

Minutes City Council Issue Review Session May 15, 2008

Minutes of the Tempe City Council Issue Review Session held on Thursday, May 15, 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 6:15 p.m.

Call to the Audience

Dr. Steve Rich, Tempe, re: Papago Park Committee. He felt the establishment of a Papago Park Committee is a marvelous idea and suggested that someone of singular ability serve as the Chair of that committee.

Papago Park Committee

INFORMATIONAL BACKGROUND available in the City Clerk's Office.

Mayor Hallman proposed that Sharon Doyle serve as Chair of this ad hoc committee.

Sharon Doyle stated that this ad hoc committee would handle the preservation initiation and community input for a potential Papago Park restoration. She would be more than honored to help bring input from some of the commissions and foundations that are already in place and from interested citizens back to this group to look at innovations for a master plan. She would be interested in working with the Rio Salado Commission, the Parks and Recreation Board, the Historical Museum Advisory Board, the Historic Preservation Commission, the North Tempe Homeowners Association, the Tempe Historical Foundation, Rio Salado Foundation, Papago/Salado Association, and possibly the ASU School of Sustainability. Those groups would cover a broad spectrum of the community.

Mayor Hallman added that one of the goals of the discussion tonight is to pull together representatives from

other commissions to become the vehicle to gather public input. The Rio Salado Foundation is doing funding of amenities in this area, Tempe Historic Preservation Foundation is doing the same, and Papago/Salado is the umbrella organization that represents all the stakeholders.

Councilmember Carter asked about the Executive Committee.

Mayor Hallman responded that the cities of Scottsdale, Phoenix and Tempe have created an executive committee represented by the chairs of their parks boards, a member of the Councils and the Mayor or designee, as well as two representatives from the Salt River Pima Maricopa Indian Community (SRPMIC). That group will drive the process of creating a master plan for Papago Park to protect and preserve its resources. Staffs of the three cities and the SRPMIC formed a working group that reports to the Executive Committee to put together requests for proposal and to administer the process of creating this master plan. Since Tempe likes to have direct community input and process, this Papago Park Committee seemed like the tool to get a broad base of community input for our understanding of what our community seeks to have from this master plan.

Councilmember Carter clarified that their recommendations would be fed back to the City's representatives.

Mayor Hallman added that in this way, there would be a direct communication link to Tempe residents.

Vice Mayor Hutson agreed it is a great idea.

Mayor Hallman stated that this is in process and there might be times when various department staff would be the right people to help with ideas. He suggested playing it by ear and staff will provide assistance where necessary. The goal is not to spend lots of money, but to provide opportunities for the community representatives to meet and talk about this and bring in others to participate.

Charlie Meyer agreed, and added that he will also try to find someone from staff to coordinate so there isn't confusion.

Mayor Hallman clarified that we would have representatives from the Parks and Recreation Board, Historical Museum Advisory Board, Historic Preservation Commission, North Tempe Homeowners Association, Rio Salado Foundation, Tempe Historic Preservation Foundation, Papago/Salado, and ASU School of Sustainability. Ms. Doyle is currently serving on the Rio Salado Advisory Commission.

Councilmember Carter added that in less than four years, the State will have a centennial, and although she isn't sure what's going on in the Executive Committee, she would certainly want this ad hoc committee to be thinking about what is needed.

Mayor Hallman added that the State just eliminated the funds for the centennial project, so we may be alone on this cutting edge of preparing for the centennial in 2012. That could be part of the scope for this committee.

CONSENSUS

- **Form Papago Park Committee with Sharon Doyle as Chair.**
 - **City Manager to appoint staff liaison.**
- Follow-up Responsibility: Charlie Meyer**

Mill Avenue District Renewal & DTC Assessments

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenter: Pam Goronkin, President & Executive Director of Downtown Tempe Community, (DTC) Inc.; Chris Wilson, Vice President of Operations, DTC.

