



Minutes City Council Issue Review Session May 1, 2008

Minutes of the Tempe City Council Issue Review Session held on Thursday, May 1, 2008, 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 6:10 p.m.

Call to the Audience

No one came forward to speak.

Downtown Parking Improvements

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Deputy Community Development Manager Neil Calfee; Deputy Public Works Manager Carlos de Leon

City Manager Charlie Meyer summarized that the Council had discussion at an earlier IRS regarding concerns regarding downtown parking improvements and staff came before council to provide an update.

Carlos de Leon stated that within the next few weeks, new signs will be installed in downtown Tempe to help people locate the parking areas. The signs are simple and use the universal parking symbol. One variation of the sign will display the "ParkIt" logo to indicate that the parking area is part of the downtown parking validation system. The first type of sign will be "perimeter" signs that will be placed in the perimeter roadways to direct the motorists to locations where parking will be available, i.e. parking lots and garages in the perimeter of downtown. The second type of sign will be "interior" signs with the goal to get motorists in the downtown area to the nearest available parking lot.

Neil Calfee added that another aspect discussed was the provision of additional lots within the downtown to address construction traffic. He summarized the following additional lots:

- The resurfacing of the 5th and Farmer parking lot is nearly complete, and will be striped and fenced. In addition, the DTC plans to install multiple space parking meters to create parking turnover. That lot will be used primarily for construction workers in the downtown and will be a permitted lot with approximately 260 spaces.
- The parking lot at 7th and Myrtle will provide 80 spaces to address construction worker traffic and potentially provide overflow parking from the Brickyard. The cost will be \$150K, including resurfacing, striping, perimeter walls and lighting. Contingency funds will be requested tonight to allow for construction of this temporary lot. The construction workers for the City project east of City Hall were able to work with that same property owner and provide another segment of that lot for those construction workers.
- Development Services is now requiring developers in the downtown to provide a parking plan for their construction workers.

Mayor Hallman clarified that the additional spaces to be provided by the University Square developer will be properly dust-controlled.

Councilmember Shekerjian asked for clarification that the 80 additional public parking spaces at the University Square site would cost \$150K and for what time period would that be.

Mr. Calfee responded that the \$150K is an upfront capital cost to build it. The City would have the meters on it and it would repay itself in a little over two years. The agreement is that there would be three years free to the City to recover the cost and in year three some revenue sharing agreement could be negotiated. It would be staff's hope that the lot would not exist beyond that time.

Mayor Hallman clarified that there is no fee being paid. The City will have up to three years, contingent upon the project getting underway sooner than that.

Councilmember Ellis asked whether the construction traffic is only during the day and whether that lot would be available for parking at night.

Mr. Calfee responded that the lot the City is building will be available at night. The one for McCarthy for the City project will not be available at night.

Councilmember Ellis asked what would happen if the property were to sell.

Mr. Calfee responded that there is a license agreement that would survive a sale. It is cancellable by the property owner. If they sold the property and decided they didn't want the City on there, they would give 30-days' notice to vacate the property.

Councilmember Mitchell asked if there could be a provision that if sold, the City can at least recoup costs.

Mr. Calfee responded that the challenge would be that we are asking them for the facility and we are not paying them anything for it, and it would be difficult for them to turn around and pay us for that.

Mayor Hallman asked about a perimeter wall.

Mr. Calfee responded that it would be a parking screen wall, a masonry wall.

Mayor Hallman suggested starting with some asphalt and not turning this into the most beautiful parking lot. What would it cost just to put down asphalt for 80 spaces?

Mr. de Leon responded that most of that cost is in the asphalt/grading and lighting. The screening wall was a request from the developer as part of the condition for using the lot.

Mr. Calfee added that the cost is approximately \$1800 per space.

Councilmember Arredondo suggested that a certain number of spaces would be set aside on football nights for the non-profits to use to earn money.

Mayor Hallman agreed that would be a great idea.

Councilmember Carter asked for clarification that there is revenue-sharing with DTC on this lot and asked how much could be generated on a monthly basis.

Mr. Calfee responded that DTC would provide the management service, so under the parking contract, they would get a percentage of the revenue. There is probably potential for \$100K per year of revenue.

Councilmember Arredondo added the DTC has done an excellent job and he suggested working with them for an arrangement for game days.

CONSENSUS

- Designate some parking spaces on event days to allow non-profits to use spaces for revenue.
- Proceed as presented.

