



Minutes City Council Issue Review Session May 3, 2007

Minutes of the Tempe City Council Issue Review Session held on Thursday, May 3, 2007, 6:00 p.m., in the City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

COUNCIL PRESENT:

Mayor Hugh Hallman

Vice Mayor Hut Hutson

Councilmember P. Ben Arredondo

Councilmember Barbara J. Carter

Councilmember Shana Ellis

Councilmember Mark W. Mitchell

Councilmember Onnie Shekerjian

Mayor Hallman called the meeting to order at 6:06 p.m.

Call to the Audience

Bill Butler, Tempe, re: Impact Fees, stated that it is appropriate to look at proper fees to be assessed to the new building projects in accordance with their effect on the infrastructure. The City is imploding with thousands of houses and commercial units being built in the core of the City and creating a load on the infrastructure never imagined even ten years ago. Developers should pay a fair portion of the costs for streets now.

Mayor Hallman stated that continuing adjustments to the impact fees charged for water and sewer are on tonight's Formal agenda. Council does follow the statute for charging a fair cost. The item on this agenda tonight is to add to the impact fees and charge a fee for new libraries and parks as well, so that new development will also pay its share of those costs. Streets are already part of the current impact fees.

Impact Fees

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Community Development Manager Chris Salomone; Principal Planner Chris Messer

Chris Salomone summarized that Council had directed staff to return with recommendations for a new library fee and an amendment to the current park fee.

Mayor Hallman clarified that this is for new development only. As new buildings are built, a charge will be included toward paying for library and park amenities.

Mr. Salomone added that it would mitigate the impact those new projects will have on those services.

Vice Mayor Hutson added that this item comes with the approval of the Council's Finance, Economy & Veterans Affairs Committee.

CONSENSUS

Approved as presented.

Follow-up Responsibility: Chris Salomone

Upcoming Major Street Restrictions

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Public Works Manager Glenn Kephart; Water Utilities Manager Don Hawkes

Mayor Hallman summarized that water and sewer improvements are being made across the City to improve aging infrastructure. Rather than defer maintenance any longer, Council has moved forward with a capital improvement program over the last three years.

Glenn Kephart stated that the projects are being coordinated to coincide with ASU's break and he summarized the closure at Apache Boulevard and McClintock Drive.

- This intersection will be closed for light rail construction. The restriction will begin on May 14th and will involve a two-week closure. Traffic will be required to turn right at Apache Boulevard and he outlined the detour options. No north or southbound traffic on McClintock will be allowed through the intersection. Following the project, there will be restrictions in the intersection until the middle of June, but traffic will be allowed through the intersection at that time. Emergency personnel support these restrictions.

Councilmember Carter asked about the monitoring of "local" traffic in the intersection.

Mr. Kephart responded that signage will be available to help people understand that they should not go into the intersection. If it becomes an issue, personnel will be stationed there.

Councilmember Shekerjian asked if this type of traffic pattern has been done before.

Mr. Kephart responded that this project is very similar to the Rural and Terrace closure. This closure is more complicated, however, since it involves two arterials. It has worked before and local traffic has been able to reach businesses and get back out.

Don Hawkes summarized the restriction at Curry and Rural Road.

- This restriction involves a 60" diameter waterline crossing Rural Road at Curry. The intersection will be closed July 9th for three weeks, or five weeks maximum. Only right turns will be allowed going northbound, westbound and eastbound. The work extends across the intersection, so southbound traffic will be unable to make a right turn onto Curry. The contractor is committed to working up to 20 hours per day.

Councilmember Arredondo commended staff for a great job in minimizing problems and concerns.

Councilmember Carter asked how this relates to the work at Southern and Priest.

Mr. Hawkes responded that the work at Southern and Priest was handled with the other alternative of using an extended restriction and keeping through-traffic to one lane in each direction. Using that alternative, the restriction at Curry and Rural Road could extend up to 15 weeks. Staff has discussed this with businesses on a number of occasions and businesses are much happier to have the work done as quickly as possible.

