



COUNCIL MINUTES

July 5, 2022

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 July 5, 2022, at 5:00 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

Kevin Thompson

OFFICERS PRESENT

Christopher Brady
Holly Moseley
Jim Smith

Mayor Giles conducted a roll call.

Mayor Giles excused Councilmember Thompson from the entire meeting.

1. Review and discuss items on the agenda for the July 5 and July 11, 2022, Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items removed from the consent agenda: None

Energy/Water Conservation Coordinator Donna DiFrancesco displayed a PowerPoint presentation for Item 5-c, **(Approving and authorizing the City Manager to enter into the Second Amendment to the Intergovernmental Agreement with the City of Tempe to provide for two additional five-year terms and increase Tempe's contribution from \$15,000 to \$20,000 per year for the Regional Water – Use it Wisely™ media campaign. (Citywide))**, on the July 11, 2022, Regular Council meeting agenda. **(See Attachment 1)**

Ms. DiFrancesco mentioned the Water Wise Campaign has been a part of the City of Mesa (COM) for over 20 years and remains strong. She stated during the beginning of the drought in 1999, Mesa opened the campaign to regional partners. She emphasized combining Mesa's funds will improve the City's purchasing power and allow the City to leverage them for other promotions. She commented the COM is supported by 19 partnerships that participate and contribute funds. She noted this fiscal year (FY), Tucson and Yuma will also join the partnerships. (See Page 2 of Attachment 1)

Ms. DiFrancesco reviewed highly targeted traditional media formats and signage used to promote messaging to consumers. She mentioned billboards were used for the first time last year and National Public Radio (NPR) will begin marketing the campaign for the next two weeks. (See Pages 3 and 4 of Attachment 1)

Ms. DiFrancesco provided an overview of the online communication tactics on the web and social media that are used by the COM. She mentioned their webpage wateruseitwisely.com is the central site for information, weekly blogs, and videos. She commented the main webpage has over 100 easy tips for residents to follow and receives over 3,000 visits a day or nearly 1 million visits each year. (See Page 5 of Attachment 1)

Ms. DiFrancesco discussed how the Energy/Water Conservation department engages consumers interactively on the topic of water consumption. She stated in the Valley 120 gallons of water are consumed per person daily. She mentioned Wayne Drop is the mascot used to engage consumers at COM events. (See Pages 6 and 7 of Attachment 1)

Ms. DiFrancesco described the seasonal messaging specific to the time of year. She indicated in the spring and fall, emphasis is on desert planting and landscaping to reduce water usage. She commented for monsoon season, messaging is geared towards turning off controllers or using rain mode to reduce consumption. She mentioned messaging is shared with all partners to ensure the same information is provided. (See Page 8 of Attachment 1)

Ms. DiFrancesco explained the water level at Lake Mead is at historic lows and there is a huge concern. She announced the City is always seeking sponsors and partners to provide funding. (See Page 9 of Attachment 1)

In response to a question posed by Mayor Giles regarding funding for water conservation, Assistant to the City Manager Ian Linssen stated \$200 million has been set aside for conservation, and the details are being reviewed.

In response to an inquiry posed by Mayor Giles regarding incentives for residential water conservation, Ms. DiFrancesco mentioned the incentives currently in place are the Grass-to-Xeriscape incentive program, which is available to residents who replace grass landscaping with desert plants and can receive an incentive up to \$575. She commented there is a commercial program for grass removal, as well as for improvements to irrigation sprinkler systems through which the City will upgrade sprinkler equipment for more efficiency and incentives up to approximately \$12,000.

Mayor Giles thanked staff for the presentation.

Assistant to the City Manager Ian Linssen displayed a PowerPoint presentation regarding Item 5-m, **(Approving and Authorizing the City Manager to enter into a Fiber License Agreement with Google Fiber for the replacement of a fiber optic cable network within the public right-of-way. (Citywide))**, on the July 11, 2022, Regular Council meeting agenda. **(See Attachment 2)**

Mr. Linssen provided a recap of the fiber discussions that have taken place. He mentioned Council advocated for the COM to be a community that provides better enhanced network connectivity across the City. He indicated with the increased reliance on the internet during COVID, efforts needed to be made to improve the systems and the network. He commented on the results of the

request for information (RFI) which produced seven providers that indicated their interest in assisting the City to achieve its goals. (See Page 2 of Attachment 2)