Pam Goronkin stated that every fifth year, by virtue of the current enabling documents, they are required to come before Council to request approval of the assessments that fund the services of the Downtown Tempe Community (DTC) as the managing entity under agreement with the City of Tempe. She presented the document that was mailed last Friday to every landowner within the boundaries of the Downtown Tempe Community. The landowners also received a copy of the formal legal notice also required by statute at the State level. Last Friday, a staff report on this topic was included in the Council's packet, along with the resolution that will be brought before Council on June 5th.

She referred to page 14 of the report and reviewed the rationale, philosophy and guiding principles used as they analyze not only the structure of the organization, but also the way they address the needs of the financial mechanism of the assessments. Members of the DTC Board of Directors served in two capacities in this work to analyze the current assessment structure since last summer. Members of the greater community also participated in this discussion. They analyzed not only their own assessment formula, but the formulas of other cities similar in size and composition. Basically, it was agreed to continue with the same assessment formula, but there were some other suggested changes.

She highlighted the recommended structural changes. DTC is desirous of developing an ongoing relationship with the landowners. Within the last couple of months, they conducted a landowners' summit to draw them into a closer relationship. As required by the current structure, DTC must renew every fifth year, and they would prefer to have a less structured approach, and a more ongoing relationship with them. They would also like to be able to approach them when economic conditions indicate or when they might choose. They would also recommend that the name of the corporation be legally changed to Mill Avenue District, Inc.

The recommended assessment changes basically are requiring that the application of the U. S. Department of Commerce CPI will be applied to the existing assessments, but will be retro-adjusted to 2004, which was the last time there was any change in the assessments. They will bring them current, and then in every year henceforth, apply whatever the current U. S. Department of Commerce CPI might be. They are also recommending to move from the previous five zones within the boundaries to three zones and that the following rates be used in the baseline year (FY09):

- Zone 1 - \$.055 per square foot (current \$.05)
- Zone 2 - \$.044 per square foot (current \$.04)

- Zone 3 - \$.033 per square foot (current \$.03)

She added that the DTC exists in order to be the advocate for the landowners and businesses within the boundaries of the district. The DTC provides a variety of services beyond advocacy, with access and parking being chief among them. They do a great deal of image marketing for the entire district, such as the festivals produced in contract with the City. There are a number of ways in which the DTC encourages the business owners to help promote the district.

Mayor Hallman clarified that there is a mechanism by which the City votes its interests in the process.

Ms. Goronkin agreed that the City is represented on the Board of Directors. The City voluntarily participates in the assessments; by state law, they are not required to do so. There are 44 landowners in total. The City of Tempe is an extremely large landowner in the district (47% of the total square footage), and pays 17% of the total budget. The 17% is actually the City-owned property that has not passed through. Most of the government excise issues are passed through as an individual invoice and billing system.

Mayor Hallman asked about the US Airways property listed on page 23. Although it is subject to a GPLET, he wondered why that one doesn't show up as a City of Tempe obligation.

Chris Wilson responded that he will check with Chris Messer on that. Also, the recent land sale to the Tempe Gateway project may have affected that in some way.

Mayor Hallman clarified that US Airways parcel 91 is \$4500 and it would imply that US Airways is paying that already. America West Holdings Corporation which shows \$42K is the holder of that. He asked for that information as well.

Mr. Wilson clarified that Parcel 91 is actually the Pennysaver property.

Mayor Hallman clarified that it is only the America West Holdings Corporation at \$42,324.39. That may be a City of Tempe allocation.

Mr. Wilson responded that it would be passed through in an invoicing system. Much of this is passed back to the property owners.

Mayor Hallman asked Andrew Ching to determine whether, under the GPLET, if the City gets the right to pass back to the owners. He recalled that the City holds title to the property and he wouldn't think the City has the right since in most instances we are giving them back the property tax associated with it. He would like to know that. The total that we are putting in for those other landowners without America West appears to be nearly \$100K on behalf of third parties, otherwise the City is only putting in about \$100K of the total for the operations of the DTC.

Mr. Wilson added that Chris Messer's staff will have those two numbers.

Ms. Goronkin added that the DTC has a very strong working relationship with Community Development staff. Working together, they have tried to true out these numbers to the greatest extent possible and to understand who owns the land, whether or not any sales have occurred which have reduced the area of the actual property, what those properties are used for, etc. This is how the documentation has been produced for today.

