



COUNCIL MINUTES

April 3, 2025

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on April 3, 2025, at 7:30 a.m.

COUNCIL PRESENT

Mark Freeman
Scott Somers
Rich Adams
Jennifer Duff
Alicia Goforth
Francisco Heredia
Julie Spilsbury

COUNCIL ABSENT

None

OFFICERS PRESENT

Steven Aguilar
Christopher Brady
Jim Smith

Mayor Freeman conducted a roll call.

1. Review and discuss items on the agenda for the April 7, 2025, 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

In response to the request from Mayor Freeman regarding agenda Item 5-a, **(Approving and authorizing the City Manager to enter into a memorandum of understanding between the City of Mesa and Soltrust Main, LLC for the completion of the development project known as The GRID including City-owned property generally located at the southwest corner of Main Street and Pomeroy. (District 4))**, on the Regular Council Meeting agenda, Downtown Transformation Manager Jeff McVay introduced Downtown Transformation Project Manager Stephanie Monge and displayed a PowerPoint presentation. **(See Attachment 1)**

Ms. Monge explained that the City of Mesa (COM) entered into a development agreement in December of 2017 for the mixed-use development project known as The GRID. She reported that in March 2024 the developer filed for bankruptcy. She stated that the COM worked in collaboration with a bankruptcy trustee to select a qualified developer to purchase the project and chose Soltrust Main QOZB, LLC. (See Page 2 of Attachment 1)

City Manager Christopher Brady confirmed that the property being discussed is City-owned property that is located next to Benedictine University on Main Street.

Ms. Monge confirmed that the proposed item is to approve the Memorandum of Understanding (MOU) to allow the COM to proceed with the agreement negotiated by the bankruptcy trustee which will settle the outstanding claims against the bankruptcy estate. (See Pages 3 and 4 of Attachment 1)

Mr. McVay pointed out that the COM recovered \$1.7 million that was held as a completion guarantee, which assisted with the right-of-way work to reopen Main Street as well as adding streetlights and landscaping.

Mr. McVay verified that Soltrust Main, LLC operates in Washington and Arizona and currently has 12 successful projects under construction in Arizona, including the recently completed remodel of the Forge Towers in Downtown Mesa. He added that as part of the negotiation Soltrust Main, LLC will be required to settle the claims with the contractor and subcontractors totaling approximately \$800,000. (See Page 5 of Attachment 1)

Mr. McVay provided the details and terms of the proposed MOU with Soltrust Main, LLC and highlighted the difference between the last contractor developer agreement. He confirmed that all agreements must be approved by the bankruptcy court prior to moving forward. He explained that the new MOU breaks the project into three phases with the first phase completing the existing building, and Phases II and III will focus on constructing 12 townhomes and adding public improvements. He mentioned that upon completion of each phase; the developer has the option to purchase the phase within 180 days. He added that the purchase for Phases II and III may be closed simultaneously. He reviewed the additional obligations outlined in the MOU, including parking and the possibility of subdividing the property should they choose to make them condos. (See Pages 6 through 8 of Attachment 1)

Discussion ensued about the site plan, parking, MOU obligations and the proposed developer.

City Attorney Jim Smith clarified that the deal is structured as a lease with an option to purchase, subject to restrictive covenants once the deal is finalized.

Responding to a question from Mayor Freeman, Mr. McVay reported that while the agreement with the prior contractor was to complete park improvements, this MOU does not include that parameter. He pointed out that a competitive deal was made to ensure the construction of the building is completed. He said that Council may revisit the park improvements at a later date.

Mr. McVay commented that Soletrust Main, LLC has already made an investment in the project with design work and obtaining subcontractor bids for the work that needs to be completed. He reported that negotiations are ongoing with several restaurants to occupy the first-floor space when the construction is completed.

Responding to a question from Councilmember Spilsbury regarding agenda Item 6-a, **(ZON24-00638 "Lofts at 121," 3± acres located at 121 and 129 North Beverly, approximately 881 feet north of the northeast corner of East Main Street and North Beverly. Rezone from Single Residence-6 (RS-6) to Multiple Residence-4 with a Planned Area Development Overlay (RM-4-PAD) and Site Plan Review for a 66-unit multiple residence development. Lofts at 121 LLC, owner; Tim Boyle, Atmosphere Architects, applicant. (District 4)), on the Regular**

Council Meeting agenda, Planning Director Mary Kopaskie-Brown introduced Principal Planner Evan Balmer and displayed a PowerPoint presentation. **(See Attachment 2)**

Ms. Kopaskie-Brown explained that the applicant for the proposed project has worked with City staff to address the concerns based on the input from Council and have simplified the architecture and reduced the density of the project.

Mr. Balmer outlined the request, noting that the application is to construct a 66-unit multiple residence development. He confirmed the current and proposed zoning for this project and described the area surrounding the property. (See Pages 2 through 6 of Attachment 2)

Mr. Balmer discussed the revised site plan for consideration and highlighted the changes that were made to the plan since the last Council review. He reported that public meetings were held with neighbors to address their concerns. He confirmed that the proposed project complies with the general plan and site review and staff recommends approval with conditions. (See Pages 7 through 15 of Attachment 2)

Responding to questions from Councilmember Spilsbury, Mr. Balmer stated that the applicant had made changes as outlined in the site plan. He confirmed that the Transportation Department had reviewed the request and raised no concerns, and that the traffic plan had been presented to concerned citizens. He expressed his opinion that having the development near the park would reduce the possibility of danger or illegal behavior. He pointed out that there are sidewalks in the area for pedestrian use. He verified that the units for the proposed development are for rent and reviewed the process for changing to for-sale units.

Councilmember Duff stated that this property is in a transit-oriented district with the intention of less vehicle traffic, yet is not close enough to walk to the transit stations. She addressed the safety concerns at Beverly Park, reporting that the crime has decreased greatly with children playing soccer and families enjoying the space. She expressed disappointment that nearby residents at the neighborhood meetings were unwilling to have a dialogue or reach a compromise. She discussed how the proposed development would improve the area and help Downtown thrive.

Councilmember Heredia provided his opinion that this area merits density and would benefit from the proposed development being constructed.

Councilmember Adams stated that the reduction of two units was not sufficient and voiced his displeasure that the units are rentals and not for sale as presented. He pointed out that there are good arguments for both sides.

Mayor Freeman introduced Tim Boyle, the applicant, with Atmosphere Architects.

Mr. Boyle addressed Council and provided background information about himself and the projects his company has completed in the City of Mesa. He acknowledged the challenges involved in this type of development and emphasized that his company has made every effort to address community concerns. He expressed interest in converting the units to for-sale in the future.

Mr. Balmer reiterated that the project as presented is not for-sale units and outlined the requirements involved in the process of making them for-sale units in the future.

Responding to a question from Councilmember Goforth, Mr. Boyle explained that he had completed projects like this and understands the requirements to convert them from rental units to for-sale.

Additional discussion ensued regarding approval of the project as rental units versus for-sale units.

Mayor Freeman suggested the item be tabled to allow time for additional discussion between the applicant and City staff.

Discussion ensued regarding the Council's purview.

Mr. Smith confirmed that this is a request for rezoning and pointed out that the application received for the development is for rental units. He stated that if the units are converted to for-sale units, Council approval will be required. He verified that the rezoning decision is a legislative act and is within Council discretion to approve or deny.

Mayor Freeman said that the proposed item will be discussed further at the next Study Session and thanked staff for the presentation.

2-a. Hear a presentation and discuss the fiscal year 2025/2026 summary of the proposed budget.

Management and Budget Director Brian Ritschel introduced Operations Budget Coordinator Kristi Griffin and displayed a PowerPoint presentation. **(Attachment 3)**

Mr. Ritschel explained that he will be presenting the City Manager's proposed budget overview for fiscal year (FY) 2025/2026. He noted that each department will be presenting their budget individually to Council over the next few months.

Mr. Ritschel defined the requirements of an annual budget to appropriate the yearly expenditures for the next FY and set a secondary property tax levy and associated rate. He said the annual budget is always based on total resources available, meaning the revenue and the fund balance cover the budgeted expenses. He advised that the budget theme for this year is Core Services. (See Pages 2 and 3 of Attachment 3)

Mr. Ritschel provided an overview of the five General Governmental Funds Financial Principles and how the process is used for financial forecasting to ensure that the City is sustainable in the future. He reviewed the impacts identified as focus areas for the FY 2025/26 proposed budget, to ensure the COM continues to provide quality core services. He explained that the City Manager has requested departments submit reductions of 2% toward the ongoing base budget to strive for a structurally balanced budget by FY 2028/29. He reviewed the general governmental funds forecast through FY 2029/30. (See Pages 4 through 7 of Attachment 3)

Discussion ensued regarding the department budget reductions and the updated forecast.

Responding to a question from Vice Mayor Somers, Mr. Ritschel explained that the forecast is a planning tool based on conservative estimates and will be adjusted when the reductions and benchmarking takes place. He confirmed that the goal is to have an ending reserve balance of no less than 10-15%, but the policy is 8-10%.

Mr. Brady confirmed that the City's bond credit rating is holding steady and shows the financial summary as outperforming. He pointed out that a lot can happen over the next five years, and that seeing the forecast assists with future budgeting.

Mr. Ritschel reviewed the budget reduction strategies and reported that a total of \$11.2 million in ongoing expenditures had been reduced from the budget. He reviewed and described the reason for each of the department's reductions. He outlined the reallocation of \$11.8 million of available one-time resources, \$5.7 million increase due to projected increased building permit revenues, and a \$1.5 million adjustment of the Parks, Recreation and Community Facilities fee increase. (See Pages 8 through 10 of Attachment 3)

Additional discussion ensued regarding the budget reductions and reallocations.

Mr. Ritschel provided the enhancement requests that the departments submitted to the City Manager which totaled \$10.2 million in one-time and ongoing requests. He summarized the \$7.1 million in requests that were approved. He outlined the enhancement requests that were not approved and provided the reason for the decision. (See Pages 11 and 12 of Attachment 3)

Mr. Ritschel presented a graph showing the total sources and uses after the budget reductions and enhancements were accounted for and explained that the projected reserve balance in FY 29/30 is just below 10%. (See Pages 13 and 14 of Attachment 3)

Discussion ensued regarding the meaning of net sources and uses, forecasting to remain conservative, and maintaining adequate reserves.

Mr. Ritschel provided an overview of the utility fund financial principles. He identified the budget pressures the utility fund has faced and explained each of the increased expenses. He confirmed that the City Manager asked the departments to submit a 2% net reduction of their ongoing base budgets and reviewed the utility fund forecast as of March 2025 which includes the 2% cut. He reported that \$1.4 million of ongoing expense reductions were submitted by the departments and \$1.1 million was reduced by identifying efficiencies in operations. (See Pages 15 through 19 of Attachment 3)

Mr. Ritschel reviewed other reduction strategies identified by the gas utility department. (See Page 20 of Attachment 3)

Responding to a question from Councilmember Goforth, Solid Waste Director Sheri Collins explained that the garbage trucks contain numerous moving parts that require frequent replacement. She noted that insufficient maintenance resulted in excessive wear and breakdown, necessitating the rental of additional trucks.

Mr. Ritschel summarized the department enhancement requests totaling \$1.4 million in one-time and ongoing requests. He reviewed the updated proposed budget forecast. (See Pages 21 and 22 of Attachment 3)

Mr. Ritschel detailed the next steps and reviewed the budget process schedule. (See Page 23 of Attachment 3)

Responding to a question from Councilmember Spilsbury, Mr. Ritschel confirmed that citizens may provide budget feedback through the link located on the Office of Management and Budget website.

Deputy City Manager and Chief Financial Officer Mike Kennington explained that the feedback received will be logged by the City Clerk and distributed to the Council. He confirmed that the link will be posted on social media and on the front page of the City website.

Responding to a question from Vice Mayor Somers, Mr. Ritschel indicated that the utility fund departments have a maintenance schedule to assist with forecasted expenses.

Councilmember Heredia requested that the Utility Department staff provide supporting documentation detailing the number of customers affected at each tier level.

Mayor Freeman thanked staff for the presentation.

(At 9:46 a.m., Mayor Freeman excused Councilmember Adams from the remainder of the meeting.)

(Mayor Freeman declared a recess at 9:46 a.m. The meeting reconvened at 9:52 a.m.)

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

Interim Transportation Director Erik Guderian introduced Deputy Transportation Director Orlando Otero and Transportation Support Services Administrator Chase Carlile and displayed a PowerPoint presentation. **(See Attachment 4)**

Mr. Guderian discussed the public purpose and priorities for the Transportation Department. He reported that the department completed many notable projects and highlighted the 2050 Transportation Master Plan and the Comprehensive Safety Action Plan. (See Pages 2 through 4 of Attachment 4)

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 COM is above the industry standard with a score of 81.7. He outlined the landscape refurbishment project at the new Employee Wellness Center and the downtown tree planting and irrigating project that included tree removal and replacement, streetlight receptacle conversion, and irrigation repair. He reported on the streetlight conversion to LED project to be completed in January 2026. (See Pages 5 through 9 of Attachment 4)

Mr. Guderian provided an overview of the operation revenue sources and capital/lifecycle project revenue sources. He presented a graph and pointed out that the local street sales tax funds make up about 47% of the transportation department operating budget. (See Pages 10 and 11 of Attachment 4)

In response to a question from Councilmember Duff, Government Relations Director Miranda DeWitt confirmed that the Senate bills to repeal photo enforcement are currently dead but noted there is potential that the bills could be resurrected.

Responding to a question from Councilmember Duff, Mr. Guderian confirmed that the funds received from the traffic camera citations are dedicated to safety improvement projects.

Additional discussion ensued regarding the projects that are funded by the photo enforcement program and the capital project funding.

Deputy City Manager Candace Cannistraro reiterated that the Transportation Department does not receive funds from the general fund but receives local street sales tax instead. She pointed out that the local street sales tax has been impacted by the decrease in residential rental revenue.

Mr. Carlile detailed the departmental operating expenditures and stated that the majority of funds are being applied toward contractual services. He gave examples of the types of contracts included in each category. (See Page 12 of Attachment 4)

In response to Councilmember Goforth, Mr. Guderian confirmed that street preservation is contracted out and emphasized that staff handle as much as possible in-house to minimize costs, especially with paving.

Responding to a question from Councilmember Heredia, Ms. Cannistraro reported that the fees received for temporary traffic control are run through the local street sales tax fund.

Mr. Brady pointed out that the permit revenue has doubled but that staff expenses have also doubled because of the volume and upkeep with the fiber and other large utility projects.

Mr. Carlile presented the financial summary for field operations and traffic engineering. He explained that \$2.1 million is being reallocated to the storm drain maintenance program. (See Pages 13 and 14 of Attachment 4)

Mr. Guderian added that the funds historically were used for environmental compliance but have been converted to the highway user revenue fund.

Discussion ensued regarding storm drain maintenance and the excess fund transfer.

Mr. Guderian summarized the proposed budget adjustment requests which total \$338,500 as a one-time cost and \$165,550 of ongoing costs. (See Page 15 of Attachment 4)

Additional discussion ensued regarding the proposed shared interdepartmentally position that will be utilized as a liaison between the Transportation and Planning Departments.