Mr. Linssen explained the best course of action to facilitate private sector investments in the community is to create a fiber provider toolkit, to ease the process for fiber companies to enter the Mesa market. He discussed the essential parts of the toolkit, which will allow networks to be deployed quicker, more efficient and cost effectively for providers. He stated the community will benefit from construction that can be completed in a matter of days instead of weeks avoiding barricades that block streets and homes. He stated providers now have the option to pursue a fee model that charges a percentage of the total revenue to bring providers more in line with existing right-of-way users. (See Page 3 of Attachment 2)

Mr. Linssen explained Google Fiber and Wyyerd are traditional internet service providers (ISPs) and SiFi is an open access network provider that owns and installs the facilities which are leased to tenants, such as ISPs or other users that provide service directly to homes or businesses. He commented the benefit of the toolkit is to create an opportunity for more potential providers. He mentioned there are market constraints, but market opportunities have been maximized using the toolkit. (See Page 4 of Attachment 2)

Mr. Linssen reviewed the main deal points to build efficiency, which involves creating a uniform license. He commented providers are required to provide a plan forecast up to three years in advance, with updates annually, to determine the direction of the providers. He noted if multiple providers wish to install new services in a particular area, the City will encourage them to do so jointly. He added the licenses allow maintaining a robust right-of-way stewardship, which is a Mesa hallmark. He stated there are opportunities for licensees to accelerate their projects for which there are additional fees. (See Page 5 of Attachment 2)

Mr. Linssen outlined the next steps. He commented the City Manager's office will participate in the entire process to coordinate builds, since some providers wish to build citywide and may take years to complete. (See Page 6 of Attachment 2)

In response to multiple questions from Councilmember Luna, Mr. Linssen stated SiFi is an open access network that will lay dark fiber. He indicated SiFi has chosen to exchange in-kind services in lieu of paying the per linear foot fee. He explained in exchange for providing up to 600 plus network nodes through their network, SiFi is proposing to provide a subsidy for the ISPs monthly bills for up to 33,000 premises, which is critical to closing the digital divide. He added SiFi is well advanced in terms of the way their processes and networks will function in the future. He mentioned fiber connections will be available to every premise; and if the opportunity arises to hard-wire into any of these facilities, the system is future-proof.

In response to multiple inquiries posed by Mayor Giles, Mr. Linssen explained fiber transmits data as light, and as the electronics that drive the data improves, the speeds transmitted over fiber will be able to handle the new speeds for decades. He noted fiber is a lot more stable, and there is a lower chance of having interference. He mentioned no other technology is likely to surpass fiber in the near future.

In response to multiple questions from Councilmember Heredia, Mr. Linssen mentioned one of the most important points that the City Manager's office worked on was maintaining the right-of-way. He explained the micro-trenching process, and noted micro-trenching is a very innovative, highly efficient process, and the mechanisms included in the license ensure that the licensees take care of the facilities in the right-of-way. He stated there will be above ground pedestals or

cabinets, similar to the traditional broadband deployments. He emphasized the importance of closing the digital divide and ensuring access for everyone. He stressed that the City Manager's office would monitor and determine if there are any gaps within the forecast over the next two or three years, and revisit with providers to discuss solutions. He highlighted the City is not spending a dime to facilitate the construction other than through staff time, and SiFi has offered up the subsidy for the providers on their network.

Responding to multiple questions posed by Councilmember Spilsbury, Mr. Linssen stated West Mesa tends to be denser than the rest of the City. He commented the more premises per mile, the greater chance of obtaining new customers, and there is no cost to the City.

In response to a question from Councilmember Freeman regarding the number of providers, Mr. Linssen stated the City has two legacy providers serving the City. He mentioned there are a host of other providers that have in-ground facilities.

Mayor Giles thanked staff for the presentation.

Deputy City Manager Natalie Lewis displayed a PowerPoint presentation referring to Item 5-j, **(Approving and authorizing the City Manager to enter into a Mesa Subrecipient Agreement with A New Leaf, Inc. for the operation of a bridge to housing program at the Helaman House, 1311 East University Drive, that will provide emergency temporary housing and other emergency programs and services through December 31, 2024, and to be funded with Coronavirus State and Local Fiscal Recovery Funds in the Amount of \$2,500,000. (District 4))** on the July 11, 2022, Regular Council meeting agenda. **(See Attachment 3)**

Ms. Lewis discussed she will be seeking approval for the Helaman House project, which is part of the \$25 million received from the American Rescue Plan Act (ARPA) that was set aside for homeless related services.