Follow-up Responsibility: Neil Calfee, Carlos de Leon

P.F. Chang's Rock 'N' Roll Marathon/Half-Marathon Update

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Parks & Recreation Manager Mark Richwine; Deputy Parks & Recreation Manager Travis Dray; Bruce Skinner, Elite Racing

Bruce Skinner, Elite Racing, summarized as follows:

- Over 36,000 participated in the event, with 59.6% from outside Maricopa County, 53% from out of state, as well as 13,000 from Maricopa County, and 2,244 from Tempe.
- According to a study generated by Arizona Office of Tourism, Northern Arizona University, \$44M was generated in economic impact from those who came from out of state. Almost \$13M of that went to the City of Tempe.
- 27,000 hotel room nights were generated, and almost 8,000 (30%) stayed in Tempe. Back in 2003, the City and the TCVB stepped up and requested the finish line and that's where runners choose to stay first.
- The race has been a venue for 26 charities raise a lot of money. The City of Tempe had more charities that benefited than the other local cities. Team Tempe from the TCC led the effort, raising \$186K which makes it the largest local charity.

NO CONSENSUS – INFORMATION ONLY

Proposed Segway Tours in Rio Salado Parks

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Rio Salado Project Manager Nancy Ryan; Brian Lamacchia of Segway of Scottsdale

Nancy Ryan summarized that the segway is an electric personal assistive mobility device. By state law, it is considered a pedestrian and is allowed on sidewalks and paths. The proposal is to provide private tours through the Rio Salado parks and around Town Lake. Brian Lamacchia and his company currently provide tours at the Desert Ridge Marriott. The tours around Town Lake would use the multi-use paths and sidewalks and would take groups of about 15 on tours that would extend 1 to 1.5 hours and include about a 30-minute training session. They provide safety equipment for the users. Rio Salado staff would provide some speaking points about the history of the area, highlights for the tour, activities, and information on historic structures. The tour could even connect with existing amenities, such as the Tempe Center for the Arts. They have also expressed a willingness to modify the times and routes depending upon the events at the Lake. They are also looking for future opportunities to add tours elsewhere in the City. They have plans to locate a retail and tour office at Hayden Ferry Lakeside.

Councilmember Shekerjian clarified that the City is not subsidizing this.

Ms. Ryan agreed. Staff brings this to Council because City Code prohibits profit-making functions in the park unless approved by Council. Although this activity would originate outside the park, it would use sections of the park.

Councilmember Carter was concerned about liability.

Mayor Hallman asked what kinds of arrangements have been made to provide waivers and indemnities in the event someone is injured and decides to sue.

Mr. Lamacchia responded that they carry a liability policy for \$2M. aggregate. They would seek Council direction, however, on how to best protect the City.

Mayor Hallman asked for the current arrangements with contractors around the Lake in terms of indemnities and liability policies.

Ms. Ryan responded that it is \$2M aggregate for most events that aren't on the water or don't have alcohol.

Mayor Hallman added that the goal would be to apply all of the standards used for anyone else who uses the Lake area.

Councilmember Ellis asked about age limitations for use.

Mr. Lamacchia responded that Arizona state law requires that riders be at least 16 years of age and a guardian is required up to 18 years of age..

Councilmember Ellis added that special events might be a concern and many times the sidewalk is blocked off. She asked about plans for laying this out in the contract.

Ms. Ryan stated that the pedestrian bridge will be a future opportunity for the tour. When there is an event at Tempe Beach Park, typically the exterior sidewalk areas are available for the public, so they could use those rather than coming through the park.

Vice Mayor Hutson was concerned with the liability. It is similar to the pedicabs where a person rents a pedicab for \$25, they have no liability, they run into something, and the person who owns the pedicab is not responsible. Until he is convinced that it is covered, he can't be supportive.

Councilmember Carter noted that she was at the Arts Center recently and saw two gentlemen come down on their segways and one of them had trouble getting off his segway and it kept circling around.

Mr. Lamacchia stated that the biggest piece of the tour (similar to what they do at the Marriott) is safety and their safety record is excellent. They take safety very seriously. They would not take one into crowded pedestrian environments. Their intention would be to route the tour into areas where there aren't people. That's one of the benefits of the machine. It moves so easily and is so energy efficient that if they have to go a mile out of the way, that would be a better situation than to try to travel through a crowded environment.

Mayor Hallman felt this is an excellent opportunity to attract people into the area during otherwise off-peak hours and to get folks around the rest of the Lake. Council has been talking about how concentrated the activities are at Tempe Beach Park, and this would allow folks to get into the other areas and understand what else is out there. It would be the means by which we start moving people away from the one place they know well and into the other pocket parks and wonderful areas around the Lake. He asked if it was their intention to use the more off-road versions for these tours.