Development Services Department Director Nana Appiah reiterated that this is a great opportunity to use the position to be proactive when reviewing plans.

Mayor Freeman thanked staff for the presentation.

2-c. Hear a presentation, discuss, and provide direction on the Code Compliance Department budget.

Code Compliance Director Angelica Guevara displayed a PowerPoint presentation. **(See Attachment 5)**

Ms. Guevara outlined the public purpose of Code Compliance and highlighted the department's priorities and objectives. She indicated that staff focus on voluntary compliance rather than enforcement and are continually seeking ways to expand voluntary compliance. (See Pages 2 and 3 of Attachment 5)

Ms. Guevara presented before and after images of a recent case and shared photos of projects that were completed by the Team Up to Clean Up group. She described partnerships with Mesa

Police Department recruits, Neighborhood Services, and volunteers including Boy Scouts and church groups. (See Pages 4 through 6 of Attachment 5)

Responding to a question from Councilmember Spilsbury, Ms. Guevara confirmed that the Code Compliance department currently has 20 full-time employees and explained the steps that are taken when responding to a code violation.

Ms. Guevara presented a chart illustrating that voluntary compliance cases have remained steady at over 80%. She pointed out that the current target response time is three business days, and the City advertises a three-to-five business day response time. She mentioned that the City is committed to responding to complaints quickly and described the process. (See Pages 7 through 9 of Attachment 5)

Ms. Guevara reviewed the department financial summary and explained that the increased budget was a result of additional staffing. She reviewed the service enhancements that have decreased costs such as reducing the use of process servers to serve citations, integration between the CityLink and Digital Innovation for Mesa's Electronic Services (DIMES) applications, and training staff to ensure all cases are handled consistently. (See Pages 10 and 11 of Attachment 5)

Additional discussion ensued regarding code violations, the compliance process, and citations for non-compliance.

Responding to a question from Councilmember Spilsbury, Ms. Guevara reported the Code Compliance Department staff schedule and stated that each officer responds to approximately 200 to 300 cases per month. She confirmed that there is currently one staff member assigned to commercial code compliance and stated that additional staff are being cross trained to assist when needed.

In response to a question from Mayor Freeman, Ms. Guevara verified that the number of employees in the Code Compliance Department is comparable to other cities across the country.

Discussion ensued regarding the underperforming commercial properties and how best to use code compliance resources.

Mayor Freeman suggested that this topic be addressed at the committee level for further discussion.

Councilmember Heredia suggested staff consider a text amendment to develop tools that enhance operational efficiency.

Mayor Freeman thanked staff for the presentation.

2-d. Appointments to various boards and committees.

It was moved by Councilmember Goforth, second by Councilmember Heredia, that the Council concur with the Mayor's recommendations and the appointments be confirmed. **(See Attachment 6)**

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Duff–Goforth–Heredia–Spilsbury
NAYS – None
ABSENT– Adams

Mayor Freeman declared the motion carried unanimously by those present.

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

- 3-a. Judicial Advisory Board meeting held on January 22, 2025.
- 3-b. Library Advisory Board meeting held on January 21, 2025.
- 3-c. Planning and Zoning Board meeting held on February 26, 2025.
- 3-d. Planning and Zoning Board meeting held on March 12, 2025.
- 3-e. Design Review Board meeting held on February 11, 2025.

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

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Duff–Goforth–Heredia–Spilsbury
NAYS – None
ABSENT– Adams

Mayor Freeman declared the motion carried unanimously by those present.

4. Current events summary including meetings and conferences attended.

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

5. Scheduling of meetings.

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

Monday, April 7, 2025, 3:30 p.m. – Audit, Finance and Enterprise Committee meeting

Monday, April 7, 2025, 4:45 p.m. – Study Session

Monday April 7, 2025, 5:45 p.m. – Regular Council meeting

6. Adjournment.

Without objection, the Study Session adjourned at 11: 20 a.m.

MARK FREEMAN, 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 3rd day of April 2025. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK

sr
(Attachments – 6)

The GRID MOU

City Council Study Session
April 3, 2025

Jeff McVay
Manager of Urban Transformation
Stefanie Monge
Downtown Transformation Project
Manager



Background

On December 7, 2017 the City entered into a Development Agreement on City owned land for the project known as “The GRID”

- Located at 233 E Main Street, generally on the corner of Pomeroy St and Main St
- Mixed-Use Development
- The Developer filed for bankruptcy on March 30, 2024
- A trustee was appointed by the Bankruptcy Court to oversee the administration of the project
- Trustee administered a process to select the best suited developer to purchase the project through bankruptcy
- City coordinated with Trustee in selection of Soltrust Main QOZB, LLC



Trustee's Role and Obligations

- The trustee reviewed debts and claims to ensure legitimacy
- Investigated financial records to detect fraud or hidden assets
- Works as the liaison between the bank and the City
- Worked with the City to select a new Developer
- City will execute an agreement negotiated by Trustee to settle claims against the bankruptcy estate



City's Role and Efforts in Project Continuity

- Restored Right-of-Way and completed public improvements
- Worked with the Trustee to choose a new Developer
- Defended subcontractor and contractor claims against the City



The New Developer

Soltrust Residential REIT

- Soltrust operates in both Washington and Arizona
- Currently completing 12 projects in Arizona, totaling over \$500,000,000
- Will be settling the claims with contractor and subcontractors



MOU Deal Points – What's Changed

- Developer will be purchasing the land in three phases for a total of \$2,985,000.00
- No apartments above the Pomeroy Garage
- Townhomes constructed in lieu of Courtyard Apartments
- Land lease during construction
- No public improvements to Gateway Park
- All agreements must be approved by the Bankruptcy Court



MOU Deal Points – Developer Purchase Obligations



- Phase I will complete the North building to include 76 micro units, commercial ground space and public improvements
- Phase II will construct 12 townhomes and public improvements
- Phase III will construct 12 townhomes and public improvements
- Upon COO of Phase I, Developer has the option to purchase the phase within 180 days
- Upon COO of Phase II, Developer has the option to purchase the phase within 180 days
- Upon COO of Phase III, Developer has the option to purchase the phase within 180 days
- The close of escrow for Phase II and III may be simultaneous

MOU Deal Points – City Obligations

- City will enter into a 50 year parking license with the Developer in the Pomeroey Garage
- City will cooperate in subdividing the property
- City will not solicit or entertain development proposals or offers for the project for the term of the MOU
- Concierge services for zoning and permit entitlement reviews
 1. City will partner to provide support in any required zoning revision process for the project



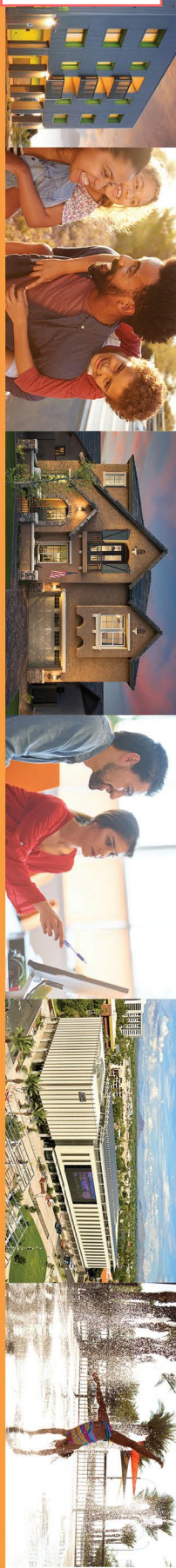


ZON24-00638

Lofts at 121

Mary Kopaskie-Brown, Planning Director

April 7, 2025



Request

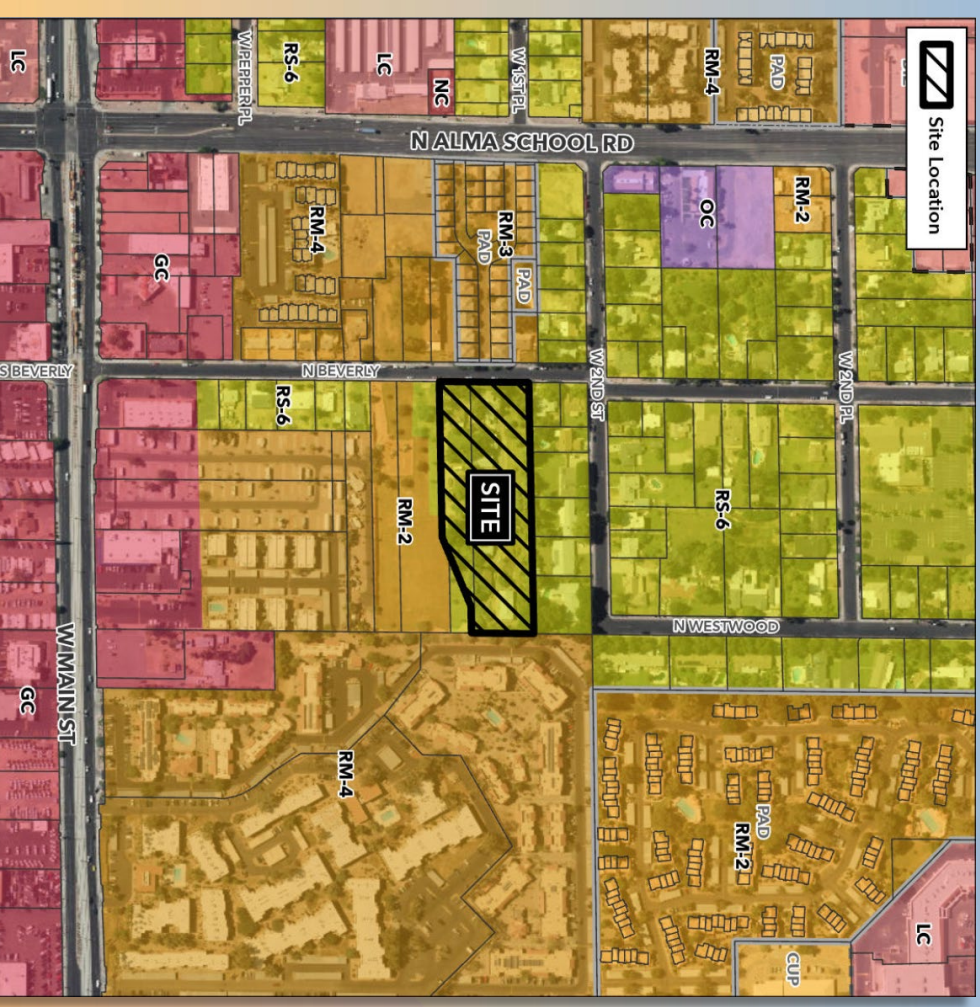
- Rezone RS-6 to RM-4-PAD
- Site Plan Review
- To allow for a 66-unit multiple residence development





Location

- East of Alma School Road
- North of Main Street

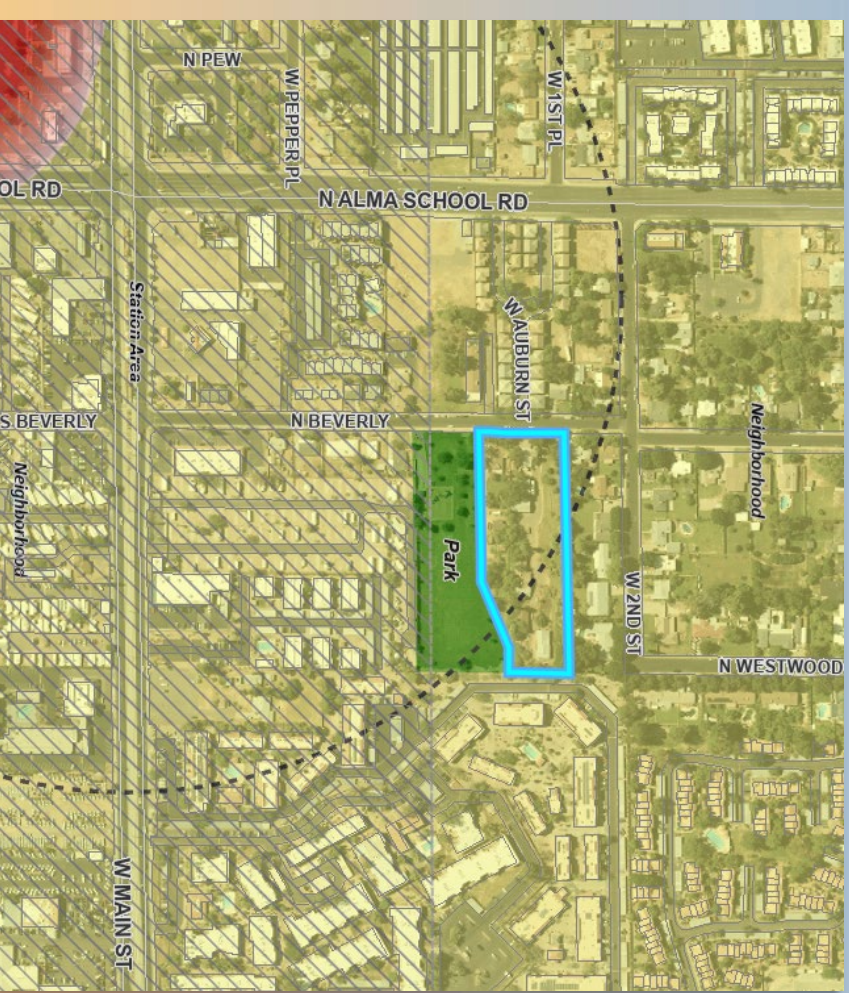




General Plan

Neighborhood/Transit Corridor Station Area

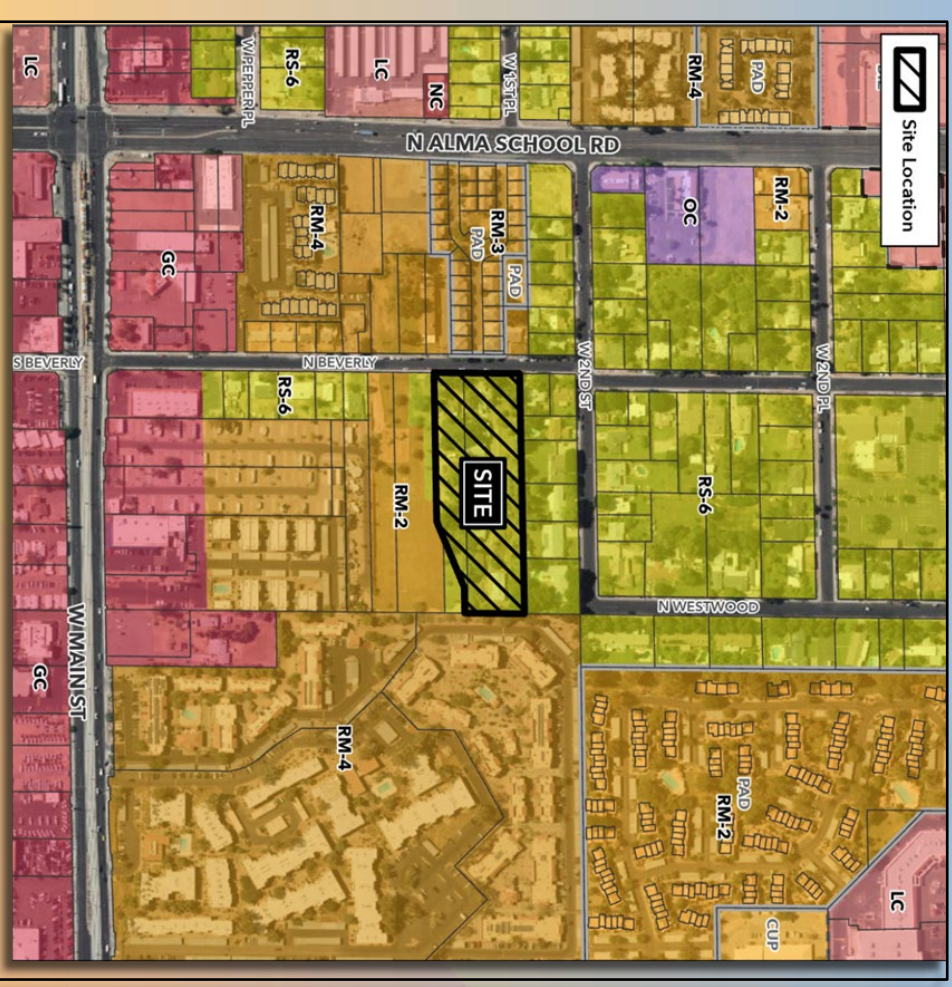
- Predominantly single residence in character but may contain a variety of lot sizes and dwelling types
- Station Area character type is intended to have more intense development than the associated corridor and are expected to transition into an urban building form