Ms. Lewis reviewed the housing path to recovery steps and stated that this project will assist in filling the gap within the bridge to housing category. She commented this program is designed for individuals that have either graduated from the East Valley Men's Center, Off the Streets, or have completed other programs and are showing success in their recovery. She explained the individuals are demonstrating their ability of hold down a job, remain sober, and make a good effort in their recovery. (See Page 2 of Attachment 3)

Ms. Lewis presented a map of the Helaman House property located on University Drive and west of Stapley Road. She commented the electrical facility on the corner is being constructed and converted to 12 rooms for transitional bridge housing. (See Page 3 of Attachment 3)

Ms. Lewis indicated she is seeking Council's approval for a 2.5-year contract with A New Leaf to house individuals who demonstrated success in recovery, and the City will be using ARPA funds. She commented the focus is to ensure the City connects these individuals to services which the City is already invested in to assist with employment, housing stability plans, financial management, establishing a savings, and connecting them to vouchers and rent assistance services. She stated upon approval, A New Leaf will begin start-up work this summer and then fully implement the program in the fall. (See Page 4 of Attachment 3)

In response to multiple inquiries posed by Councilmember Spilsbury, Ms. Lewis stated the average cost of participating in the Off the Streets program is approximately \$10,000 to \$15,000 per person and varies based on the individual needs. She commented the housing path to

recovery begins at Off the Streets, followed by the East Valley Men's Shelter; and once individuals demonstrate success, move towards bridge housing while searching for vouchers and rental assistance. She commented she does not have an exact percentage of the need for bridge housing, which is one of the areas the City struggles with most. She continued by saying that men represent most of the homeless population and are the reason East Valley Men's Center remains a focus. She explained A New Leaf has given the City a proposal to build transitional housing on their lot.

In response to a question from Councilmember Spilsbury regarding the more vulnerable population, Mr. Brady commented there are more resources available for the elderly, veterans, single moms, families, and children.

Ms. Lewis commented Save the Family and other resources cater to the most vulnerable population.

Ms. Lewis highlighted the bridge to housing program, while individuals are shopping for housing, space is not occupied at the shelters, allowing the City to continue to utilize facilities and resources as efficiently as possible.

In response to multiple questions from Councilmember Freeman, Ms. Lewis stated that notifications have not been sent to neighborhoods in the City, as no zoning changes have been made. She mentioned the building is empty and was last used for teen services. She commented the ARPA funds will be used to upgrade the building to allow bridge housing and operations for two and a half years.

Mayor Giles thanked staff for the presentation.

In response to an inquiry from Councilmember Freeman on Item 7-a, **(ZON22-00237 (District 1) Within the 0 block to 200 blocks of North Val Vista Drive (west side). Located north of Main Street on the west side of Val Vista Drive (4+ acres). Council Use Permit (CUP) and Site Plan Modification. This request will allow for the development of a mini-storage facility with RV and boat storage. Nathan Palmer, applicant; Intelliguard Group, LLC, owner.)**, on the July 11, 2022, Regular Council meeting agenda, Development Services Department Director Nana Appiah provided clarification on the change in the use permit. He explained when the application was approved, the zoning designation on the property was general commercial which was allowed by right. He expanded due to the proliferation of storage facilities throughout the City, Council approved a text amendment so that such uses in the current zoning designation required a Council Use Permit (CUP). He commented the original approval was for one story and the request was amended to build two stories which requires a CUP, as a result of the zoning change. He indicated staff is in support of this proposal to maximize the existing space that has already been approved.

Councilmember Freeman expressed his concerns with the timing of the approval for the second story; however, will support Item 7-a.

2-a. Hear a presentation, discuss, and provide direction on the proposed Audit Plan for FY 2022/23.

Mayor Giles stated due to time constraints, this item was continued to the July 11, 2002, Study session.

2-b. Hear a presentation on the transfer of City-owned properties purchased with Community Development Block Grant funds to Mesa-based non-profits and discuss and provide a recommendation related to A New Leaf's request to transfer the ownership of two residential properties, one located near Main Street and Mesa Drive and the other located at 217 West University Drive.

Community Services Director Ruth Giese introduced Housing Community Development Director Michelle Albanese, and displayed a PowerPoint presentation on the Request to Transfer CDBG Funded Properties to A New Leaf, Inc. **(See Attachment 4)**

Ms. Giese stated the Community Services department is seeking Council approval for the transfer of two city-owned properties. She mentioned the properties were purchased with federally allocated Community Development Block Grant (CDBG) funding and A New Leaf occupies the properties.

