



COUNCIL MINUTES

September 28, 2023

The City Council of the City of Mesa met in a Study Session in the lower-level meeting room of the Council Chambers, 57 East 1st Street, on September 28, 2023, at 7:30 a.m.

COUNCIL PRESENT	COUNCIL ABSENT	OFFICERS PRESENT
John Giles Francisco Heredia Jennifer Duff Mark Freeman Alicia Goforth Scott Somers* Julie Spilsbury	None	Christopher Brady Holly Moseley Jim Smith

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

Mayor Giles conducted a roll call.

1. Review and discuss items on the agenda for the October 2, 2023, 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

2-a. Hear a presentation and discuss the Utility Enterprise Fund forecast and provide direction on proposed utility rate adjustments.

Management and Budget Director Brian Ritschel introduced Management and Budget Deputy Director Chris Olvey, Water Resources Director Christopher Hassert, Water Services Deputy Director Seth Weld, Water Resources Management Assistant II Erik Hansen, and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Ritschel reviewed the utility operations and the purpose and use of the reserve balance. He provided an overview of the five financial principles used to prepare the forecast. (See Pages 3 and 4 of Attachment 1)

Mr. Olvey discussed the historical utility fund net sources and uses. He explained that Fiscal Year (FY) 21/22 and FY 22/23 were negative due to higher-than-normal inflation and the rate adjustments. He explained that the reserve balance exists to react to inflation or other unforeseen circumstances and remains above the 20% required by the City's financial principles. He provided an example of how inflation has affected major utility projects, resulting in a reduction in the scope of work due to an increase in costs of \$72 million from the fall of 2021 to present. He reviewed the recommended utility rate adjustments for FY 23/24, noting the negative impact to several infrastructure updates and projects within the electric service area, as well as supply cost pressures. He stated despite the forecast of an ending reserve balance below 20%, the financial policy dictates a forecast minimum reserve balance of 8 to 10%, and the City is in compliance with the financial policies. (See Pages 6 through 8 of Attachment 1)

Councilmember Freeman remarked due to the pressures on utilities, the City of Mesa (COM) uses their reserves to drive down expenses instead of requesting a higher rate increase. He added that the City consciously tries to mitigate rate increases and is requesting a 3% rate increase as opposed to 12% in neighboring cities.

Discussion ensued regarding the desired reserve balance of 20% for the Utility Fund and 10% for the General Fund, as well as the impacts of inflation and rate adjustments.

Mr. Ritschel stated in addition to a significant inflation factor on capital costs of projects, commodity costs have increased significantly due to supply chain issues. He advised that in the past few years the fund balance has been used to keep the rate adjustments lower.

Mr. Hansen commented on average approximately 160,000 accounts are served monthly. He reported the majority of accounts served are residential; however, the non-residential customers consume the majority of water, leading to increased pressures and costs. He attributed the increased pressures and costs to water commodity costs and debt service. He explained the debt service is for new projects such as well replacements, upgrades, the Central Mesa Reuse Pipeline, and the transmission main improvements. (See Pages 10 and 11 of Attachment 1)

Mr. Hansen illustrated the recommended forecasted increases in water commodity costs, which includes the Salt River Project (SRP) and Central Arizona Project (CAP) water. He discussed how the City is addressing the increased costs and the recommendation to leave the drought commodity charges the same for FY 23/24. (See Page 12 of Attachment 1)

Mr. Hansen compared the monthly water consumption of various customer classes which were used to determine the impact of the proposed water rates. He reported the recommended water rate increases for service, as well as a description of the service and usage charges. (See Page 13 of Attachment 1)

Discussion ensued relative to encouraging less outdoor water usage and creating equity between residential and commercial customers.

Mr. Hansen reviewed the recommended water rates for other non-residential customers. He described the conservation measures and different tiers. (See Pages 14 and 15 of Attachment 1)

Mr. Hassert explained that new industries, manufacturing facilities, and data centers moving to Mesa have recognized Mesa's water conservation efforts and are conscious of the technology being used.

In response to a question posed by Councilmember Duff, Mr. Hassert explained that the City evaluates the water consumption of every new developer, as well as notifies developers that there is limited access to Mesa's water portfolio. He stated that any business that comes to Mesa and is a major water user will be required to provide its own water supply.

In response to a question from Councilmember Duff, City Manager Christopher Brady remarked that Mesa only provides water to the City's designated service areas and does not permit annexations outside of these areas.

In response to a question from Vice Mayor Heredia, Mr. Brady replied that approximately 10,000 accounts will be affected by Tier 1 adjustments, and residents can adjust their water usage in order to avoid the half percent increase. He added half of the residential accounts consume 6,000 gallons or less and will not be impacted by the tier adjustments. He provided more insight on the tier adjustments.

Mr. Hansen provided information on the increasing costs associated with pressures on the wastewater utility, stating the majority of expenditures are debt service which is composed of old and new projects, such as wastewater, plant improvements, expansion collection, pipe replacements, and process improvements at the Northwest Water Reclamation Plant. He presented an update on the recommendations for wastewater rates for residential and commercial accounts. (See Pages 17 and 18 of Attachment 1)

Mr. Hansen discussed the recommendations for other water utility service fees, which have not been updated in seven years. (See Page 20 of Attachment 1)

Mr. Brady advised that the City is required to provide notice to the community regarding the new rates. He said a decision will be made in November; at which time the rates cannot be increased but can be lowered if determined.

Energy and Sustainability Director Soctt Bouchie introduced Senior Fiscal Analyst John Petrof, and Energy Resource Program Manager Anthony Cadorin, and provided an update on the proposed rate adjustments for Energy Resources.

Mr. Bouchie reported upward rate pressures on gas and electric utilities due to increasing supply costs. He noted that the increases for electric utility were previously offset by the American Rescue Plan Act (ARPA) funds to lessen the impact on customers, and the ARPA funds will be fully expended by October 2023. He stated the City continues to pursue competitive rates with the Salt River Project (SRP) for electric and Southwest Gas for natural gas. (See Page 22 of Attachment 1)

Mr. Petrof reviewed the increasing costs and pressures on the electric utility operating budget due to higher-than-normal inflation on commodities, materials, supplies, fuel costs for fleets, as well as rising personal service costs due to competitive pay increases. (See Page 24 of Attachment 1)

Mr. Cadorin discussed the debt service and the major categories that are impacting rates for electric utilities. He outlined the increasing debt service and operating costs. He provided a residential electric bill comparison with SRP regarding current and proposed rates, adding the proposed rates are higher than SRP due to the ARPA funding being expended. (See Pages 25 through 27 of Attachment 1)

Mr. Petrof reviewed the proposed increases on electric rates for residential customers. He proposed the residential customer will see a rise of 2.1% or \$2.83 on their monthly electric bill. He compared the three commercial customer levels with SRP. He reviewed the proposed monthly increases to commercial electric rates and the system service charge, noting that the average commercial user will see a monthly increase of 0.9% or \$5.00. (See Pages 28 through 30 of Attachment 1)

Mr. Bouchie provided a map and highlighted the gas utility service areas in Mesa. He added Mesa also covers a large service area in the Magma area in the Queen Creek and San Tan Valley area. (See Page 32 of Attachment 1)

Mr. Petrof highlighted several cost pressures on the gas utility operating budget. He explained the increases in personal services have been the result of competitive pay increases, as well as the need to increase staff over the past few years due to the growth in the Magma service area. (See Page 33 of Attachment 1)

Mr. Cadorin discussed the increasing debt service is a result of the growth in the Magma area which has recently exceeded 30,000 customers. He mentioned that the City is contemplating a master plan high pressure project and replacing the old natural gas infrastructure in the quarter sections. (See Page 33 of Attachment 1)

Mr. Cadorin discussed the forecasted increases on debt service costs due to an expedited repayment schedule for taxable financing for projects. He said the forecast following FY 28/29 will continue to experience upward pressures as a result of debt service. He illustrated the forecasted operating costs increases. (See Pages 34 and 35 of Attachment 1)

Mr. Petrof shared a residential gas bill comparison between COM and Southwest Gas. He reported the proposed residential gas rates for the average customer will increase by 3.6% or \$1.64 per month. He explained that the increase allows the City to achieve its inclining rate structure, as the more you use the higher the rate. (See Pages 36 and 37 of Attachment 1)

Mr. Petrof provided a commercial gas bill comparison, noting the commercial gas customers in all usage categories compare favorably to Southwest Gas for current and proposed rates. He listed the proposed increases for commercial customers, identifying the difference between the summer and winter tier usage rates. He stated the average commercial customer will result in a \$7.42 monthly increase. (See Pages 38 and 39 of Attachment 1)

Mr. Cadorin discussed the additional adjustments to the utility service fees which have not been updated for seven years, and the changes to the electric rules and regulations which have not been updated since 2009. He advised the customer optional renewable energy program will adjust the open enrollment period from limited to year-round. (See Page 40 of Attachment 1)

In response to a question from Councilmember Spilsbury, Mr. Brady explained that the purpose of the utility service fee is to recover the costs associated with providing the services and is set by the Consumer Price Index (CPI).

In response to a question from Councilmember Freeman, Mr. Cadarin responded that in July of 2023 a Smart Thermostat Program was launched and the feedback from customers was positive. He commented that the City is seeking to increase enrollment in the program and is considering various options to incentivize customers.

Discussion ensued relative to remaining competitive with electricity rates in the future, being scalable, and the challenges of profitability.

Solid Waste Director Sheri Collins introduced Senior Fiscal Analyst Justin Stadt and gave an update on Solid Waste utility recommendations.

Ms. Collins described the increasing cost pressures for Solid Waste utilities, including the addition of new hires, a CPI increase, inflation costs, and repairs to the aging fleet trucks. She discussed the operating costs for last year and the forecast. (See Pages 42 and 43 of Attachment 1)

Ms. Collins provided the residential rate recommendations for Solid Waste and noted the average customer will see a 3% or \$0.92 increase per month. She provided rate comparisons to Phoenix and Tempe. (See Page 44 of Attachment 1)

Ms. Collins reported that Mesa competes with the private sector on commercial front-load trash services. She recommended an overall increase of 7.5% and listed the individual rate increases proposed. She suggested decreasing the multi-day discount since the service will be phased out. She explained that the recommendation to increase the weight charge and the compactor base rate is to keep up with the CPI and the cost of the landfill space. She advised the recycling market has changed and no longer offers discounted rates and recommended increasing the commercial front-load cardboard base rate by 33% in order to sustain the program. (See Pages 45 and 46 of Attachment 1)

Ms. Collins stated the City follows the CPI rate increase for tonnage fees. She proposed increasing the trash tonnage rate for materials in the container. She mentioned the green waste tonnage increase is higher due to the additional processing required. She recommended increasing the commercial roll-off set fee by \$10.50. She noted the proposed rate increases for commercial roll-off, one-time trash customers, and one-time green waste customers. (See Pages 47 and 48 of Attachment 1)

In response to a question from Councilmember Duff, Ms. Collins replied that the City has a front load cardboard program for apartments; however, the program is not comingled. She mentioned once the City's facility becomes available, an evaluation will be conducted to identify alternative options and determine the non-discounted rate that can be charged to sustain the program.

Mr. Ritchel summarized the recommended rate adjustments for FY 23/24 for the Utility Fund. He emphasized there has been a reduction in some rates by half a point while maintaining a 19% ending reserve balance. (See Page 50 of Attachment 1)

Mr. Ritschel provided the proposed water usage rate for non-residential customers. He shared the schedule for utility rate adjustments and reminded Council and residents that the Notice of Intent sets the maximum adjustment amount and includes the rate recommendations. He reported if Council votes to increase the maximum amount listed in the Notice of Intent, then the Notice would have to be re-noticed which would reset the 60-day time period; however, if Council recommends a lower rate on any item, then the 60-day period remains the same. (See Pages 50 and 51 of Attachment 1)

Mayor Giles thanked staff for their presentation.