Zoning

- Current: RS-6
- Proposed: Multiple Residence-4 with a Planned Area Development Overlay (RM-4-PAD)
- Multiple Residence is a permitted use within the RM-4 district





Site Photo



Looking east from North Beverly



Site Plan

- 66 Unit Townhouse Development
- Vehicular access to the site is provided from an access from North Beverly





Planned Area Development

Requested Deviations

- Max # of garage doors in a row
- Lot coverage
- Side and rear setbacks
- Side and rear landscape yards
- Setback of cross access drive aisles
- Landscape median width
- Landscape median plant material
- **Building separation**

Justification

- Increased open space - 8,935 square feet above required
- Unique building architecture



Modifications to Plans

Modifications since February 24th City Council Meeting:

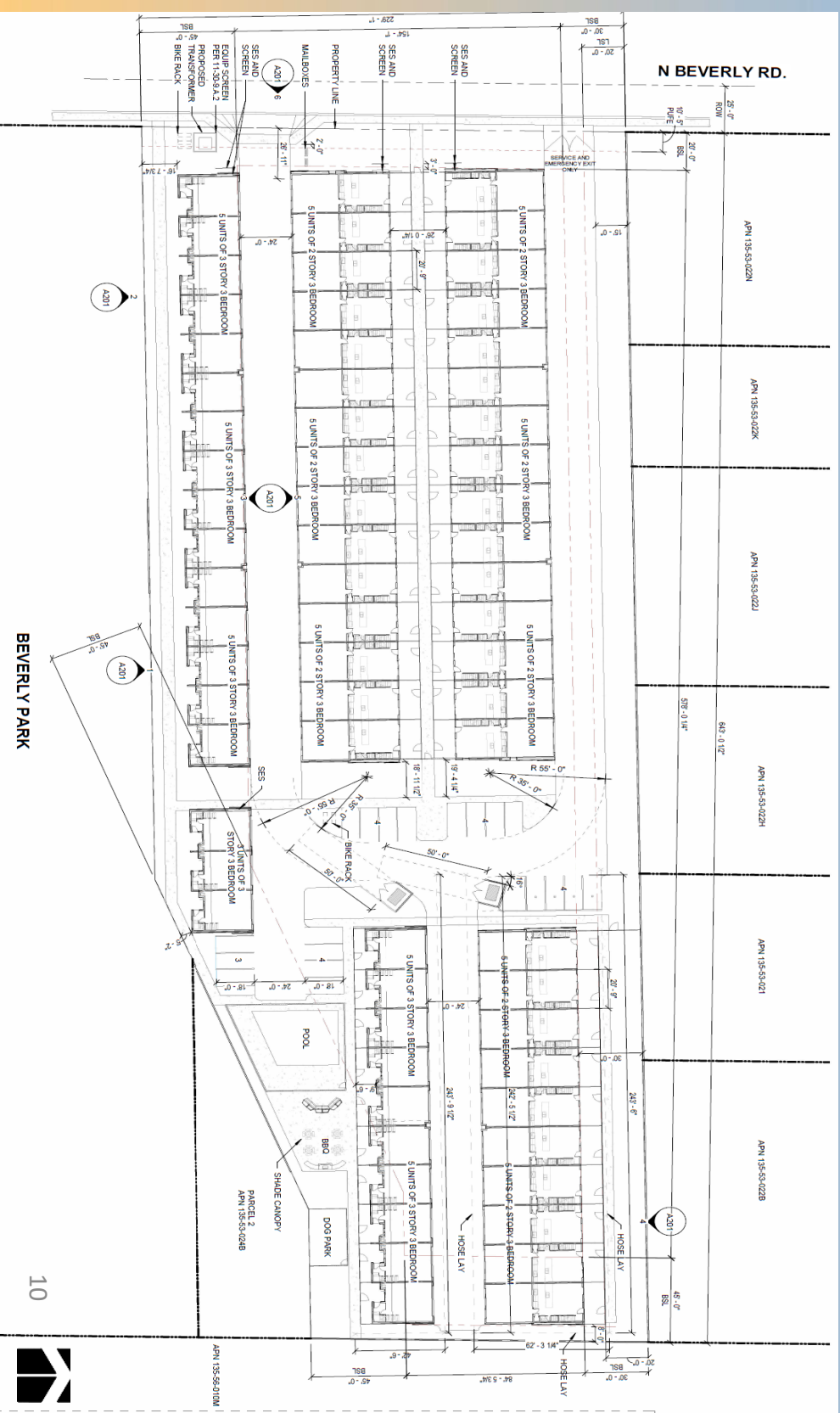
- Reduced number of units from 68 to 66
- Reduced building massing by creating breaks between buildings
- Refined building elevations



mesa•az
PLANNING

February 24th Site Plan

- 68 Unit Townhouse Development



The site plan for Beverly Park shows a large multi-unit residential building. The building is oriented with its long side running north-south. The plan includes various labels for building components and surrounding features. Two red rectangles highlight specific areas: one on the left side of the main building and one on the right side near the parking area. The plan also shows 'SERVICES AND EMERGENCY EXIT', 'BICYCLE RACK', 'DOG PARK', and 'SHADE CANOPY'. Dimensions and bearings are provided throughout the drawing.

Labels and Dimensions:

- Streets:** N BEVERLY RD. (top), BEVERLY PARK (left).
- Building Units:** 7 UNITS OF 2 STORY 3 BEDROOM, 8 UNITS OF 2 STORY 3 BEDROOM, 4 UNITS OF 3 STORY 3 BEDROOM, 5 UNITS OF 2 STORY 3 BEDROOM, 3 UNITS OF 3 STORY 3 BEDROOM.
- Other Features:** SERVICES AND EMERGENCY EXIT, BICYCLE RACK, DOG PARK, SHADE CANOPY, HOSE LAY.
- Dimensions:** 20'-0", 15'-0", 10'-0", 5'-0", 4'-0", 3'-0", 2'-0", 1'-0", 0'-0", 1'-0", 2'-0", 3'-0", 4'-0", 5'-0", 6'-0", 7'-0", 8'-0", 9'-0", 10'-0", 11'-0", 12'-0", 13'-0", 14'-0", 15'-0", 16'-0", 17'-0", 18'-0", 19'-0", 20'-0", 21'-0", 22'-0", 23'-0", 24'-0", 25'-0", 26'-0", 27'-0", 28'-0", 29'-0", 30'-0", 31'-0", 32'-0", 33'-0", 34'-0", 35'-0", 36'-0", 37'-0", 38'-0", 39'-0", 40'-0", 41'-0", 42'-0", 43'-0", 44'-0", 45'-0", 46'-0", 47'-0", 48'-0", 49'-0", 50'-0", 51'-0", 52'-0", 53'-0", 54'-0", 55'-0", 56'-0", 57'-0", 58'-0", 59'-0", 60'-0", 61'-0", 62'-0", 63'-0", 64'-0", 65'-0", 66'-0", 67'-0", 68'-0", 69'-0", 70'-0", 71'-0", 72'-0", 73'-0", 74'-0", 75'-0", 76'-0", 77'-0", 78'-0", 79'-0", 80'-0", 81'-0", 82'-0", 83'-0", 84'-0", 85'-0", 86'-0", 87'-0", 88'-0", 89'-0", 90'-0", 91'-0", 92'-0", 93'-0", 94'-0", 95'-0", 96'-0", 97'-0", 98'-0", 99'-0", 100'-0".
- Bearings:** A201 8, A201 15, A201 16, A201 17, A201 18, A201 19, A201 20, A201 21, A201 22, A201 23, A201 24, A201 25, A201 26, A201 27, A201 28, A201 29, A201 30, A201 31, A201 32, A201 33, A201 34, A201 35, A201 36, A201 37, A201 38, A201 39, A201 40, A201 41, A201 42, A201 43, A201 44, A201 45, A201 46, A201 47, A201 48, A201 49, A201 50, A201 51, A201 52, A201 53, A201 54, A201 55, A201 56, A201 57, A201 58, A201 59, A201 60, A201 61, A201 62, A201 63, A201 64, A201 65, A201 66, A201 67, A201 68, A201 69, A201 70, A201 71, A201 72, A201 73, A201 74, A201 75, A201 76, A201 77, A201 78, A201 79, A201 80, A201 81, A201 82, A201 83, A201 84, A201 85, A201 86, A201 87, A201 88, A201 89, A201 90, A201 91, A201 92, A201 93, A201 94, A201 95, A201 96, A201 97, A201 98, A201 99, A201 100.



February 24th Building Elevations



④ ELEVATION 2 ST ENTRY
3/22' = 1" = 0'



② ELEVATION 3 ST ENTRY
3/22' = 1" = 0'



③ ELEVATION STREET
3/22' = 1" = 0'



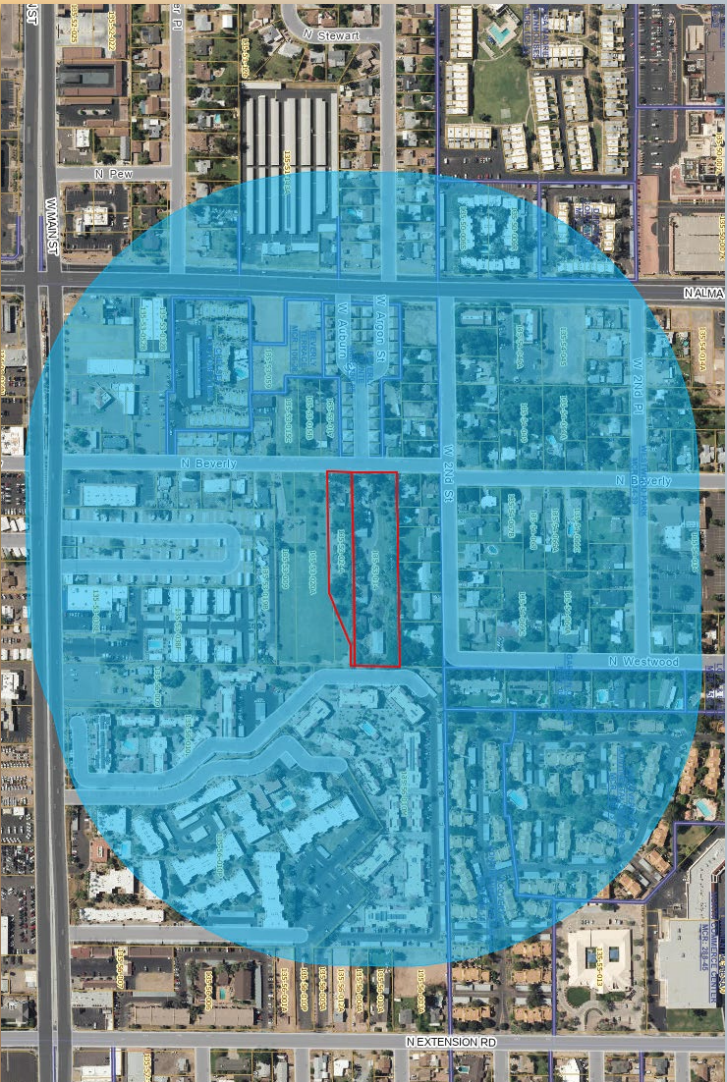
April 7th Building Elevations





Citizen Participation

- Notified property owners within 1,000 feet, HOAs and registered neighborhoods
- Virtual Neighborhood meeting was held on September 5, 2024. 12 neighbors participated. Concerns were raised about traffic impacts and overall screening.
- Received two emails in opposition to the project with concerns about proposed traffic and air quality impacts
- 3 citizens spoke at the Planning & Zoning Hearings. Concerns with density, traffic, safety, and environmental impacts





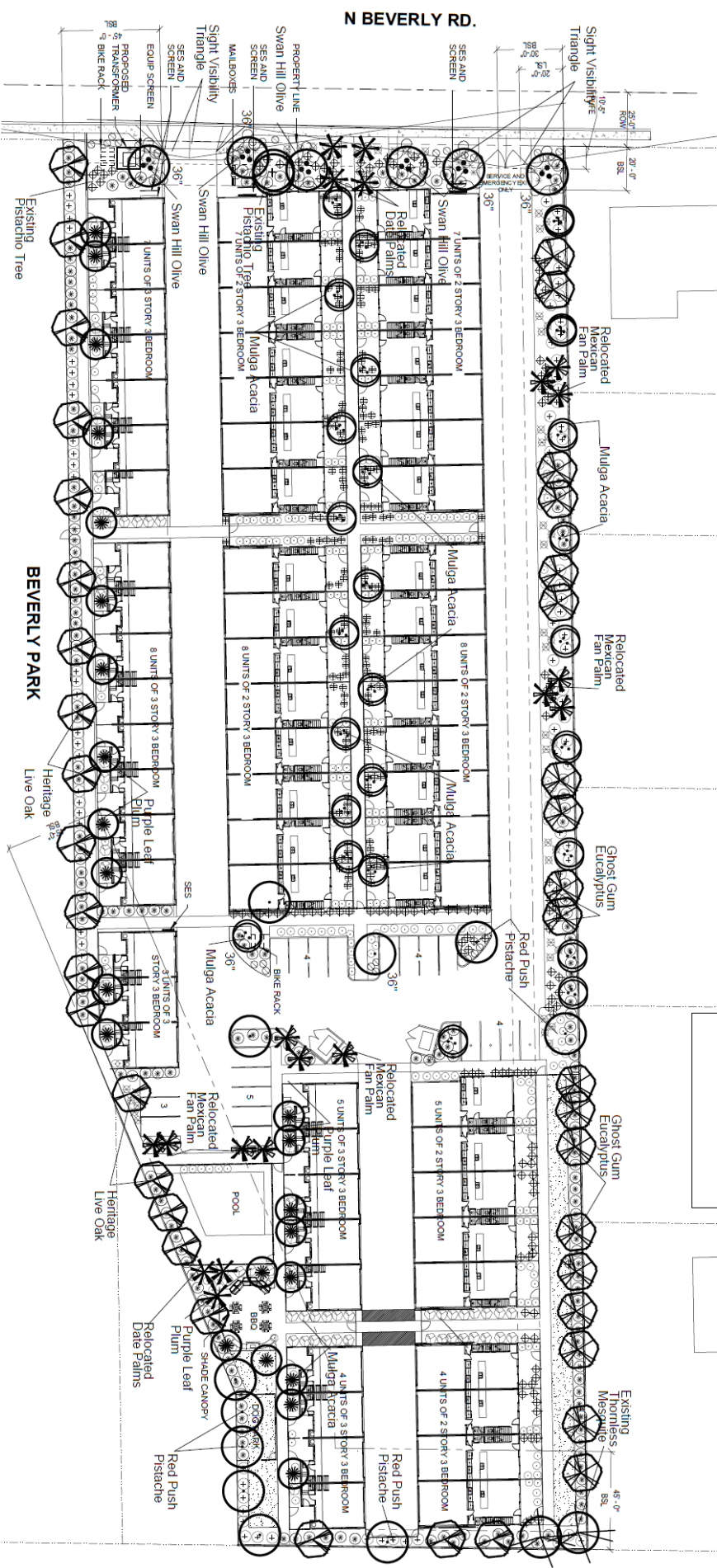
Findings

- ✓ Complies with the 2040 Mesa General Plan
- ✓ Complies with Chapter 69 of the MZO for Site Plan Review
- ✓ Complies with Chapter 22 of the MZO for a PAD Overlay

