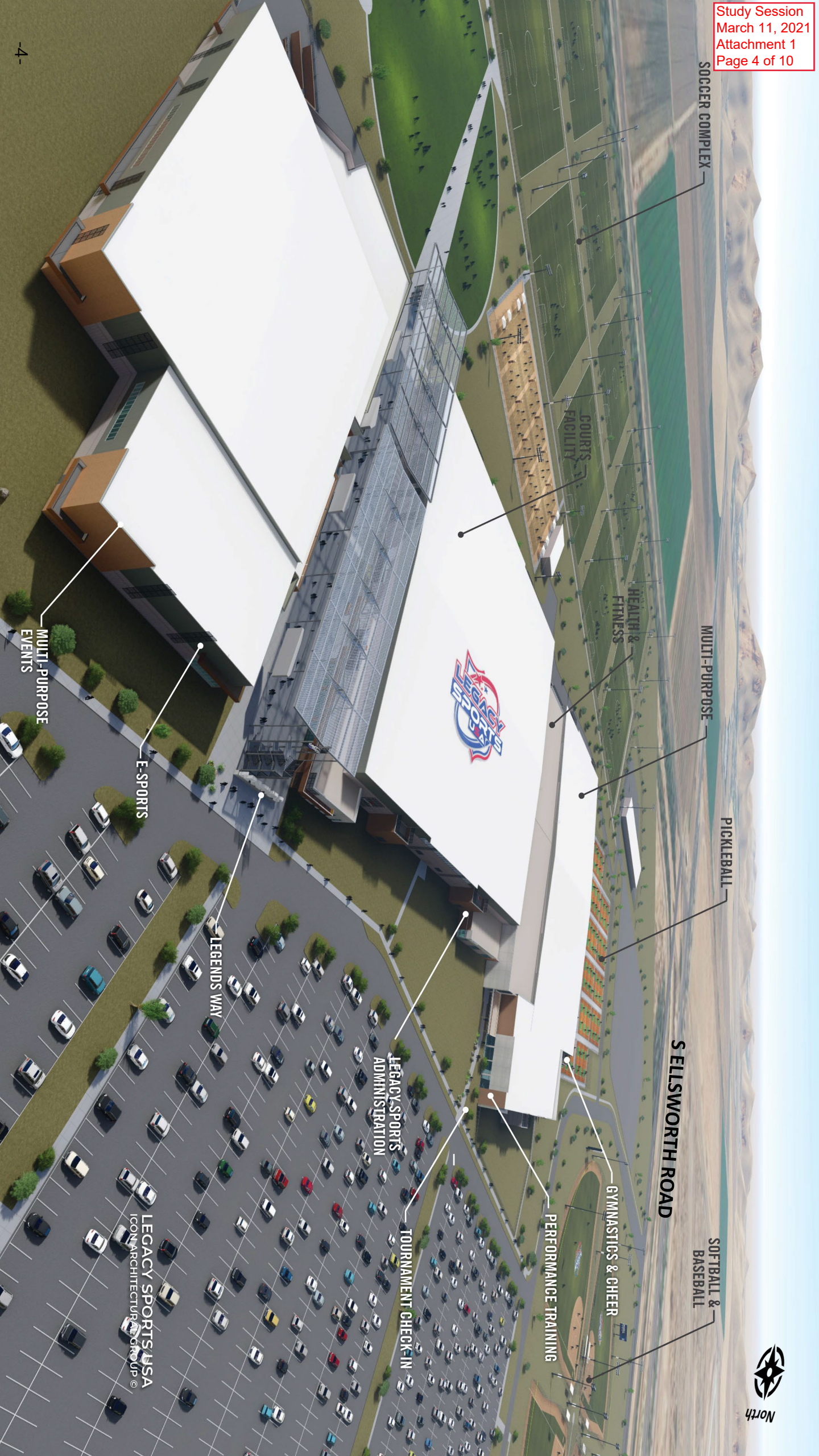


ZONING

- Light Industrial - 295.3 ac.
- Leisure and Recreation – 41.7 ac.

