



COUNCIL MINUTES

April 4, 2024

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 April 4, 2024, 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
Jim Smith

Mayor Giles conducted a roll call.

1-a. Hear a presentation, discuss, and provide direction on the Transit Department budget including an update on the Transit Shade Study.

Transit Services Director Jodi Sorrell introduced Transit Coordinator David Calloway and displayed a PowerPoint presentation. **(See Attachment 1)**

Ms. Sorrell reviewed the Transit Services Department's public purpose and objectives, which include assisting people to travel using public transit. (See Pages 2 and 3 of Attachment 1)

Ms. Sorrell discussed the performance metrics based on ridership data obtained from Valley Metro. She reported that in January, Mesa conducted 189,000 transit trips via bus, and the system operates on a 30-minute frequency. She stated since 50% of the trips in the Valley are transfer trips, she recommended that the City strive for a 15-minute frequency to accommodate transfers. She advised that cities are hesitant to provide additional funding to include 15-minute frequency transit service due to the expiration of Proposition (Prop) 400 at the end of 2025 and the City's future funding with Prop 479 is still uncertain. (See Page 4 of Attachment 1)

In response to multiple questions posed by Mayor Giles, Ms. Sorrell indicated that the City has recovered up to 75% of its ridership post-COVID. She mentioned the express bus service has not recovered and continues to remain down by 70% as a result of larger businesses in downtown not returning their employees to work. She emphasized that the largest express bus riders are state employees, county employees, and the City of Phoenix employees since these are the largest employers in the area. She reported that she does not expect express bus ridership to return, adding Mesa's local bus ridership is returning slowly, while the light rail is returning faster

than the bus. She elaborated that the light rail has the advantage of being a 15-minute service, whereas buses operate on a 30-minute frequency, which also impacts ridership.

Ms. Sorrell summarized the January light rail ridership included 158,000 trips within a 5½ mile corridor in Mesa. She commented unlike the bus, which has a much larger reach within Mesa's community, the light rail is very concentrated within a 5½ mile corridor. (See Page 5 of Attachment 1)

Ms. Sorrell explained that Paratransit ridership represents Mesa's accessible transit, and RideChoice trips represent 63% of Mesa's accessible transit trips. She compared the costs of Paratransit ridership service at \$74 per trip with a RideChoice service at approximately \$40 per trip. (See Page 6 of Attachment 1)

Ms. Sorrell provided an overview of the financial summary for the past three fiscal years. She pointed out that the American Rescue Plan Act (ARPA) funds were used for the light rail in fiscal year (FY) 22/23 actuals. She stated that the ARPA funds offset the City's contribution for light rail, otherwise the FY22/23 light rail actuals would have been closer to approximately \$15 million. She noted all other budget items have remained stable year-over-year. (See Page 7 of Attachment 1)

In response to a question from Councilmember Goforth, Ms. Sorrell explained that the financials for the administration line item have decreased due to a grant from the federal government for a planning study for the proposed streetcar corridor. She elaborated that the funds were originally in Transit's budget this fiscal year and have been transferred to Planning's budget due to management of the grant.

Ms. Sorrell reviewed the funding for the contracted services. She reported that staff is requesting a contract specialist position to assist in maintaining the City's bus shelters and transit facilities. She discussed the responsibilities of the contract specialist position, which is contingent upon the passing of Prop 479 to ensure a funding source moving forward. (See Pages 8 and 9 of Attachment 1)

In response to a question from Mayor Giles, Mr. Calloway explained that the City has a cleaning contractor that visits the bus shelters at least twice a week and varies throughout the city depending on the usage at each bus stop. She noted that services include cleaning frequency from daily to four to five times weekly.

Ms. Sorrell summarized the funding for the contract specialist position. (See Page 10 of Attachment 1)

Mr. Calloway projected that the City will have 450 bus shelters by 2028. He discussed that the City was granted funding in FY22 to conduct a Bus Stop Shade Study to evaluate existing shade levels at each bus stop without a shelter. He shared the results of the study and reported that the City collaborated with a consultant to design a new standard bus shelter called the microshelter. He described the designs of the microshelter, which can accommodate the challenges of adding shade in older parts of the city while maintaining the Americans with Disabilities Act (ADA) passage for pedestrians. He stated the design is scalable, and components for additional canopies and extra seating can be added to the shelter as ridership increases. He anticipates in the next six months, the City will install 10 prototypes throughout the city, and is currently in the process of obtaining environmental clearance to include 60 more microshelters. (See Pages 11 and 12 of Attachment 1)

In response to multiple questions posed by Councilmember Freeman, Mr. Calloway confirmed that the microshelters are prefabricated and require minimal concrete work. He stated that the prioritization of bus stop shelters is based on ridership, and the City has also examined priority neighborhoods for shade coverage and low-income transit propensity. He advised that the City has the right-of-way (ROW) as long as there is a six-foot-wide sidewalk, which is common on most of the arterial streets, and the new bus shelters are smaller and easier to manage within the existing ROW.

Mr. Calloway presented a graph illustrating the anticipated growth of bus shelters and shade coverage through 2027. He noted that the shade study metric for non-shelter sources of shade will be evaluated over time as conditions may change due to future construction projects and the environment. (See Page 13 of Attachment 1)

In response to a question from Vice Mayor Heredia, Mr. Calloway discussed that staff is researching other options for shelters, outside the shade study, for locations with low ridership.

In response to a question from Councilmember Goforth, Mr. Calloway replied that federal funding for transit shelters is derived from various sources, but that the majority of the funds will come from Transportation Capital Improvement Projects (CIP), a regional fund used for reconstructing roadways and transit shelters.

Ms. Sorrell clarified that federal funding is a one-time source that was a congressional discretionary grant that the City received through a past federal budget process.

In response to multiple questions from Councilmember Somers, Ms. Sorrell explained that Prop 400 will expire on December 31, 2025, and will not affect the current FY budget, but will impact the budget for FY26. She noted that if Prop 479 does not pass, the City would have to reevaluate as a region to determine the best solution.

City Manager Christopher Brady added that the forecast budget does not include Prop 479 since the City would not be able to absorb \$30 million on an ongoing basis. He stated that the light rail would continue to operate as the light rail is fully funded. He clarified that Transportation does not fund transit; they are responsible for street maintenance.

Councilmember Somers expressed his concern for the Paratransit services, which are an essential component of transportation for retirement communities to travel to stores, hospitals, or doctors' offices. He commented that if Paratransit services are cut, the Fire Department, social services, and other agencies will be burdened. He suggested residents review Prop 479 and the impact on services funded.

In response to a question from Councilmember Goforth, Ms. Sorrell stated that the increased costs of \$3 million for contract services are included in the summary. She reported that the City buys their services from Valley Metro and Valley Metro contracts the service. She indicated that Valley Metro has recently issued new contracts with Paratransit, Ridechoice, and the Fixed-Route Bus, and the cost increases are reflected in the FY25 budget estimates. She mentioned the light rail contracts will be updated in FY26 and costs will most likely increase.

In response to a question from Vice Mayor Heredia, Ms. Sorrell stated that the City has identified in the Transit Master Plan at least two potential areas for either a microtransit or a neighborhood circulator type program. She mentioned that due to the high expense of developing a transit program and the uncertainty of Prop 479, the City has chosen to wait until funding is secured.

Discussion ensued related to the impact of Prop 479, notably that if voted no by the voters, Paratransit and RideChoice services will be impacted; however, not the light rail which is funded by three cities.

In response to multiple questions posed by Councilmember Goforth, Ms. Sorrell replied that the City is in the process of partnering with Tempe and Valley Metro to develop a locally preferred alternative for the streetcar extension. She commented that the City will begin conducting outreach within the next couple of months for that phase of the Streetcar Study, which is locally funded by Tempe and Mesa to determine the preferred alternative. She noted that the City is not committed to proceed any further, but the alternative analysis will identify which alignment is endorsed by both Mesa and Tempe for the Rio East-Dobson Streetcar extension. She discussed the locations and funding sources.

Mayor Giles thanked staff for the presentation.

1-b. Hear a presentation, discuss, and provide direction on the Transportation Department budget.

Transportation Director RJ Zeder introduced Assistant Director Erik Guderian, Deputy Director Orlando Otero, Support Services Administrator Chase Carlile, and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Zeder discussed the public purpose and priorities for the Transportation Department. He reported that the Transportation Department received a \$750,000 federal grant under the Safe Streets For All program and he described the next steps. (See Pages 2 and 3 of Attachment 2)

Mr. Otero reviewed the performance measures for the Pavement Condition Index (PCI). He commented that the industry standard is to achieve a score of 70 or greater and the chart illustrates that the City of Mesa (COM) is slightly above the industry standard with a score of 80.6. He praised the contractors and the City's in-house staff for doing a tremendous job maintaining the asphalt. (See Page 4 of Attachment 2)

Mr. Otero stated that the City takes on quite a bit of millings from the overlay program each year and he presented a video of a contractor processing the millings at the Center Street yard. He reported that the City uses 100% of the recycled asphalt pavement (RAP), and that 90% of the RAP is used in the slurry seal application, while the remaining 10% is used either for backfill or dust mitigation.

Mr. Ortero provided photos and described the various types of pavement preservation that the COM utilizes. (See Page 5 of Attachment 2)

In response to multiple questions posed by Vice Mayor Heredia, Mr. Zeder described the challenges discovered after testing a few heat mitigating products such as inadequate durability and high expense. He noted that staff continuously search for new technologies and that the COM joined the Southwest Pavement Technology Consortium and is working on a test project for ways

to extend the life of Mesa streets. He described the process for applying seal coating through overlay, and the increased costs.

In response to a question from Councilmember Freeman, Mr. Otero confirmed that the City is saving money by processing the millings into sand, which costs \$15 per ton when the COM processes the millings, compared to \$30 per ton.

Mr. Guderian reviewed the performance measures on response times for traffic signal trouble calls. He defined a traffic signal call and stated that 95% of response times are within the target of one hour. He mentioned a newly created trainee program that has been successful. (See Page 6 of Attachment 2)

Mr. Otero stated that part of the Landscape Refurbishment program is turf conversion that includes replacing turf with low water usage vegetation, a new irrigation infrastructure, and upgrading to smart controllers. He mentioned the goal is to plant as many trees as possible and the City expects to plant over 500 trees with the Landscape Refurbishment program. (See Pages 7 through 9 of Attachment 2)

In response to questions from multiple Councilmembers, Mr. Zeder discussed opportunities of water efficiencies throughout the city.

Mr. Otero provided an overview of the streetlight conversions and stated that staff is conducting the streetlight light-emitting diode (LED) conversions in-house, which will save the City millions of dollars. He stated the streetlight conversion is a seven-year program that began in FY19/20 and the City has converted approximately 80% of the light fixtures. (See Page 10 of Attachment 2)

In response to multiple questions posed by Councilmember Spilsbury, Mr. Zeder commented that he would forward a link to staff that displays a map of where the streetlight conversion has been completed. He described the Spot Improvement program.

Mr. Carlile provided a summary of the expenditures, noting approximately 33% are allocated to personnel services and the remaining to other services and commodities. He recognized an increase in the cost of contracts and commodities compared to last year. He noted the proposed budget includes funding for four full-time employees for their temporary traffic control group, as well as other adjustment requests. (See Page 11 of Attachment 2)

Mr. Brady clarified that the proposed adjustments do not affect the General Fund balance since the City receives funds from the Highway User Revenue Fund (HURF), as well as the local sales tax that is collected separately for streets. He clarified that a percentage of the sales tax is restricted for street projects and due to the increased sales tax in recent years, the City has sufficient capacity for these projects.

Mr. Zeder reviewed the funding sources that generate revenue. He stated that the increase in the Local Streets Sales Tax has allowed the City to pay for operations and continue some of the capital projects that were originally funded by bonds. (See Page 12 of Attachment 2)

Mr. Brady commented that due to the inflationary costs, the City does not have enough capacity in the previous bond program to accomplish all of the projects and will need to determine whether there is capacity within the Sales Tax Fund to fill the gaps.

In response to a question from Councilmember Freeman, Mr. Brady discussed how the total local sales tax is tracked to identify how much revenue is expected each year. He stated the increases in activity of the sales tax has benefitted the Transportation Fund, which allowed the City to double the amount of dollars for landscaping projects. He advised that the City is attempting to devise ways to utilize street funds to enhance safety measures in Downtown Mesa and be more effective.

Mr. Zeder noted that the City has a sidewalk contractor that will continue to do the bulk of the sidewalk or concrete work, but there is a lead time of 30 days before a contractor can begin. He mentioned the City's intention is to have staff conduct the smaller projects that are a high priority.

Mr. Guderian summarized the budget adjustments for FY24/25 and stated there has been a significant rise in temporary traffic control permit applications and reviews over the past two years due to an increase in utility projects and fiber installations citywide. He commented that with the increase in temporary traffic control permits, the revenue generated by the fee can cover the four positions the City is seeking. (See Pages 13 and 14 of Attachment 2)

In response to some concerns from Vice Mayor Heredia regarding the excessive use of cones, markers, and the contractors' timelines, Mr. Brady commented that a conversation will occur with the Engineering Department to address any concerns.

Mayor Giles thanked staff for the presentation.

(Mayor Giles declared a recess at 8:59 a.m. The meeting reconvened at 9:11 a.m.)

1-c. Hear a presentation, discuss, and provide direction on the Department of Innovation and Technology budget.