Mayor Hallman asked what kinds of assistance might be provided to businesses.

Mr. Hawkes responded that the City will provide business access signs and staff would like to come back to Council with a resolution to provide the opportunity for businesses to put up sandwich-board signs or banners to provide advertising for their businesses. This was done in 2004 for light rail.

Councilmember Shekerjian asked what types of problems might be discovered underground.

Mr. Hawkes responded that in this area there are unknown irrigation structures no longer in use.

Mayor Hallman summarized that this involves the North Tempe Water Treatment Plant and the replacement of this waterline has been a construction project to rebuild and add capacity to that facility over the last year.

DISCUSSION ONLY – NO CONSENSUS

Follow-up Responsibility: Glenn Kephart

Avenue Communities Historic Walking Tour

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Community Development Manager Chris Salomone; Rick LaBonte, representing Avenue Communities

Chris Salomone summarized that staff and the Historic Preservation Commission have been working with Avenue Communities on a unique proposal for a privately-funded tour of historic resources in downtown and other parts of Tempe.

Rick LaBonte summarized that Avenue Communities conducted a survey that revealed one of the most important features for citizens in the downtown were historic amenities. He outlined a program whereby about a hundred historic moments would be identified by labels or signage with a phone number to call to access an information system that would describe the specific historic moment. He asked for Council's approval to proceed. He added that this system would be put into place at the developer's expense.

Mayor Hallman clarified that Avenue Communities, in conjunction with a survey and other work done in the community, designed and created a concept for a walking tour to be presented to Tempe as a gift. This is a living museum where people can learn about the history of the downtown community.

Mr. Salomone stated that with Council's concurrence, staff will draft an agreement addressing the legal and signage issues and will return with a mutually acceptable agreement.

Councilmember Shekerjian thanked Mr. LaBonte and Avenue Communities for a wonderful idea for the past, present and future.

CONSENSUS

Staff was directed to draft an agreement with Avenue Communities and return to Council.

Follow-up Responsibility: Chris Salomone

Pier 202 – Rio East Park

INFORMATIONAL BACKGROUND available in the City Clerk's Office.

DISCUSSION – Presenters: Community Development Manager Chris Salomone; Deputy Community Development Manager Sheri Wakefield-Saenz

Sheri Wakefield-Saenz summarized that the Pier 202 project (The Pier) is on the Formal agenda tonight for initial approval of the Planned Area Development (PAD). This site is on 27 acres between Rural Road and McClintock Drive on the north side of Rio Salado Parkway. Once the PAD is approved on May 17th, staff will then proceed to execute the sale of the 27-acre parcel. Phase I would occur immediately, with construction in August of this year, and an opening in the summer of 2009. The elements include a 285 room hotel, 130,000 sq. ft. of Class A office, 52,000 sq. ft. of retail, and about 46,000 sq. ft. of restaurant. It will include 870 residential units with 3,304 parking spaces on site. The developer will immediately commence with takedown of Phase 2 and 3. She continued that within the MOU, there is an issue that the project is allowed to use public financing for the public infrastructure pieces of the project.

Mayor Hallman clarified that this means a "development authority" but it is paid for by the developer. It's not paid for by the public but rather a public financing tool through the proceeds of the project.

Ms. Wakefield-Saenz outlined the elements of open and public space within the project, as well as pier elements. Through bond counsel and the Pier 202 team, it has been determined that an Improvement District would be the most appropriate tool and staff would ask for Council's concurrence, as well as discussion on the

public park element.

Mayor Hallman thought that the issue of the development authority had been settled in the Development and Disposition Agreement and that it specified an industrial development authority to finance the public infrastructure.

Ms. Wakefield-Saenz agreed. The only difference is that it was cited as a potential community facilities district element rather than an improvement district.