PROPOSED USE

- Multi-use sports and recreation facility



SOCCER COMPLEX

COURTS FACILITY

HEALTH & FITNESS

MULTI-PURPOSE

PICKLEBALL

S ELLSWORTH ROAD

SOFTBALL & BASEBALL

GYMNASTICS & CHEER

PERFORMANCE TRAINING

TOURNAMENT CHECK-IN

LEGACYSPORTS ADMINISTRATION

LEGENDS WAY

E-SPORTS

MULTI-PURPOSE EVENTS

LEGACY SPORTS, USA
ICON ARCHITECTURAL GROUP ©



North

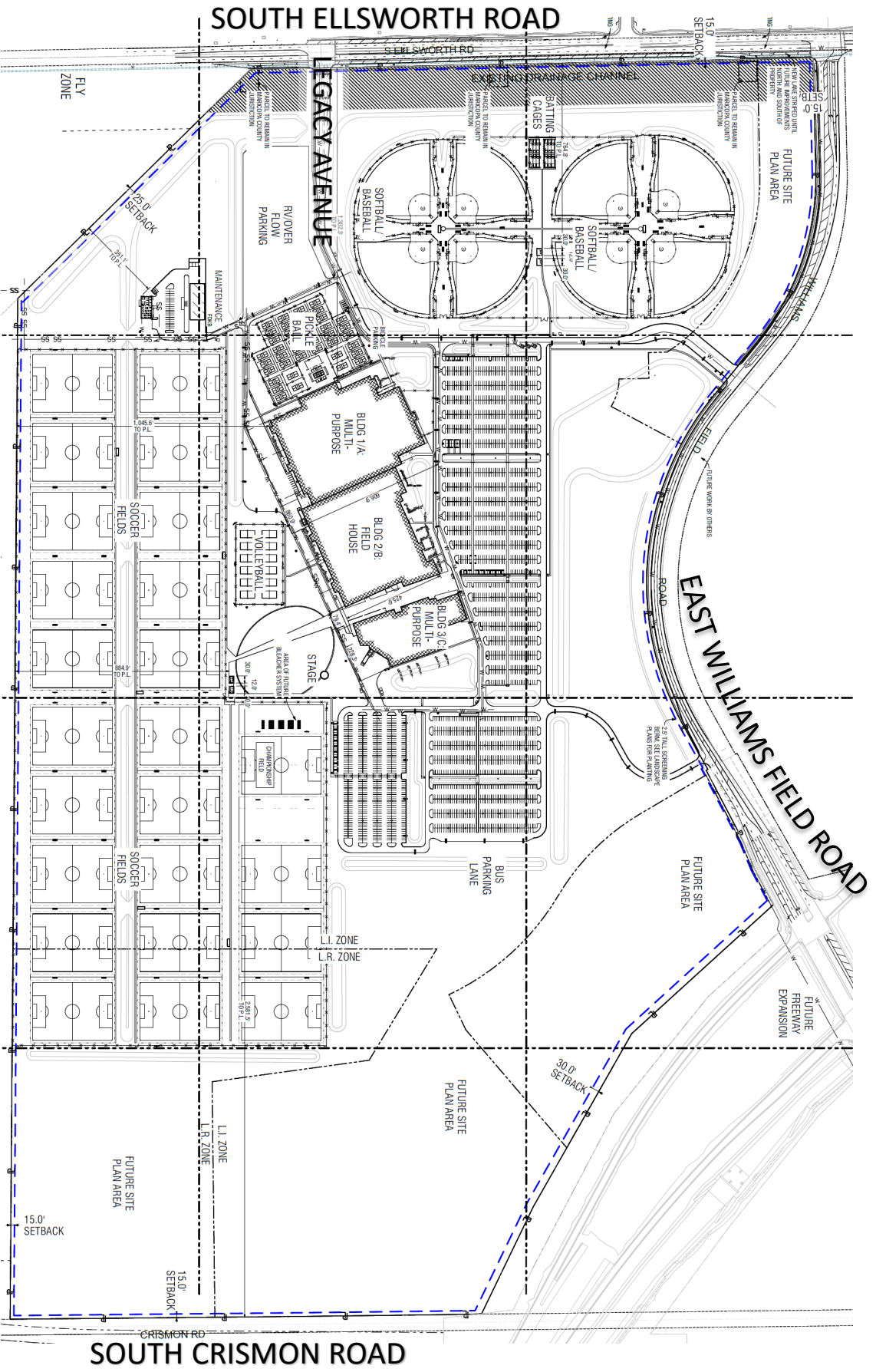
Legacy Sports USA Proposed Activities:

- Indoor sports (basketball, gymnastics, cheer and dance)
- Pickleball Courts
- Soccer Fields
- Sand Volleyball Courts
- Baseball Fields
- Outdoor Event Lawn



Public Street Improvements:

- South side of Williams Field Road
 - Water line extension
- East side of Ellsworth Road
 - Traffic signal at Ellsworth and Legacy Avenue
- West side of Crismon Road deferred until the earlier of:
 - Rezoning of southeast 41.7 ac.
 - Development along the east side of the site (future site plan area adjacent to Crismon Road).
 - Development on the east side of Crismon Road.
 - Written notice from the City.

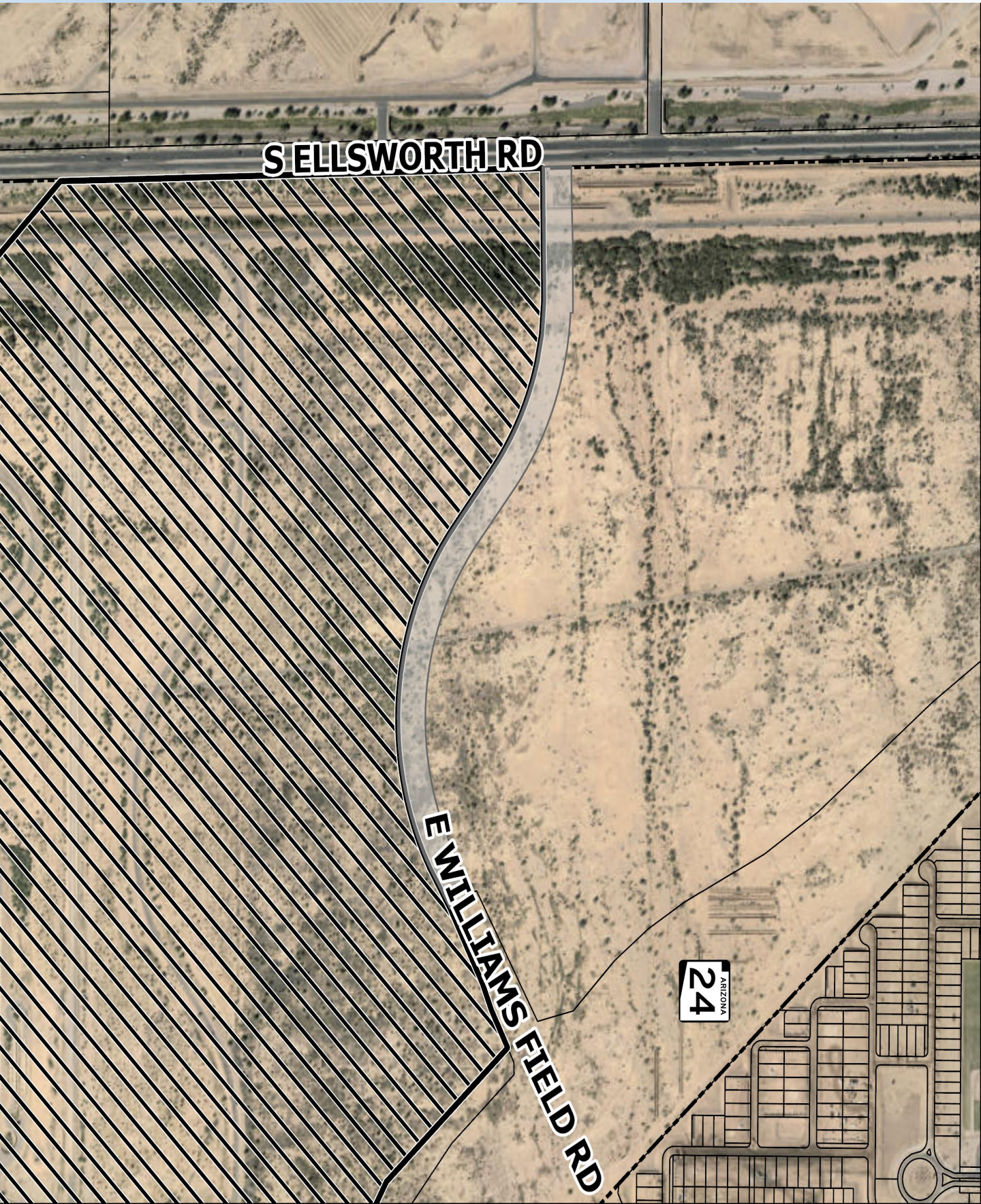


5 Million

Reimbursement for Williams Field Road

Improvements:

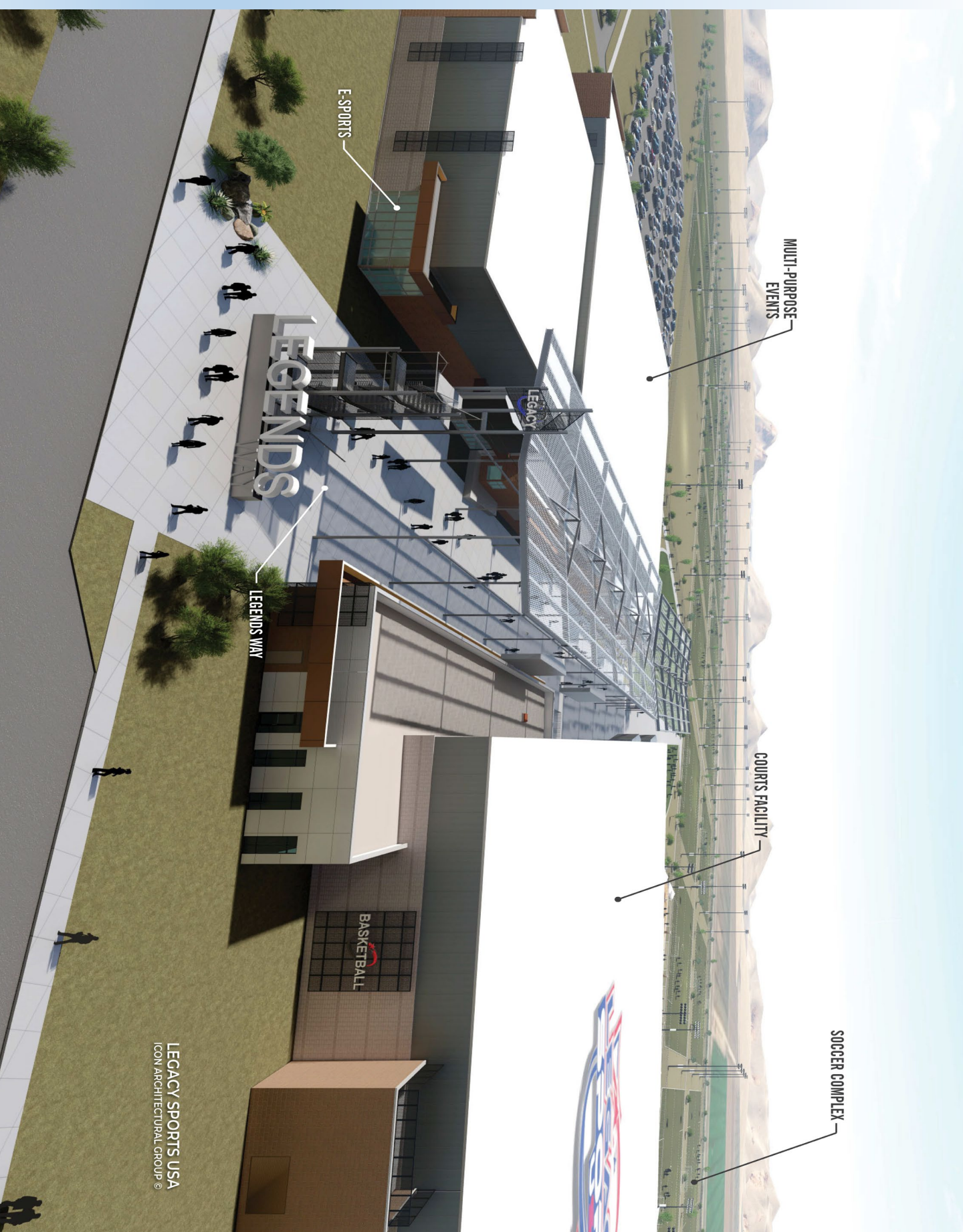
- Public benefit:
 - Expands Mesa's street network
 - Connects Gateway East Development Plan to SR24
- Reimbursed from 2020 Mesa Moves bond program
- Payable upon completion of Ellsworth Road and Williams Field Road