Department of Innovation and Technology Chief Information Officer Scott Conn introduced Budget Coordinator Melanie Humphries and displayed a PowerPoint presentation. **(See Attachment 3)**

Mr. Conn discussed the public purpose and priorities of the Department of Innovation and Technology (DoIT) to provide innovative and efficient Information Technology (IT) services. He highlighted one of the major priorities is cybersecurity and ensuring that the COM is as difficult as possible to breach. (See Pages 2 and 3 of Attachment 3)

Mr. Conn announced that the COM was awarded the Smart 20 award, an award given to 20 cities across the world annually for transformative smart projects and innovations that drive the future. He emphasized that the COM won for their "Connect@Mesa" public wi-fi project and was the only city in Arizona and in the Southwest to receive the award. (See Page 4 of Attachment 3)

Mr. Conn reviewed the metrics for network expansion and public access with a goal of 99.99% of network availability uptime to ensure systems are constantly running. He explained the slight dip in early 2024 of the network platform availability was due to a malfunction of the City's network monitoring tool, not the network; otherwise, the system was operational 99.99% over the last four years. (See Page 5 of Attachment 3)

Mr. Conn summarized the Behind the Curtain metrics for integrated IT Planning and the effectiveness of the City's program management office. He emphasized that typically in the IT industry, most projects are 50% over budget and over time, but Mesa has been operating at

97.1% on time and on or under budget. He discussed the metric for application rationalization and application availability and stated the City is working to reduce the number of applications, which is a long-term process. (See Pages 6 and 7 of Attachment 3)

Mr. Conn provided an overview of the proposed budget for FY24/25, which is currently \$47.8 million. He explained that the expenditures for IT projects are multi-year projects, and the funds follow the projects through to the next year. He noted that the FY24/25 proposed budget does not include monies for projects that might not be completed and is subject to change. (See Page 8 of Attachment 3)

Mr. Conn indicated that the Communications Team joined DoIT multiple years ago and the budget office keeps them as a separate fund for clarity purposes. He reported that the proposed budget for FY24/25 for the Communications Team is \$4.7 million and includes radio support for police, fire, maintenance, etc., as well as supports the infrastructure. (See Page 9 of Attachment 3)

Mr. Conn reported that the budget adjustment for one full-time IT Engineer will support the connections, operations, and maintenance of fiber, as well as a vehicle and equipment. He described the responsibilities of the IT Engineer and the need for a vehicle and equipment. (See Page 10 of Attachment 3)

Mr. Conn presented a map illustrating a loop of fiber boundaries around the city. He elaborated on the redundant best practices design of the loop that is meant to ensure connectivity. He noted that the city has 20,000 fiber strand miles, in addition to other strands available for future expansion. (See Page 11 of Attachment 3)

In response to multiple questions posed by Mayor Giles, Mr. Conn confirmed that the fiber network serves city government purposes, including public safety, city-owned, and city communications, and should not be confused with microtrenching or AT&T Google fiber. He noted that the City has an opportunity to collaborate with third-party vendors for revenue gain if the City chooses.

Mr. Conn stated the budget adjustment will consist of a one-time cost of \$154,000 for a vehicle, and an ongoing cost of \$136,000 for a Fiber Engineer. (See Page 12 of Attachment 3)

Mr. Conn provided an overview of the new Business Continuity Data Center, Comarch, which will be replacing Evoque. He discussed the benefits of the new data center, including a savings of \$300,000 annually. (See Page 13 of Attachment 3)

In response to a question from Councilmember Somers, Mr. Conn explained that the City will have servers at Evoque that operate main production business, while duplicate servers are located at the Comarch facility so the City can switch over and continue operating critical applications.

Mr. Brady emphasized that the data centers operate from two separate grids, which provides another level of security.

In response to multiple questions from Councilmember Somers, Mr. Brady advised that the City has fiber available to share, and that the Council has adopted a fee specifically for anyone who adds fiber in the City's conduit.

In response to multiple questions from Mayor Giles, Mr. Conn explained that the Comarch facility will be leased and not owned by the City. He noted that the building will host all of the City's equipment which will be monitored remotely, meaning employees will not be on-site unless they are dispatched to resolve an issue.

In response to a question from Councilmember Duff, Mr. Conn stated that the COM intends to be a leader in Artificial Intelligence (AI) and is collaborating with other departments for an initial AI introduction and implementation plan. He discussed the various ways that staff utilizes AI throughout the City.

Discussion ensued related to a recently authorized management policy regarding the use of AI throughout the City.

In response to a question posed by Vice Mayor Heredia, Mr. Conn stated that the City is identifying routes for fiber and has already worked with another company on installing Connect@Mesa for the Smart 20 Award. He stated a Request for Proposal (RFP) will be issued shortly to expand the implementation and move towards areas that are having trouble obtaining internet access. He commented that he will provide Council with an update.

Mayor Giles thanked staff for the presentation.

1-d. Hear a presentation and discuss an overview of the City's Redevelopment Areas (RDAs) and strategies for implementing RDA plans.

Downtown Transformation Manager Jeff McVay introduced Development Services Director Nana Appiah, Economic Development Director Jaye O'Donnell, Senior Economic Development Project Manager Jeff Robbins, and displayed a PowerPoint presentation. **(See Attachment 4)**

Mr. Robbins provided an overview of the four Redevelopment Areas (RDA) and presented a map highlighting the boundaries and specific areas in Downtown Mesa. He explained that as the City continues to work on RDAs, the tools and tactics that are effective in Downtown Mesa can also be applied to other areas and deployed effectively. (See Pages 2 and 3 of Attachment 4)

In response to a question from Councilmember Spilsbury, Mr. Brady stated that the RDAs provide some unique opportunities under state law, and finding eligible properties further east or south has been more difficult.

Mr. Robbins shared that some of the restrictions are due to the State Legislature for RDAs which reduced the area where the City can operate from 5% to 2.5% in 2018.

City Attorney Jim Smith discussed the contiguity requirement for the Central Business District in order to receive an eight-year abatement on Government Property Leases Excise Tax (GPLET), which has become more difficult. He noted the areas on the map are grandfathered in.

Mr. Brady emphasized that the City will search for opportunities across the entire city for properties and may need to have a different approach for infill or projects outside of RDAs or Central Business Districts.

Mr. Robbins described the conditions that define an RDA and explained the purpose and benefits of designating an RDA, which provides opportunities for the private sector to invest in the areas and transform them. (See Pages 4 and 5 of Attachment 4)

Mr. Brady noted that the Governor vetoed a bill that would have reduced the abatement period from eight to four years. He mentioned there is considerable interest in reducing this period, and the hope is to find opportunities within the next year or two to utilize this tool before the period is significantly reduced.

Mr. Robbins advised that for every GPLET lease, an analysis must be conducted by a third-party economist, which must illustrate that the public sector will receive a benefit greater than what is being offered. He discussed the impact of the six GPLET projects within RDAs since 2017. He stated the major impact is the transformation of the area, which benefits the surrounding businesses. (See Page 6 of Attachment 4)

Mr. Robbins provided examples of businesses that were transformed by utilizing a GPLET lease and the beneficial impact to the COM. (See Pages 7 through 10 Attachment 4)

Mr. McVay discussed the strategic collaboration between all City departments and staff to focus on RDAs. (See Page 11 of Attachment 4)

Ms. O'Donnell summarized the implementation strategies for redevelopment over the past few years, along with some of the City's accomplishments. She announced that the City won the International Economic Development Council Gold Award for the Asian District in the category of neighborhood development. She highlighted the Mesa Business Builder Small Business Assistance program is used by the City to target small businesses within RDAs and provides them with customized business assistance to increase their visibility and sales. (See Page 12 of Attachment 4)

In response to a question from Councilmember Somers, Ms. O'Donnell explained that the City is developing a pilot program to address some challenges regarding signage and redevelopment on the Broadway corridor, specifically intended to work with property owners and the leasing companies. She mentioned that once the pilot program is established, other parts of the City can implement the program.

Mr. Brady mentioned some challenges in contacting property owners in redevelopment areas, and the outreach conducted.

Mr. Appiah discussed the infill development standards and redevelopment challenges. He indicated that the City has developed a variety of strategies, including a zoning ordinance that includes an infill development district and an infill incentive district. He stated after discussions with the development community, the City plans to return to the Council to present an infill ordinance that will make all the various strategies visible and easy to use. He explained that the City is also researching the challenges that have hindered the redevelopment and is seeking incentives to encourage redevelopment. (See Page 13 of Attachment 4)

In response to a question from Councilmember Goforth, Mr. Appiah replied that staff has been working to include adaptive reuse since most of the areas will need to turn existing buildings into other uses. He commented that the City would like to streamline the processes to serve as an

incentive for redevelopment, and such policies will be used across the entire city, any place that is designated as a redevelopment area.

Mr. Brady remarked that the key is to find a willing investor or developer who wants to invest in redevelopment.

Mr. Appiah continued to highlight other strategies such as using the successful form-based code structure which helps to speed up development. He stated that staff will evaluate the building code to determine whether to pursue the adaptive reuse and make adjustments to ensure that the City is creating an opportunity for diversity of housing. (See Page 13 of Attachment 4)

Mr. McVay stated that the RDAs are a strategic priority for the Council in the next year. He summarized the future of Mesa's RDAs and announced that Mr. Robbins has been named the Future Redevelopment Program Manager and the City will seek to hire another position. He reported that his team's focus will change from Downtown Transformation and his new department title is Office of Urban Transformation with a working group focused on downtown and another focused on redevelopment. (See Page 14 of Attachment 4)

Mr. Brady stated Mr. Robbins and his staff will contact property owners and begin opportunities for redevelopment as a customized approach for every property. He noted that Mr. Robbins will establish the working groups and collaborate to keep projects moving.

In response to a question from Councilmember Duff, Mr. Robbins confirmed that his assignment is to facilitate redevelopment and infill citywide.

(At 10:24 a.m., Mayor Giles excused Councilmember Somers from the remainder of the meeting)

In response to a question posed by Councilmember Goforth, Ms. Kopaskie-Brown explained that there are several different levels of planning, and the General Plan (GP) encompasses the entire city. She described the various steps and city departments involved in the process from the Site Plan to the GP.

Councilmember Freeman suggested staff reach out to property owners on University Drive for the underperforming shopping centers that are affecting neighborhoods, quality of life, and the character of Mesa. He commented that shopping districts are a common problem in each of the Council districts.

Councilmember Spilsbury expressed her concern for the problematic areas in Mesa.

Mr. McVay explained that the City is working on building relationships with property owners and noted that once property owners realize there is a team at the City who wants to help them obtain success, property owners are more willing to work with City.

Mayor Giles thanked staff for the presentation.

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

2-a. Transportation Advisory Board Meeting held on January 16, 2024.

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

Upon tabulation of votes, it showed:

AYES – Giles–Heredia–Duff–Freeman–Goforth–Spilsbury

NAYS – None

ABSENT – Somers

Mayor Giles declared the motion passed unanimously by those present.

3. Current events summary including meetings and conferences attended.

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

4. Scheduling of meetings.

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

Thursday, April 11, 2024, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 10:43 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 4th day of April 2024. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK

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(Attachments – 4)

Transit Services Department

April 4, 2024

Jodi Sorrell, Director

David Calloway, Transit Coordinator



Fiscal Year 2024/25

Public Purpose

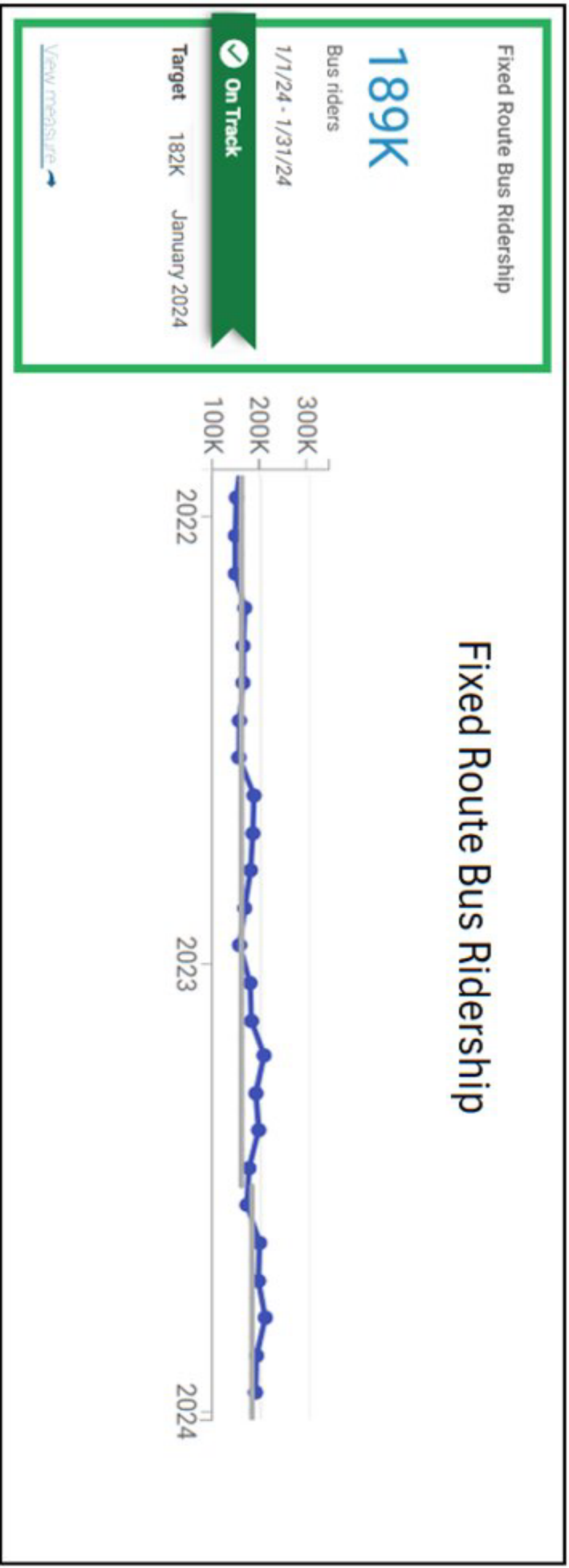
Providing transit options that support mobility, accessibility, and economic vitality for the City.