Staff recommends Approval with Conditions
Planning and Zoning Board recommends Approval with Conditions (5-0)

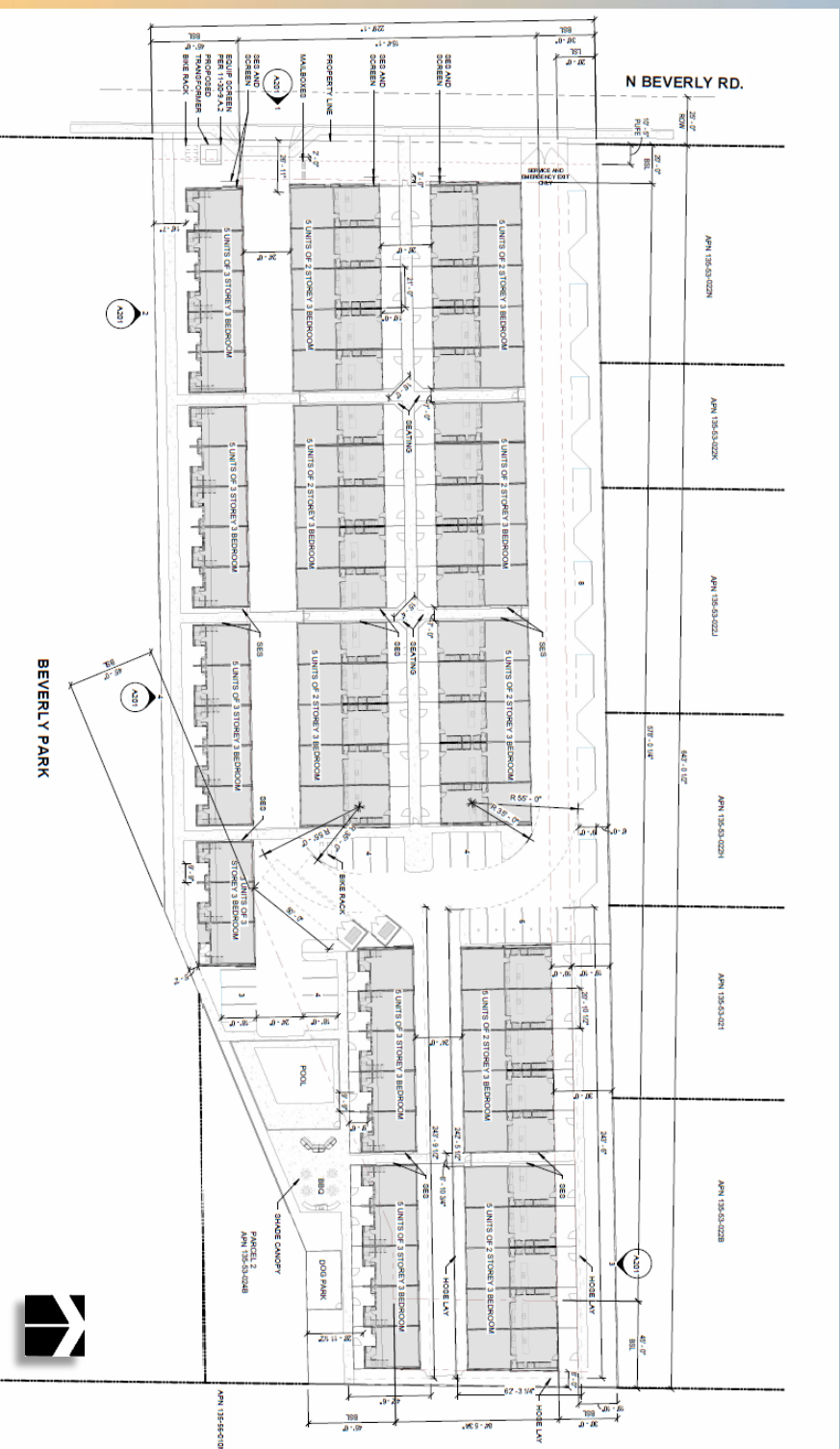


Landscape Plan





January 14th Site Plan (DRB)



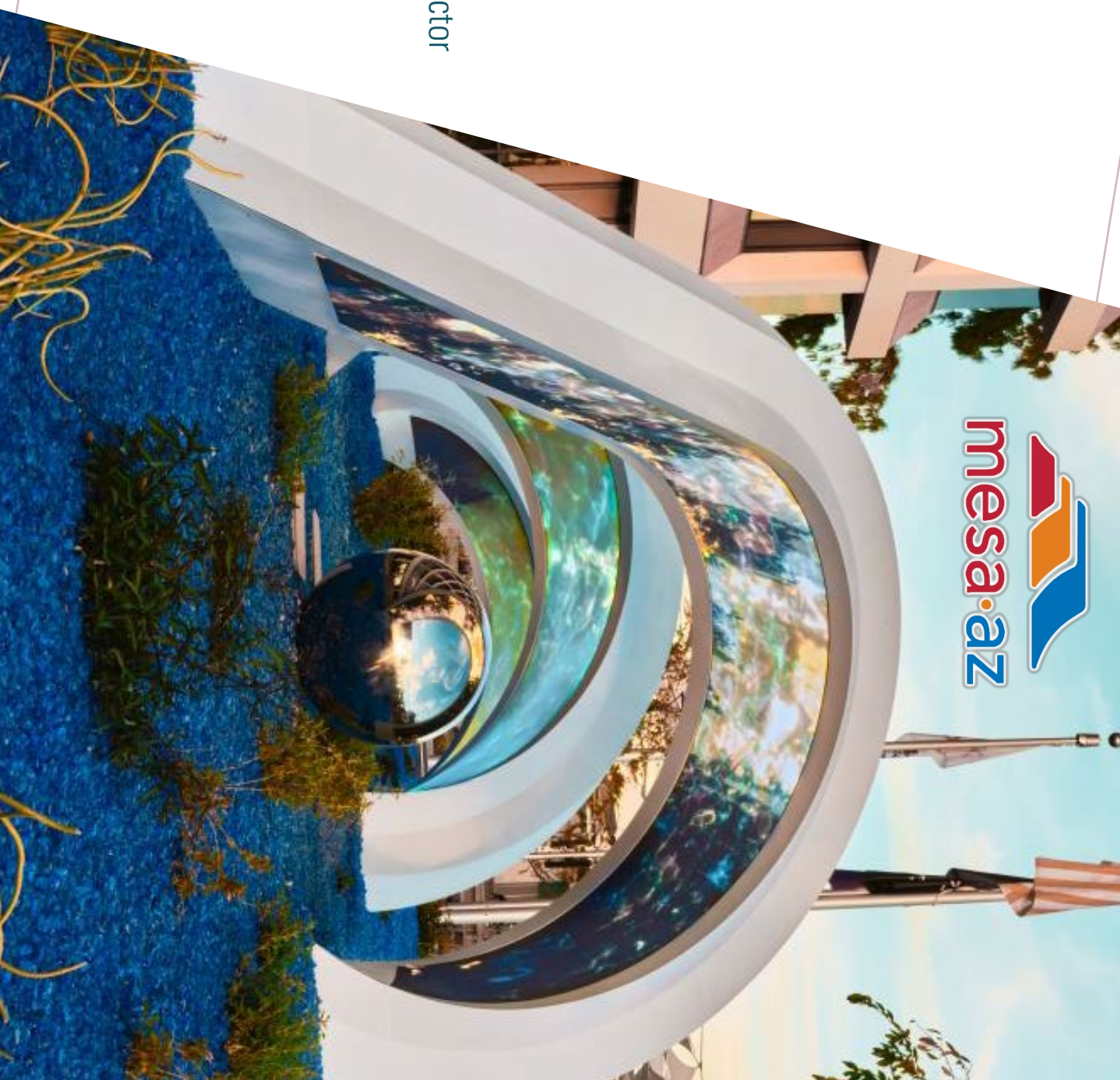
PROPOSED BUDGET OVERVIEW

FISCAL YEAR 2025/26

Mesa City Council

Presenters: Brian A. Ritschel – Management & Budget Director
Kristi Griffin – Operations Budget Coordinator

April 3, 2025



Annual Balanced Budget

- Each year the City of Mesa is required to appropriate an annual expenditure budget and set a secondary property tax levy and associated rate
- The annual budget sets the maximum expenditure limit for the fiscal year
- A balanced budget means that the total resources available to the city must be sufficient to cover the budgeted expenses

"CORE SERVICES"

FISCAL YEAR 2025/26 PROPOSED BUDGET



General Governmental Funds Financial Principles



Balance net sources and uses



10% – 15% reserve fund balance over the
5-year forecasted period



Sustainability of programs and services



Keep wages and benefits competitive
compared to other valley cities in order to
retain and recruit quality staff



Investment in capital and lifecycle replacement
projects

Budget Pressures

- The FY 2025/26 Proposed Budget focuses on the City's effort in providing quality core services while addressing the following impacts
 - Loss of residential rental tax
 - Public Safety Sworn Personnel Benchmark
 - Fleet maintenance and repairs
 - Software and licensing
 - Building maintenance and custodial services

Budget Strategy - Impact

- Striving towards a structurally balanced budget in FY 28/29 by reducing the ongoing budget.
 - City Manager requested departments to submit a net 2% reduction of their ongoing base budget.

GENERAL GOVERNMENTAL FUNDS FORECAST UPDATE

MARCH 2025

	Actuals FY 23/24	Projected FY 24/25	Forecast FY 25/26	Forecast FY 26/27	Forecast FY 27/28	Forecast FY 28/29	Forecast FY 29/30
Beginning Reserve Balance	\$219.7	\$247.5	\$225.1	\$163.5	\$119.0	\$79.9	\$57.2
Total Sources	\$704.0	\$692.1	\$648.5	\$667.4	\$693.4	\$724.2	\$746.3
Total Uses	\$676.2	\$714.5	\$710.1	\$711.9	\$732.4	\$746.9	\$759.2
Net Sources and Uses	\$27.8	(\$22.4)	(\$61.6)	(\$44.5)	(\$39.1)	(\$22.7)	(\$12.9)
Ending Reserve Balance	\$247.5	\$225.1	\$163.5	\$119.0	\$79.9	\$57.2	\$44.3
Ending Reserve Balance Percent*	34.6%	31.7%	23.0%	16.2%	10.7%	7.5%	5.6%

data as of February 2025

dollars in millions

*As a % of all Next Year's uses of funding

Core Services

Budget Strategy - Reductions

- A total of \$11.2M in FY 25/26 of ongoing expenditures have been reduced from the budget and forecast.
- The Police Department (\$5.0M) and Mesa Fire & Medical Department (\$3.0M) was asked to phase their reductions in over three fiscal years.
 - Police Department reductions in FY 25/26
 - \$2.36M: reduction in overtime, incentive pay for perfect attendance, material and supplies, 6 part-time vacant positions
 - MFMD reductions in FY 25/26
 - \$1.96M: 8 positions programmed in the 5-year forecast for a Medical Response (MR) unit, one pre-recruit position

Budget Strategy – Reductions, Cont.

- \$4.5M: Removal the Downtown Wifi program in the 5-year forecast starting in FY 28/29
 - Initiated with America Rescue Plan Act (ARPA) funds
- Reduction of 13 vacant positions across City departments
- Continue to support street safety and operations by reallocating Police Motor Officers to Local Streets Sales Tax Fund

Budget Strategy - Resources

- \$11.8M: Reallocation of available one-time resources
- \$5.7M: Increase projected ongoing revenues for building permits
- \$1.5M: Adjustment of Parks, Recreation and Community Facilities fees

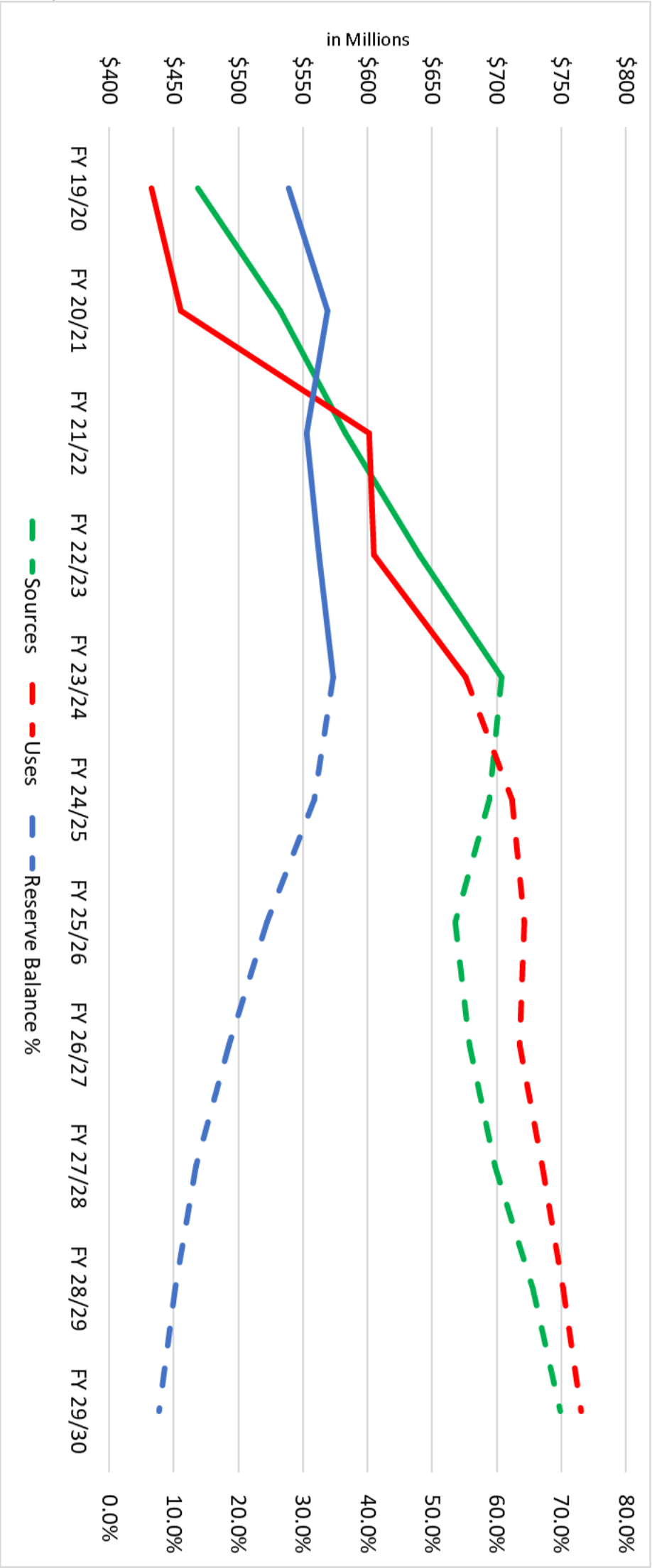
Budget Strategy – Enhancement Requests

- Departments submitted \$10.2M in one-time and ongoing requests to increase services/programs or start new programs
- \$7.1M in requests were approved. Some of the requests include:
 - \$500K: Increase funding for MFMD cancer screening
 - \$1.1M: Public safety support services
 - \$352K: Real Time Crime Center additional staffing for expanded hours.
 - Net \$1.3M: Funding for Sunaire operations while phasing out Windemere operations
 - \$363K: One-time funding for current Heat Relief program and support for Summer 2026

Budget Strategy – Enhancement Requests, Cont.