2-b. Hear a presentation, discuss, and provide direction on proposed changes to the Mesa Zoning Ordinance (Title 11 of the Mesa City Code) regarding drive-thru facilities.

Planning Director Mary Kopaskie-Brown introduced Assistant Planning Director Rachel Nettles and displayed a PowerPoint presentation. **(See Attachment 2)**

Ms. Kopaskie-Brown provided a summary of the proposed amendments to the drive-thru process for zoning districts to better align with other jurisdictions, and the requirement of Council Use Permits (CUPs) in some districts to include additional definitions to adjust the development and the design standards. She highlighted the four concerns that were raised at the Planning and Zoning Board (P&Z) public hearing. (See Pages 8 and 9 of Attachment 2)

Ms. Nettles reviewed the land use districts and processes for drive-thrus, as well as the recommendations for a CUP. She explained that in the General Plan, most of the districts are located within employment character areas where the intent is to provide high quality employment uses. She indicated it is appropriate to have an additional layer of consideration to ensure that the locations are suitable and that employment areas are retained. She noted Council has the discretion to consider the impacts and determine if the location is appropriate. (See Page 10 of Attachment 2)

Ms. Nettles outlined the proposed new definitions and the different operational characteristics and impacts for drive-thru facilities, pick-up window facilities and drive-up ATM/teller window. She explained the newly separate definitions will allow staff to address the differences in uses and impacts within the zoning ordinance. (See Page 11 of Attachment 2)

Ms. Nettles discussed vehicular circulation and stacking standards for drive-thru facilities. She shared the new proposed requirements for additional distance between drive-thru lane entries and street access to address the impact and overflow generated. She highlighted the new requirements and descriptions for onsite operations and traffic activity for drive-thrus based on the onsite circulation and stacking study. (See Pages 12 and 13 of Attachment 2)

In response to a question from Mr. Brady, Ms. Nettles replied that other cities require different versions of traffic studies, such as traffic impact studies or traffic analysis and those are more intense traffic studies than what staff is recommending.

Mr. Brady clarified that compared to other cities, Mesa has been the most lenient and has allowed the most drive-thrus. He recollected that staff made the commitment to Council to be in alignment with other communities.

Ms. Nettles added that previously staff recommended a traffic impact study to be aligned with other communities; however, based on input and feedback from stakeholders, the lesser intense study is sufficient to address the concerns. She stated that based on the recommendation from P&Z, staff is recommending that the stacking study be required only when a deviation is requested from the minimum standards. (See Page 14 of Attachment 2)

Discussion ensued relative to the stacking study requirements, safety concerns for customers and businesses, and the impact on drive-thrus.

Mayor Giles expressed his support of the proposed modifications and moving forward for introduction.

At 9:30 a.m., Vice Mayor Heredia excused Mayor Giles from the remainder of the meeting.

Ms. Nettles shared the newly proposed setback requirements from residential uses and properties, including a 100-foot setback specific for drive-thru facilities, which does not apply to pick-up window facilities or ATM/teller windows. She discussed the concerns from the P&Z meeting related to decibel requirements and reviewed the recommendations. (See Pages 15 and 16 of Attachment 2)

In response to a question posed by Councilmember Duff, Ms. Nettles responded that a sound study is conducted prior to the construction of a development to determine the decibel level. She described how sound is measured and noted the study is only required if the design deviates from the base standard.

Ms. Nettles provided an overview of the proposed modifications to screening requirements for drive-thrus, employees and protection from vehicles, traffic and the heat. (See Pages 17 and 18 of Attachment 2)

Ms. Nettles shared the common questions received from the public. She summarized stakeholder feedback regarding concerns from the development community and residents. She commented that the concerns were addressed by changing several recommendations and researching other jurisdictions. (See Pages 19 and 20 of Attachment 2)

Ms. Nettles discussed the various response modifications to address the resident concerns, including conducting a stacking study to ease vehicle overflow in public and private streets, and provisions that include allowance for deviations from the development standards. (See Pages 21 through 25 of Attachment 2)

Councilmember Spilsbury expressed concern that P&Z did not have an opportunity to review and approve the revised proposed amendments and feels the opinion of P&Z should be heard.

Councilmember Freeman suggested referring the proposed amendments back to P&Z for review.

Councilmember Goforth expressed support of a circulation and stacking study for every application.

Councilmember Duff suggested a CUP for neighborhood commercial, while maintaining a Special Use Permit (SUP) for heavy industrial and improving standards in which staff will regulate and

evaluate the impacts within that property without having to go through an additional 60-day process or additional costs and time.

Councilmember Somers commented he would like to have the same type of standard that is successfully utilized in Gilbert, Chandler, Tempe, and Scottsdale. He is in support of moving forward on the proposal with the addition of the stacking study.

Vice Mayor Heredia is in support of moving forward with the proposal with the addition of applying the stacking study for all drive-thrus.

Mr. Brady clarified that the direction he has heard from the Councilmembers is to move forward with introduction on Monday and apply the onsite circulation and stacking study to all applications.

Vice Mayor Heredia thanked staff for their presentation.

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

3-a. Audit, Finance and Enterprise Committee meeting held on September 7, 2023.

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

Upon tabulation of votes, it showed:

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

Vice Mayor Heredia declared the motion carried unanimously by those present.

4. Current events summary including meetings and conferences attended.

Mayor Giles 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, October 2, 2023, 4:45 p.m. – Study Session

Monday, October 2, 2023, 5:45 p.m. – Regular meeting

6. Adjournment.

Without objection, the Study Session adjourned at 10:36 a.m.

FRANCISCO HEREDIA, VICE 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 28th day of September 2023. I further certify that the meeting was duly called and held and that a quorum was present.

HOLLY MOSELEY, CITY CLERK

lr
(Attachments – 2)

City of Mesa FY 2023/24 Utility Fund Forecast and Rates Recommendations

City Council Study Session

September 28, 2023

Presented by:

Brian A. Ritschel – Management & Budget Director

Christopher Hassert – Water Resources Director

Scott Bouchie – Energy Resources Director

Sheri Collins – Solid Waste Director

Utility Operations

- Each utility is operated as a separate business center but treated as one fund
- Reserve balance provides a safety net for unforeseen conditions
- Reserve balance can be used to smooth rate adjustments year-to-year

Financial Principles



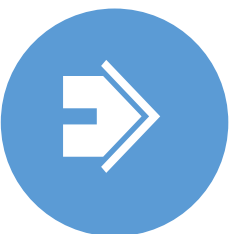
BALANCE NET SOURCES
AND USES



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

Utility Fund Forecast

Utility Fund: Historical Net Sources and Uses

	FY 17/18 Actuals	FY 18/19 Actuals	FY 19/20 Actuals	FY 20/21 Actuals	FY 21/22 Actuals	FY 22/23 Estimate
NET SOURCES AND USES						
WATER	\$12,223	\$2,234	(\$3,107)	\$19,416	\$2,588	(\$3,391)
WASTEWATER	\$2,380	\$11,808	\$2,916	(\$8,878)	(\$5,311)	(\$8,080)
SOLID WASTE	\$2,645	\$1,755	\$1,534	\$5,612	(\$4,764)	(\$4,455)
ELECTRIC	\$2,651	\$2,030	\$1,819	\$791	\$1,806	\$664
NATURAL GAS	\$2,805	\$6,265	\$5,034	(\$2,385)	(\$514)	\$2,153
DISTRICT COOLING	\$435	\$391	\$417	(\$68)	(\$495)	(\$46)
Subtotal: Utilities	\$23,139	\$24,483	\$8,613	\$14,488	(\$6,690)	(\$13,154)
NON-UTILITIES*	(\$4,118)	(\$3,619)	(\$4,452)	\$0	\$0	\$0
TOTAL NET SOURCES AND USES	\$19,021	\$20,864	\$4,161	\$14,488	(\$6,690)	(\$13,154)
Beginning Reserve Balance	\$92,728	\$111,749	\$132,613	\$136,773	\$151,261	\$144,572
Ending Reserve Balance	\$111,749	\$132,613	\$136,773	\$151,261	\$144,572	\$131,418
Ending Reserve Balance Percent*	31.3%	34.9%	35.1%	33.9%	31.1%	26.1%

*As a % of Next Fiscal Year's Expenditures

Dollars in Thousands

*Non-Utilities includes Convention Center, Cubs/Sloan Park, Hohokam, and Golf Course

Impacts of Inflation

Major Utility Projects	Fall 2021 Estimate
AMI, Reuse Pipeline, Signal Butte Expansion, and East Mesa Interconnect	\$312M

**Reduced to 3 Projects
due to Inflation**



Major Utility Projects	Current Estimate
AMI, Reuse Pipeline, Signal Butte Expansion	\$384M

Utility Fund Forecast: FY 23/24 Recommended Rate Adjustments

- | | |
|-------------------------------------|------------------------|
| <input checked="" type="checkbox"/> | Balanced Net S&U |
| <input checked="" type="checkbox"/> | 20% Fund Balance |
| <input checked="" type="checkbox"/> | Smoothed Adjustments |
| <input checked="" type="checkbox"/> | Equity Res. & Non-Res. |
| <input checked="" type="checkbox"/> | Affordable Services |

As of 08/22/2023	FY 22/23 Estimate	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
WATER	(\$3,390,539)	(\$1,213,825)	\$824,968	(\$3,833,608)	(\$4,807,613)	(\$3,780,714)	(\$3,245,833)
WASTEWATER	(\$8,080,027)	(\$13,986,661)	(\$9,991,982)	(\$7,046,469)	(\$3,175,824)	\$2,203,698	\$877,990
SOLID WASTE	(\$4,455,062)	(\$7,390,204)	\$678,671	\$1,192,198	\$1,479,784	(\$239,847)	\$3,023,019
ELECTRIC	\$664,095	(\$1,990,443)	(\$718,719)	(\$842,119)	(\$558,839)	(\$714,081)	(\$1,361,963)
NATURAL GAS	\$2,153,284	(\$9,107,075)	(\$3,995,031)	(\$3,367,616)	(\$2,638,632)	(\$2,496,126)	\$863,070
DISTRICT COOLING	(\$45,576)	(\$298,342)	(\$461,410)	(\$132,520)	(\$104,958)	(\$114,287)	(\$111,479)
TOTAL NET SOURCES AND USES	(\$13,153,827)	(\$33,986,550)	(\$13,663,502)	(\$14,030,134)	(\$9,806,082)	(\$5,141,357)	\$44,803
Beginning Reserve Balance	\$144,571,686	\$131,417,859	\$97,431,309	\$83,767,807	\$69,737,673	\$59,931,590	\$54,790,233
Ending Reserve Balance	\$131,417,859	\$97,431,309	\$83,767,807	\$69,737,673	\$59,931,590	\$54,790,233	\$54,835,037
Ending Reserve Balance Percent*	26.1%	18.9%	15.6%	12.0%	10.3%	9.2%	9.0%

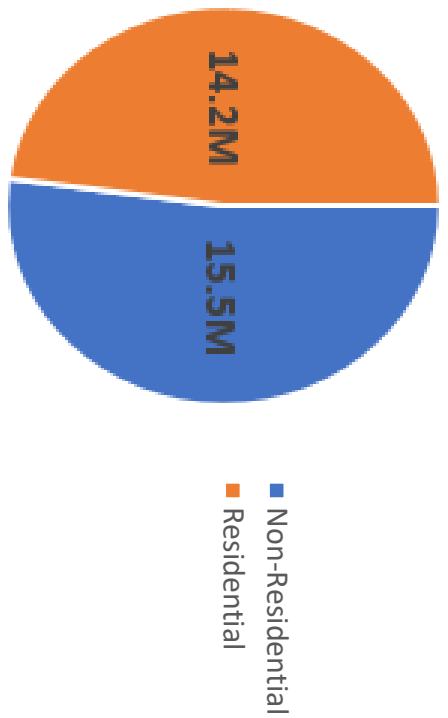
*As a % of Next Fiscal Year's Expenditures