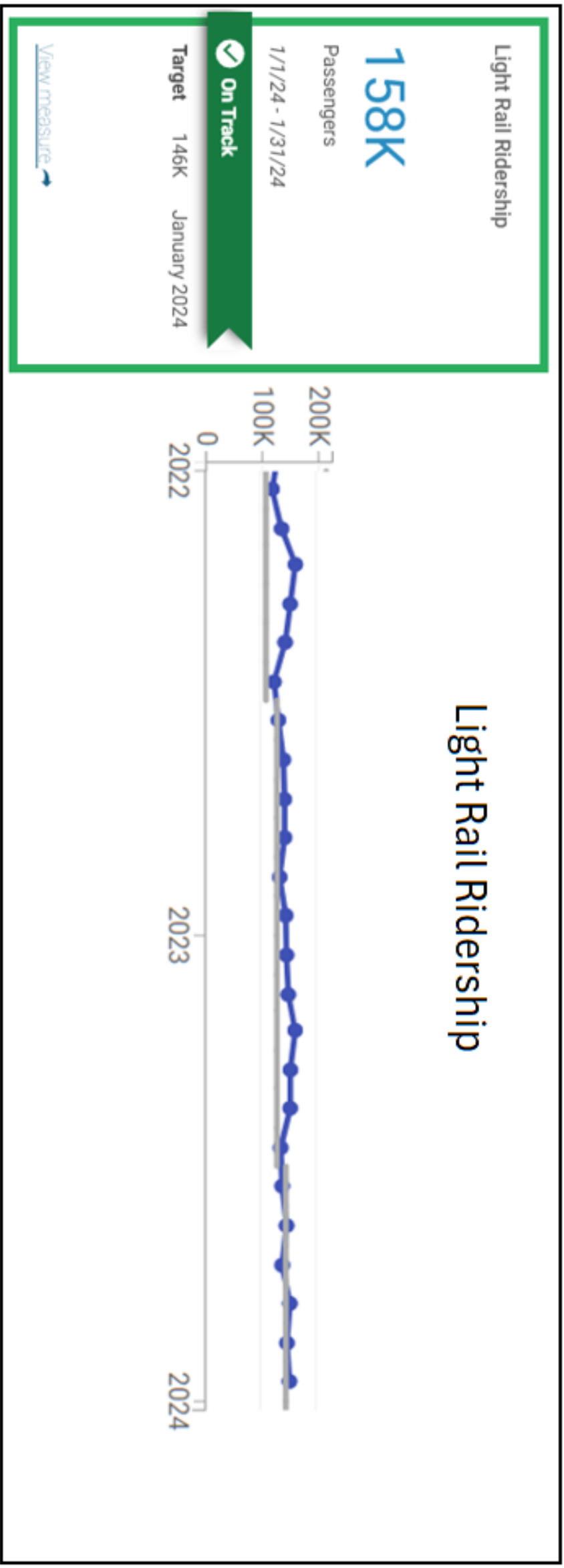
rities/Objectives

- Enhance mobility, reduce traffic congestion, promote sustainable transportation options, and improve the overall quality of life.
- Offer safe and affordable transit options that connect people to employment centers, educational institutions, healthcare facilities, shopping areas, and other key destinations within Mesa and the surrounding areas.
- Address the needs of vulnerable populations, promoting equity and supporting economic development through transit services.

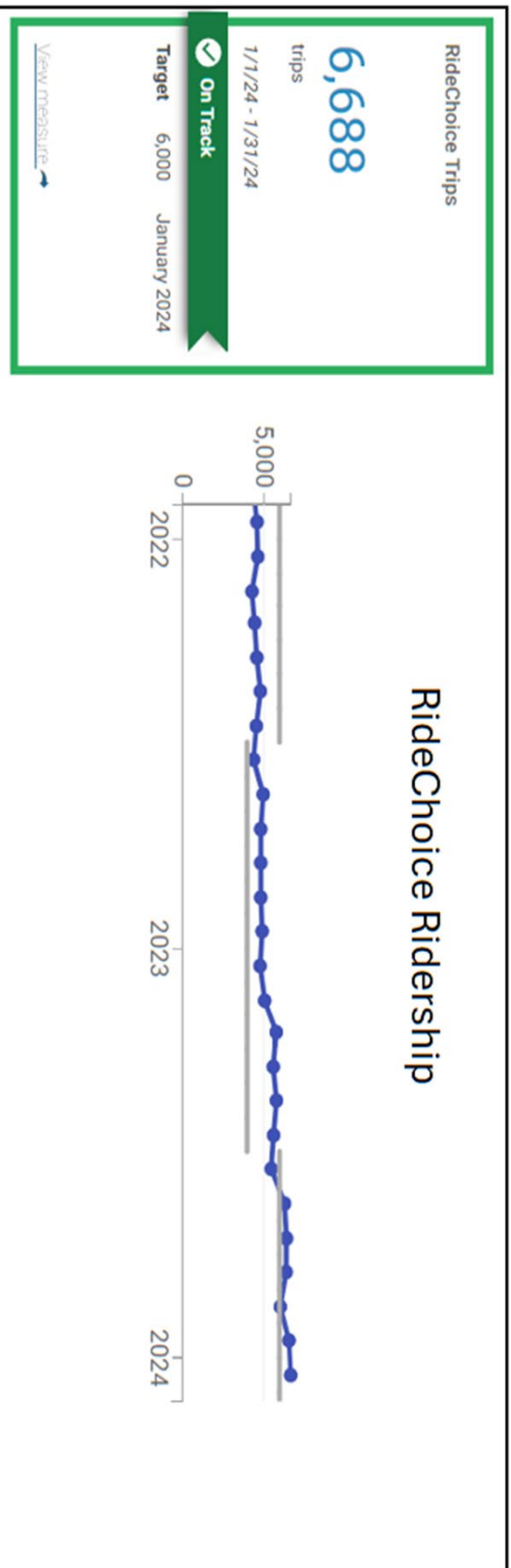
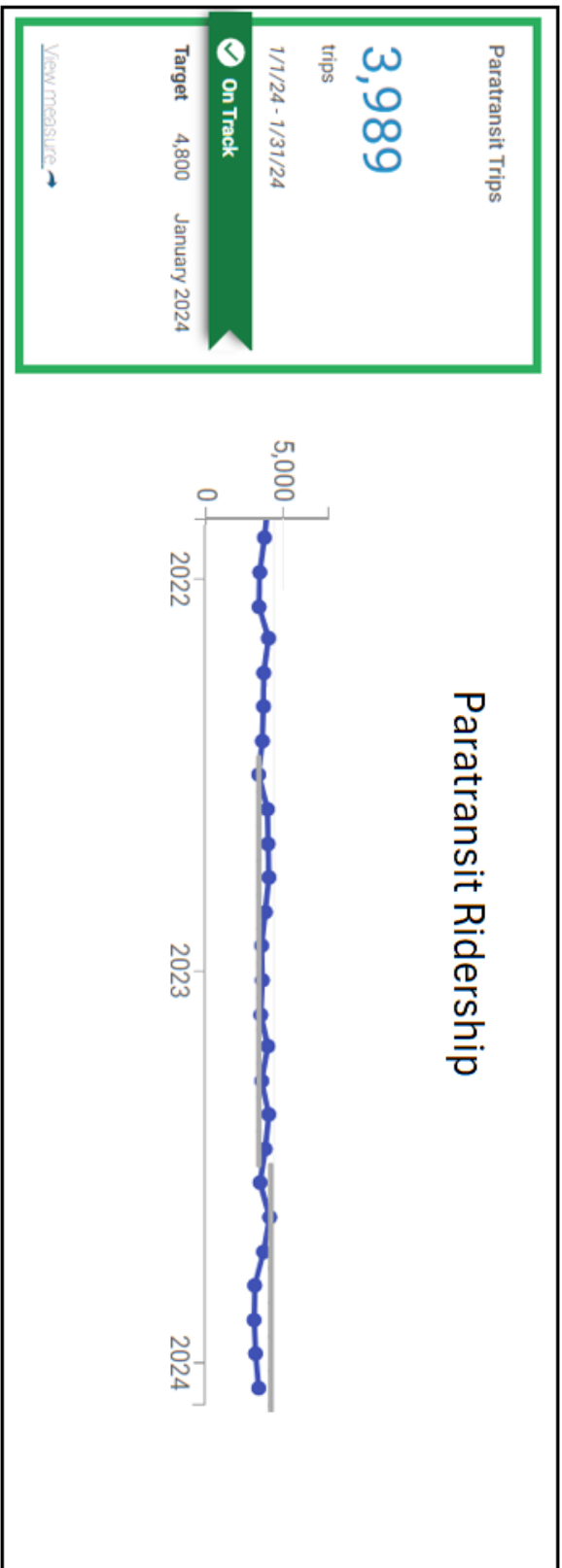
Performance Measure 1



Performance Measure 2



Performance Measure 3



Department Financial Summary



Core Business Process (or Service Level)	FY 22/23 Year End Actuals	FY 23/24 Revised Budget	FY 23/24 Year End Estimate	FY 24/25 Proposed Budget
Administration	\$0.6	\$1.6	\$1.7	\$0.8
Light Rail	\$8.9*	\$17.3	\$17.5	\$19.4
Fixed-Route Bus	\$4.0	\$4.2	\$4.5	\$5.0
Accessible Transit	\$0	\$0	\$0.4	\$0.1
Facility O&M	\$0.6	\$1.1	\$1.0	\$0.9
Total Expenditures	\$14.1	\$24.2	\$25.1	\$26.2
Light Rail Revenue	\$1.4	\$1.3	\$1.6	\$1.7
Advertising/Other	\$0.1	\$0.1	\$0.1	\$0.1
Total Revenues	\$1.5	\$1.4	\$1.7	\$1.8

Figures in millions, rounded

Light Rail revenue includes fares, advertising and preventative maintenance

*\$6.2M in American Rescue Plan Act Funding was applied to FY22/23 Light Rail operations resulting in lower year end actuals

FY 24/25 Value of Contracted Services



Service	Prop 400 Funded	Locally Funded	Total
Light Rail		\$17.6	\$17.6
Fixed-Route Bus	\$25.5	\$5.0	\$30.5
Paratransit	\$4.1		\$4.1
RideChoice	\$1.7	\$0.1	\$1.8
Total	\$31.3	\$22.7	\$54.0

Figures in millions, rounded
Net costs

get Adjustment



Contract Specialist Position

- In 2015, Transit began directly managing the bus shelter/maintenance contract. At that time there were 229 bus shelters, 2 transit centers and 4 park-and-rides
- By 2027 there will be 450 shelters in our inventory along with an additional transit center.
- Added the transit advertising contract in 2016
- A contract specialist will allow Transit Services to better maintain our infrastructure investment and respond in a timely manner to incidents.
- Safe and clean facilities are important for our community
- **Position is contingent on passage of Proposition 479**

4/25 Budget Adjustment Summary



Adjustment	FTE	One-Time	Ongoing	Fund
Contract Specialist	1	\$110,500	\$102,494	Transit

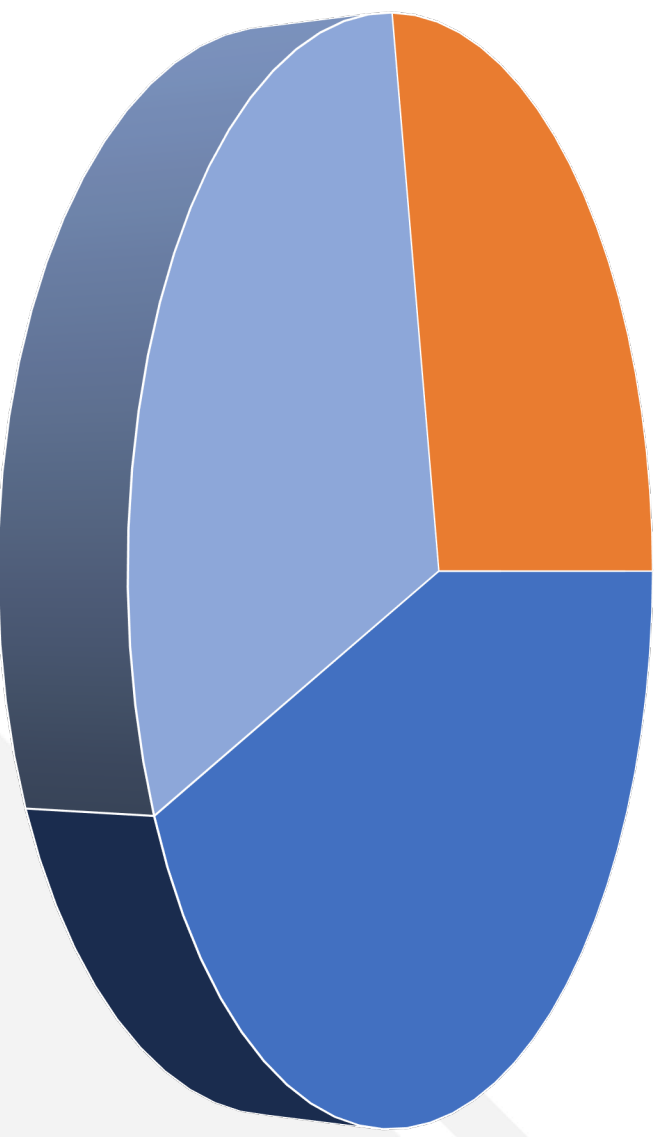
Shelters and Shade



FY 22 Bus Stop Shade Study

- 682 Total Bus Stops
- 68% Sheltered or Shaded
 - 300 Shelters
 - 192 Shaded
- 190 No Shade/No Shelter