Ms. Albanese indicated in 2016 A New Leaf requested a transfer of certain City-owned properties purchased through CDBG. She mentioned at the time of A New Leaf's request, the City had generally transferred properties in accordance with Housing and Urban Development's (HUD) regulations, and staff formalized the policy and procedure on transferring property to non-profit agencies. She noted a 30-day public comment period is required if there will be a change of use. She pointed out City Council approved the policy in 2017 and A New Leaf has occupied properties to provide programs and services to the community. (See Page 2 of Attachment 4)

Ms. Albanese commented staff presented the property information to the Community and Cultural Development Committee who recommended bringing these two properties back to City Council for approval. (See Page 3 of Attachment 4)

Ms. Albanese estimated the fair market value for the Main property at \$247,000, and the University property at \$390,000. (See Pages 4 and 5 of Attachment 4)

Ms. Albanese reviewed the three options for consideration, which include selling the properties at the current fair market value, transferring both properties to A New Leaf subject to HUD's requirements, or continue leasing the properties to A New Leaf. She remarked staff recommends Option 2 for Council consideration. (See Pages 6 through 8 of Attachment 4)

Ms. Albanese advised the transfer meets the City Council approved criteria for the disposition of City property. She pointed out if approved, there are additional steps involved in the legal property transfer. (See Page 9 of Attachment 4)

City Attorney Jim Smith noted the typo contained under Option 2 stating the City would continue to own the property and clarified the ownership of the property would be transferred to A New Leaf and the City will no longer be the owner.

Mayor Giles commented he is in support of the transfer of City-owned properties to A New Leaf. He mentioned these are not investment properties, and the City does not make money on real estate. He emphasized A New Leaf has been a great steward of these properties and provides critical services for Mesa's community.

Mayor Giles thanked staff for the presentation.

3. Current events summary including meetings and conferences attended.

Councilmember Luna –	Naturalization Ceremony
Vice Mayor Duff –	CO+HOOTS at Benedictine University ribbon cutting National League of Cities Energy Environment and Natural Resources meeting Celebration of Freedom
Mayor Giles –	Celebration of Freedom Safety Services Hydration Run

4. Scheduling of meetings.

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

Monday, July 11, 2022, 5:00 p.m. – Study Session

Monday, July 11, 2022, 5:45 p.m. – Regular meeting

5. Adjournment.

Without objection, the Study Session adjourned at 6:03 p.m.

ATTEST:



HOLLY MOSELEY, CITY CLERK



JOHN GILES, MAYOR



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 5th day of July 2022. I further certify that the meeting was duly called and held and that a quorum was present.



HOLLY MOSELEY, CITY CLERK

lr
(Attachments – 4)



Water – Use It Wisely

Messaging with a Splash to
Inspire to Save Every Drop



Partners

19 Campaign Partners

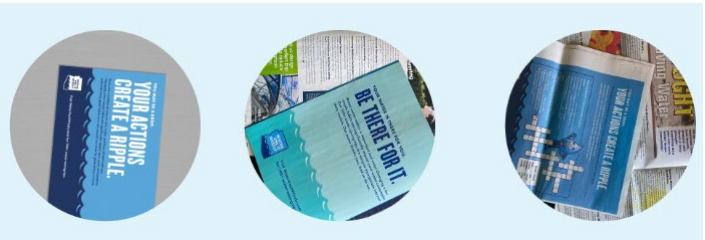
Regional Campaign Steering Committee Partners:



Regional Campaign Partners:



Physically Targeted Traditional Media



Bear Essential News for Kids

Green Living Magazine

The Arizona Capitol Times



Hardware Store Signage

Highly Targeted Traditional Media

Billboards

Television PSAs

Radio – Rosie on the House & NPR



Online Communication Tactics – Web & Social

WaterUseItWisely.com



@wuiw 13.7k



@wateruseitwisely 18.5k



@wateruseitwiselyaz 2.5k



@wuiw 1.5k



Email subscribers 29k



Water Tower

120 one-gallon water jug display



ayne Drop

Water – Use It Wisely mascot



Seasonal Messaging

Monsoon season is here – batten down the hatches and turn off your sprinklers!