Water

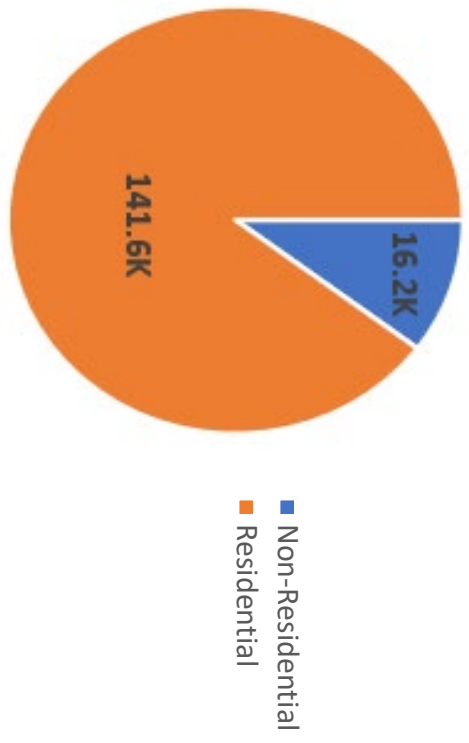
Customer Profile



FY 22/23 Consumption by Customer Type
(in kgals)



FY 22/23 Accounts by Customer Type
(average accounts/month)



Increasing Costs/Pressures on the Utility

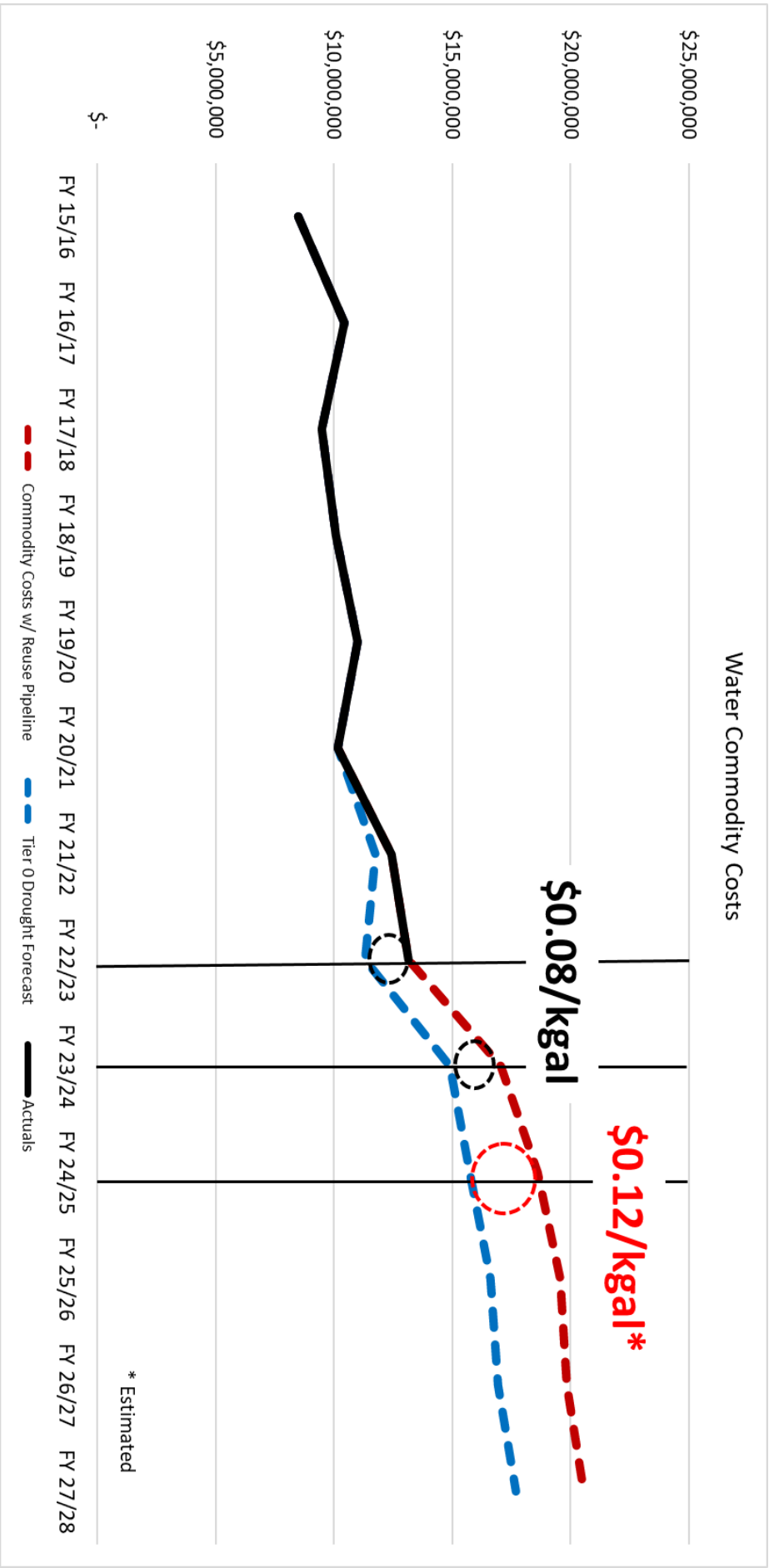
- **Increases from FY 22/23 to FY 23/24**



- **Operating Expenditures**
 - Water Commodity Costs **+\$3.8M**
 - Personnel **+\$1.8M**
 - Treatment Plant Power Costs **+\$0.8M**
 - Treatment Plant Chemical Costs **+\$0.6M**
 - **Total** **+\$7.0M**
- **Debt Service** **+\$2.9M**



Staff recommends no change to the Drought Commodity Charge for FY 23/24



Water Rate Proposal/Typical Customer

	2023	2024 (Proposed)	
Residential 6kgals	\$40.50/mo.	Service Charge Usage Charge Drought Commodity Charge	3.00%* 3.00%* \$0.08/kgal***
Commercial (General) 9kgals	\$57.76/mo.	\$41.70/mo. (\$1.20/mo.) Service Charge Usage Charge Drought Commodity Charge	3.00%* 5.00%* \$0.08/kgal***
Commercial (Landscape) 34kgals	\$160.43/mo.	\$59.97/mo. (\$2.21/mo.) Service Charge Usage Charge Drought Commodity Charge	3.00%* 7.50%** \$0.08/kgal***

* Less than forecast for 2024 during the previous rate cycle.

** Same as forecast for 2024 during the previous rate cycle.

*** No change from the previous rate cycle.

Typical (Median) Customer (in kgal)		FY 22/23
Residential		6
Interdepartmental - Landscape		7
Interdepartmental - General		9
Commercial – General		9
Multi-unit – General		21
Schools (PA) – General		33
Commercial - Landscape		34
Multi-unit – Landscape		53
Schools (PA) – Landscape		83

Other Non-Residential Recommendations

- 6% increase to all other Non-residential (General) Water customers to create equity with Residential usage (tier 2)
 - Includes multi-unit, public authority, and construction hydrant usage
- 10% increase to Interdepartmental Water
 - Plan to be at residential usage tier 1 by 2026
- 12% increase to Large Commercial/Industrial Water usage

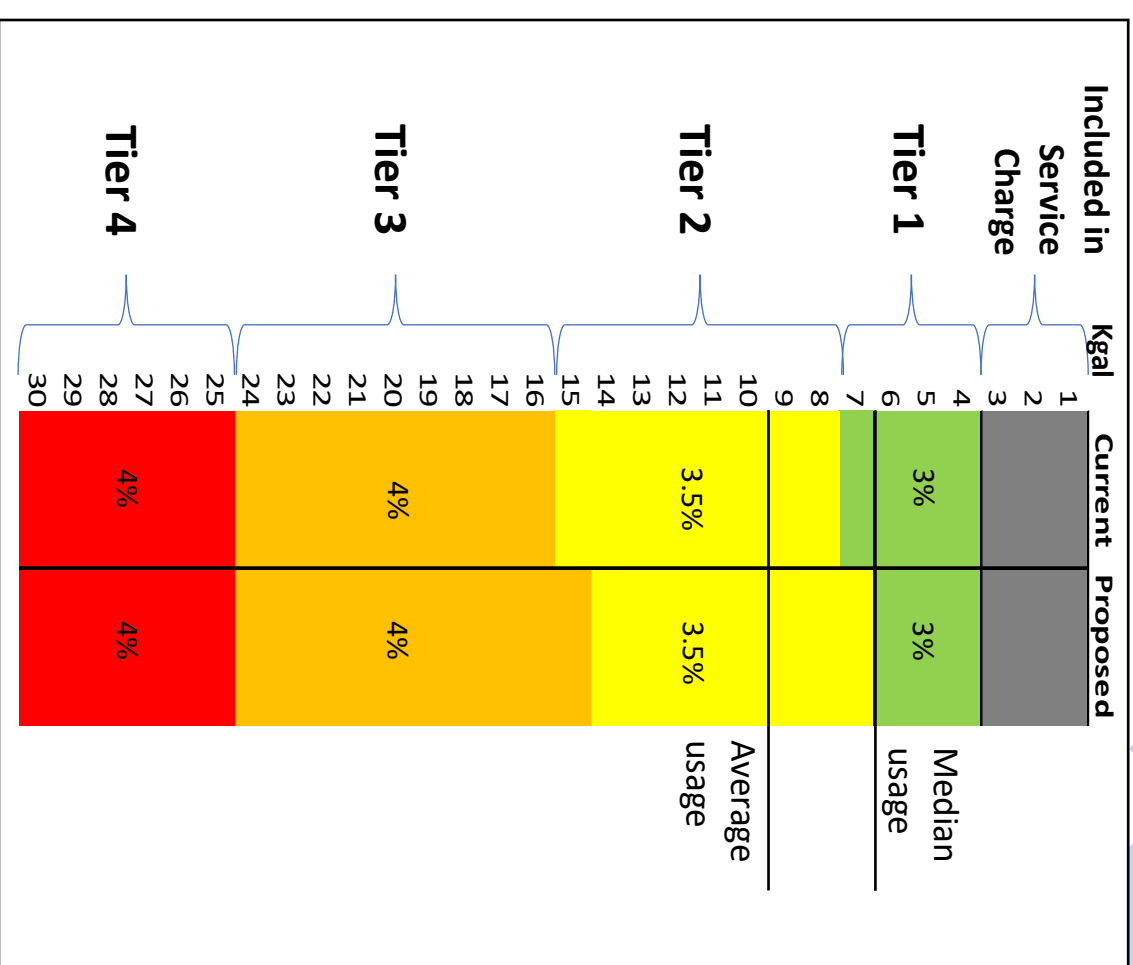
Additional Conservation Measures

Residential Usage Tiers

- Lower the thresholds of tiers 1 and 2 by 1kgal each
 - From 7kgal to 6kgal and 15kgal to 14kgal, respectively
- Progressive increases to the upper tiers
 - 2 (3.50%)
 - 3 (4.00%), and
 - 4 (4.00%)

Non-Residential Landscape

- Increase excess water surcharge 7.50%



Wastewater

Increasing Costs/Pressures on the Utility

- Increases from FY 22/23 to FY 23/24



- **Operating Expenditures**

- Personnel **+\$0.5M**
- Treatment Plant Power Costs **+\$0.4M**
- Treatment Plant Chemical Costs **+\$0.2M**

- **Total** **+\$1.1M**

- **Debt Service** **+\$4.2M**

Wastewater Rate Proposal/Typical Customer



	2023	2024 (Proposed)
Residential 4kgal	\$24.93/mo.	Service Charge 4.75%** Usage Charge 4.75%** \$26.11/mo. (\$1.18/mo.)
Commercial 9kgal	\$49.90/mo.	Service Charge 5.00%** Usage Charge 5.00%** \$52.38/mo. (\$2.48/mo.)