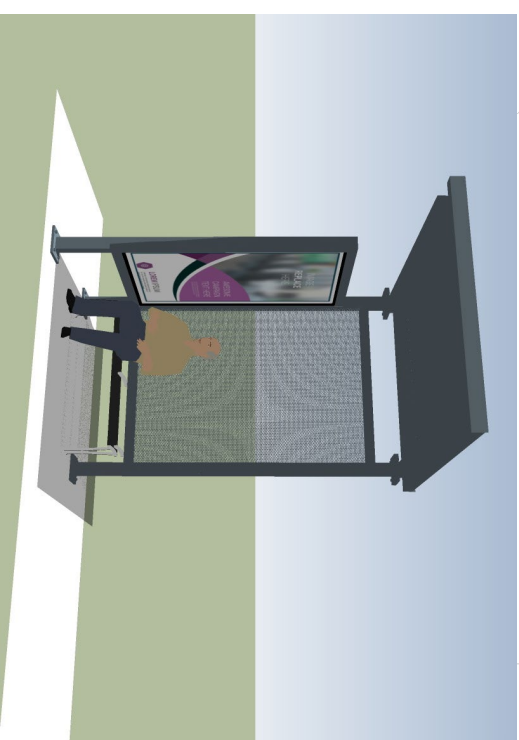
Total City of Mesa Bus Stops



Shelters and Shade

Micro Shelter

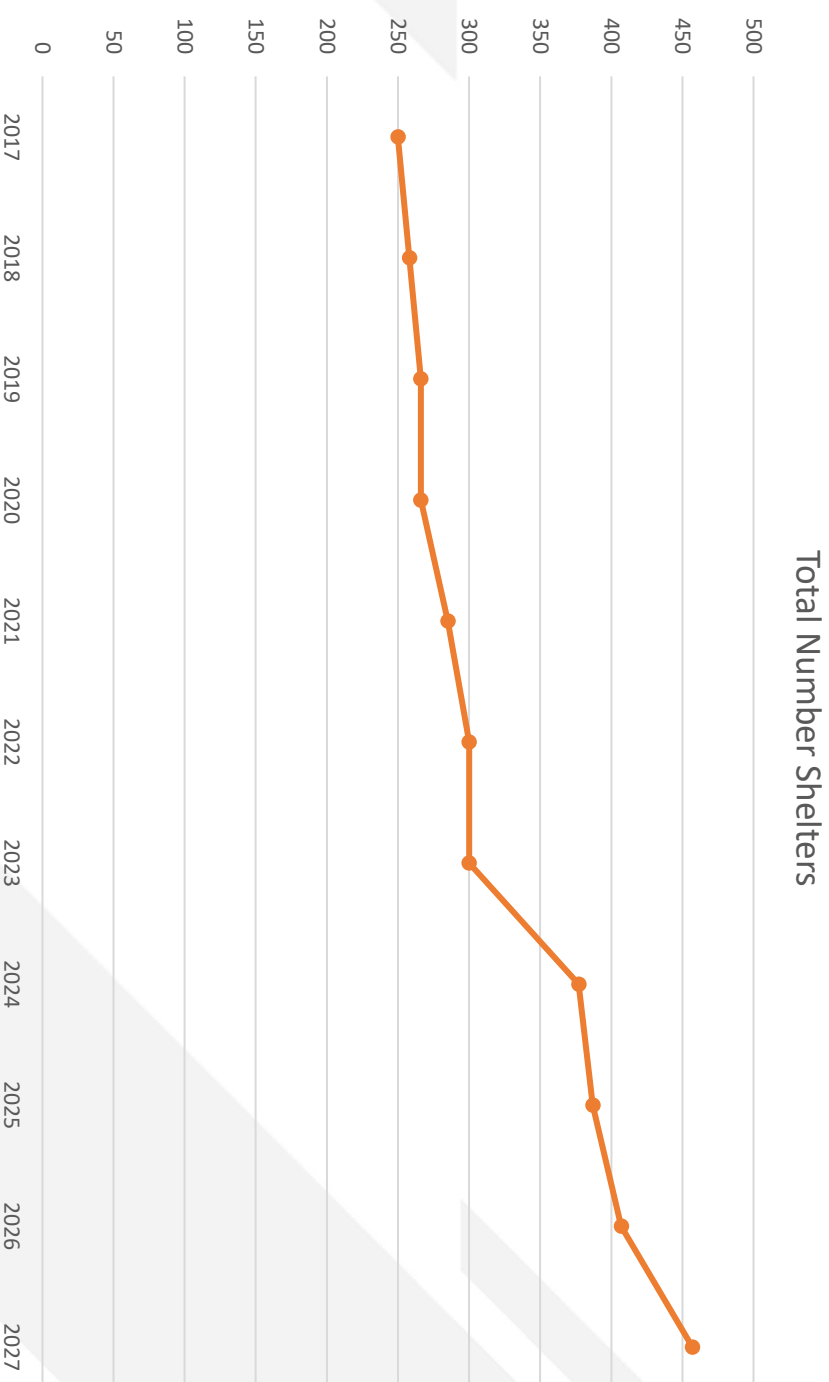
- Designed to fit within 6 ft wide sidewalk and maintain ADA accessibility for sidewalk and bus shelter
- Can be expanded based on ridership increases
- Installing 10 as part of Shade Study
- Up to 60 additional will be installed with Federal grant funding



Shelters and Shade



- Transit is growing the number of bus shelters
- Adding 150 new shelters through 2027
- Increasing shade coverage to over 92%



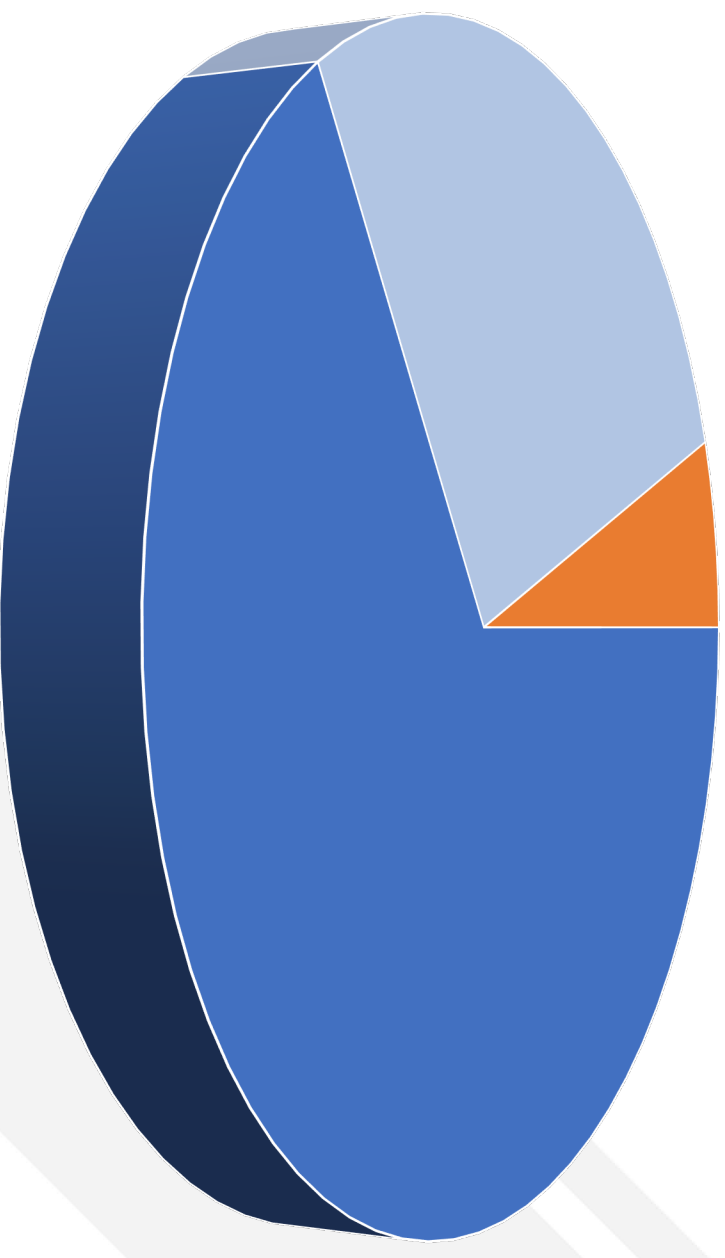
Shelters and Shade



Estimated 2027 Bus Stops

- 682 Total Bus Stops
- 92% Sheltered or Shaded
 - 450 Shelters
 - 192 Shaded
- 40 No Shade/No Shelter

2027 Total City of Mesa Bus Stops



Transportation Department

April 4, 2024

RJ Zeder, Director

Erik Guderian, Assistant Director

Orlando Otero, Deputy Director

Chase Carlile, Support Services Administrator

Fiscal Year 2024/25

Public Purpose

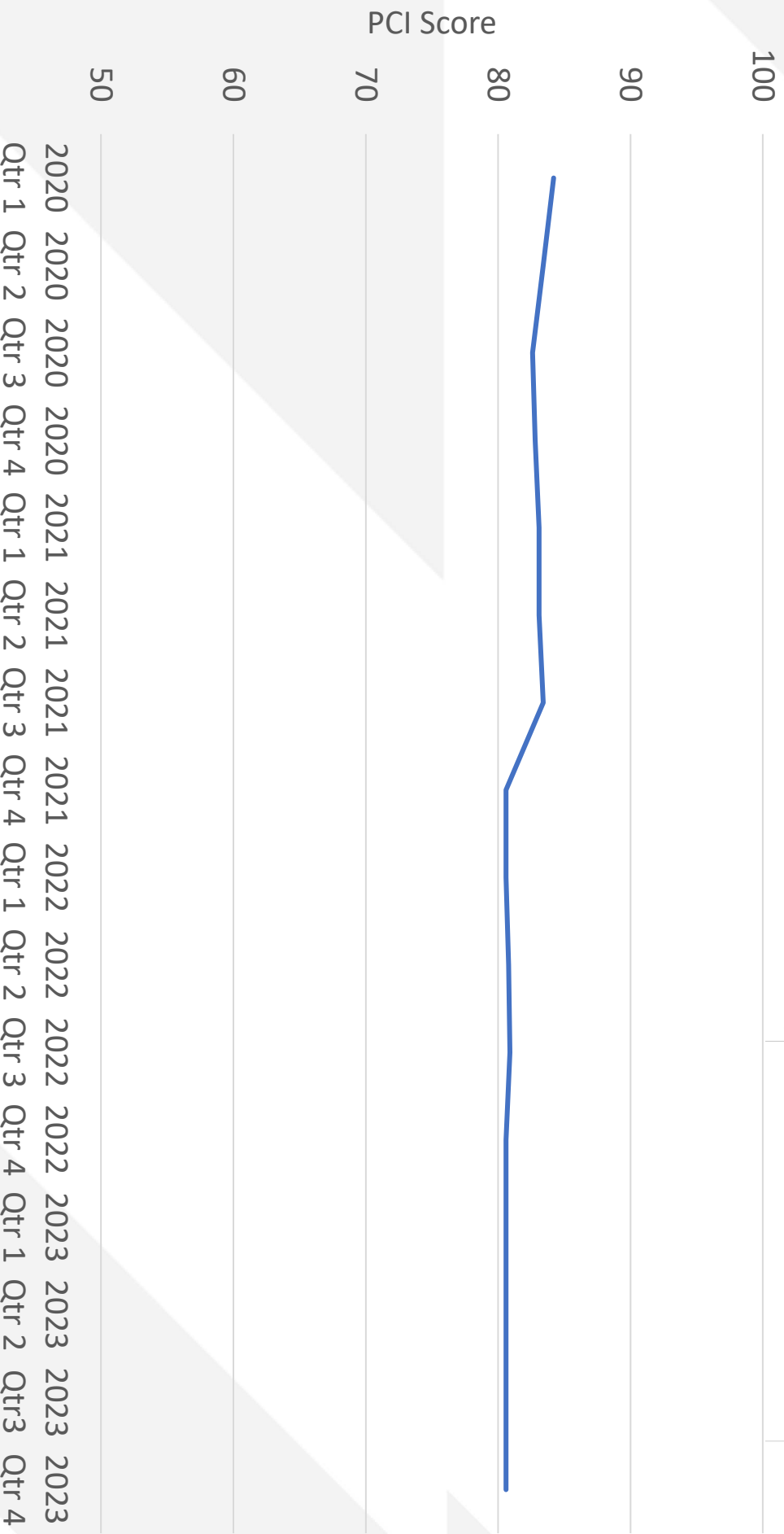
Serving the public by planning, designing, operating, and maintaining a safe and efficient, multi-modal transportation system.

- Well Maintained Assets
- Safety, Efficiency, and Capacity for All Users
- Environmental Sustainability

Performance Measure

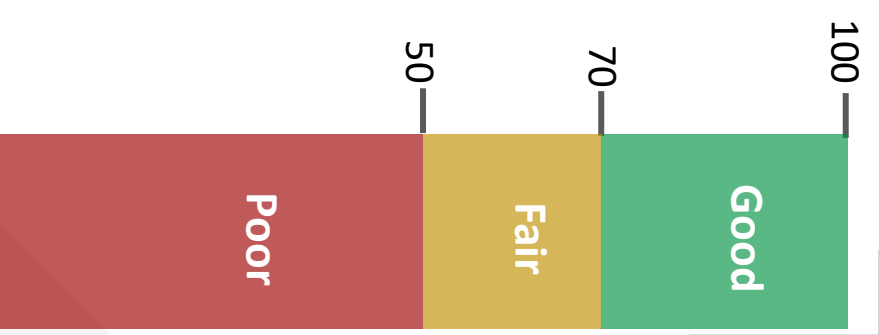
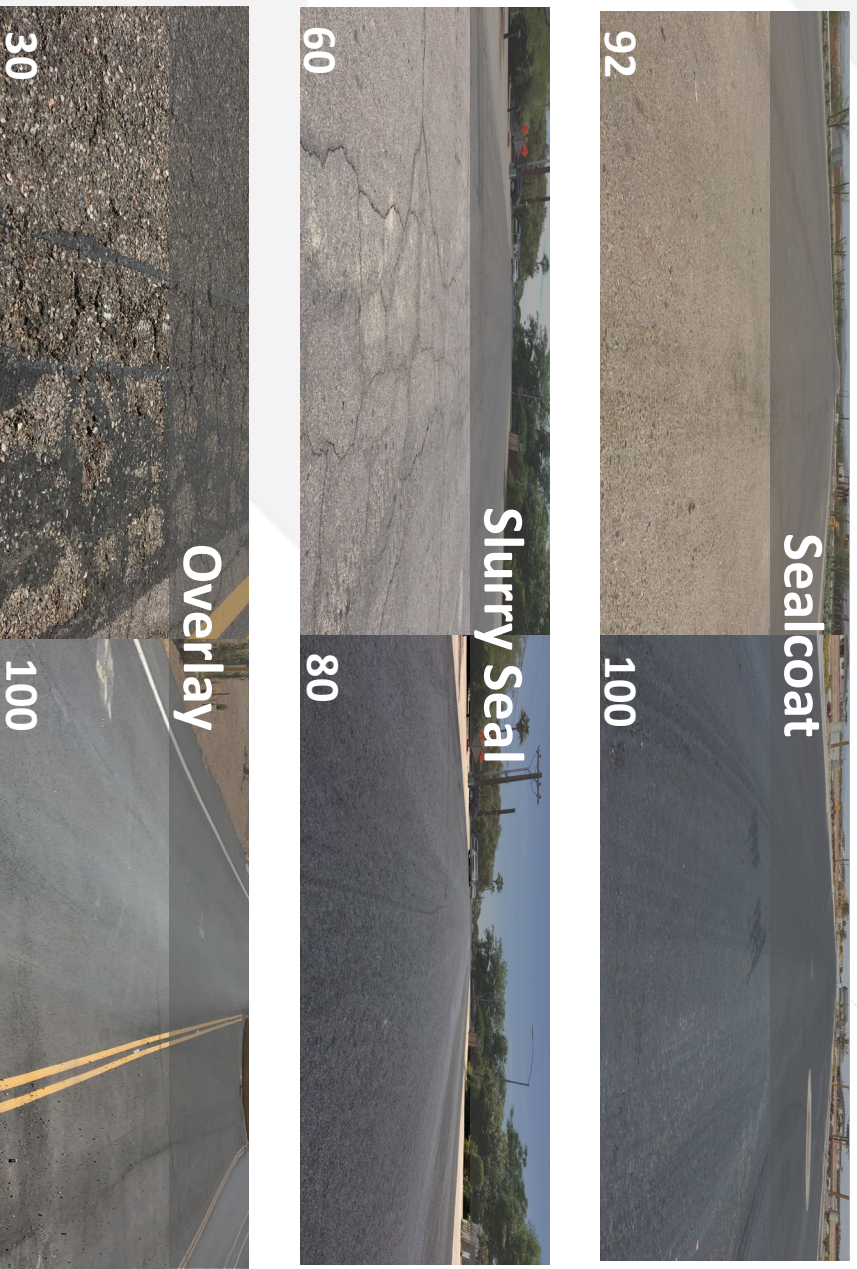