Inhibited Land

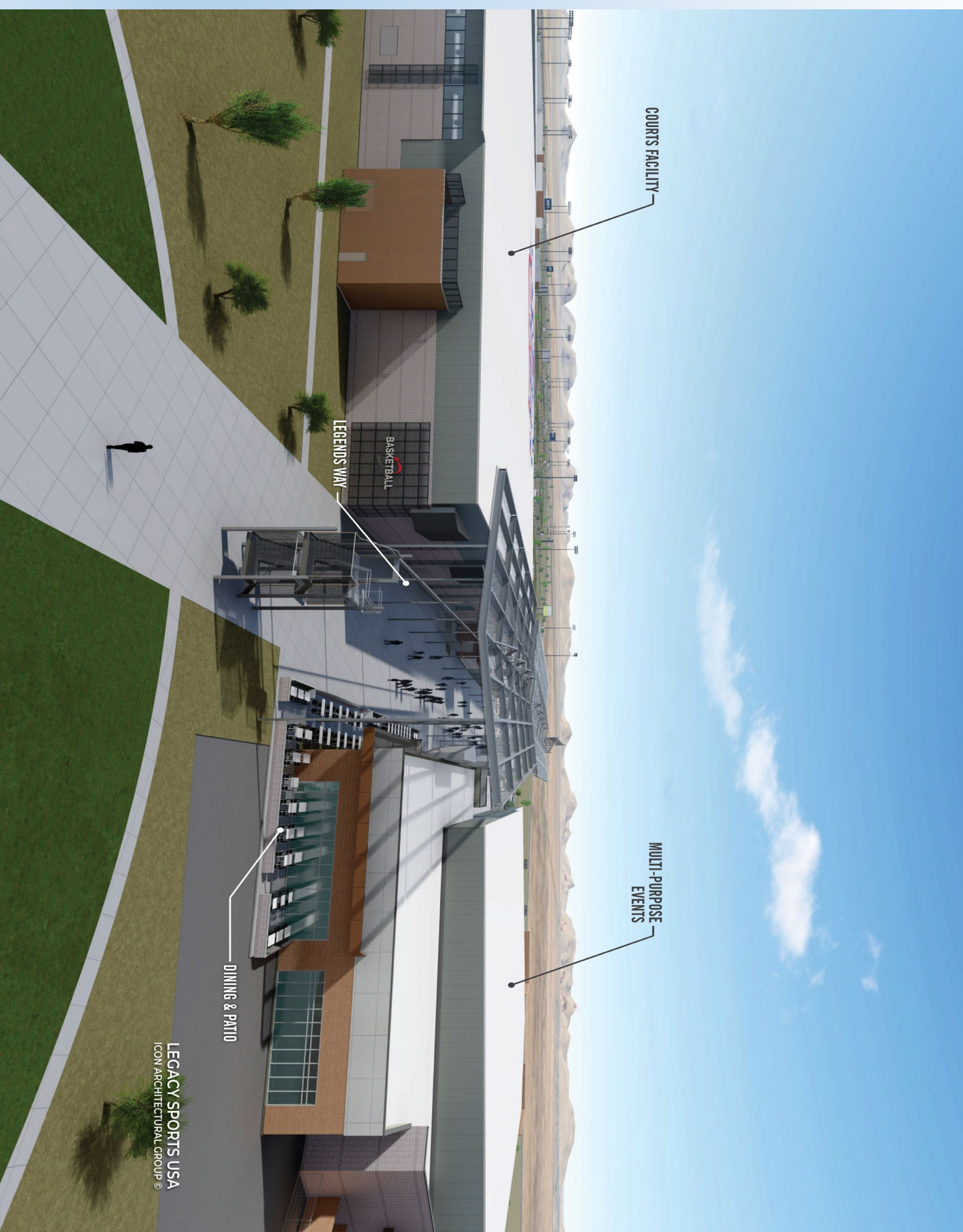
Uses:

- Incompatible land uses such as:
 - Towing/Impound
 - Outdoor Storage
 - Overnight RV Parking (allowed for event participants)



ricopa County:

- Construction Already Started:
 - Grading and demolition
 - Building foundations
 - At-risk masonry and electrical conduit





NEXT STEPS

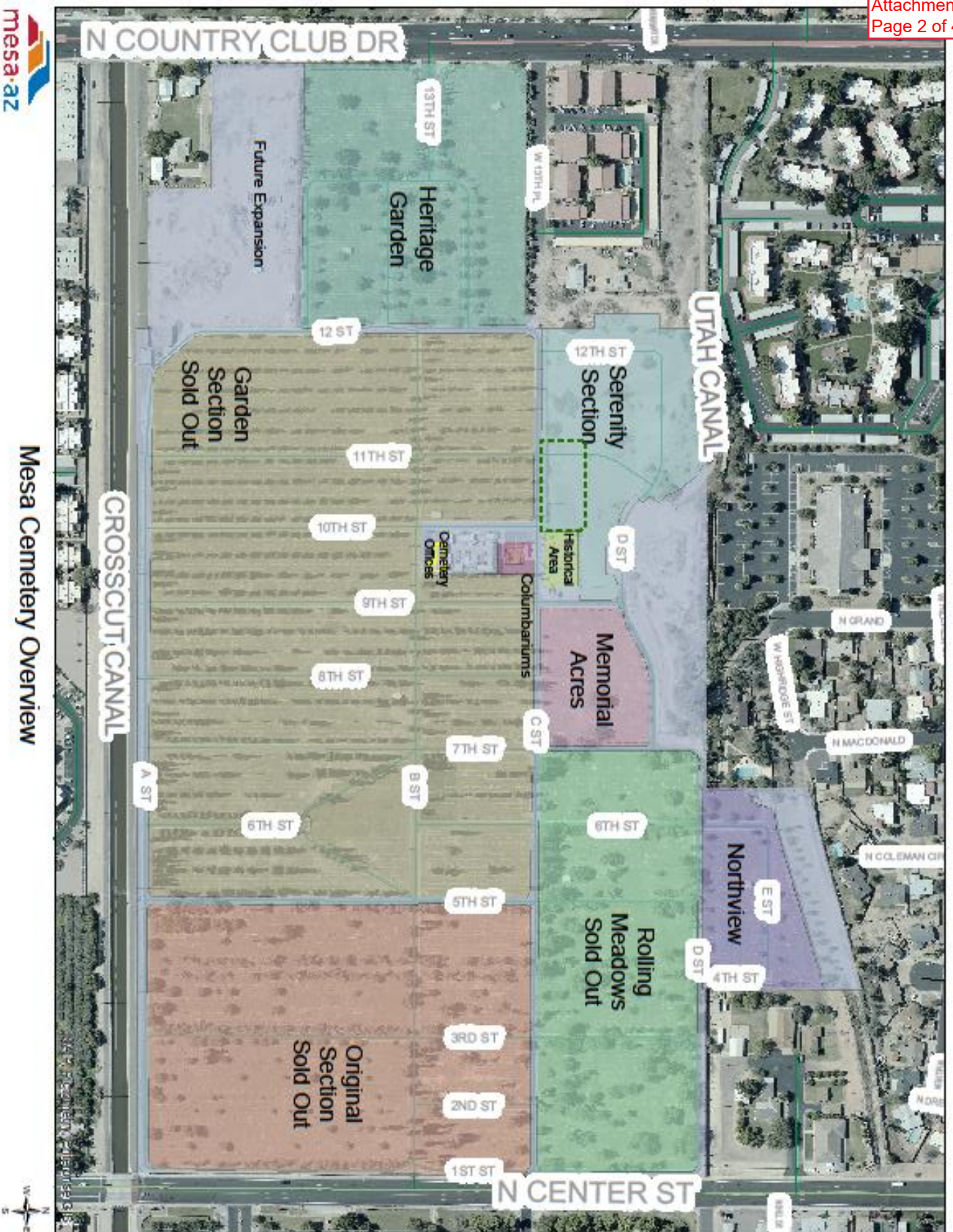
March 15 Introduce annexation and rezoning