** Same as forecast for 2024 during the previous rate cycle.

Other Rate and Fee Recommendations

Other Fee Recommendations



- Utility service request fees updated for the first time in 7 years

- Updated to reflect CPI or “time and material”
 - Includes utility “turn-on” call-outs, meter installation, and late fees



Energy Resources

Overview

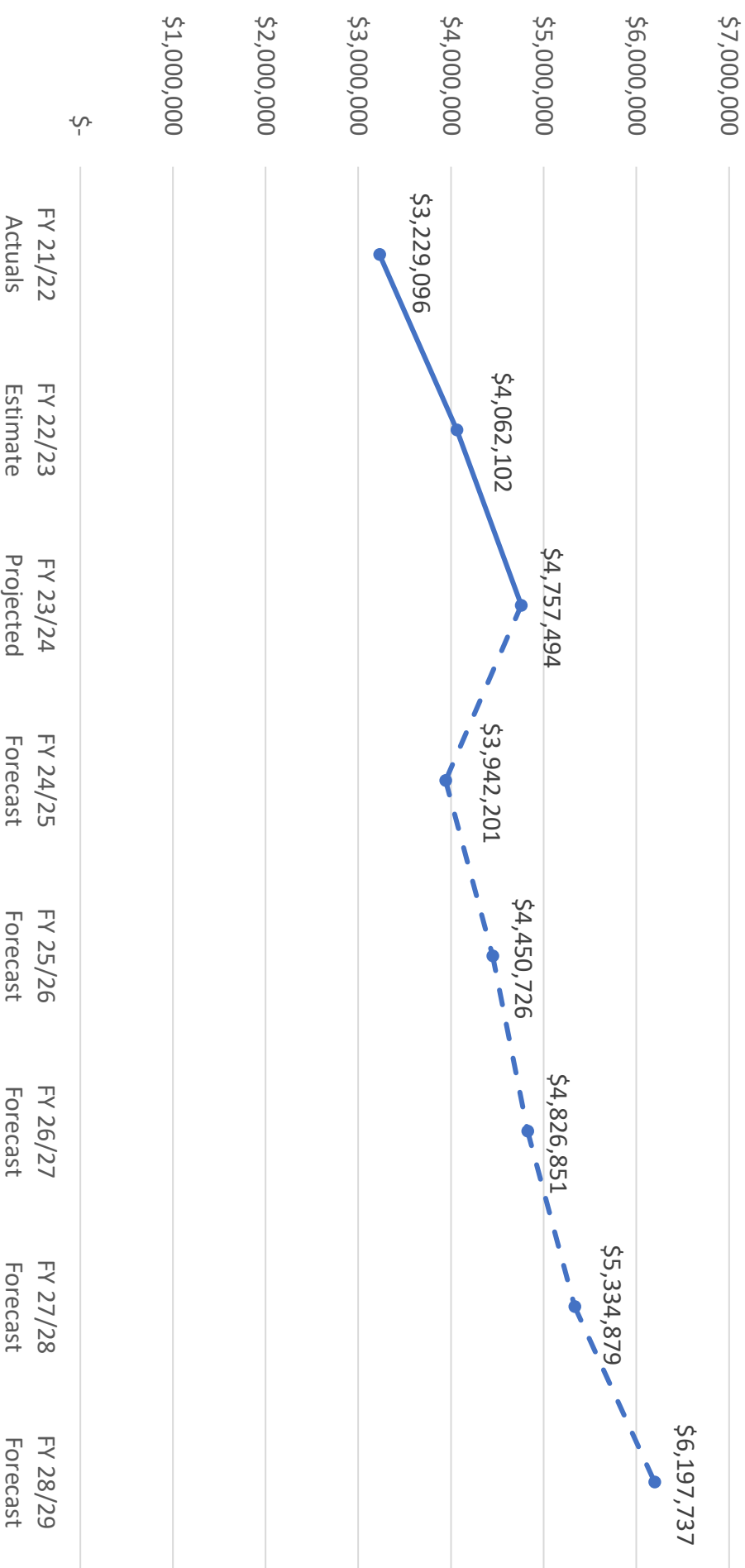
- Upward Rate Pressure:
 - High power supply costs
 - ARPA funds fully expended by Fall 2023
 - Increasing debt service
- Pursue rate competitiveness with surrounding utilities
 - Transition to modern rate structures
 - Encourage electric peak power resource conservation
 - Seek to balance rate increases among customer sizes

Electric

Increasing Costs/Pressures on the Electric Utility

- Operating Budget
 - Higher than normal inflation on commodities and other services
 - Personal services increases
- Debt Service
 - Meeting growth demands in Downtown
 - Multi-department projects (Broadway Rd)
 - Reliability/Generation projects
 - Generation – Solar, Microgrid
 - 69 kV Looping and AMI

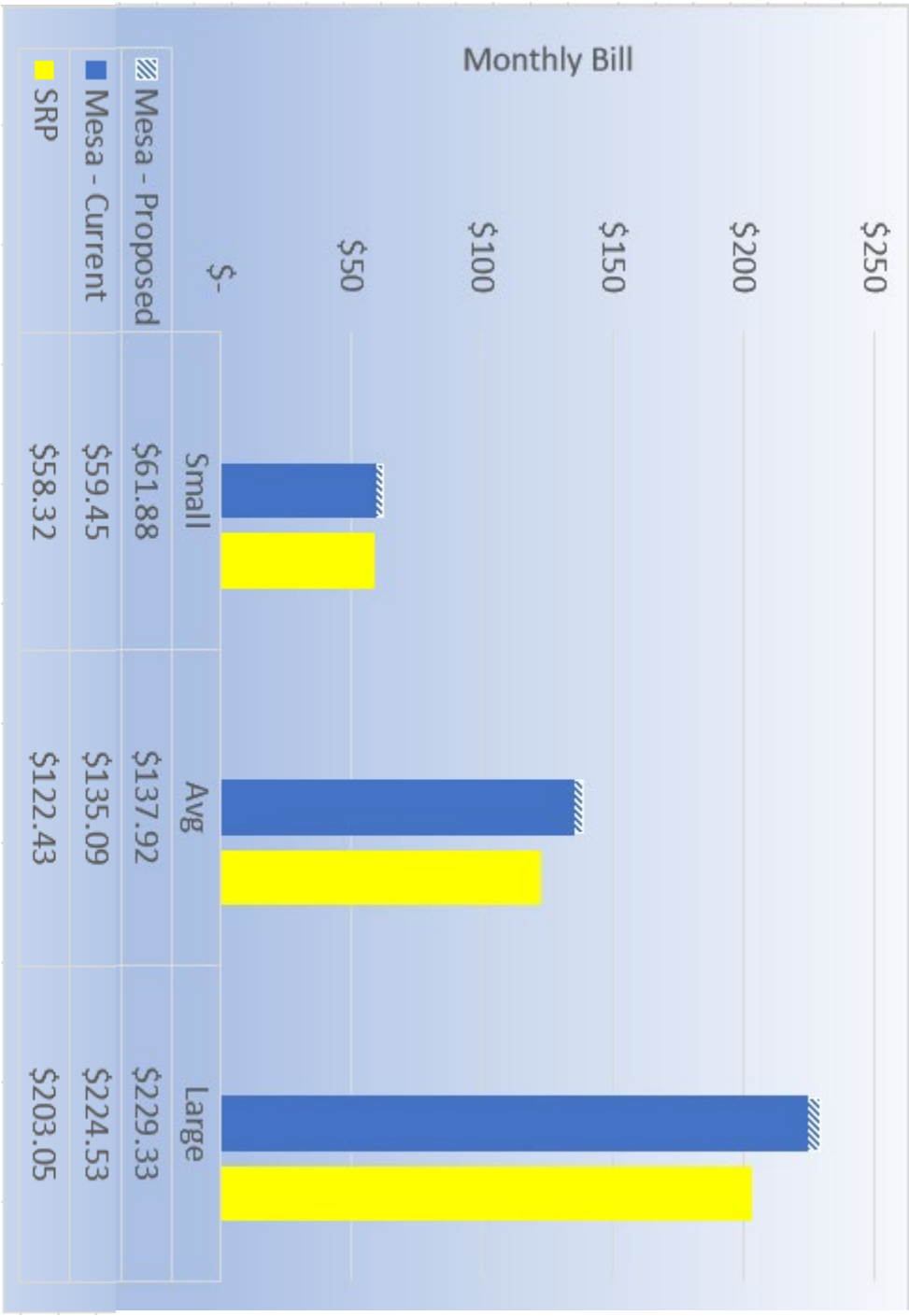
Increasing Debt Service Costs on the Electric Utility



Increasing Operating Costs on the Electric Utility



Residential Electric Bill Comparison

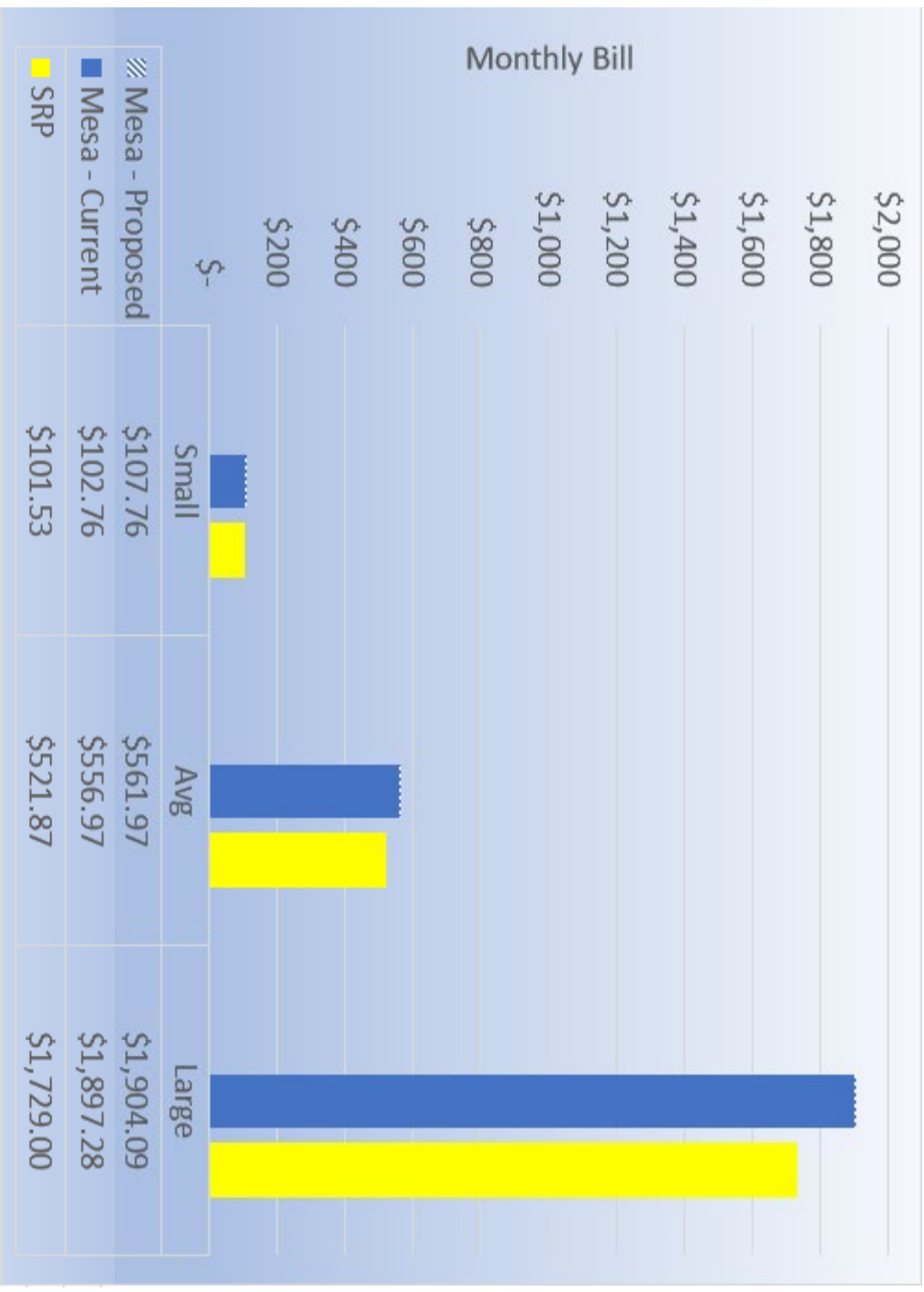


*SRP amount includes proposed November rate increase

Proposed Residential Electric Rates

COMPONENT	CURRENT	PROPOSED
SYSTEM SERVICE CHARGE	\$14.50	\$16.75
USAGE CHARGE SUMMER per kWh	Tier 1 - \$0.05231 Tier 2 - \$0.04822	Tier 1 - \$0.05231 Tier 2 - \$0.05027
USAGE CHARGE WINTER per kWh	Tier 1 - \$0.04151 Tier 2 - \$0.01800	Tier 1 - \$0.04317 Tier 2 - \$0.02502
MONTHLY BILL (Average Customers)	\$135.09	\$137.92
	(effective increase 2.1% or \$2.83/mo.)	