All Streets Pavement Condition Index (PCI)



[Link to Video](#)

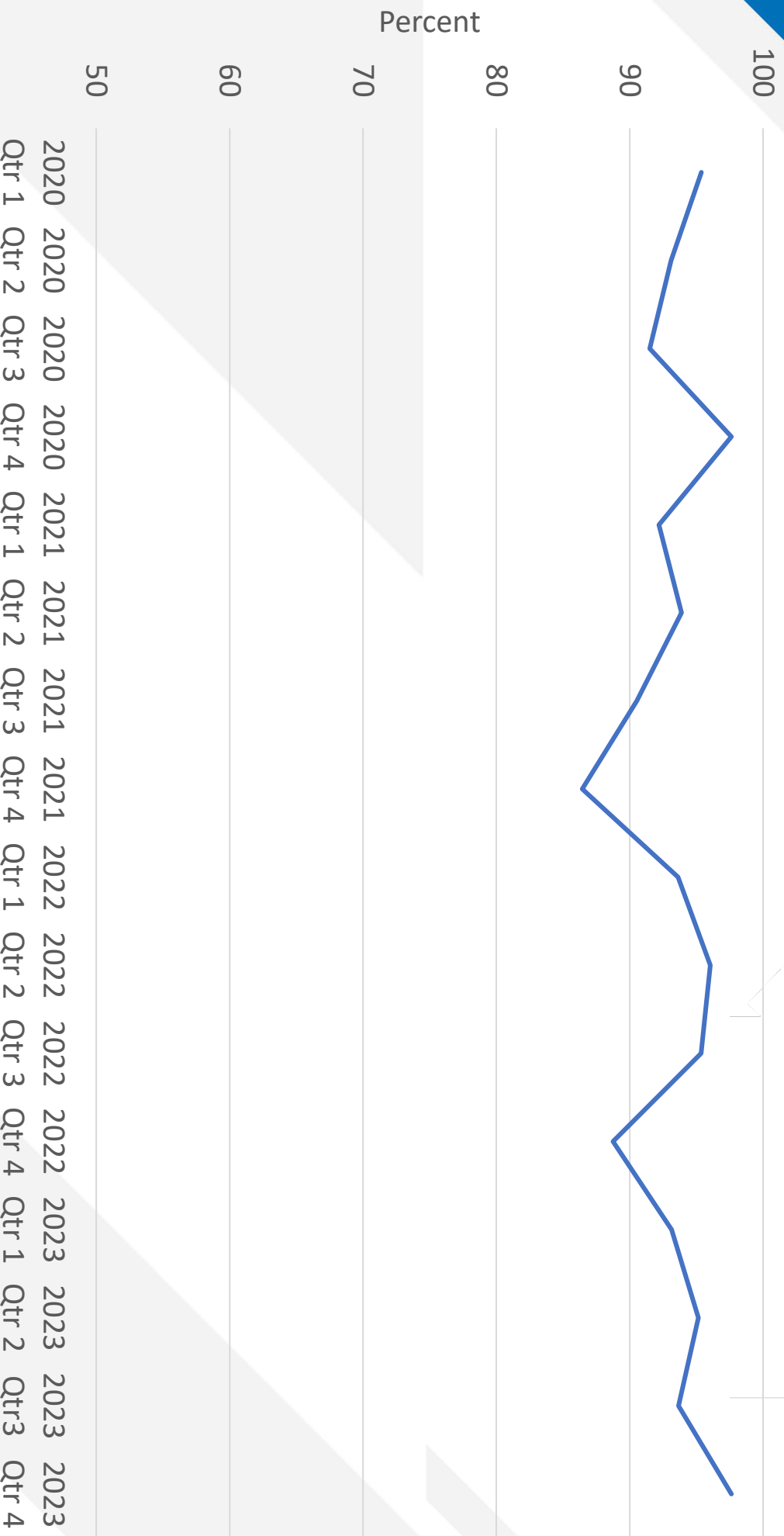
ement Preservation



Performance Measure



Traffic Signal Trouble Calls Response within 1 hour



Performance Measure

Landscape Refurbishment

Transportation understands the importance of future investments to reduce water usage supporting Climate Action Plan initiative by upgrading infrastructure with smart controllers, re-designing plant and tree pallets with desert vegetation, and replacing turf with decorative rock.



Performance Measure

Turf Conversion



Before



After

Performance Measure



- Non-Turf Refurbishment – 143,748 SF completed
- Turf Conversion – 184,545 SF completed, 529,222 SF remaining

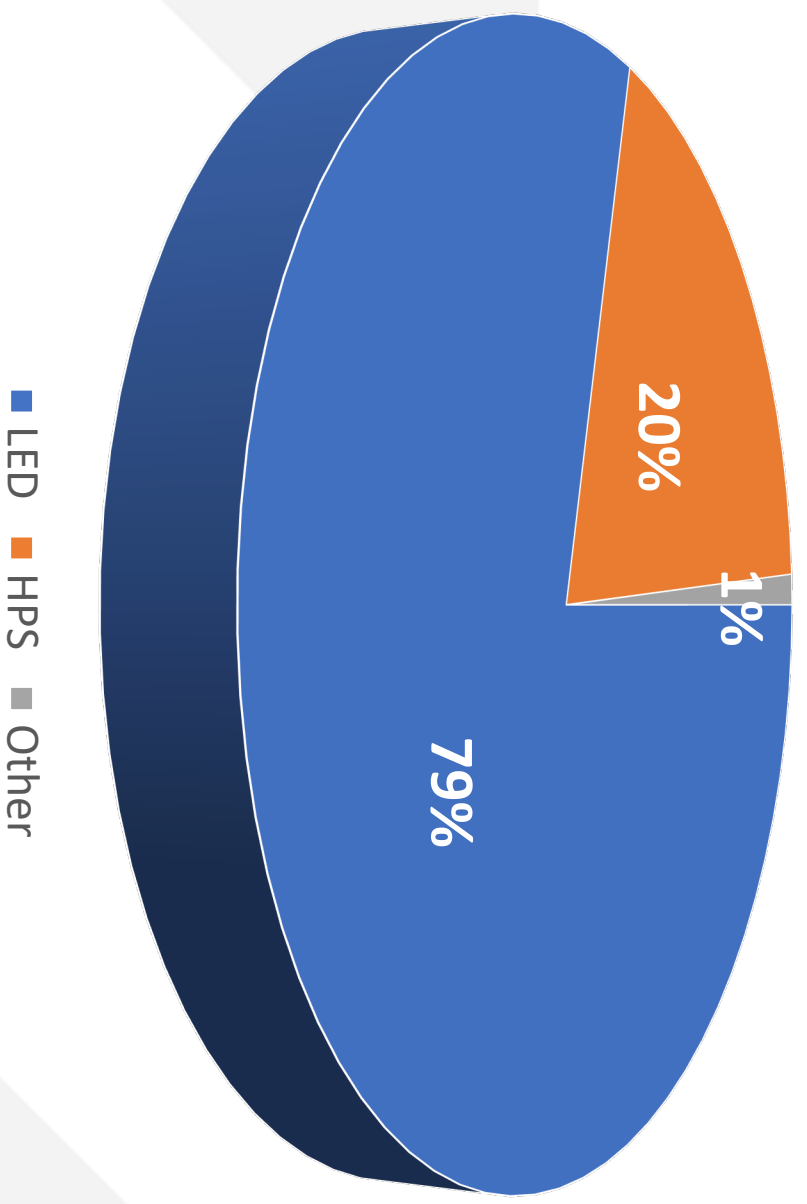
Program Budget	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25
Landscape Refurbishment	\$400K	\$500K	\$1.4M	\$1.4M	\$1.0M

Turf Conversion includes irrigation and smart controller installation, refurbishment of vegetation, and addition of decomposed granite
 Estimated number of trees planted per year: 500, estimated cost: \$177,625 (\$355/tree)

Performance Measure

Streetlight Conversion

Percent of Streetlights by Lamp Type



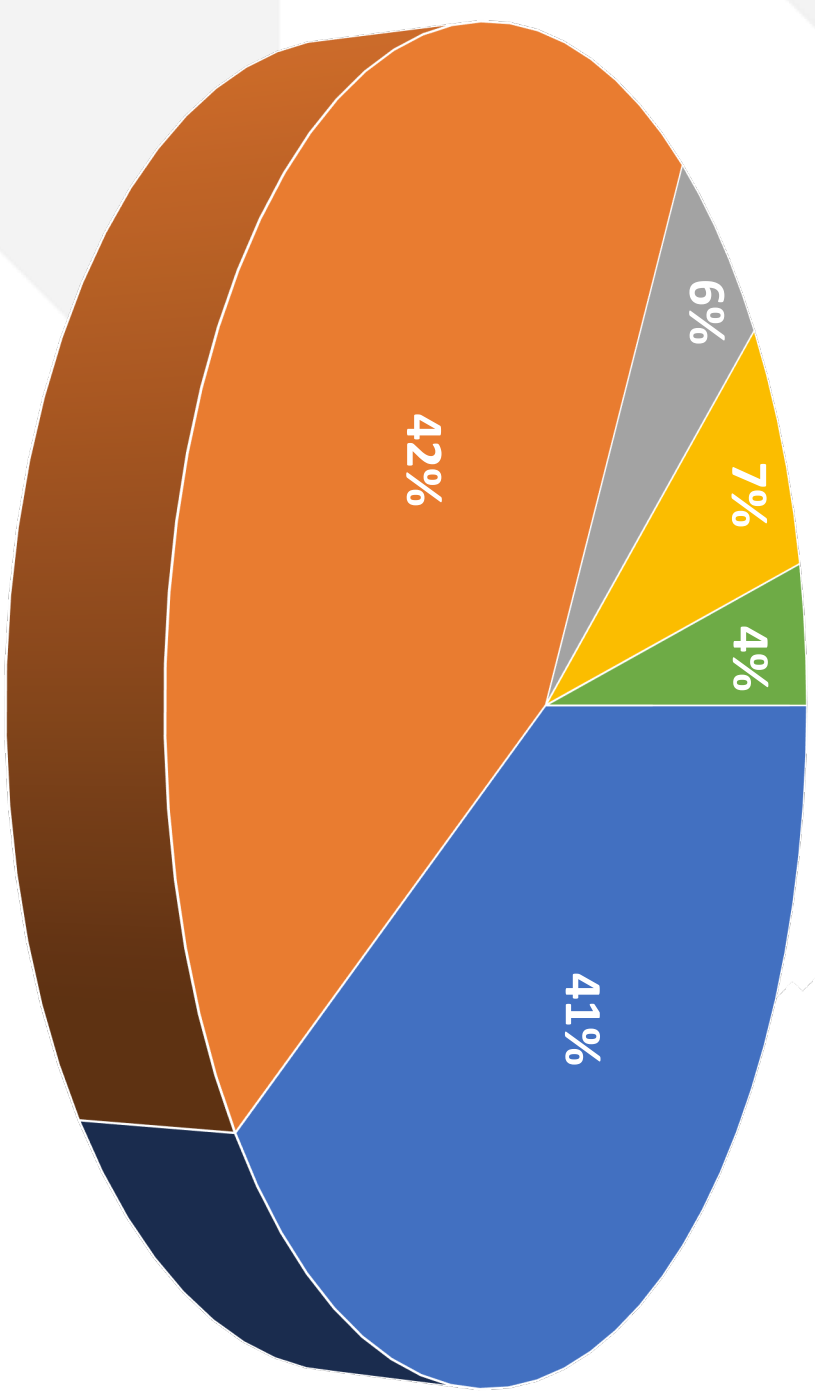
Department Expenditure Summary



Core Business Process	FY 22/23 Year End Actuals	FY 23/24 Revised Budget	FY 23/24 Year End Estimate	FY 24/25 Proposed Budget
Field Operations	\$36.6	\$44.6	\$43.3	\$47.3
Traffic Engineering	\$7.2	\$8.3	\$8.2	\$9.1
Total	\$43.8	\$52.9	\$51.5	\$56.4