Mr. Lamacchia responded that as long as they would be using pavement for 80% of the tour, they would use the smaller tires. It has a greater range and more battery capacity.

Councilmember Carter mentioned that her committee had Mr. Richwine and Mr. Dray explain that it would be very difficult to tack on \$1 per ticket for events at the park for a dedicated source of revenue for TCC. Would this be an opportunity to have \$1 added as that dedicated revenue source?

Mr. Lamacchia responded that they see helping the City out in any way possible for folks to see the City in different ways.

CONSENSUS

Staff was directed to:

- **Develop RFP.**
 - **Apply all standards of liability that are required for other entities with activities around the Lake.**
 - **Consideration of adding \$1 to tickets for TCC**
- **Come forward with appropriate contract for Council consideration.**

Follow-up Responsibility: Nancy Ryan

FY 2008-09 Annual Financial Program

INFORMATIONAL BACKGROUND available in the City Clerk's Office.

DISCUSSION – Presenters: Financial Services Manager Jerry Hart

Jerry Hart summarized that the Annual Financial Program is a comprehensive look at the proposed FY 2008-09 Operating and Capital Improvement Budgets. This Annual Financial Program reflects the budgetary direction provided by Council at the April 10th Special Budget Session and at the April 17th Issue Review Session. This also reflects the budget balancing strategy shared with Council. He noted (on page 2) that the total Operating Budget changed about 12% from the prior year, and on the Capital Improvement Budget had about a 21% reduction. That is largely reflective of the fact that construction of the light rail project in Tempe is being completed. In terms of the total financial program, however, it is basically a very slight decrease from the FY 2007-08. He emphasized that part of the budget balancing strategy was the listing of revenue enhancement ideas as well as departmental budget cuts. This budget, particularly for the general fund, reflects that strategy.

Mayor Hallman added that the Ad Hoc Long Range Budget and Finance Planning process is still running and that as it comes forward with additional items, to the extent Council adopts other cuts or enhancements, those funds will then be made available to the Council to reprioritize within the operating budget.

Mayor Hallman reiterated Council's consensus. As additional revenue sources or other places to cut are determined, the commitment is to first apply that back to employees, primarily to implement range adjustments earlier in the year. There are still issues of great sensitivity on the specific items, such as the Leisure Opportunities brochure. The direction was that we will try to supply that as broadly as possible, but that may be

a situation where the Council may decide, given the amount of money at stake, to apply it there first. Although Council may be adopting something over the next few months, expect that there will be changes to the extent we can continue to do a better job of finding resources.

Mr. Hart added that after today's meeting, the next budget action will be the tentative adoption of the Operating Budget and the final adoption of the CIP Budget on May 22, followed on June 5 by the final adoption of the Operating Budget and the first property tax hearing. The final property tax hearing will be on June 19th.

Councilmember Ellis noted that when TCC presented their budget, Council had asked them to submit a supplemental request and she didn't see that.

Mr. Hart clarified that she was referring to the additional agency funding. On page 10, under the general fund, Tempe Community Council, Future Agency Funding, it was Council's direction to take the revenue from the Diablo display panel and designate that to the TCC. Council's direction was to set this money aside and there will need to be further Council action in terms of the allocation of that money to the various agencies.

Councilmember Arredondo added that there is some money from Insight being moved and he didn't see where this Council may have dedicated those sources.

Mayor Hallman noted that it was talked about at the Issue Review Session and he asked if that is in there.

Chris Salomone responded that the agreement has not been brought forward to Council, but that is the intent. Councilmember Carter asked when the Ad Hoc Long Range Budget and Finance Planning committee expects to have its work done and how it will impact this.

Mayor Hallman responded that the Committee's last meeting will be held during June. At this stage, it will be in June or mid-July that Council can look for places to backfill. The salary study will just start in July, and the results won't be available until October. To the extent resources are generated, for example, by and through October, we can backfill from January 1st as far back as we can. Council will be the final decision-maker on what recommendations to implement, and that will be sometime in June or July. He congratulated staff for their hard work in addressing the 2008-09 and 2009-10 budgets in terms of getting them back into balance in spite of the difficult economic times.

CONSENSUS

- As additional resources are determined, money is to be applied to employees first.
- Accepted as presented.

Follow-up Responsibility: Jerry Hart

Formal Council Agenda Items

None.

Future Agenda Items

None.

Mayor's Announcements/Manager's Announcements

None.

Meeting adjourned at 6:54 p.m.

Jan Hort
City Clerk