Commercial Electric Bill Comparison



*SRP amount includes proposed November rate increase

Proposed Commercial Electric Rates

COMPONENT	CURRENT	PROPOSED
SYSTEM SERVICE CHARGE	Single Phase - \$9.72 Three Phase - \$15.74	Single Phase - \$14.72 Three Phase - \$20.74
USAGE CHARGE SUMMER per kWh	Tier 2 - \$0.04331	Tier 2 - \$0.04591
USAGE CHARGE WINTER per kWh	Tier 2 - \$0.03877	Tier 2 - \$0.03915
MONTHLY BILL (Average Customers)	\$5556.97	\$561.97
	(effective increase 0.9% or \$5.00/mo.)	

Gas

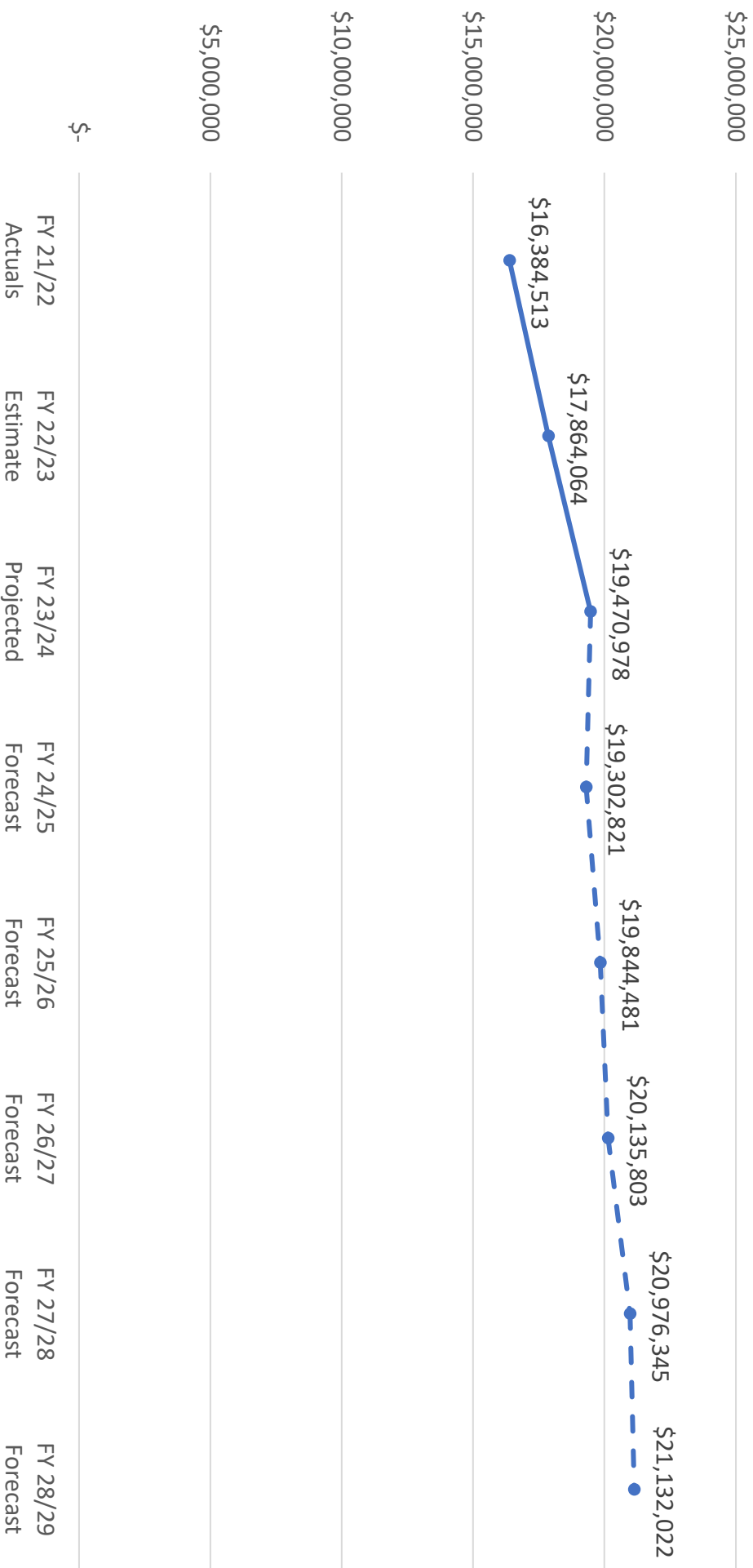
Increasing Costs/Pressures on the Gas Utility

- Operating Budget
 - Higher than normal inflation on commodities, services, and contracts
 - Personal services increases
- Debt Service
 - Meeting growth demands in Magma service territory
 - New Gate Station
 - Gantzel Rd
 - Quarter Section Renewal Projects
- AMI

Increasing Debt Service Costs on the Gas Utility



Increasing Operating Costs on the Gas Utility



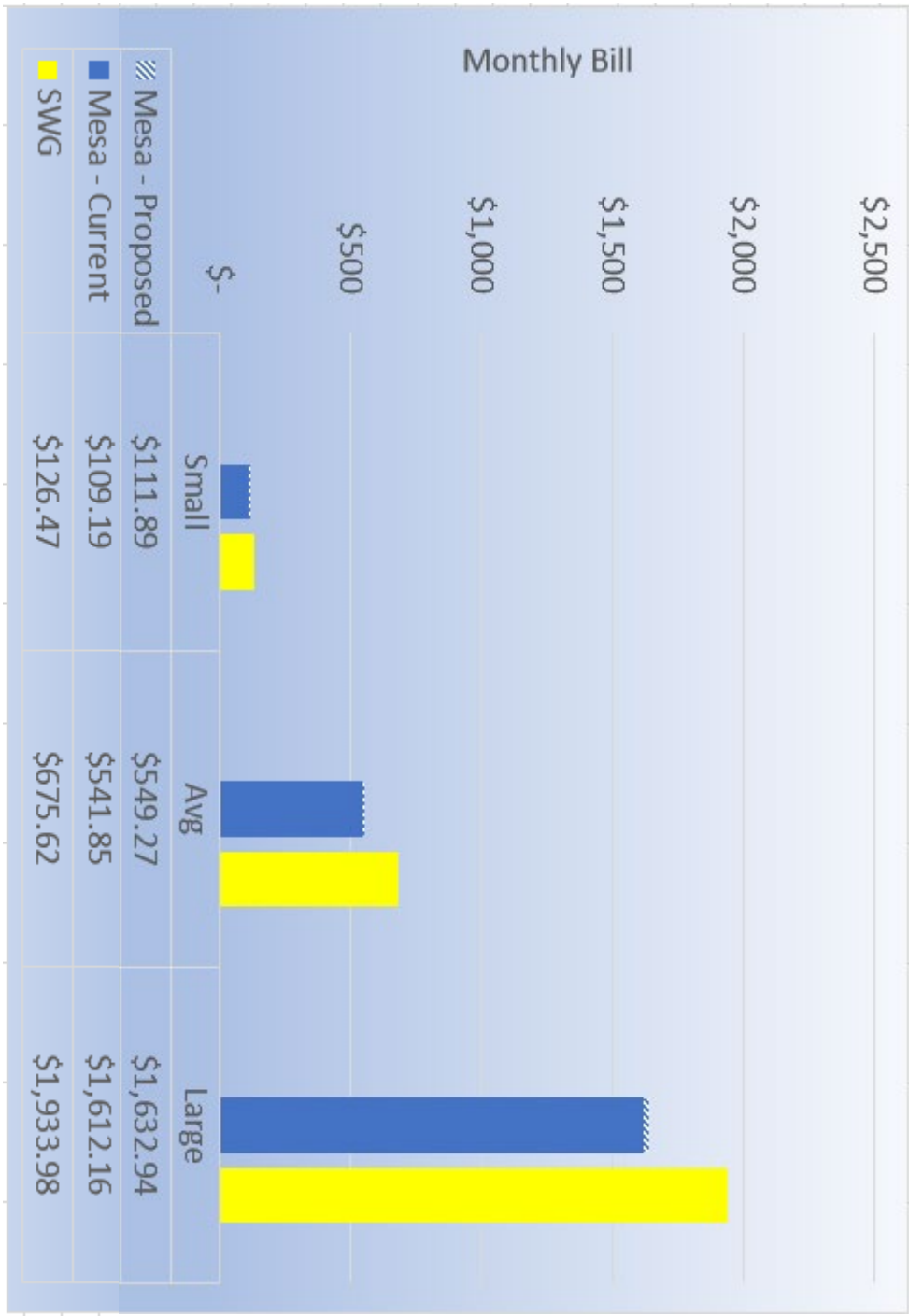
Residential Gas Bill Comparison



Proposed Residential Gas Rates

COMPONENT	CURRENT	PROPOSED
SYSTEM SERVICE CHARGE		
SUMMER	\$16.56	\$17.31
WINTER	\$19.49	\$20.24
USAGE CHARGE		
SUMMER per therm	Tier 1 - \$0.6685 Tier 2 - \$0.2884	Tier 1 - \$0.7019 Tier 2 - \$0.3202
USAGE CHARGE		
WINTER per therm	Tier 1 - \$0.6685 Tier 2 - \$0.6557	Tier 1 - \$0.7019 Tier 2 - \$0.7019
MONTHLY BILL (Average Customers)	\$45.68	\$47.32
	(effective increase 3.6% or \$1.64/mo.)	

Commercial Gas Bill Comparison



Proposed Commercial Gas Rates

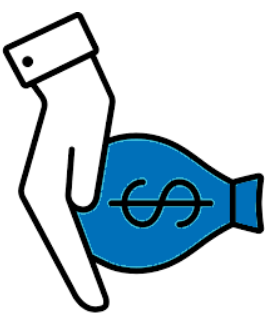
COMPONENT	CURRENT	PROPOSED
SYSTEM SERVICE CHARGE		
SUMMER	\$39.66	\$41.66
WINTER	\$49.34	\$51.34
USAGE CHARGE		
SUMMER per therm	Tier 1 - \$0.5333 Tier 2 - \$0.3359	Tier 1 - \$0.5439 Tier 2 - \$0.3493
WINTER per therm	Tier 1 - \$0.5775 Tier 2 - \$0.4852	Tier 1 - \$0.5891 Tier 2 - \$0.5046
MONTHLY BILL (Average Customers)	\$541.85	\$549.27
	(effective increase 1.4% or \$7.42/mo.)	