Figures in millions, rounded

ding Sources



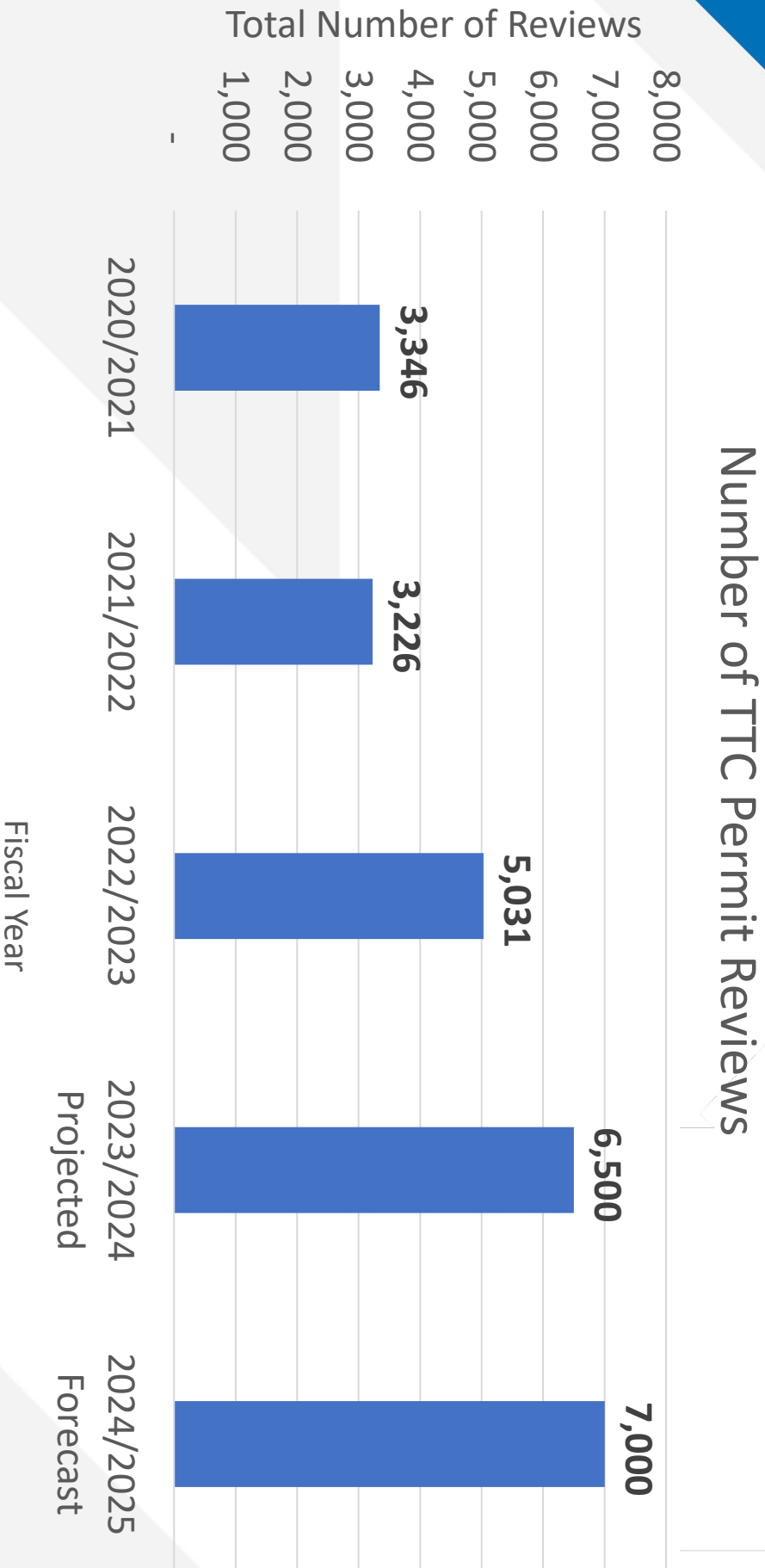
- Local Streets Sales Tax
- Highway User Revenue Fund
- Environmental Compliance Fee
- Dept Fees Revenue
- Other

2024/25 Budget Adjustment Summary



Adjustment	FTE	One-Time	Ongoing	Fund
Temporary Traffic Control FTEs	4	\$95,000	\$493,108	LSST, HURF
Herbicide Contract Increase	0	\$ -	\$259,450	LSST
Special Event Traffic Controls	0	\$20,000	\$ -	LSST
Total	4	\$115,000	\$752,558	

Temporary Traffic Control Permit Reviews



Department of Innovation and Technology (DOIT)

April 4, 2024

Scott Conn, CIO



Fiscal Year 2024/25

Public Purpose

The Mesa Department of Innovation and Technology (DoIT) is committed to providing innovative and efficient IT services that support the city's mission to provide a safe, clean, and vibrant community for all.

We work closely with our business partners to understand their needs and deliver solutions that improve the quality of life for Mesa residents, businesses, and visitors.

Strategies/Objectives – Two Types



High Visibility

1. Cybersecurity Hardening
2. Network Foundation Expansion
3. DoIT Employee Engagement



Behind the Curtain

1. Integrated Planning – PMO
2. Application Rationalization
3. Predictive Metrics

ard – Network Foundation



"Connect@Mesa" = Public WiFi



Performance Measures



High Visibility



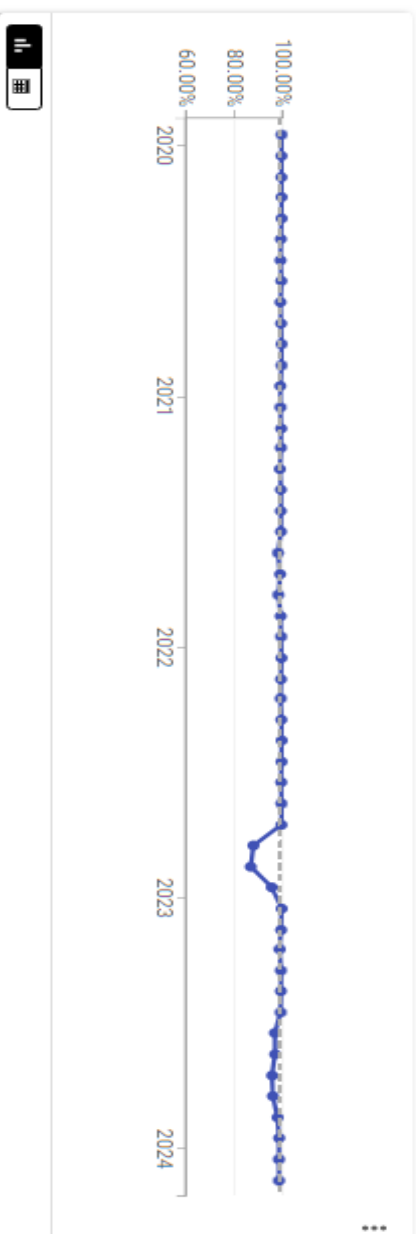
ITD - IT Availability of Network Platform

98.66%

2/1/24 - 2/29/24

Off Track

Target 99.00%



Strong Community
Connections

Network Expansion and Public Access

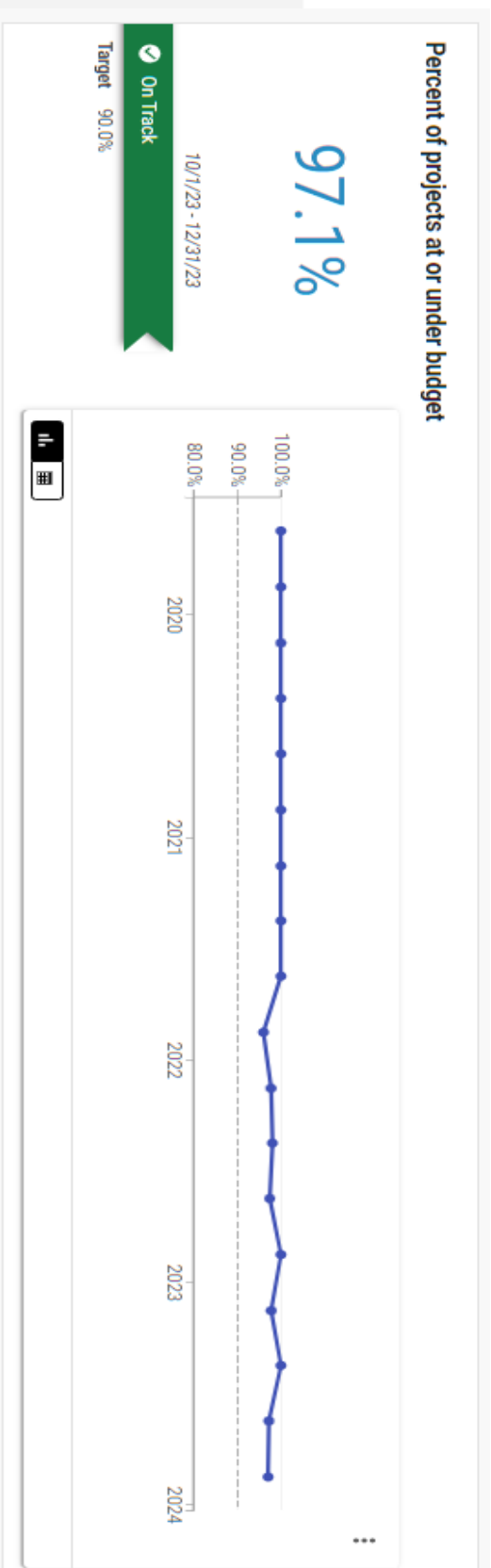
Performance Measures (Cont.)



Behind The Curtain



Integrated IT Planning



Performance Measures (Cont.)



Behind The Curtain



Application Rationalization



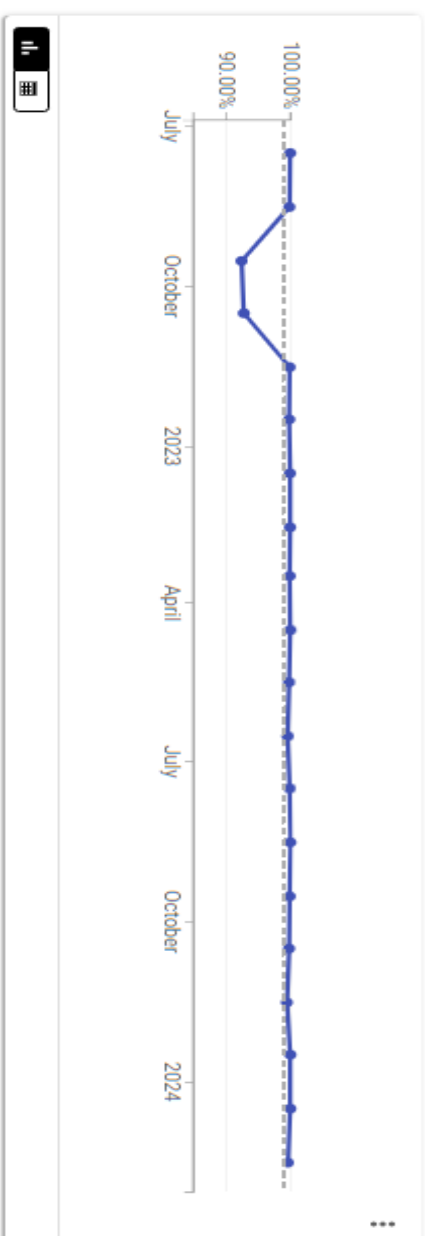
Percent of Availability of Critical Business Applications

99.61%

2/1/24 - 2/29/24

On Track

Target 99.00%



Department Financial Summary – DoIT



Core Business Process (Expenditures)	FY 22/23 Year End Actuals	FY 23/24 Revised Budget	FY 23/24 Year End Estimate	FY 24/25 Proposed Budget
Enterprise IT Services	\$9.5	\$12.0	\$9.9	\$10.8
IT Business Solutions	\$12.2	\$20.8	\$20.7	\$18.4
Enterprise Operations	\$10.5	\$23.2	\$21.1	\$13.6
IT Security	\$2.8	\$3.7	\$4.3	\$4.8
Innovation	\$0.0	\$0.1	\$0.2	\$0.2
Total	\$35.0	\$59.8	\$56.2	\$47.8

Figures in millions, rounded

Department Financial Summary – Communications

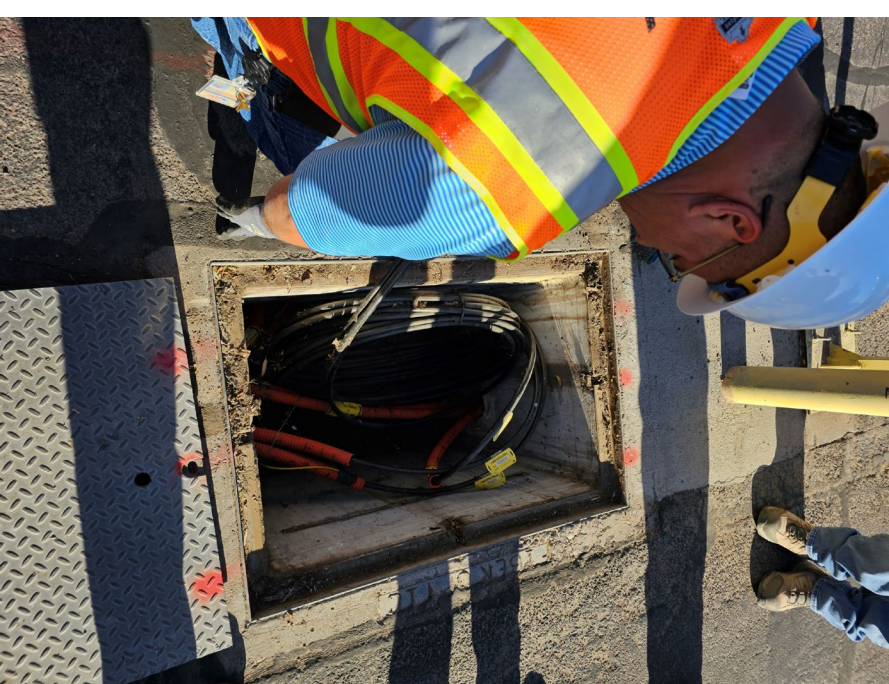


Core Business Process (Expenditures)	FY 22/23 Year End Actuals	FY 23/24 Revised Budget	FY 23/24 Year End Estimate	FY 24/25 Proposed Budget
Radio Communications	\$3.5	\$4.4	\$4.4	\$4.7
Total	\$3.5	\$4.4	\$4.4	\$4.7