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Mesa Fiber



Recap

- ▶ For years, Council has championed opportunities to enhance network connectivity in Mesa
- ▶ Council Strategic Planning conversation
- ▶ Council discussion led to a Request for Information (RFI) solicitation January
- ▶ Council RFI review in April

MESA FIBER

Facilitate Private Sector Fiber

Fiber provider toolkit

- ▶ Updated license agreement
- ▶ Expanded construction options
- ▶ Provided additional right of way fee options

MESA FIBER

Two New Licensees

- ▶ **Google Fiber**
- ▶ **Sifi Networks**
- ▶ **1 Internet Service Provider**
- ▶ **1 Open Access Networks**
- ▶ **Possibility of more to come!**

MESA FIBER

Deal Points

Focus on Build Efficiency

- ▶ **Forecasted build plans**
- ▶ **Encourage joint construction**
- ▶ **Maintain robust right of way stewardship**
- ▶ **Opportunity for licensees to accelerate projects**

MESA FIBER

Next Steps

- ▶ **July 11 Council consideration**
- ▶ **If approved, licensees will pull permits before beginning construction**
- ▶ **Ongoing coordination**
 - ▶ **Public Private Partnerships**

MESA FIBER

Questions?



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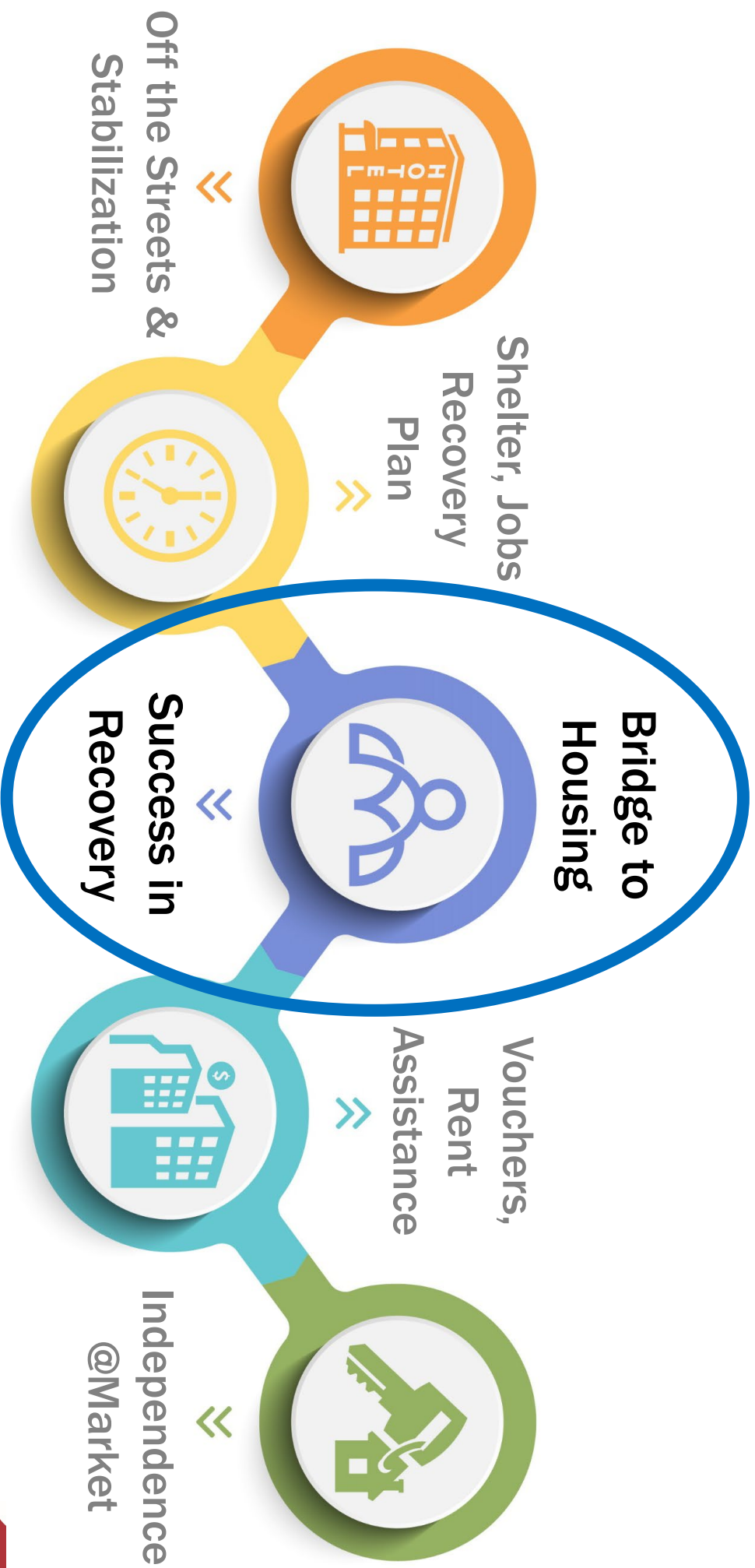
ADDRESSING HOMELESSNESS