April 5 Final action on:

- Annexation
- Rezoning
- Pre-annexation development agreement

MESA CEMETERY

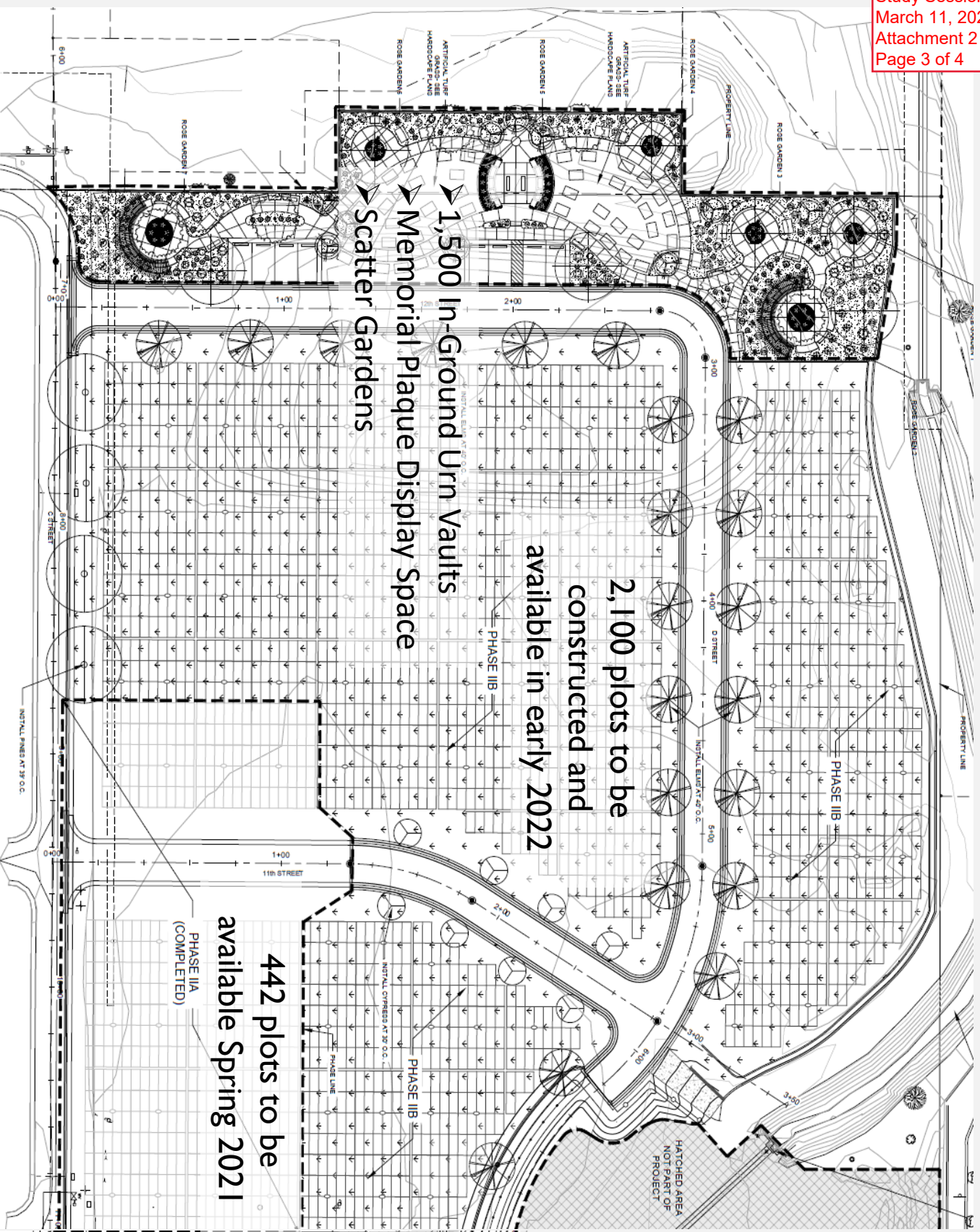
Master Plan and Operational Update
March 11, 2021