Figures in millions, rounded

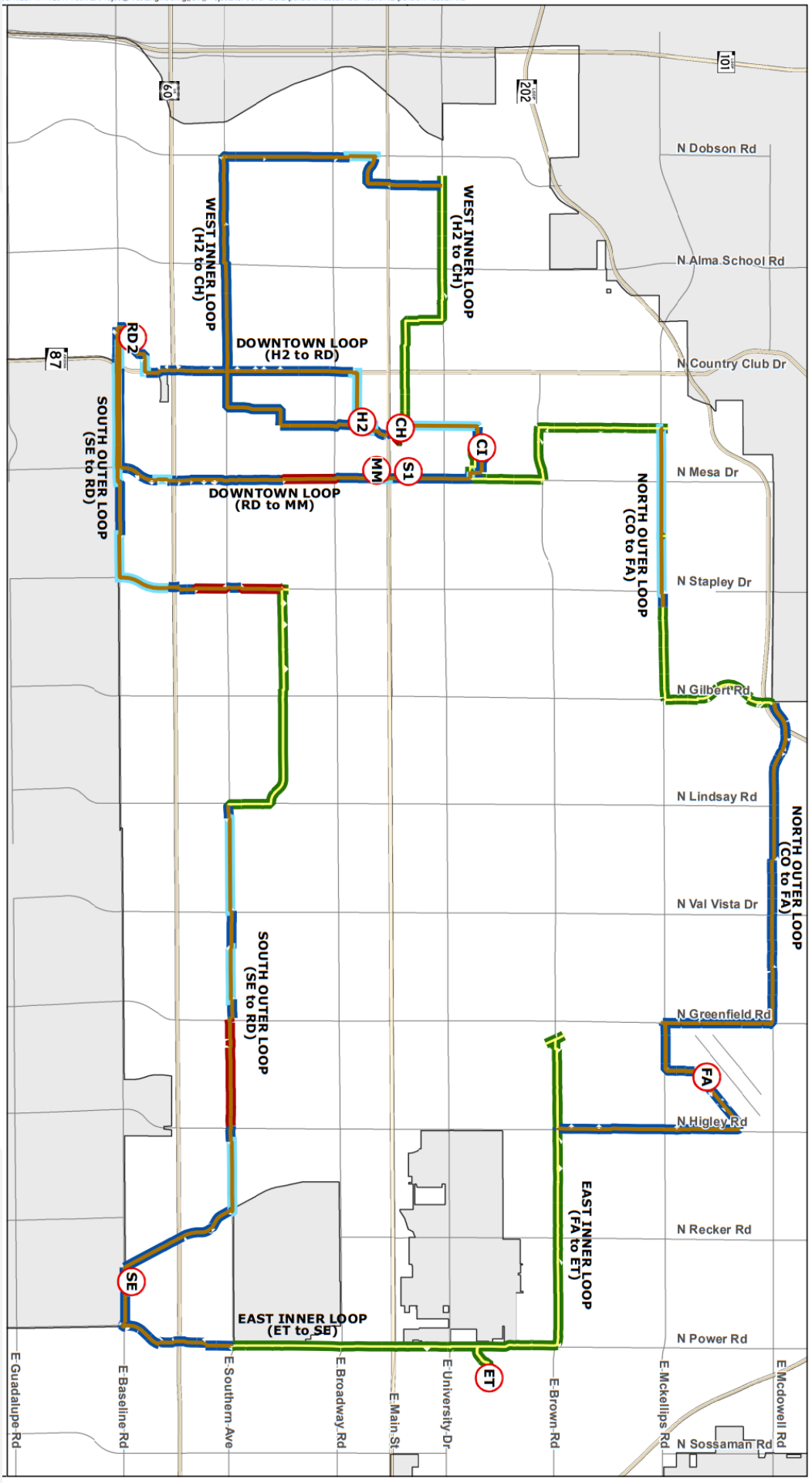
Budget Adjustment

- One full-time IT Engineer I position and vehicle.
- Telecommunications Distribution Systems team responsibilities.
- High-speed fiber optic connectivity for residents and public safety throughout the City.
- Staffing levels and City managed fiber optic miles.
- Ongoing and growing need for fiber infrastructure across the City.



er Ring - Mesa

\\SAVED: 7/17/2019 Path: Z:\Project_Files\Engineering_CIP_Projects\CP0696\FiberExpansionPhase2\FiberNetworkExpansionPhase2.mxd



4/25 Budget Adjustment - Summary



Adjustment	FTE	One-Time	Ongoing	Fund
IT Engineer I	1	\$154,000	\$136,504	General

Infrastructure Lifecycle - Datacenter



Building Scalability and Business Continuity

Total Project Costs

FY2025 \$700,000

Projected O&M Cost

Onetime: \$590K On-going: \$110K/YR

Projected Start Date

1/2024

- Currently reaching server storage capacity at Evoque (AT&T) and within City datacenters
- Comarch will provide scalability and business continuity options not available today
- Move from Evoque to Comarch will provide ongoing annual savings of close to \$300k
- Breakeven/Payback projected to occur in FY 27/28



Redevelopment Areas (RDAs)

Mesa City Council Study Session

April 4th, 2024

Jeff Robbins, CECD

Sr. Economic Development Project
Manager

Nana Appiah, AICP

Development Services Director

Jeff McVay, AICP

Manager of Downtown Transformation

Jaye O'Donnell

Economic Development Director

REDEVELOPMENT AREA OVERVIEW (RDA)



Mesa City Council Has Adopted Four Redevelopment Areas

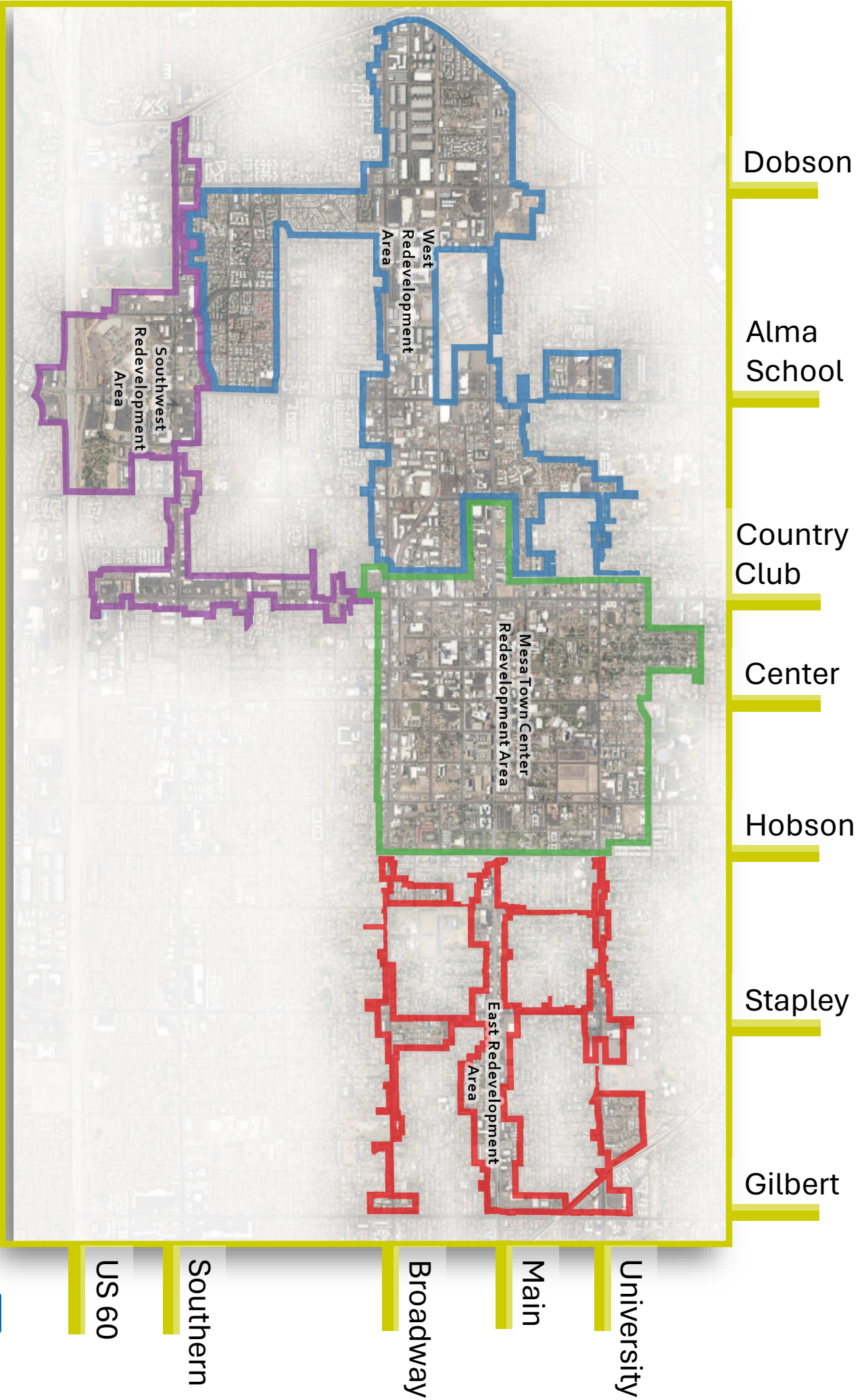
- Town Center (1999. Renewed 2015)
- Southwest (2017)
- West (2018)
- East (2018)

East
Est. 2018

West
Est. 2018

Southwest
Est. 2017

Town Center
Est 1999
Renewed 2015



REDEVELOPMENT AREA OVERVIEW (RDA)

An RDA is a geographic area designated by City Council to be in need of revitalization

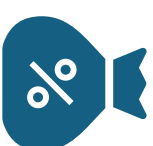


Defined by a predominance of blighted parcels

- Any one of nine possible conditions are defined as blight:
 - Unsanitary or unsafe conditions
 - Deterioration of site or other improvements
 - Diversity of ownership
 - Improper or obsolete subdivision platting
 - Defective or inadequate street layout
 - Faulty lot layout
 - Tax or special assessment delinquency exceeding the fair value of the land
 - Defective or unusual conditions of title
 - Conditions that endanger life or property by fire and other causes

REDEVELOPMENT AREA OVERVIEW (RDA)

Designating an RDA may allow for the use of **additional economic tools** to enhance neighborhoods and business districts



Government Property Lease Excise Tax (GPLET) with 8-year tax abatement - Mesa's CBD extends over all City RDAs



Leverage a wide range of Federal and State grant opportunities



Creation and execution of a redevelopment plan



Allows City Council to consider additional incentives

EIGHT YEAR ECONOMIC IMPACT OF GP LLET LEASES IN RDAS SINCE 2017

\$190,000,000

TOTAL CONSTRUCTION IMPACT

\$155,000,000

CAPITAL EXPENDITURE (CAPEX)

1020

MULTI-FAMILY HOUSING UNITS CONSTRUCTED

\$4,500,000

TOTAL DIRECT FINANCIAL BENEFIT TO THE
CITY OF MESA

\$2,300,000

ONE-TIME CONSTRUCTION SALES TAX
REVENUE (part of total benefit)