Mr. Salomone added that bond counsel has agreed to this. The issue regarding capital improvements is that staff would like Council to consider funding the capital improvements in the park right-of-way (the linear park, about 70 feet from the water's edge to the edge of the project) from Rural Road past this property, about a \$2.6M project. Staff would also like Council to consider in the upcoming CIP funding the dock system, the details of which have not been worked out, for about \$1M. Staff believes it could be done in the next cycle, but if it is prior to that, staff would return to Council. It would be advisable for it to coincide with the development of this project.

Mayor Hallman clarified that they are to close by July 14th on at least 20% of the purchase of the property, although there is an indication that it will be 40%. That number is about \$17.5M. If Council wanted to move forward with the park portion, the linear park Council has been promising the public could be completed and that could be a source of funds. He asked for the first phase estimation of the total value of the construction.

Ms. Wakefield-Saenz responded that it is about a \$1B project and roughly 60% is being built in the first phase.

Mayor Hallman clarified that it would be roughly \$600M. The construction sales tax alone on that is 65% of the base, or \$380M, and the City gets 2% of that, or about \$8M. That's another source that has not been scheduled into the revenues from the construction of this project that would generate approximately about \$4M. It's really not coming out of any current resources otherwise designated in the CIP or the O&M budget.

Councilmember Arredondo thanked the developers for their cooperation.

Vice Mayor Hutson added that he feels comfortable that this is a 2008 CIP program, but as the Mayor indicated, it might not have to go that far because there are funds available out of the project. He is also still interested in boat docks, however.

CONSENSUS

Staff was directed to go forward with the Improvement District at the developer's cost. Staff was also directed to go forward with the intention of including this in the CIP for 2008-09, but was directed, if possible, to make it happen sooner.

Follow-up Responsibility: Chris Salomone

Amateur Sports Facilities Request for Proposals

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Community Development Manager Chris Salomone;

Mayor Hallman summarized that staff is seeking direction for the components of a proposed Amateur Sports Facilities RFP for the 52 acres west of Priest Road on the north side of Rio Salado Parkway. A public process was held to discuss the Arts Center portion and the arts park elements east of Priest, and the sports concepts to the west.

Councilmember Mitchell stated that this RFP is the result of the Town Hall Meeting. The Council's Tourism and Amateur Sports Committee recommends moving forward.

Councilmember Shekerjian asked about "indoor-outdoor combination of sports facilities" and whether that would accommodate a football field.

Mr. Salomone responded that it could and there has been interest in those types of facilities.

Mayor Hallman asked if it could include a hotel that supports the sports facility.

Mr. Salomone responded that it could include a hotel. If it came as part of the private package, staff would bring it to Council.

Mayor Hallman asked for the timeline in getting an RFP issued.

Mr. Salomone responded that it would take approximately two weeks.

CONSENSUS

Staff was directed to proceed.

Follow-up Responsibility: Chris Salomone

Formal Council Agenda Items

No agenda items were discussed.

Future Agenda Items

- Councilmember Arredondo asked the City Manager and Community Relations Manager to review the non-profits whose requests were not fully funded through the TCC, and return to Council with a list and recommendation for complete funding. Mayor Hallman asked that this be placed on the IRS agenda for May 17th
- Mayor Hallman had asked staff to look for a process that would allow the City to get control of continually degraded properties. He asked for an IRS agenda item for a May meeting to see how the processes can work better, to determine what processes exist for some kind of

intradepartmental approach for these situations, to determine what tools staff needs from Council to take care of these extreme situations, and to determine what limitations exist.

- Mayor Hallman asked for a future IRS item for referral to the Finance, Economy & Veterans Affairs Committee and/or Tourism and Amateur Sports Committee to begin a conversation about what the City could do to work with ASU to address the stadium, what kind of legislative approach could be taken, and what kind of resources are available.

Mayor's Announcements/Manager's Announcements

None.

Meeting adjourned at 6:50 p.m.

Jan Hort
City Clerk