Heritage Garden, Northview and Memorial Acres sections have approx. 450 plots available for purchase

Serenity Section in dotted green outline will be available for purchase Spring 2021 with 442 plots

Columbarium addition in 2020 added 160 niches
Typical year has 350 to 400 grave sales, with 365 grave sales in 2020.



➤ 1,500 In-Ground Urn Vaults
➤ Memorial Plaque Display Space
➤ Scatter Gardens

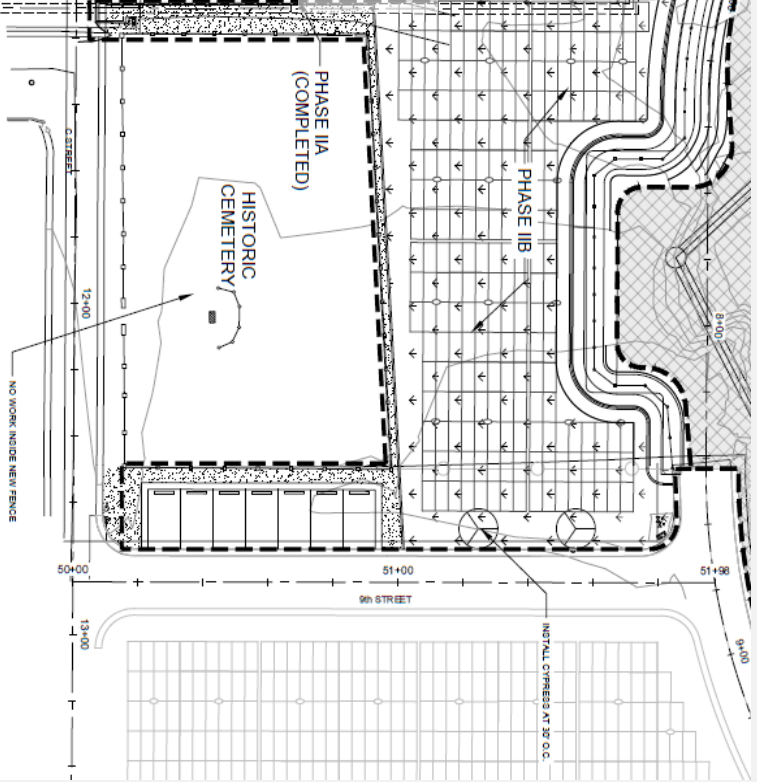
2,100 plots to be
constructed and
available in early 2022

442 plots to be
available Spring 2021

Serenity Section Expansion in 2021

Allows approx. 8 years of available inventory before next phase of expansion needed.

Next expansion will be in southwest corner of Cemetery.



Other Cemetery Improvements

- The tree and landscape rehab continues, focusing primarily on the Cypress trees that are expiring or pose a danger. Seed, mulch, and sod are being added during growing seasons. Cypress trees are being replanted along section perimeters with greater spacing to promote green turf and tree root development.
- In 2019 a Historic Document Digitization Project was initiated to ensure that Cemetery records are properly retained, in digital and paper formats. Staff are working to scan and electronically file these documents with an estimated completion of December 2021.
- The Cemetery Office received an update in 2020 with new paint, carpet, furniture, desks, and fixtures were purchased. This has helped to create a more welcoming environment in the office for customers.
- Work is underway to repair damage to the Northview section perimeter wall this Spring 2021.