- Enhancement requests not approved
 - \$100K: Expansion of the Heat Relief program to the east part of Mesa
 - \$573K: Ongoing funding for Community Outreach and Heat Relief program
 - \$101K: A Community Outreach and Read Runner position for the Library
 - \$6.0M: Deferred City facilities maintenance
 - \$3.0M: Deferred parks maintenance

TOTAL SOURCES & USES GENERAL GOVERNMENTAL FUNDS



GENERAL GOVERNMENTAL FUNDS PROPOSED BUDGET

FISCAL YEAR 2025/26

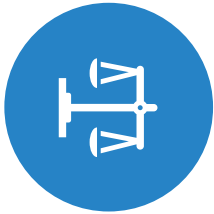
	Actuals FY 23/24	Projected FY 24/25	Budget FY 25/26	Forecast FY 26/27	Forecast FY 27/28	Forecast FY 28/29	Forecast FY 29/30
Beginning Reserve Balance	\$219.7	\$247.5	\$229.4	\$175.6	\$137.0	\$100.6	\$77.7
Total Sources	\$704.0	\$694.1	\$668.0	\$679.2	\$698.9	\$728.4	\$749.2
Total Uses	\$676.2	\$712.3	\$721.7	\$717.8	\$735.3	\$751.3	\$765.1
Net Sources and Uses	\$27.8	(\$18.1)	(\$53.7)	(\$38.6)	(\$36.4)	(\$22.9)	(\$15.9)
Ending Reserve Balance	\$247.5	\$229.4	\$175.6	\$137.0	\$100.6	\$77.7	\$61.8
Ending Reserve Balance Percent*	34.7%	31.8%	24.5%	18.6%	13.4%	10.2%	7.8%

data as of March 2025
dollars in millions

*As a % of all Next Year's uses of funding

Core Services

Utility Fund Financial Principles



BALANCE NET
SOURCES AND USES



20% OR HIGHER
RESERVE FUND
BALANCE



RATE
ADJUSTMENTS
THAT ARE
PREDICTABLE AND
SMOOTHED
THROUGHOUT
THE FORECAST



EQUITY BETWEEN
RESIDENTIAL AND
NON-RESIDENTIAL
RATES



AFFORDABLE
UTILITY SERVICES

Budget Pressures

- The FY 2025/26 Proposed Budget focuses on the City's effort in providing quality core services while addressing the following impacts
 - Fleet maintenance and repairs
 - Solid Waste Disposal
 - Water Commodity
 - Water/Wastewater plant chemicals
 - 91st Ave. Water Reclamation Plant
 - Val Vista Water Treatment Plant

Budget Strategy - Impact

- City Manager requested departments to submit a net 2% reduction of their ongoing base budget.

UTILITY FUND FORECAST UPDATE

MARCH 2025

	FY 23/24 Actuals	FY 24/25 Projected	FY 25/26 Budget	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
WATER	(\$0.2)	\$1.8	(\$6.6)	(\$14.6)	(\$11.8)	(\$8.2)	\$2.2
WASTEWATER	(\$13.8)	(\$10.2)	(\$7.8)	(\$5.4)	(\$2.1)	\$3.2	\$8.5
SOLID WASTE	(\$8.2)	(\$5.9)	(\$0.9)	\$1.5	\$3.4	\$6.6	\$10.8
ELECTRIC	(\$0.3)	(\$0.0)	(\$0.8)	(\$1.0)	(\$1.3)	(\$1.7)	(\$2.2)
NATURAL GAS	(\$4.5)	(\$3.2)	(\$2.7)	(\$3.2)	(\$2.7)	\$0.7	\$0.6
DISTRICT COOLING	(\$0.4)	(\$0.2)	(\$0.0)	(\$0.0)	(\$0.1)	(\$0.0)	(\$0.0)
TOTAL NET SOURCES AND USES	(\$27.4)	(\$17.6)	(\$18.9)	(\$22.7)	(\$14.6)	\$0.4	\$19.9
Beginning Reserve Balance	\$144.4	\$117.0	\$99.4	\$80.5	\$57.7	\$43.2	\$43.6
Ending Reserve Balance	\$117.0	\$99.4	\$80.5	\$57.7	\$43.2	\$43.6	\$63.5
Ending Reserve Balance Percent*	22.0%	18.0%	12.8%	9.2%	6.6%	6.4%	8.9%

*As a % of Next Fiscal Year's Expenditures

data as of March 2025
dollars in millions

Core Services

Budget Strategy - Reductions

- A total of \$1.4M in ongoing expense reductions were submitted by the departments
- \$1.1M was reduced from the budget
 - Efficiencies in operations and additional revenue strategies are continued to be explored

Budget Strategy - Resources

- \$240K: Update gas utility development agreements to recover administrative costs
- \$168K: New Mesa Public Schools solid waste contract to assist in cost recovery
- \$150K: Increase revenue from solid waste barrel audits which have not been performed since 2017.

Budget Strategy – Enhancement Requests

- Departments submitted \$1.4M in one-time and ongoing requests to increase services/programs or start new programs
- \$949K in requests were approved. Some of the requests include:
 - \$586K: Five additional utility locators
 - \$273K: Bartlett Dam and SRP/CAP Interconnect Facility (SCIF) feasibility study
 - \$90K: Fire hydrant maintenance program

UTILITY FUND PROPOSED BUDGET

FISCAL YEAR 2025/26

	FY 23/24 Actuals	FY 24/25 Projected	FY 25/26 Budget	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast	FY 29/30 Forecast
WATER	(\$0.2)	\$1.8	(\$5.8)	(\$13.2)	(\$10.9)	(\$4.7)	\$5.3
WASTEWATER	(\$13.8)	(\$10.2)	(\$10.2)	(\$7.6)	(\$3.7)	\$0.9	\$6.0
SOLID WASTE	(\$8.2)	(\$5.1)	(\$3.6)	\$1.4	\$0.3	\$3.7	\$9.9
ELECTRIC	(\$0.3)	\$0.8	(\$0.9)	(\$1.0)	(\$1.4)	(\$1.8)	(\$2.3)
NATURAL GAS	(\$4.5)	(\$2.9)	(\$3.2)	(\$2.7)	(\$2.3)	\$1.0	\$0.9
DISTRICT COOLING	(\$0.4)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.3)	(\$0.2)	(\$0.2)
TOTAL NET SOURCES AND USES	(\$27.4)	(\$15.8)	(\$23.9)	(\$23.3)	(\$18.3)	(\$1.0)	\$19.7
Beginning Reserve Balance	\$144.4	\$117.0	\$101.2	\$77.4	\$54.1	\$35.8	\$34.8
Ending Reserve Balance	\$117.0	\$101.2	\$77.4	\$54.1	\$35.8	\$34.8	\$54.4
Ending Reserve Balance Percent*	22.0%	18.1%	12.1%	8.5%	5.4%	5.0%	7.5%

As a % of Next Fiscal Year's Expenditures

data as of March 2025
dollars in millions

Core Services

BUDGET PROCESS CALENDAR

April 3 – April 24 Department Budget Presentations to City Council

Review of Utility Projects Plan (CIP)

May 1 Review FY 2025/26 Tentative Budget

Review of Non-Utility Projects Plan (CIP)

*** May 7** City Budget & Finance Community Meeting – Red Mountain

Recreation Center

*** May 14** City Budget & Finance Community Meeting – The Post

May 19 Adoption of FY 2025/26 Tentative Budget

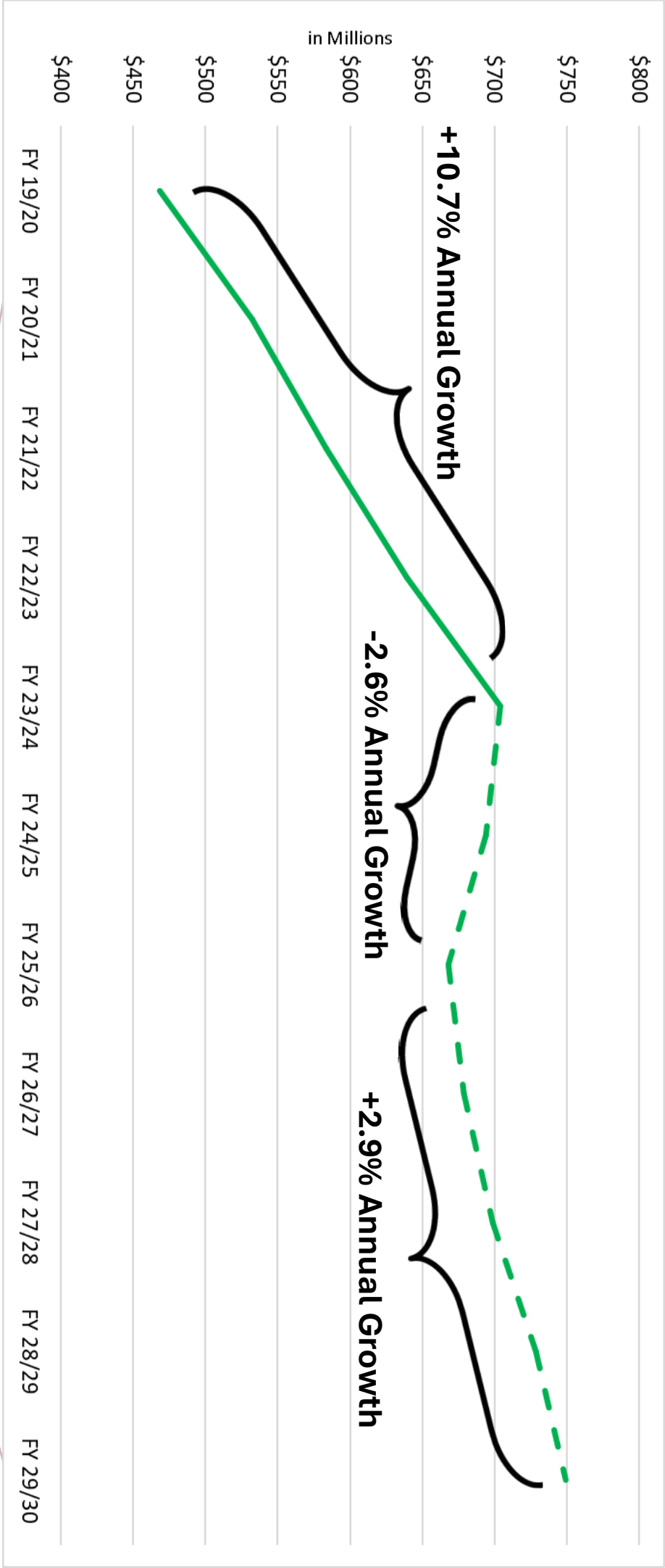
June 2 Public Hearing and Adoption of Capital Improvement Program

Final Adoption of FY 2025/26 Budget

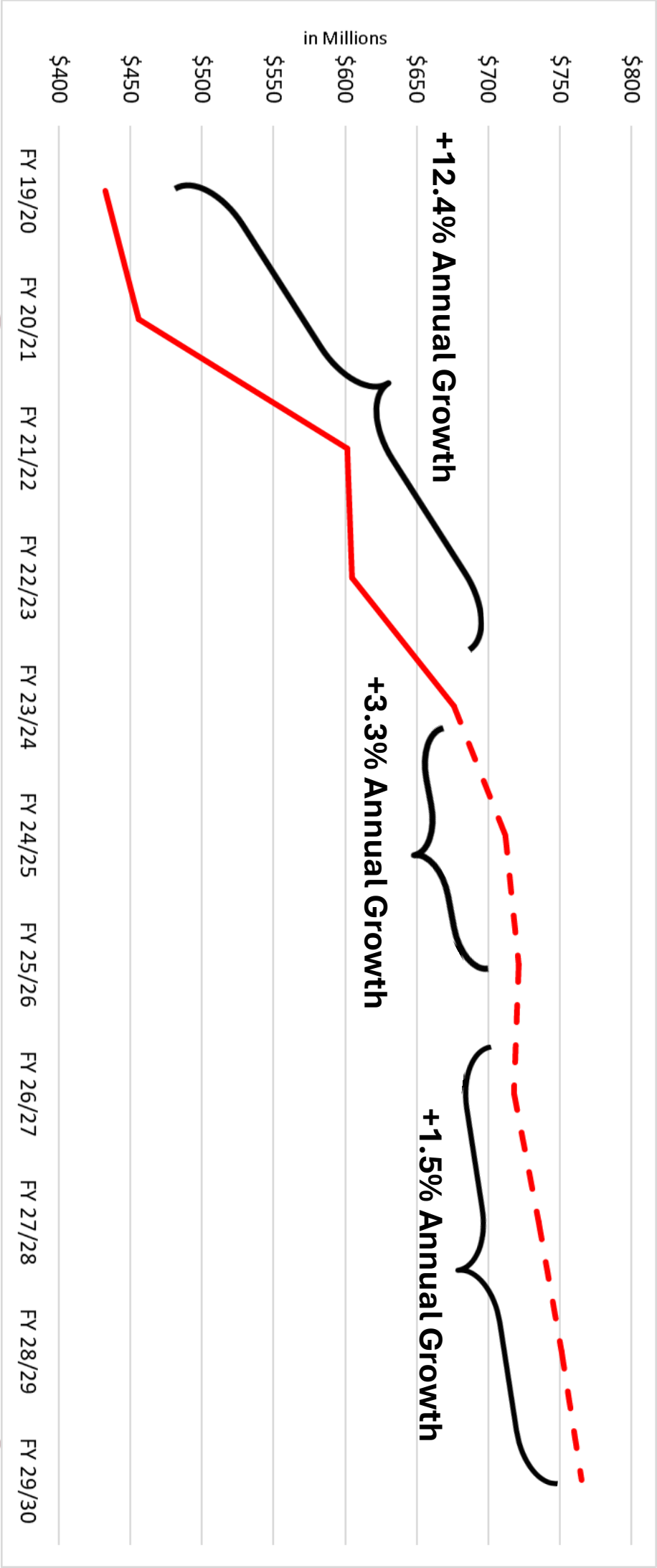
Public Hearing on Secondary Property Tax