Mesa City Council

For Action: July 11, 2022

Natalie Lewis, Deputy City Manager

HOUSING PATH TO RECOVERY





The Helaman Property
1311 East University Drive, Mesa

JULY 11 ACTION:

- Approval of 2.5-year contract with A New Leaf to stand up “Bridge” housing for individuals who are showing success in their recovery.
- \$2.5m – ARPA (Coronavirus State and Local Fiscal Recovery)
 - Eligibility: Homeless Support Programs
 - Approximately 250 people served, with focus on transitioning people directly involved in Mesa-based programs.
 - Average stay 60 days. Max stay 90 days.
 - Connections to services: Workforce Center @ Mesa; Housing plan; Financial management; Savings set aside; Rent/housing assistance.
 - Summer startup work; Fall program in full swing.





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QUESTIONS?

Mesa City Council

For Action: July 11, 2022

Natalie Lewis, Deputy City Manager

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City Council Study Session

July 5, 2022

Request to Transfer CDBG Funded Properties to
A New Leaf, Inc.

RUTH GIESE, COMMUNITY SERVICES DIRECTOR

MICHELLE ALBANESE, HOUSING AND COMMUNITY DEVELOPMENT DIRECTOR

Community Development Block Grant (CDBG) Property Transfer In Review

Background

- **Spring 2016:** New Leaf requested transfer of certain city-owned properties purchased via CDBG.
 - Staff directed to update lease, transfer, sale policy
- **Summer 2017:** City Council approved policy for property transfer, sale and lease of HUD-funded assets.
 - Non-profits must lease/serve minimum 10 years
 - Request to transfer from non-profit
 - 30 Day Public Comment Period
 - Compliant with HUD regulations and uses
 - Non-profit may request waiver from HUD to reduce HUD regulation restricted timeframe
- **Fall 2017:** New Leaf renewed transfer request.

CDBG

Property Transfer In Review

City Council (2019/20)

- City Council requested further discussion and analysis on two of three properties:
 1. Main Property
 2. University Property
- Additional information requested
 1. Current Market Value
 2. City-owned property exchange
 3. Funding considerations/cost
- Hobson Property Transfer - City Council Approval (1/27/20)

Property Transfer

CDBG

Main Property

September 2017 appraisal

- \$166,000

Current area comps - value of similar property

- \$300,000 to \$325,000

Approximate increase in value

- \$134,000 - \$159,000

Property Transfer

CDBG

University Property

September 2017 appraisal

- \$350,000

Current area comps - value of similar property

- \$500,000 to \$560,000

Approximate increase in value

- \$150,000 - \$210,000.

CDBG Property Transfer

Options for Consideration

1. **Sell the Main Property & University Property**
 - Sell at current fair market value
 - Could trigger displacement/relocation -
 - Potential additional costs to City and/or A New Leaf
 - Return funds to CDBG Line of Credit per HUD requirements
 - A New Leaf to identify possible alternate properties
 - A New Leaf - submit a funding proposal request for CDBG funds for FY 2023/2024
 - For the purposes of acquisition and rehabilitation of alternate location

CDBG Property Transfer

Options for Consideration

2. **Transfer the Main Property & University Property**
 - City transfers both properties to A New Leaf with an additional continued use period of 10 years before fee-simple ownership*
 - City continues to own properties through continued use period
 - A New Leaf continues to maintain properties
 - A New Leaf continues to comply with CDBG Continued Use Regulations

*CDBG continued use period has already been met

CDBG Property Transfer

Options for Consideration

3. Continue Leasing Main Property & University Property to A New Leaf
 - Continue Leasing properties
 - City continues to own properties
 - A New Leaf continues to maintain properties
 - A New Leaf continues to comply with CDBG Continued Use Regulations

Today's Request

Review, discuss, and approve recommendation to transfer the Main Property and University Property to A New Leaf.



Questions? Discussion. Recommendation.

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