Other Changes

- Adjustment of utility service fees
- Revision of outdated electric utility rules and regulations
- Customer Optional Renewable Energy Program – Opening enrollment period

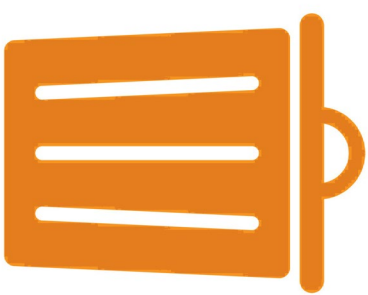
Solid Waste

Increasing Cost Pressures On The Utilities



Personal Services - \$1.0M

- Market Adjustment/Step Pay increases
- 5 positions added



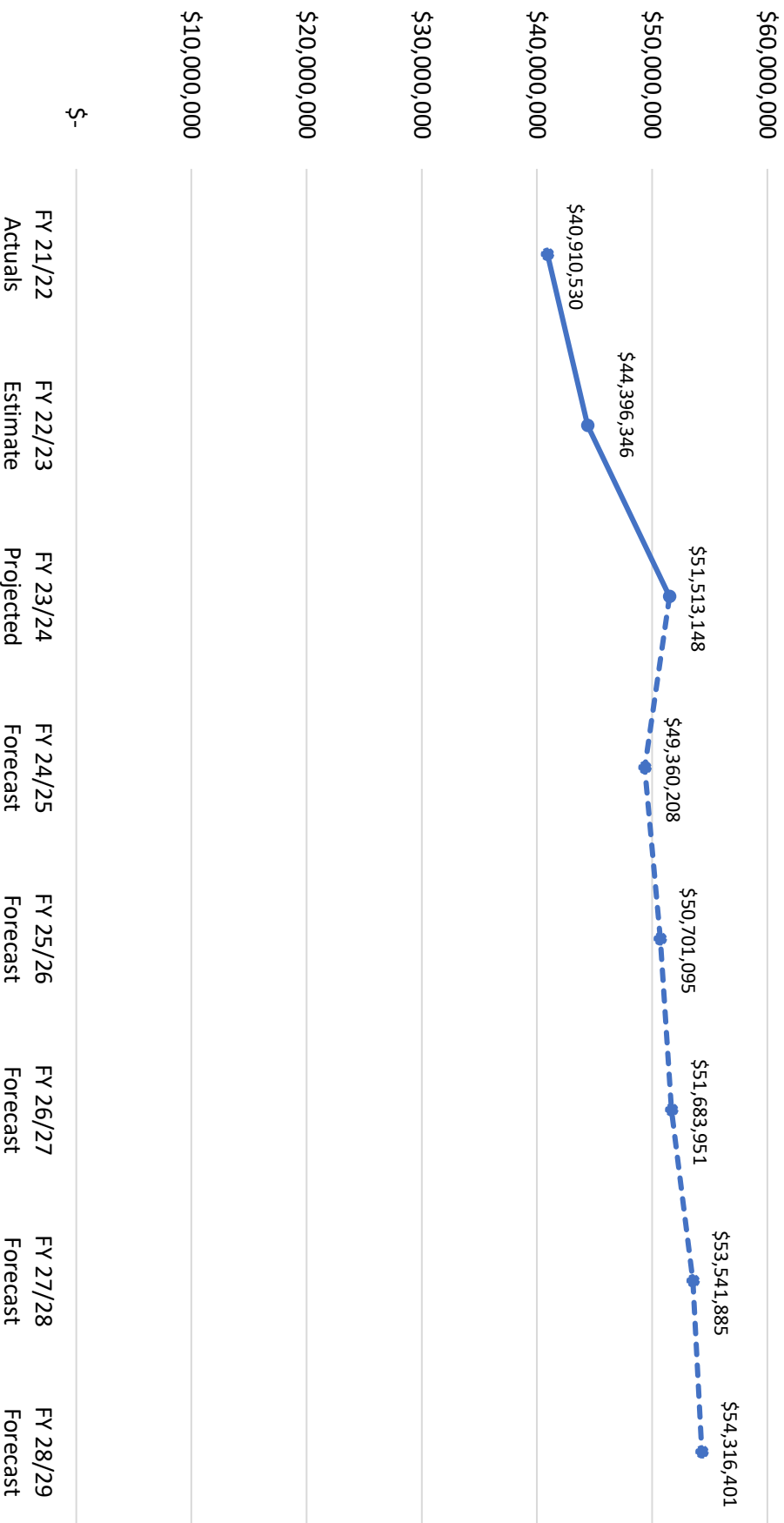
Disposal Fees - \$900k

- CPI Western Region



Fleet Costs - \$1.8M

Increasing Operating Costs on Solid Waste



Solid Waste Residential Rate Recommendation

	CURRENT	PROPOSED INCREASE	PROPOSED TOTAL
90-gallon Trash Barrel	\$30.52	\$0.92	\$31.44

COMPARISON TO OTHER CITIES	
Phoenix	\$35.17
Mesa	\$31.44
Tempe	\$30.32



Commercial Front Load Trash Recommendations

- Increase base rate by 5.0%
 - 6-yard bin increase from \$109.24 to \$114.80
- Increase fee for out-of-zone collection from \$20.00 to \$25.00
- Decrease multi-day discount from 15% to 10%
- Increase additional weight charge by 8.9%
 - 12 customers
- Increase compactor base rate by \$16.25 for 6 yard
 - 2 customers



Commercial Front Load Cardboard Recommendations

- 6-yard bin increase from \$73.22 to \$97.38



Commercial Roll Off Recommendations

- Increase tonnage rate to follow landfill increase
 - Increase trash tonnage rate from \$37.44 to \$42.20
 - Increase green waste tonnage rate from \$44.35 to \$49.90
- Increase set fee by \$10.50
 - Increase from \$139.50 to \$150.00



Commercial Roll Off Recommendations

- \$25.54 increase for a one-time trash customer
- 30-yard box increase from \$394.82 to \$420.36
- \$28.13 increase for a one-time green waste customer
- 30-yard box increase from \$415.55 to \$443.68



Utility Fund Forecast Review

Utility Fund Forecast: FY 23/24 Recommended Rate Adjustments

As of 08/22/2023 FY 22/23 FY 23/24 FY 23/24
 Estimate Budget Projected

TOTAL NET SOURCES AND USES (\$13,153,827) (\$31,877,914) (\$33,986,550)

Beginning Reserve Balance \$144,571,686 \$124,757,696 \$131,417,859

Ending Reserve Balance \$131,417,859 \$92,879,782 \$97,431,309

Ending Reserve Balance Percent* **26.1%** **18.7%** **18.9%**

*As a % of Next Fiscal Year's Expenditures

WATER Residential (Tier 1 usage)	2.75%	3.50%	3.00%
WATER Commercial (usage)	5.50%	5.50%	5.00%
WASTEWATER Residential	4.25%	4.75%	4.75%
WASTEWATER Non-Residential	4.50%	5.00%	5.00%
SOLID WASTE Residential	2.00%	3.00%	3.00%
SOLID WASTE Commercial	4.50%	3.00%	7.50%
SOLID WASTE Rolloff	7.75%	3.00%	6.50%
ELECTRIC Residential - svc charge	\$0.00	\$2.50	\$2.25
ELECTRIC Non-Residential - svc charge	\$0.00	\$2.50	\$5.00
GAS Residential - svc charge	\$0.75	\$0.75	\$0.75
GAS Non-Residential - svc charge	\$2.00	\$2.00	\$2.00

Non-Residential Water Usage Rate Proposal

General Usage		Proposed
Commercial – General		5%
Large Commercial/Industrial – General		12%
Other Non-Residential – General*		6%
Excess Surcharge – General		6.5%
Landscape Usage		
		Proposed
Non-Residential (All) – Landscape		7.5%
Excess Surcharge – Landscape		7.5%

*Includes multi-unit, public authority, etc.

Schedule for FY 2023/24 Utility Rates Adjustment Recommendation

- Oct 2**
 - City Council Action on Notice of Intent
- Nov 20**
 - Introduce Utility Rate Ordinances
- Dec 4**
 - City Council Action on Utility Rates
- Feb 1**
 - Effective date for Utility Rate changes

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Utility Fund Forecast: FY 23/24 Recommended Rate Adjustments

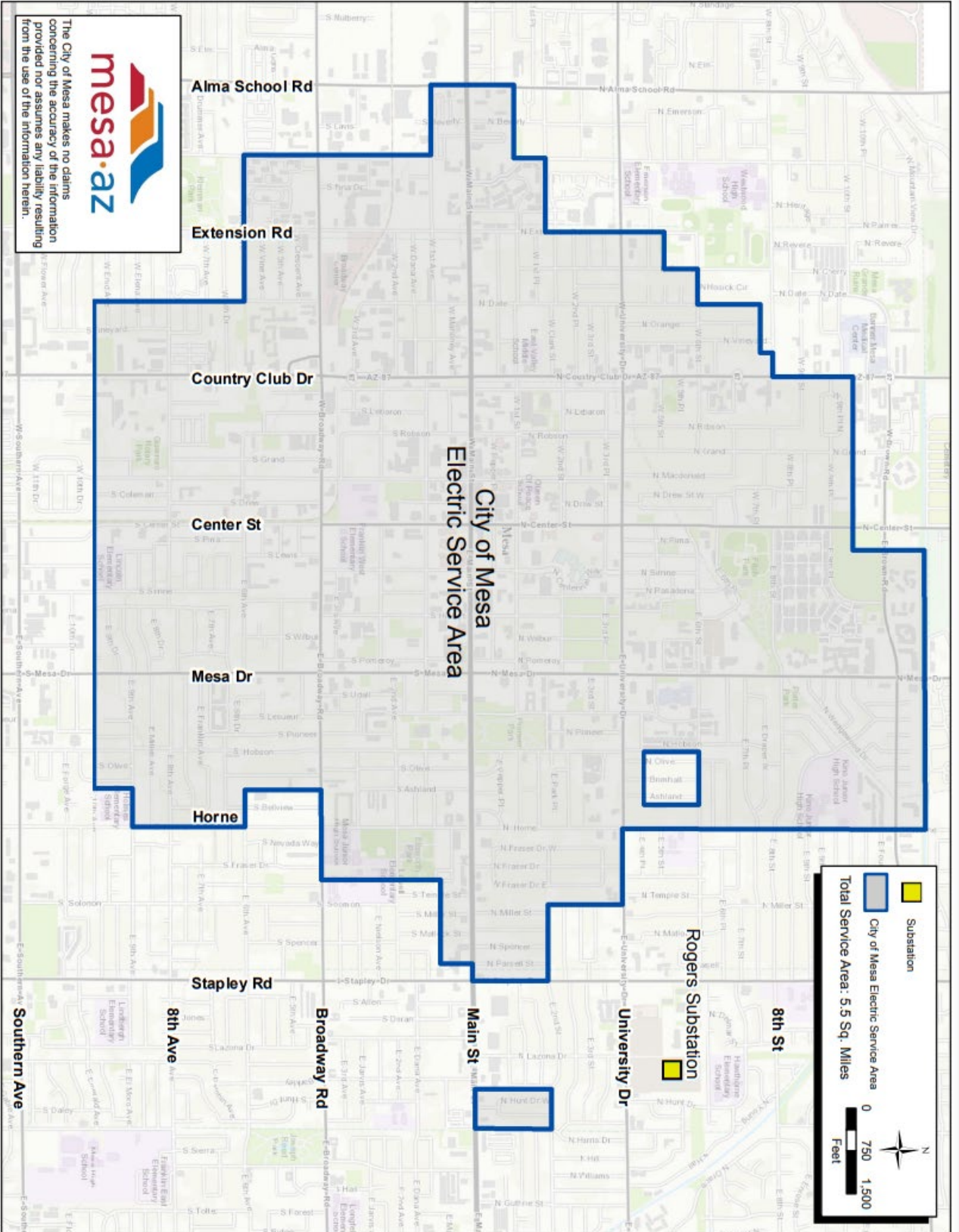
08/22/2023	FY 22/23 Projected	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
TOTAL NET SOURCES AND USES							
	(\$13,153,827)	(\$33,986,550)	(\$13,663,502)	(\$14,030,134)	(\$9,806,082)	(\$5,141,357)	\$44,803
Beginning Reserve Balance	\$144,571,686	\$131,417,859	\$97,431,309	\$83,767,807	\$69,737,673	\$59,931,590	\$54,790,233