June 16 Adoption of Secondary Property Tax Levy

TOTAL SOURCES GENERAL GOVERNMENTAL FUNDS



TOTAL USES GENERAL GOVERNMENTAL FUNDS



Transportation Department

April 3, 2025

Erik Guderian, Interim Director

Orlando Otero, Deputy Director

Chase Carlile, Support Services Administrator

Fiscal Year 2025/26

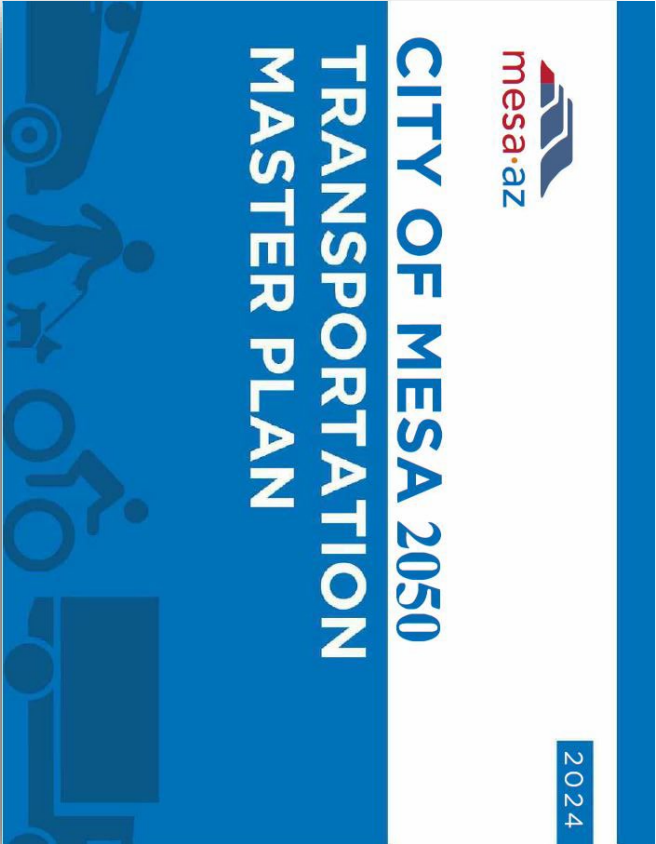
Public Purpose

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

Priorities/Objectives

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

Notable Projects

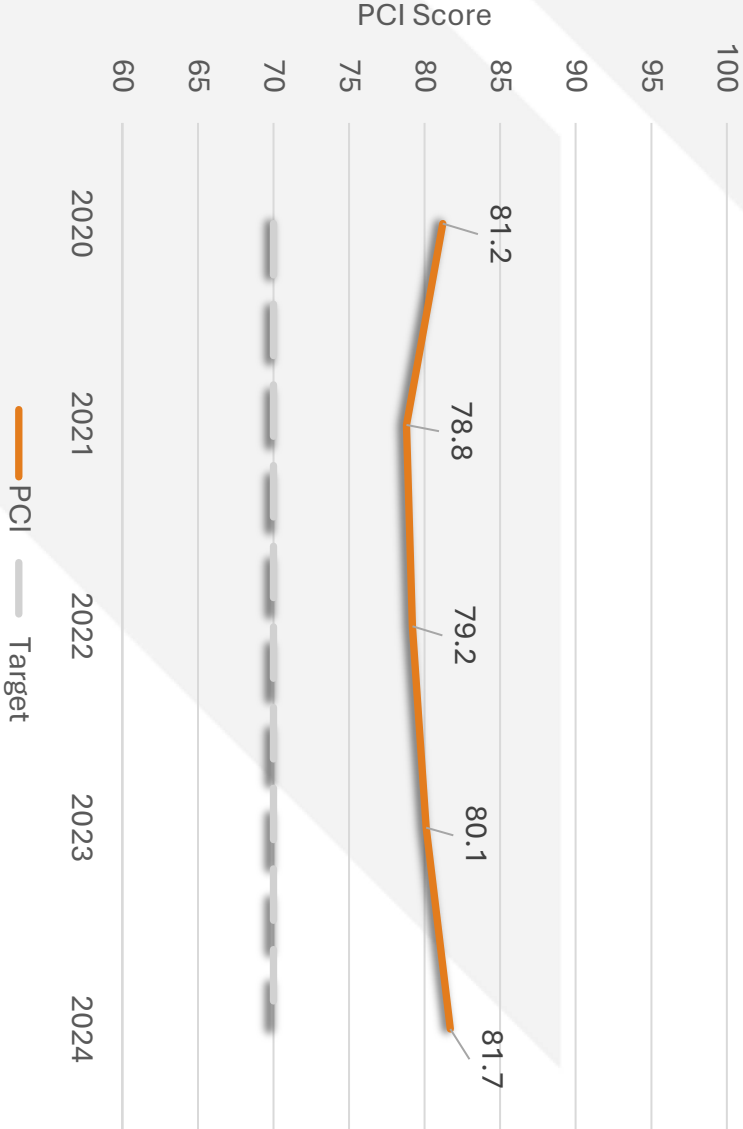


Performance Measure/KPI

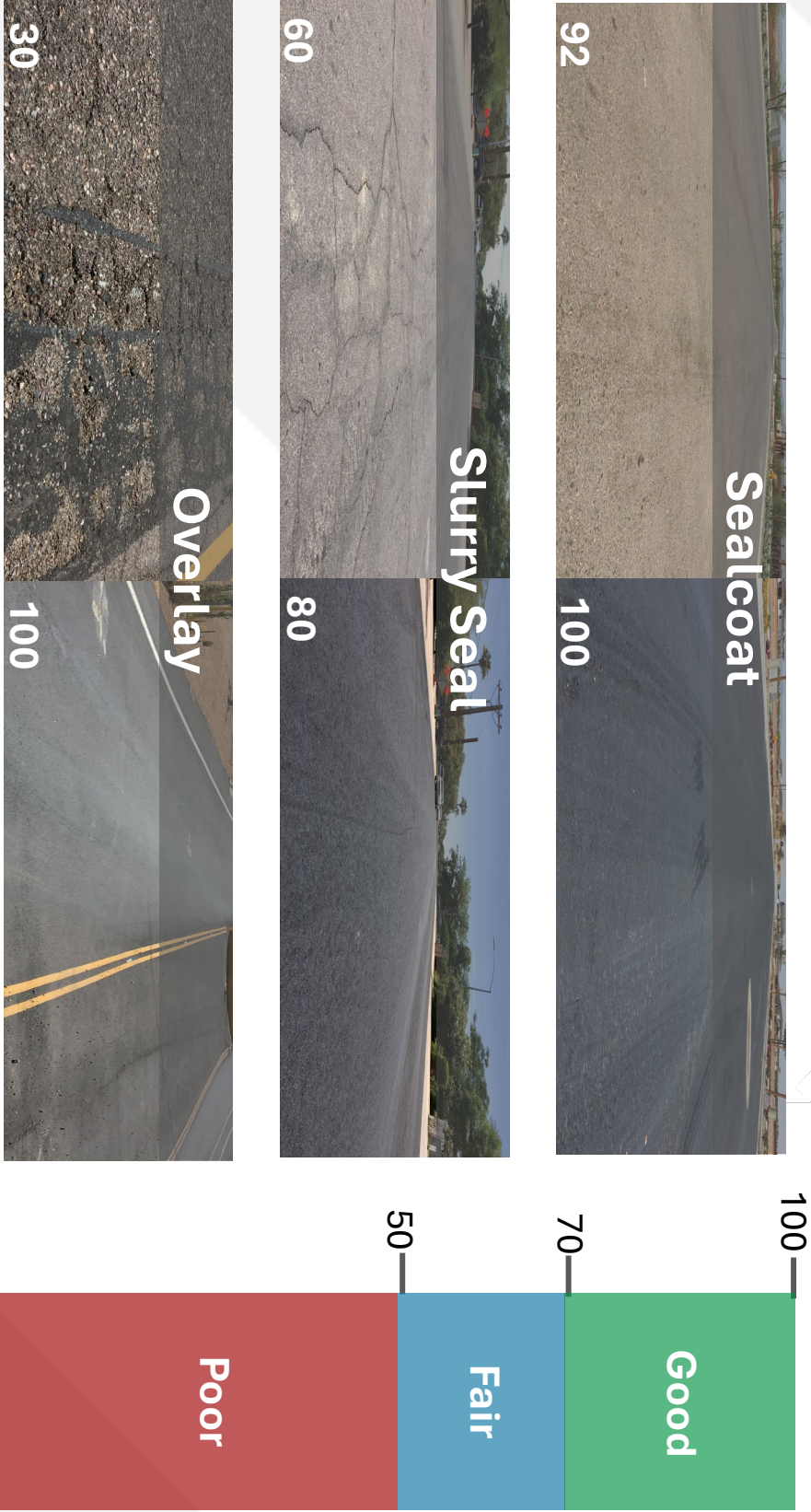


Pavement Preservation

All Streets Pavement Condition Index (PCI)



Pavement Preservation



Performance Measure/KPI

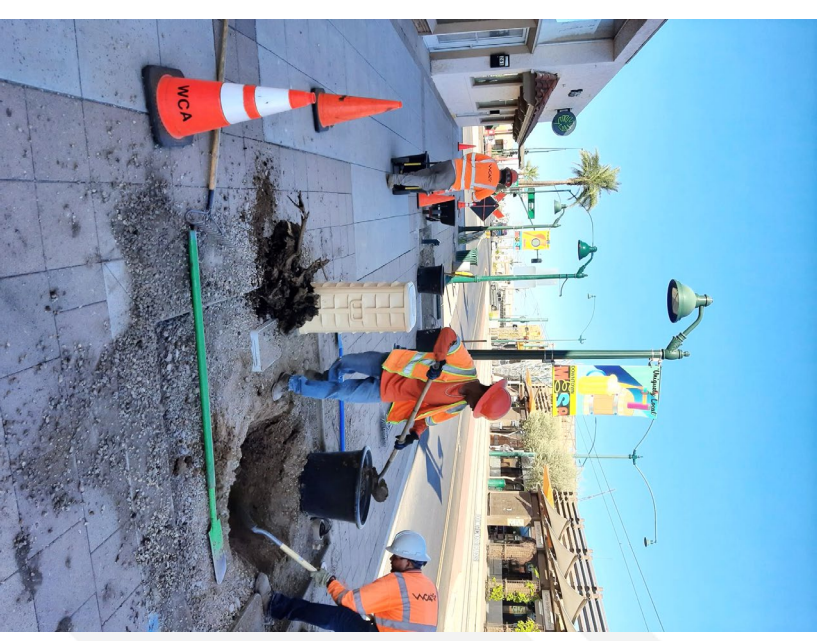
Landscape Refurbishment

New Employee Wellness Center



Completed: **March 2025**

Downtown Tree Planting and Irrigation Project



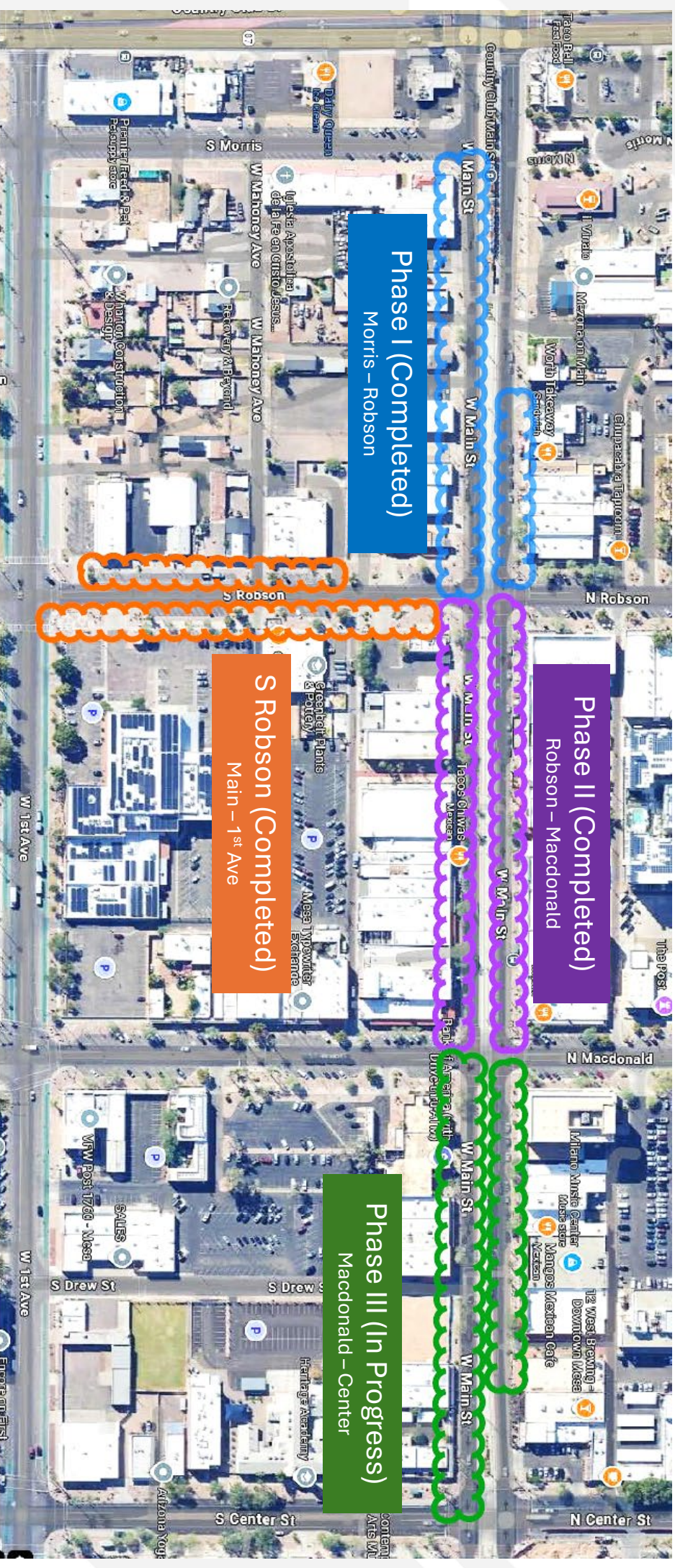
Expected date of completion: **April 2025**

Performance Measure/KPI



Downtown Tree Planting and Irrigation Project

Tree removal and replacement, streetlight receptacles conversion and irrigation repair