BUSINESS CASE: BROWN & BROWN TO MELODY ON MAIN



2011

ACTIVE SITE



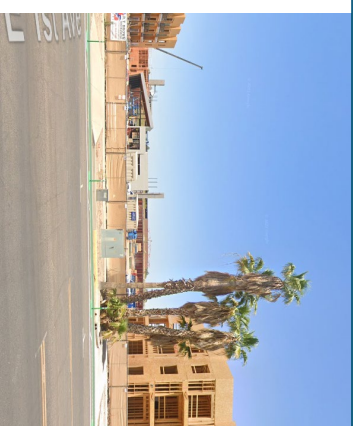
2015

**INACTIVE
SITE**



2018

**DEMOLITION
OF
STRUCTURES**



2022

**MAY-
EARLY
PHASES OF
MELODY
ERECTED**



2022

**DECEMBER-
ALL PHASES
OF MELODY
ERECTED**

BUSINESS CASE: MELODY ON MAIN

VALUE BEFORE CONSTRUCTION*

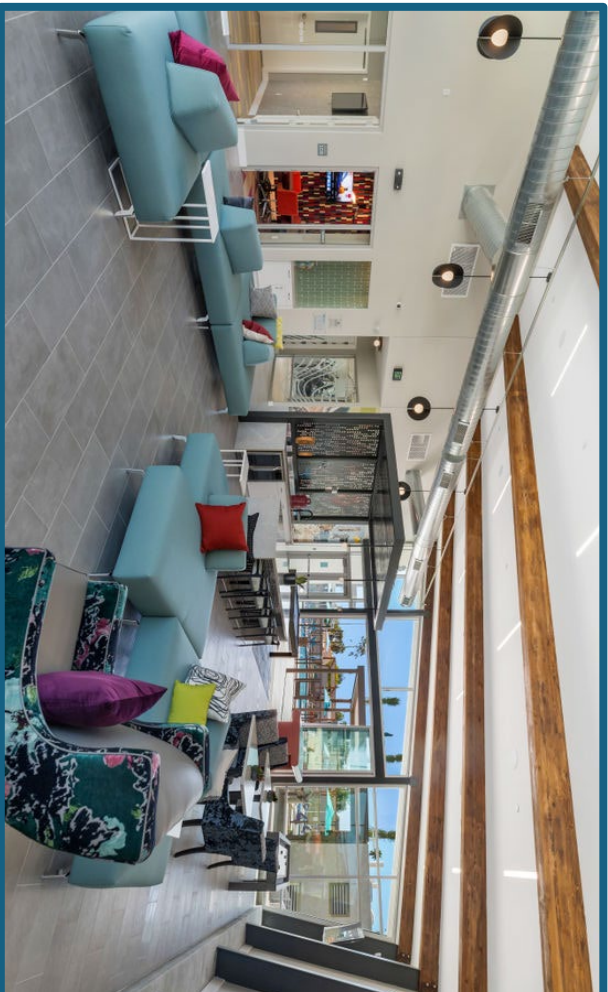
\$3,182,000

VALUE DURING CONSTRUCTION

\$37,479,000

ANNUAL SECONDARY PROPERTY TAX

\$17,664

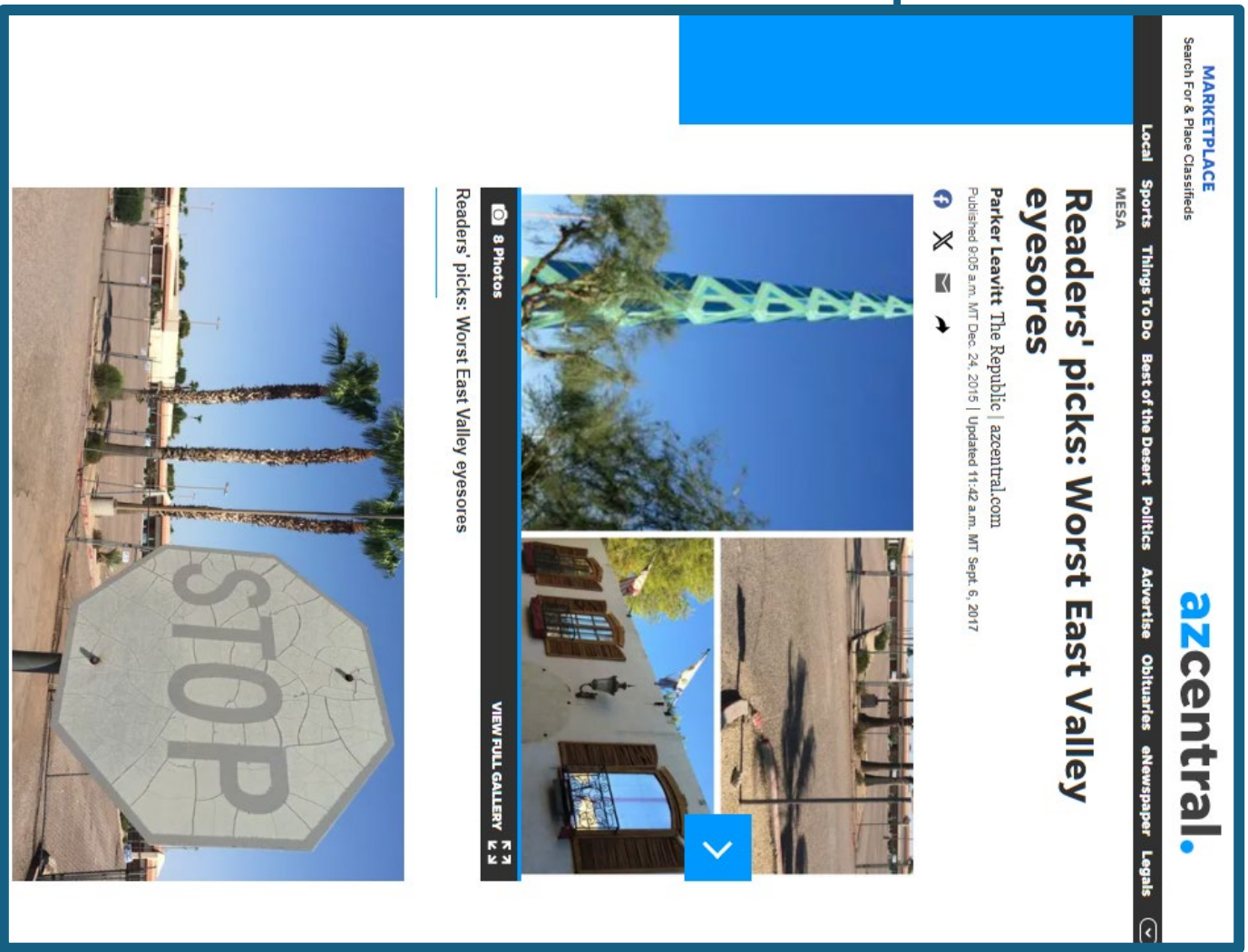


*Full Cash Value. 2023 compared to 2025. Source: County Assessors Office

BUSINESS CASE: THE LANDING AT FIESTA VILLAGE

“
An empty, crumbling strip of
mall on the northwestern corner
of Alma School Road and
Southern Avenue in Mesa is
**the most commonly identified
eyesore in the East Valley.**”

Parker Leavitt/The Republic,
December 2015



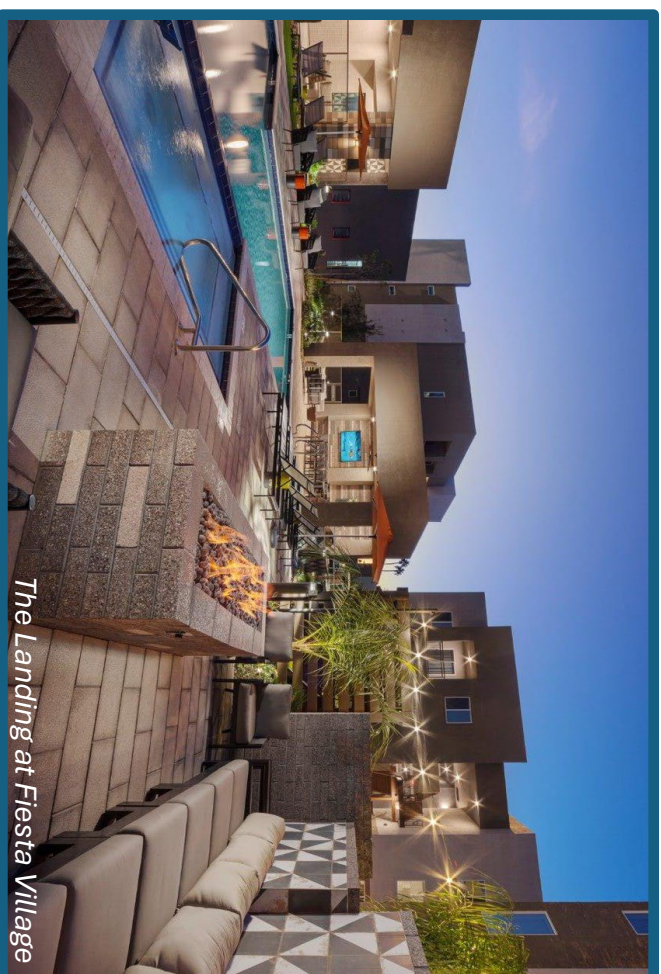
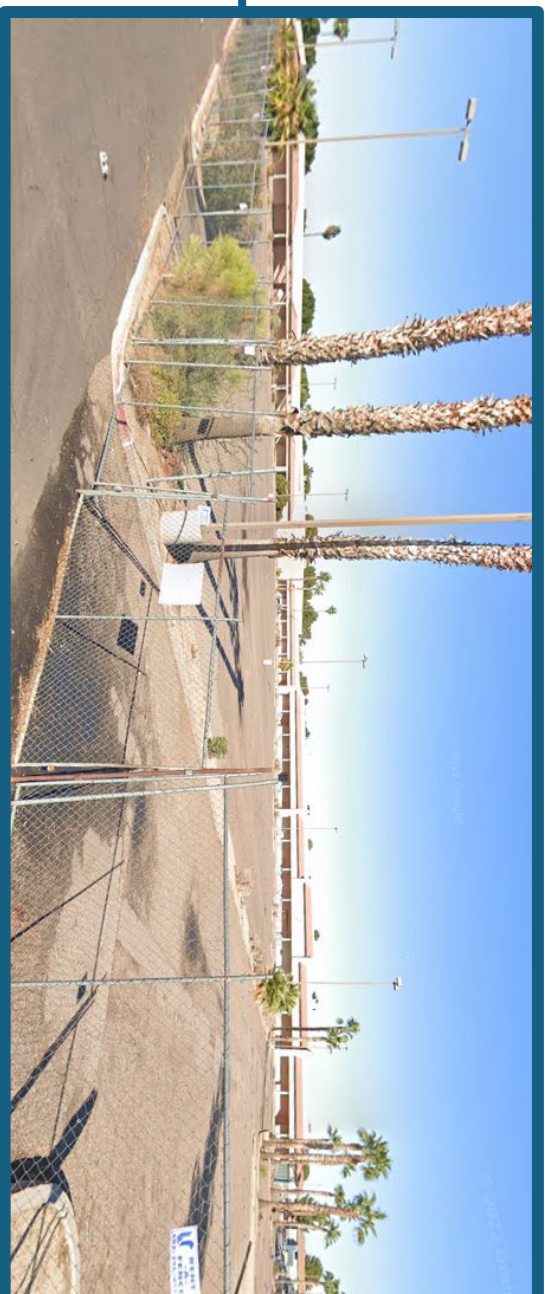
BUSINESS CASE: THE LANDING AT FIESTA VILLAGE

VALUE BEFORE CONSTRUCTION
\$2,880,000

VALUE AFTER CONSTRUCTION*
\$72,850,000

ANNUAL ESTIMATED SALES TAX FROM NEW
RESIDENTS**
\$18,000

ANNUAL SECONDARY PROPERTY TAX
\$28,676



The Landing at Fiesta Village

*Full Cash Value. 2022 compared to 2025. Source: County Assessors Office

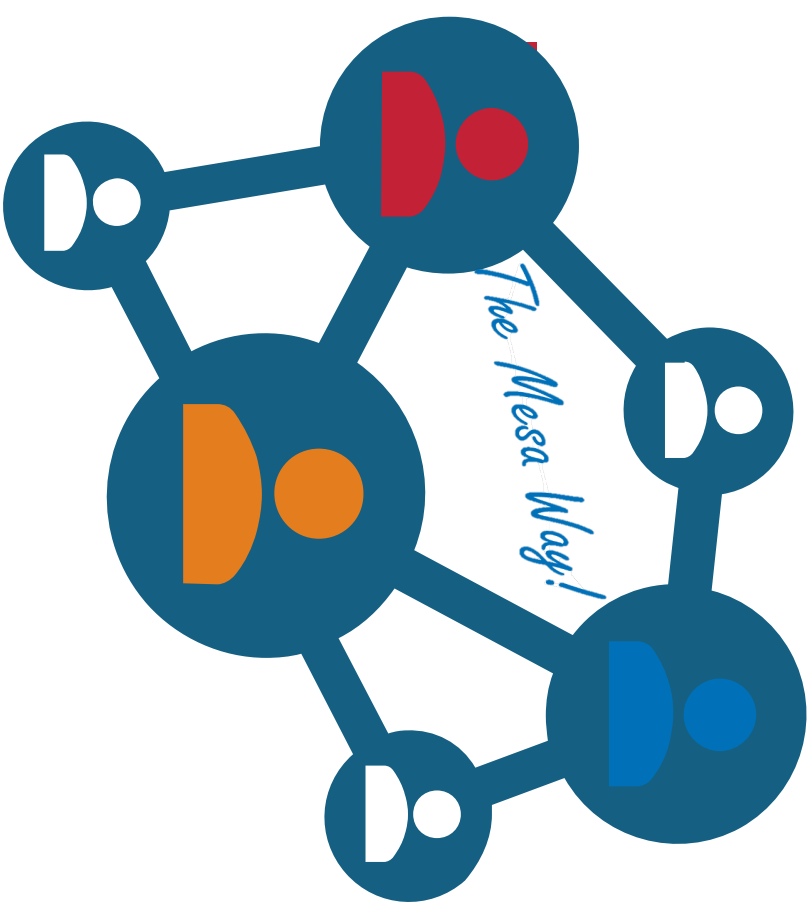
**Presumes only 25 percent of residents are new to Mesa

STRATEGIC INTERDEPARTMENTAL COLLABORATION

RDAs have been a focus of City Staff
since adoption

Each department has addressed
RDAs within their sphere of influence

Initial interdepartmental working
group originated in early 2023



REDEVELOPMENT IMPLEMENTATION STRATEGIES



Asian
District
Branding



Expand
Murals and
Artwork in
Asian District



Expand
Neighborhood
Cleanup



Organize Job
and Business
Classes



Work with
Underperforming
Properties

REDEVELOPMENT IMPLEMENTATION STRATEGIES



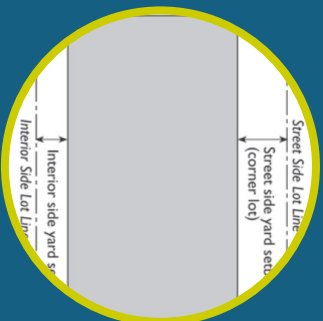
Infill Incentive
District
Adaptive
Reuse



Form-Based
Code
Amendments



ADU Code
Amendments



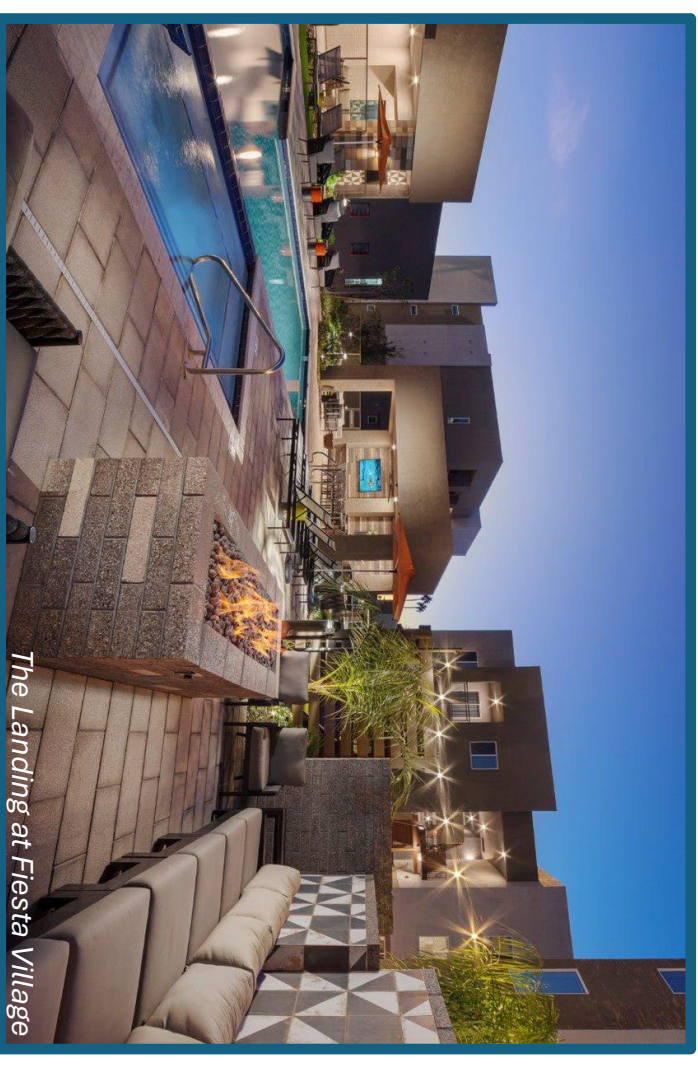
Code
Amendments
(Building and
Zoning)



Encourage a
variety of
housing options

THE FUTURE OF MESA'S RDAs

- Mesa residents identified redevelopment as a top priority
- Continue to convene and expand the working group to other departments
- 2 FTEs included in FY 24/25 budget
- Return to City Council with opportunity sites and targeted initiatives



QUESTIONS?