Ending Reserve Balance	\$131,417,859	\$97,431,309	\$83,767,807	\$69,737,673	\$59,931,590	\$54,790,233	\$54,835,037
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Ending Reserve Balance Percent*	26.1%	18.9%	15.6%	12.0%	10.3%	9.2%	9.0%
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*As a % of Next Fiscal Year's Expenditures

WATER Residential (Tier 1 usage)	2.75%	3.00%	3.50%	4.00%	4.00%	4.00%	4.00%
WATER Commercial (usage)	5.50%	5.00%	5.50%	5.75%	5.75%	5.75%	5.75%
WASTEWATER Residential	4.25%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
WASTEWATER Non-Residential	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
SOLID WASTE Residential	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
SOLID WASTE Commercial	4.50%	7.50%	3.00%	3.00%	3.00%	3.00%	3.00%
SOLID WASTE Rolloff	7.75%	6.50%	3.00%	3.00%	3.00%	3.00%	3.00%
ELECTRIC Residential - svc charge	\$0.00	\$2.25	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
ELECTRIC Non-Residential - svc charge	\$0.00	\$5.00	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
GAS Residential - svc charge	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75
GAS Non-Residential - svc charge	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00



Customer Profile

Residential v. Non-residential Consumption (in kgal)

	FY 21/22	FY 22/23
Non-Residential	15.4M	15.5M
<i>Multi-unit – General</i>	4.7M	4.8M
<i>Commercial – Landscape</i>	4.0M	4.1M
<i>Commercial – General</i>	2.9M	2.9M
<i>Interdepartmental – Landscape</i>	1.1M	1.1M
<i>Other (e.g., LCOM, PA)</i>	2.7M	2.6M
Residential	14.1M	14.2M
<i>Tier 1</i>	8.4M	8.5M
<i>Tier 2</i>	3.3M	3.3M
<i>Tier 3</i>	1.3M	1.3M
<i>Tier 4</i>	1.1M	1.1M



Residential v. Non-residential Accounts

	FY 21/22	FY 22/23
Non-Residential	16.1K	16.2K
Residential	139.1K	141.6K

Utility Fund Forecast: No Residential Rate Adjustments for 2 Years

For Planning Purposes Only

of 08/22/2023	FY 22/23 Projected	FY 23/24 Projected	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
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TOTAL NET SOURCES AND USES	(\$13,153,827)	(\$35,239,715)	(\$19,703,245)	(\$20,318,404)	(\$6,596,727)	\$304,194	\$5,601,447
Beginning Reserve Balance	\$144,571,686	\$131,417,859	\$96,178,144	\$76,474,899	\$56,156,495	\$49,559,769	\$49,863,962

Ending Reserve Balance	\$131,417,859	\$96,178,144	\$76,474,899	\$56,156,495	\$49,559,769	\$49,863,962	\$55,465,410
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Ending Reserve Balance Percent*	26.1%	18.7%	14.3%	9.6%	8.5%	8.4%	9.0%
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*As a % of Next Fiscal Year's Expenditures

WATER Residential (Tier 1 usage)	2.75%	0.00%	0.00%	14.00%	5.50%	4.00%	4.00%
WATER Commercial (usage)	5.50%	5.00%	5.50%	5.75%	5.75%	5.75%	5.75%
WASTEWATER Residential	4.25%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%
WASTEWATER Non-Residential	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
SOLID WASTE Residential	2.00%	0.00%	0.00%	14.00%	5.50%	3.00%	3.00%
SOLID WASTE Commercial	4.50%	7.50%	3.00%	3.00%	3.00%	3.00%	3.00%
SOLID WASTE Rolloff	7.75%	6.50%	3.00%	3.00%	3.00%	3.00%	3.00%
ELECTRIC Residential - svc charge	\$0.00	\$0.00	\$0.00	\$5.00	\$2.50	\$2.50	\$2.50
ELECTRIC Non-Residential - svc charge	\$0.00	\$5.00	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
GAS Residential - svc charge	\$0.75	\$0.00	\$0.00	\$5.00	\$0.75	\$0.75	\$0.75
GAS Non-Residential - svc charge	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00

Transfer to the General Fund



- **FY 23/24 Water Utility support of Public Safety and General Governmental activities (*Ordinance No. 5559, adopted March 16, 2020*)**
 - 25% of operating revenues are dedicated to Public Safety: \$46.9M
 - 5% of operating revenues are dedicated to General Governmental activities: \$9.4M

Transfer to the General Fund



- **FY 23/24 Wastewater Utility support of Public Safety and General Governmental activities**
(Ordinance No. 5559, adopted March 16, 2020)
 - 25% of operating revenues are dedicated to Public Safety: \$25.7M
 - 5% of operating revenues are dedicated to General Governmental activities: \$5.1M

Transfer to the General Fund



- **FY 23/24 Solid Waste Utility support of Public Safety and General Governmental activities**
(Ordinance No. 5559, adopted March 16, 2020)
 - 25% of operating revenues are dedicated to Public Safety: \$17.8M
 - 5% of operating revenues are dedicated to General Governmental activities: \$3.5M

Transfer to the General Fund



- **FY 23/24 Natural Gas Utility support of Public Safety and General Governmental activities**
(Ordinance No. 5559, adopted March 16, 2020)
 - 25% of operating revenues are dedicated to Public Safety: \$10.4M
 - 5% of operating revenues are dedicated to General Governmental activities: \$2.1M

Transfer to the General Fund



- **FY 23/24 Electric Utility support of Public Safety and General Governmental activities** (*Ordinance No. 5559, adopted March 16, 2020*)
 - 25% of operating revenues are dedicated to Public Safety: \$4.9M
 - 5% of operating revenues are dedicated to General Governmental activities: \$1.0M



City Council

Drive-thru Text Amendments

Mary Kopaskie-Brown, Planning Director

Rachel Nettles, Assistant Planning Director

September 28, 2023



Process Recap

Project initiated - early 2022 at the direction of City Council

- Staff presented/discussed proposed amendments through various platforms
- Feedback throughout considered and alternatives presented



6 Public Meetings



8 Focus/Small Group Discussions



4 City Council Study Sessions



3 P&Z Study Sessions

Attendance – 180 residents and development industry representatives

13 Letters of Opposition
70 Letters in Support



Goals

Address common negative impacts on the surrounding community, including visual, lighting, traffic, odor, and noise impacts

- 1) Improve the City's built environment and enhance the image of the City using development design standards;
- 2) Improve public safety and minimize traffic concerns related circulation, stacking and parking and pedestrian circulation around drive-thrus; and
- 3) Minimize impacts on residential properties proximate to drive-thru facilities



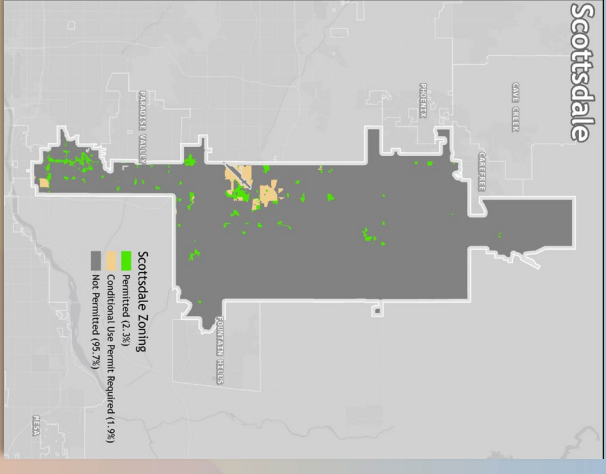
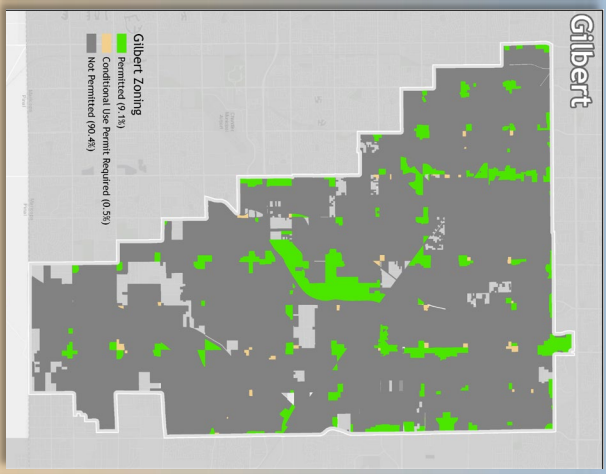
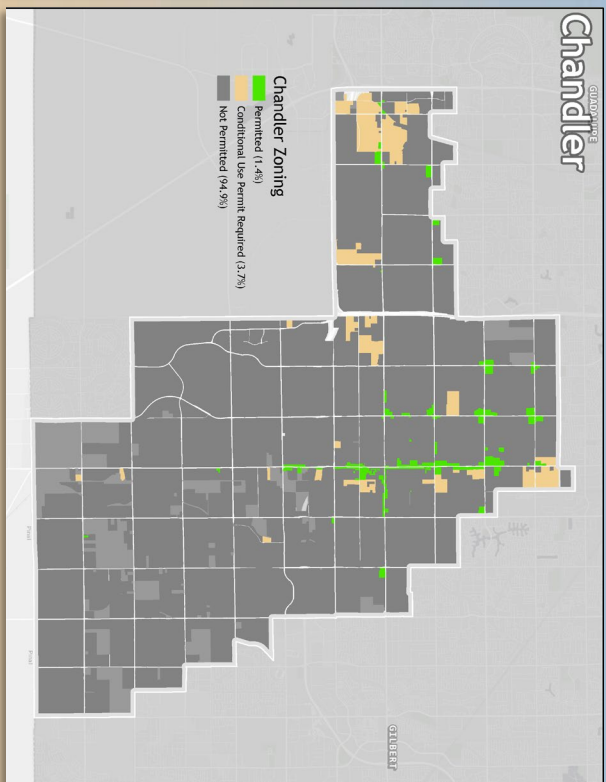
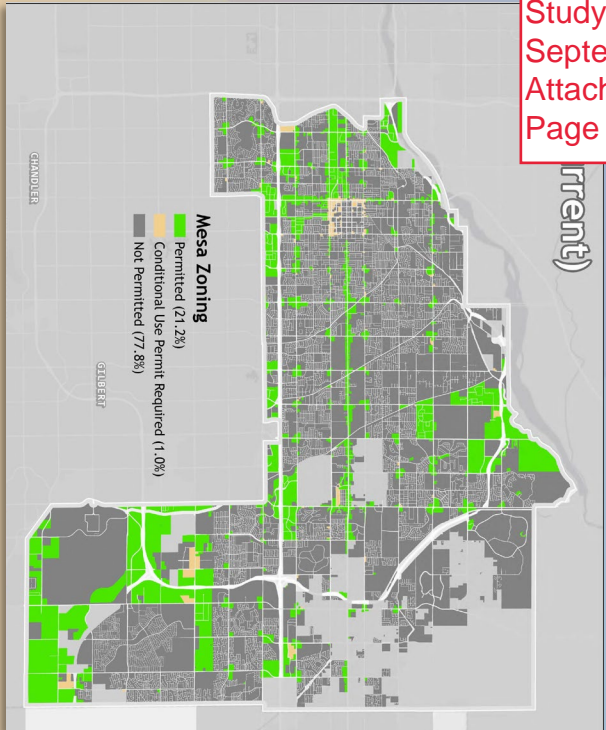
Alignment with City Council's Strategic Priorities

Proposed Text Amendments Align

- Placemaking
- Building communities that are safe, healthy, welcoming, and economically vibrant



Additional Research





Jurisdictional Comparison

Jurisdiction	Zoning Area by right (%)	Zoning Area with a Conditional Use Permit (%)	Existing Drive-thru per capita (10,000)	Existing Drive-thru per acre (100 acres)
Mesa	21.2%	1.0%	5.07	2.14
Gilbert	9.1%	0.5%	4.50	2.11
Chandler	1.4%	3.7%	6.55	3.28
Scottsdale	2.3%	1.9%	3.17	0.48