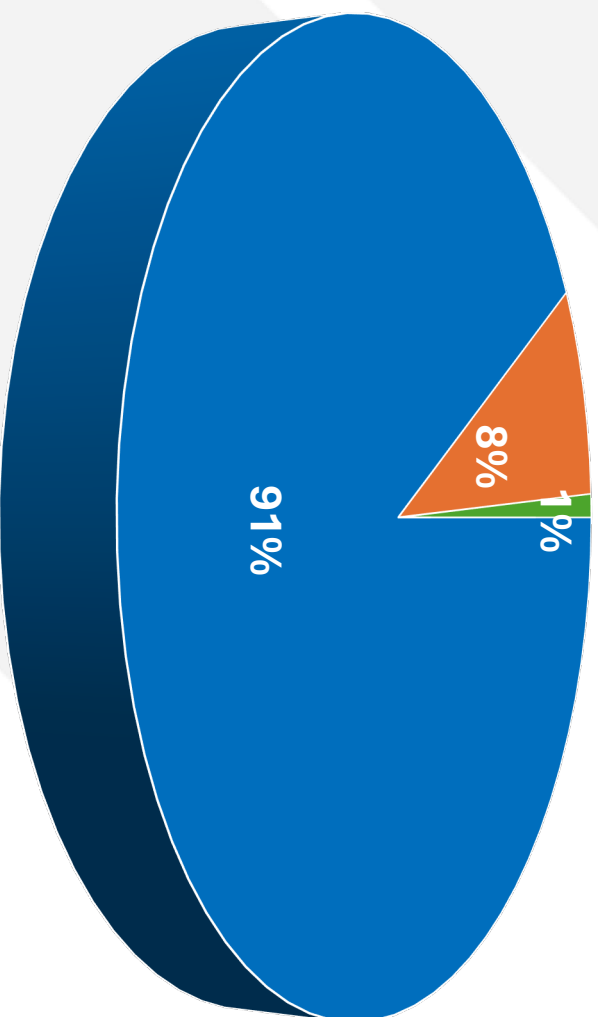


Performance Measure/KPI

Streetlight LED Conversion

42,175 converted, 3,456 remaining to convert

Expected date of completion: January 2026



Percent of Streetlights by Lamp Type

■ LED ■ HPS ■ Other



Transportation Funding Overview

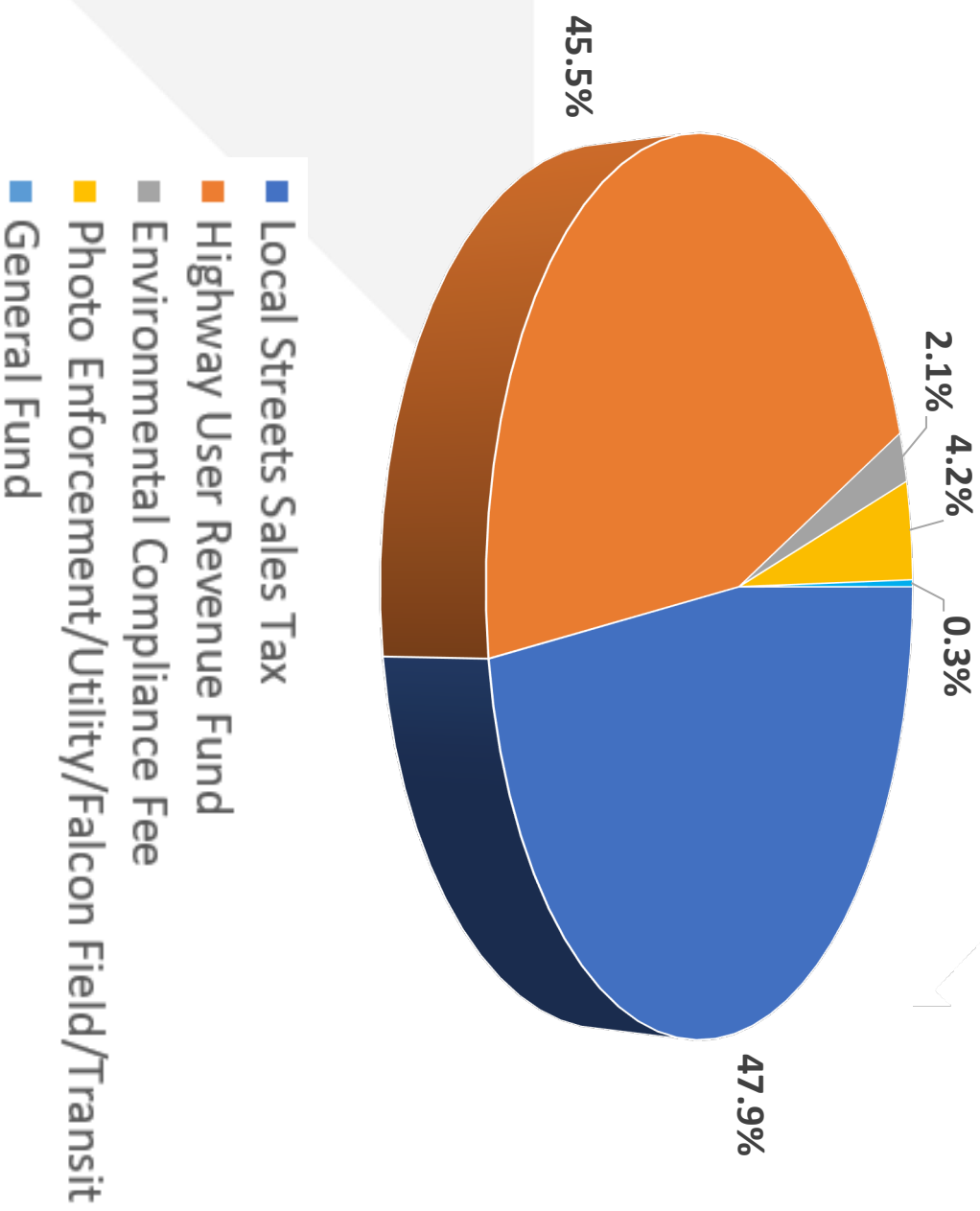
Operation Revenue Sources

- Local Streets Sales Tax
- Highway User Revenue Fund
- Environmental Compliance Fee
- Utility Fund
- Photo Enforcement Fund
- General Fund

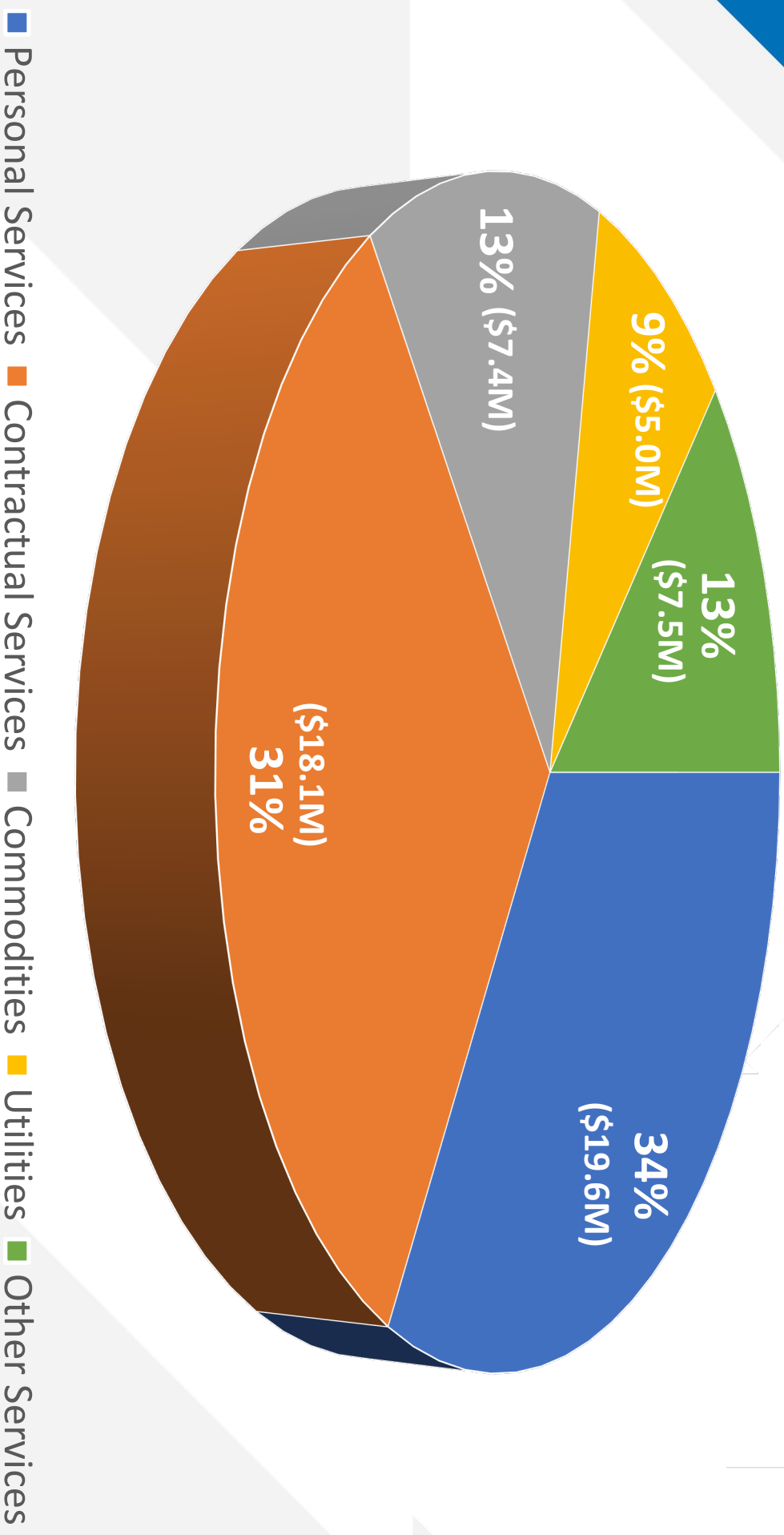
Capital/Lifecycle Project Revenue Sources

- Municipal Bonds
- ALCP/Regional Programs (Prop 400/479)
- Federal Grants
- Transportation Fund
- Photo Enforcement Fund
- Local Streets Sales Tax
- Highway User Revenue Fund

Operational Funding Sources



25/26 Operating Expenditures



Financial Summary



Core Business Process Expenditures	FY 23/24 Year End Actuals	FY 24/25 Revised Budget	FY 24/25 Year End Estimate	FY 25/26 Proposed Budget
Field Operations	\$43.3	\$47.2	\$47.3	\$48.0
Traffic Engineering	\$8.0	\$8.9	\$8.8	\$9.6
Total	\$51.3	\$56.1	\$56.1	\$57.6

Figures in millions, rounded

Fund and Reallocation



Shared Fund	New Fund	Amount	Activity
Environmental Compliance Fee	HURF	\$2.1M	Storm Drain Maintenance

25/26 Budget Adjustment Summary

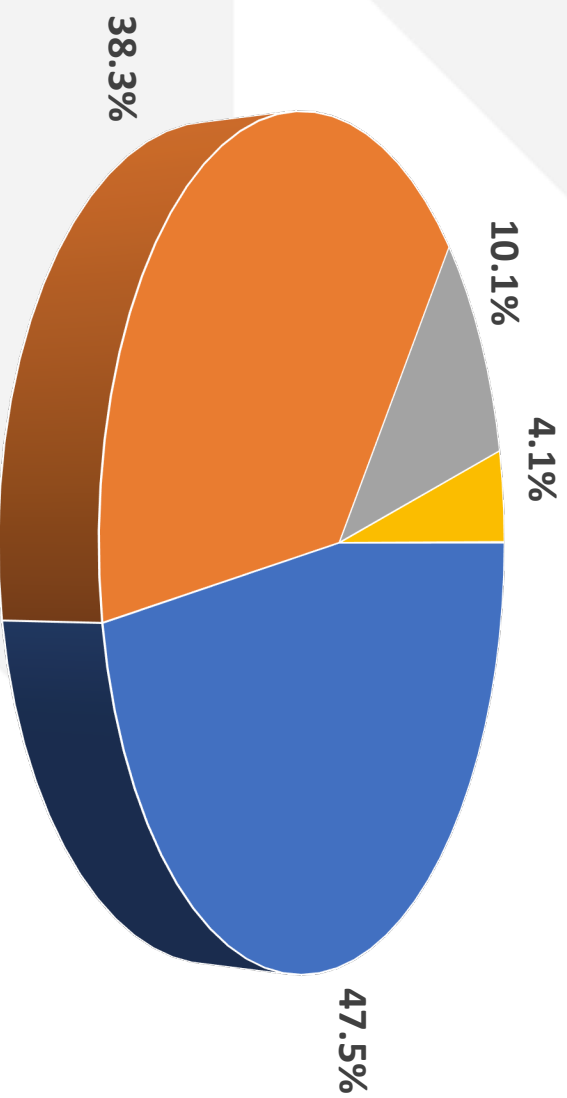


Adjustment	FTE	One-Time	Ongoing	Fund
Airless Striping Truck (Spare Ratio)	0	\$255,000	\$34,668	LSST
Bicycle & Pedestrian Program Van	0	\$80,000	\$6,522	LSST
Senior Planner	1	\$3,500	\$124,360	HURF
Total	1	\$338,500	\$165,550	

Operational Funding Sources Comparison

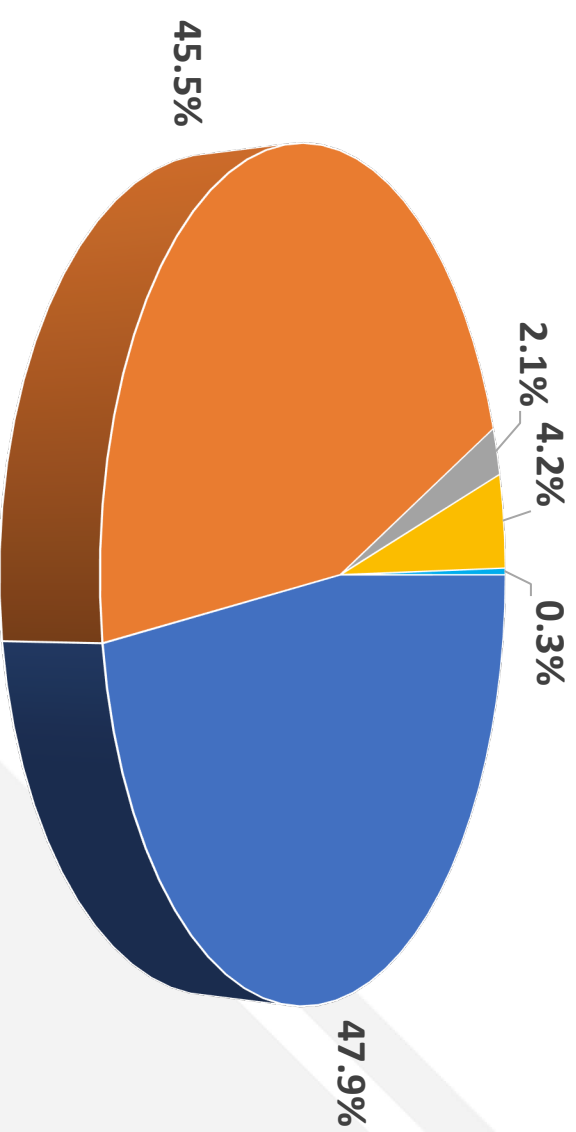


FY 20/21 Adopted Budget



- Local Streets Sales Tax
- Highway User Revenue Fund
- Environmental Compliance Fee
- Photo Enforcement/Utility/Falcon Field/Transit
- General Fund

FY 25/26 Proposed Budget



Budget Adjustment #1

Airless Striping Truck

- Current truck has consistently been in and out of Fleet support for maintenance. The addition will spread workloads between two vehicles and the proposed truck is smaller which will allow for greater maneuverability around complicated striping situations like roundabouts.
- Traffic Operations Striping is required to stripe at least 33% of all applicable pavement inventory per year. The target is to stripe the whole city in three years. This additional truck will fulfill this goal and help with striping work orders that can be done more efficiently with the smaller striping truck.

Budget Adjustment #2

Bicycle and Pedestrian Program Van

- Seeking to purchase a Ford E-Transit cargo van for the Bicycle and Pedestrian Program. This van would replace the trailer currently being used which is at the end of its service life. Currently, there is only one staff member able to operate the trailer. Having a van would allow additional staff to utilize the vehicle for special events and educational outreach.

Budget Adjustment #3

Senior Planner

- The department is requesting funding for a Senior Planner with an emphasis on urban planning experience. Fulfilling this request will accelerate Mesa's progress towards accomplishing the goals and objectives of the Mesa General Plan. Ensuring a transportation system that serves all members of our community, fostering a healthier, more sustainable, and more connected Mesa.

Code Compliance Department

Angelica Guevara

April 3, 2025

Fiscal Year 2025/26

Public Purpose

To Preserve, Strengthen, and Maintain the Integrity of our Community and Neighborhoods by Means of Education, Voluntary Compliance, and Community Engagement.

Priorities and Objectives

Ensure Code Compliance

Increase voluntary compliance through education and outreach

Increase proactive code compliance

Reduce complaints response time

Community Engagement

Team Up to Cleanup events

Social media education

Community education mailers, postcards & newsletters

Employee Engagement

Implement new employee training program

Updated train the trainer program

Employee engagement activities

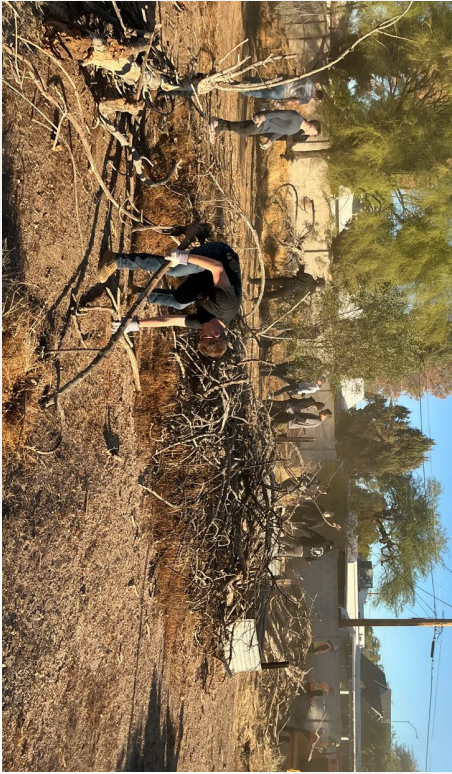
Before and After

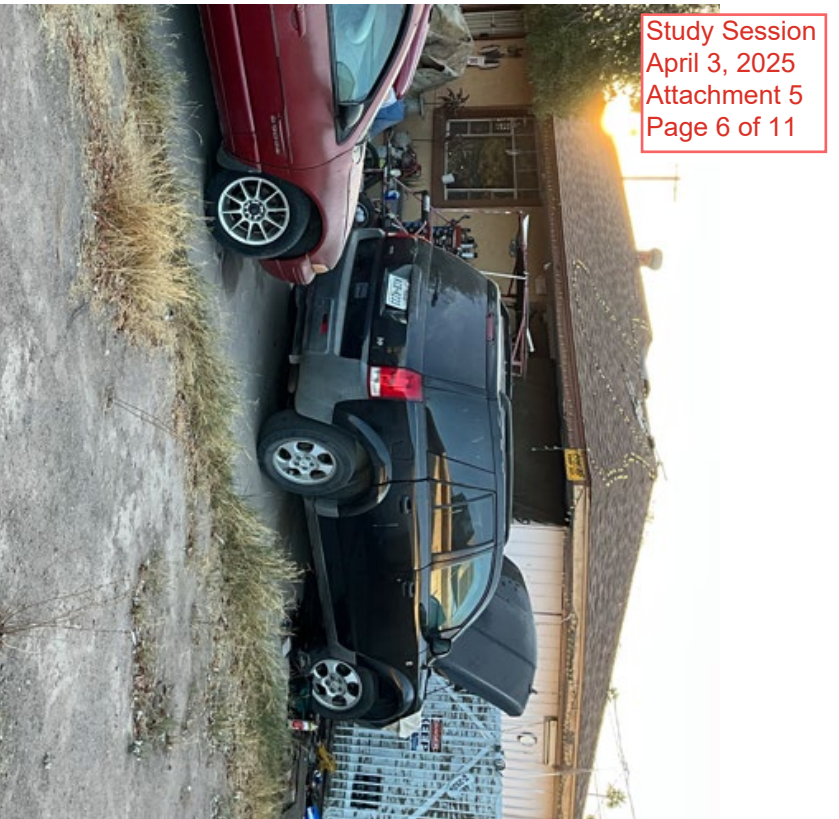


Mesa City Code
violation for tall
weeds and grass



Team Up to Clean Up

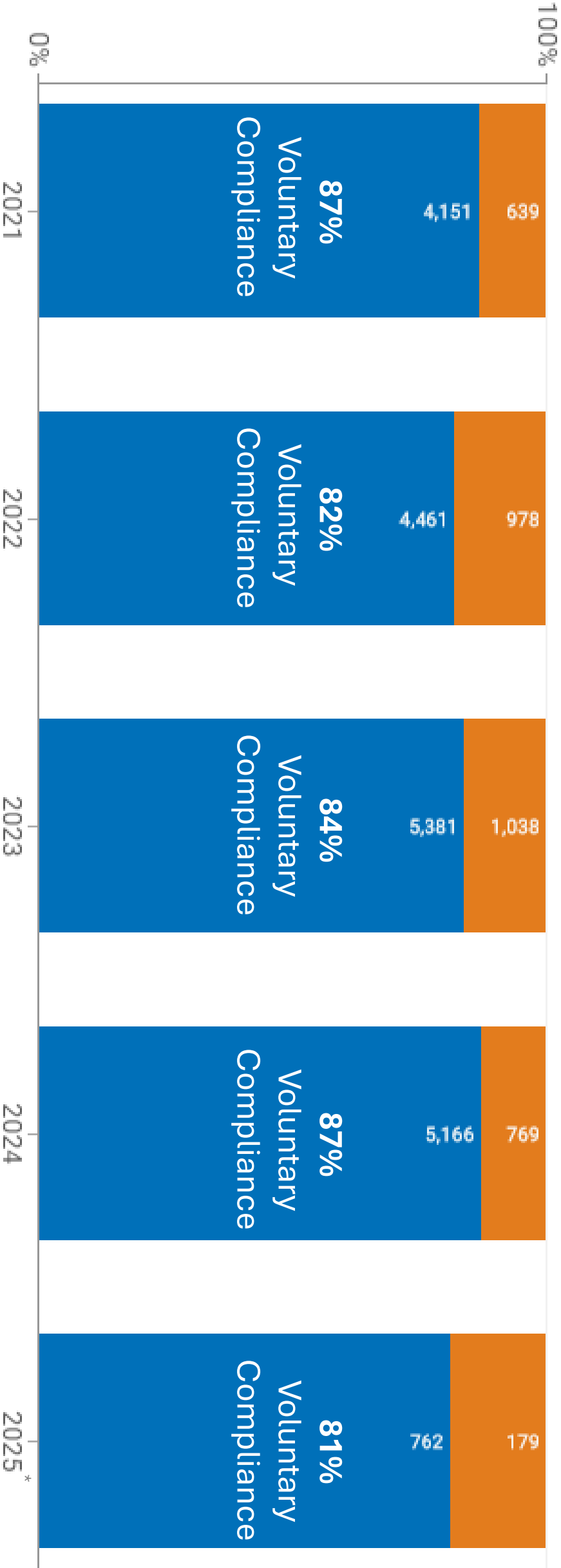




Before and After

Mesa City Code Violations for Auto-repair Non-permitted Use, Inoperable Vehicle, and Prohibited Outside Storage

Voluntary Compliance per Calendar Year



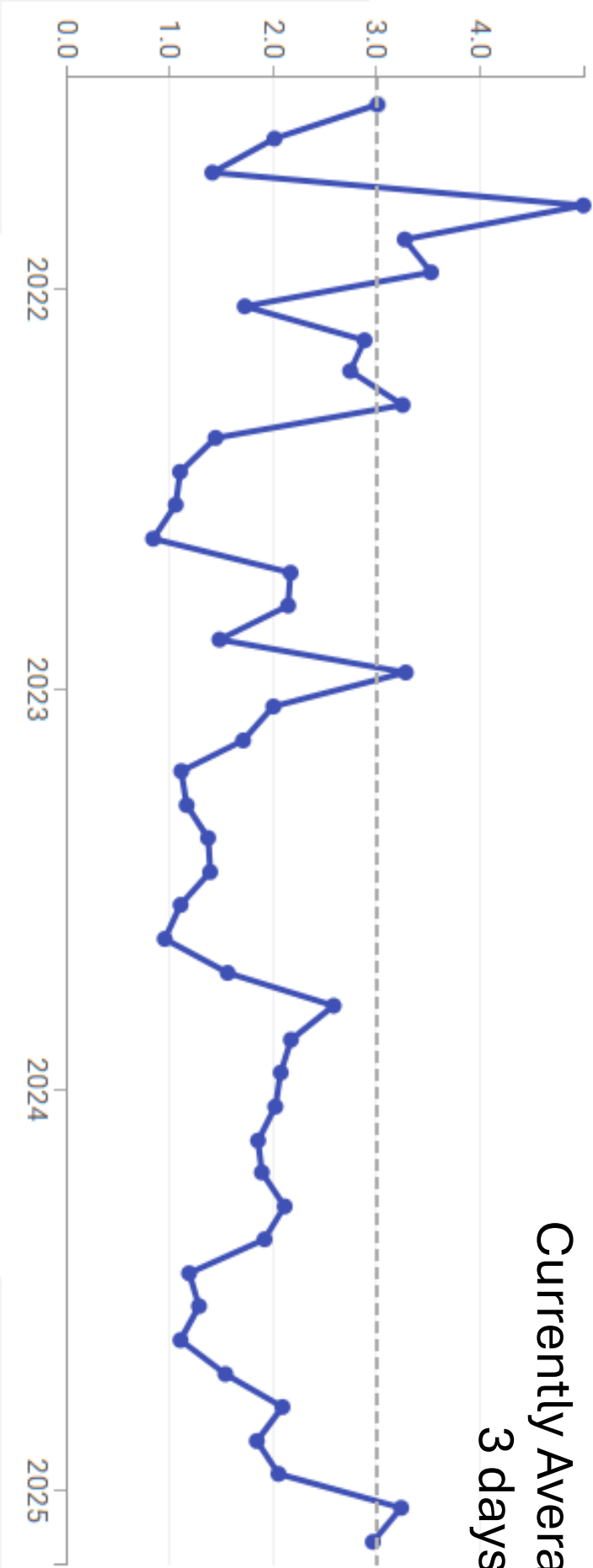
*Figures are year-to-date.

Response Time to Code Complaints



Target:
3 Days

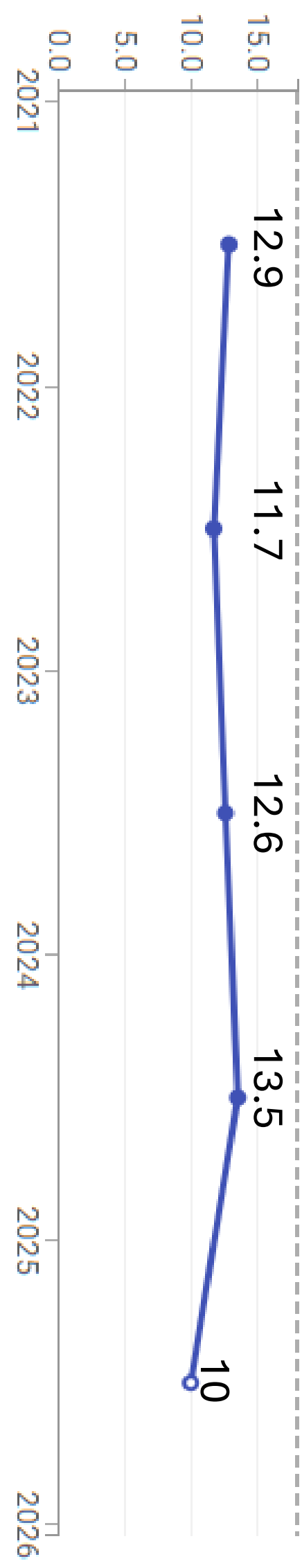
Currently Averaging
3 days



Compliance Turnaround Time



Code Case Turnaround Time (Days)



Financial Summary



Core Business Process	FY 23/24 Year End Actuals	FY 24/25 Revised Budget	FY 24/25 Year End Estimate	FY 25/26 Proposed Budget
Code Compliance	\$ 2.0	\$ 2.4	\$ 2.3	\$2.5
Total	\$ 2.0	\$ 2.4	\$ 2.3	\$ 2.5

Figures rounded in millions

Service Enhancements

- Majority of Process Service performed by Code Officers
 - Budget savings and improved customer service
- Integration between CityLink and DIMES
 - Eliminates manual entry of complaints into DIMES
 - Quality Control checks by Supervisors
- Training: Consistency in case handling

DATE: April 3, 2025

TO: CITY COUNCILMEMBERS

FROM: MAYOR MARK FREEMAN

SUBJECT: Appointments to Boards and Committees

The following are my recommendations for appointments to the City of Mesa Advisory Boards and Committees:

Economic Development Advisory Board – Nine-member board including new appointments.

Anthony Ruiz, District 3. Mr. Ruiz is a senior associate at Edge Realty Partners. He holds a Bachelor of Arts in Philosophy, with a minor in General Business from Arizona State University. His partial term will expire June 30, 2027.

Housing & Community Development Board – Eleven-member board including new appointments.

Monica R. Thompson, District 6. Ms. Thompson is a fifth and sixth grade innovation teacher with Mesa Public Schools. She holds a Bachelor of Science Degree in Psychology from Arizona State University, a teacher certification from Ottawa University, a Master of Education from Arizona State University and an Associate of Applied Science in law enforcement technology from Rio Salado Community College. Her partial term will expire June 30, 2025.

Human Relations Advisory Board – Eleven-member board including new appointments.

Spencer Beck, District 3. Mr. Beck is employed with Rowan Solar Cleaning as a salesperson and is an active member in the Arizona Army National Guard serving as an infantryman. His partial term will expire June 30, 2026.