Proposed Amendments





Summary of Proposed Amendments

Modify the **process** for some zoning districts to:

- Align requirements and allowed locations with other jurisdictions
 - Better align with the intent of the zoning districts and General Plan
 - Increase public engagement opportunities
- Create different **definitions**
 - Drive-thru Facilities, Pick-up Window Facilities, and Drive-up ATM/Teller Window
 - Allow for the creation of unique land use requirements and development standards
 - Modify **design/development standards**:
 - Require an **Onsite Circulation and Stacking Study**
 - Address externalities – **Noise Attenuation**

No ban or limits on the number and concentration of drive-thrus



Planning and Zoning Public Hearing Concerns

- 1) Proposed updates to Chapters 6 and 7 to require a Council Use Permit (CUP) in the NC, PEP, LI, GI, and HI zoning districts
- 2) Proposed Section 11-31-18(C) Onsite Circulation and Stacking Study
- 3) Proposed Section 11-31-18(E)(2) – 100 Foot Separation from Residential Property
- 4) Legal Waiver



Proposed Amendments Land Use Districts and Processes

Proposed Modifications:

- Drive-thrus to require a CUP
 - Neighborhood Commercial (formerly SUP)
 - Planned Employment Park
 - Light Industrial
 - General Industrial
 - Heavy Industrial (formerly SUP)
- Waiver of the Drive-Thru Laws



Proposed Amendments Definitions

Definition for Drive-thru Facilities - modified

Definition for Pick-up Window Facilities and Drive-up ATM/teller Window added

To address the difference in the uses and potential impacts



Proposed Amendments

Vehicular Circulation and Stacking

in Current Standards - Drive-thru Facility:

- 100' between the drive-thru window and order-placing box
- 40' between the order-placing box and the entry to a drive-thru lane

New Requirements:

- Drive-thru Facility & Pick-up Window Facility - 50' between the drive-thru lane entry and the street access or cross-access drive aisle
- Pick-up Window Facility - 100' between pick-up window lane entry and the pick-up window
- ATM/Teller Window Facility - 40' between entry to queuing lane to ATM/Teller Window

Requirements may be **modified through Site Plan Review** if demonstrated appropriate through an **Onsite Circulation and Stacking Study**



Proposed Amendments

Onsite Circulation and Stacking Study

New Requirement - Drive-thru Facility:

- Description of onsite operations:
 - Business hours of operation
 - The method by which a customer order is placed
 - Peak demand hours
 - The time required to serve a typical customer
 - How noise/sound from external operations will be attenuated from neighboring properties
- Description of onsite traffic activity
 - Arrival rates
 - Anticipated vehicular stacking required
 - Onsite circulation plan
 - Mitigation plan showing that stacking will not block internal drives or back up into streets



Proposed Amendments

Onsite Circulation and Stacking Study

Staff Recommendation based on the Planning and Zoning Board Concerns

- Require the Onsite Circulation and Stacking Study **ONLY** when the applicant is requesting to deviate from the minimum development standards in Section 11-31-19(D)
- Ensures that unique situations on properties are considered while ensuring a base standard for all drive-thrus
- Requiring the Study for projects that request deviations ensures that circulation impacts and hazards for pedestrians or vehicles are mitigated.



Proposed Amendments

Setback from Residential Uses and Properties

New Requirement:

- Require a 100' setback from a residential use or zoning district to the drive-thru or pick-up lane
- Modifications to the base standards - evidence from a sound study to demonstrate that noise can be mitigated through other treatments



Proposed Amendments Setback from Residential Uses and Properties Staff Recommendation based on the Planning and Zoning Board Concerns

- The distance could be decreased if the applicant demonstrates that the drive-thru noise level at the property line will not exceed 60 dB (level of a normal conversation)
- If the ambient noise level exceeds 60 dB, the noise study will demonstrate that the drive thru will not increase the existing level.

Ambient decibel levels in residential areas is typically 45-55 dB depending on the time of day

Decibel level of freeway auto traffic is approximately 60 dB



Proposed Amendments

Drive-thru Screening

Retain Current Standards:

- If the drive-thru lane is adjacent to an arterial street:
 - Screen with a 40" high screen wall

Proposed Modifications:

- Provide additional trees and shrubs with the wall; or
- Provide an architecturally integrated awning, canopy, or trellis system with landscaping

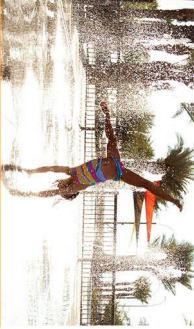


Proposed Amendments Employee Screening and Protection

New Requirement:

- When employees take orders outside:
 - Provide an architecturally integrated shade structure along where employees take orders
 - Provide a raised pedestrian path

Comments and Questions from the Public



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Stakeholder Feedback - Summary

Feedback from development community:

- Council approval would be costly, time consuming, and arbitrary
- City's goals could be accomplished through design standards
- Proposed amendments not in-line with other jurisdictions relaxing regulations
- Feedback from residents:
 - Council should consider limiting the number of drive-thrus to address onsite congestion and encourage more out of car shopping
 - Plenty of QSR options already available
 - Desire for higher-quality development





Comments & Questions Response

Desire for On-site Circulation and Stacking Study to address off-site impacts:

- Section revised- mitigation plan required to address how stacking will not overflow in internal drives as well as public/private streets
- Section modified - only require when deviating from standards

Desire for the 100-ft setback from residential to be modified with the provision of a sound study:

- Section modified – based on stakeholder input



Comments & Questions Response

Desire for the amendments to allow for deviations from the development standards:

- The MZO contains several processes which allow for deviations from development standards
 - Development Incentive Permit (DIP) Chapter 72
 - Substantial Conformance Improvement Permit Chapter 73
 - Planned Area Development Overlay (PAD) Chapter 22
 - Bonus Intensity Zone Overlay (BIZ) Chapter 21
 - Variance Chapter 80
- Specific language is not provided in each section addressing specific uses



Comments & Questions Response

Existing pad sites would not be able to development under the proposed standards:

- The MZO has in place several processes which addresses hard to develop parcels which allows for deviations to development standards
 - **Substantial Conformance Improvement Permit (SCIP)** - Allows develop sites which are non-conforming to expand/change uses without having to bring non-conforming conditions up to standards
 - **Development Incentive Improvement Permit (DIP)** - Allows deviations for by-passed parcels that may have a hard time meeting development standards
 - **Planned Area Development (PAD) & Bonus Intensity Zone (BIZ)** - Modifications for innovative alternatives



Comments & Questions Response

The proposed amendments will make existing facilities a non-conforming use and unable to redevelop if burned down:

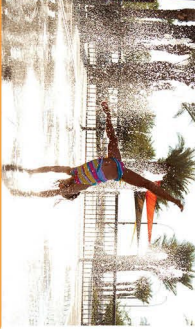
- If a **conforming use**, the proposed changes do not make any use non-conforming
- If the use is **currently non-conforming**, Chapter 36 of the MZO addresses non-conforming sites, buildings, and uses
 - Allows non-conforming sites, damaged or partially destroyed, to be built back to existing condition



Comments & Questions Response

How many more CUPs would Council see with proposed amendments?

- Submittals from January 2021 to June 2023 (30 months)
 - Total of 71 drive thru cases processed
 - 12 projects went to City Council for approval
 - Proposed Text Amendments - 5 additional projects would have had to go to Council for a CUP



Thank you

Questions?



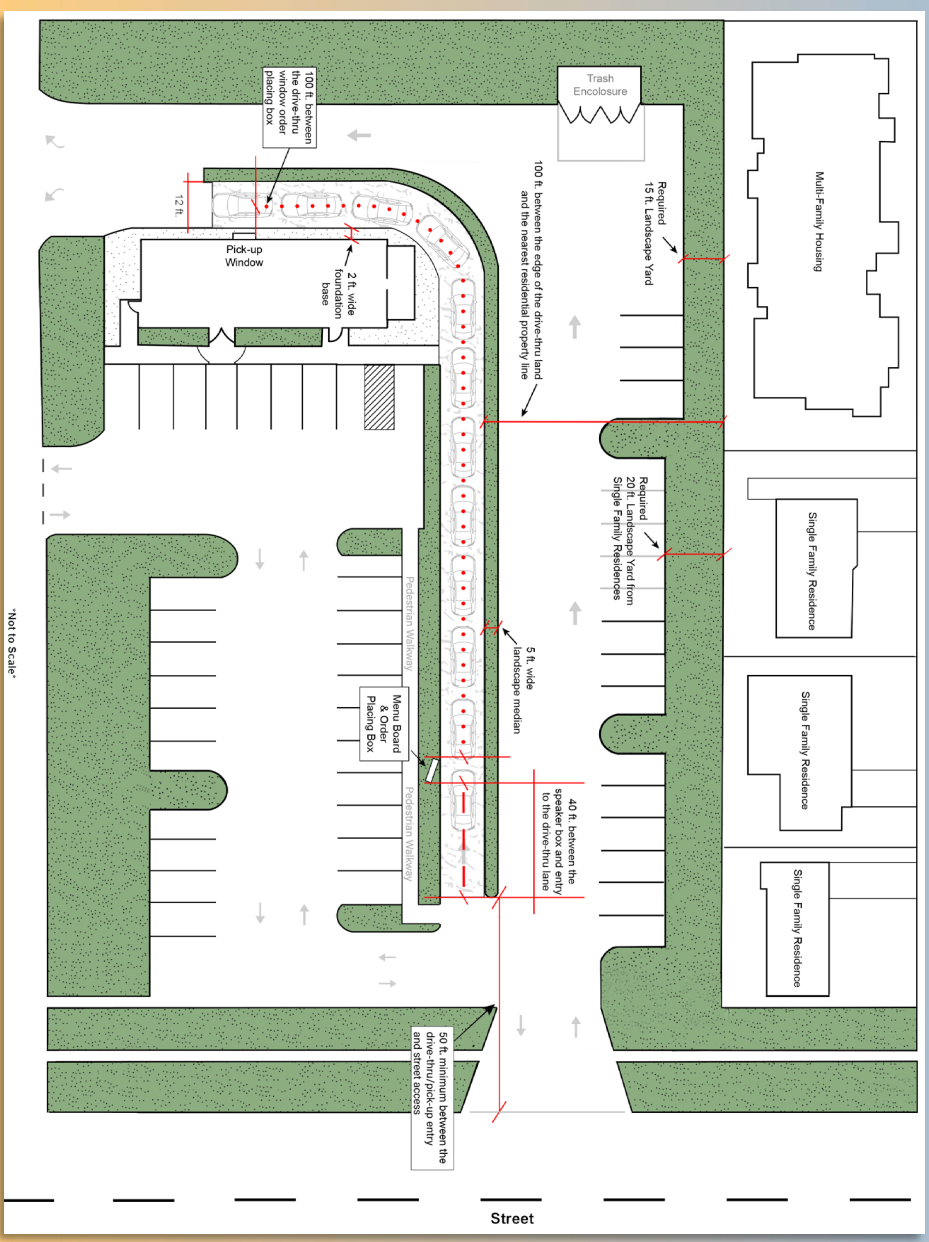
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Proposed Amendments

Example of a Stacking Diagram





Proposed Amendments

Definitions

Drive-thru Facilities. Establishments providing, goods, food, or beverage through a window to patrons remaining in an automobile, where an order menu board is present, and orders are placed on site via an order menu box or via an employee taking orders from patrons remaining in an automobile.

Pick-up Window Facilities. Establishments providing goods, food, or beverage through a window to patrons remaining in an automobile, where orders are placed by patrons before reaching the establishment, and where no order menu board, order menu box, or employee taking orders from patrons remaining in an automobile are present. An establishment with parking spaces designated for pick up orders are not included in this definition.

Drive-up Atm/teller Window. Banking and financial institutions that provide a driveway approach for motor vehicles to serve patrons remaining in their vehicles. May be a stand-alone automated teller or attached to a building or structure.