Mayor Hallman added that one of the proposals is to change the name of the Downtown Tempe Community to the Mill Avenue District.

Ms. Goronkin stated that there has been some confusion over the years when people somehow believe they are members of the City staff. It is also consistent with their branding.

Mayor Hallman commended their effort in getting everyone on the same page.

CONSENSUS

City Attorney to determine if America West can be passed back if City property.

Follow-up Responsibility: Andrew Ching

Solid Waste, Water & Wastewater Rates

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Water Utilities Manager Don Hawkes, Financial Services Manager Jerry Hart, Deputy Public Works Manager John Osgood

Don Hawkes summarized that Public Works and Financial Services worked together on the solid waste rates. Water Utilities, Financial Services and their rate consultant, Red Oak Consulting, worked on the water and wastewater rates. Staff brings recommendations to move forward with the hearings to adopt a rate increase using Alternative #2. Alternative #2 phases in cost-of-service rates over a 3-year period, and the net result with water, wastewater and solid waste is a 9.4% increase. For an average single-family residential customer, that would relate to about \$5.55 per month. While these are significant increases, this still has Tempe positioned very well within the Valley. Tempe will be the second lowest municipal utility service in the Valley. Chandler is the lowest. Gilbert is still contemplating a 6% increase. Phoenix has implemented a 9.9% increase effective in March which is not reflected in this graph because all data is based on January 2008.

Mayor Hallman added that under State law, the City can only charge what it really costs to run these operations, because water, wastewater or solid waste are not funded from general tax collections. They are funded operations and have to operate fully from the charges that residents and businesses pay.

Vice Mayor Hutson added that this item did come before the Council's Finance, Economy & Veterans Affairs Committee. It is a hard decision to make. Along with the federal mandates, we really don't have much choice and it is the committee's recommendation to proceed with Alternative #2.

Mayor Hallman added that the cost the City has incurred to upgrade its facilities to match current regulations is

about \$106M in additional costs. There is also replacement of infrastructure in many locations across the City, and that is another \$46M. Finally, as the community continues to build out and reach completion, some facilities, water lines and sewer lines must be upgraded, and that is about \$57M. All of those things get paid out of the water and wastewater fees, so new development also pays. Growth pays for growth. Current residents pay for replacement of the infrastructure that has been serving them for decades and we all have to bite the bullet on the cost the federal government is imposing to upgrade facilities.

Councilmember Carter asked that as this moves into the public hearing phase, she would hope that we can articulate to the citizens a snapshot of reality in whatever means we can prior to the hearings.

Mr. Hawkes responded that outreach is being done.

Mayor Hallman suggested expanding the scale on the left side of the graph, which would at least convey a little more clearly the information and distinction.

Councilmember Ellis commended staff for keeping the budget items low and keeping Tempe in range.

Councilmember Shekerjian thanked staff for the comprehensive information.

CONSENSUS

Move forward with process for Alternative 2 for 9.4% for Solid Waste, Water & Wastewater rate increase phased in over three years to adopt new rates.

Follow-up Responsibility: Don Hawkes

Bond Election Discussion

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenter: Financial Services Manager Jerry Hart

Charlie Meyer summarized that staff is asking Council for direction for a date for a bond election. It occurred to him that he would probably have asked Council to consider this back in January before the capital plan was structured and then, based on what the Council directed staff, staff would have built the capital plan around that.

By doing the opposite, the capital plan was built around the concept of a November election. In subsequent discussion, the prospects of splitting up multiple bond elections or deferring a bond election to November of 2009 were considered. Either November of 2008 or November of 2009 are equally viable options, and each has its advantages and disadvantages. Since the plan was initially structured around having funds available as of November 2008, if we choose to go to a November 2009 bond election, we will need to make some adjustments. Those adjustments can be made if Council wishes to go with that option. We would use some available cash to fund projects until such time as the November 2009 election could occur and at that point, Council would have the authorization from the voters to move ahead and do projects. For the most part, the best case scenario would be if the bond election was deferred until November 2009, we could probably keep all the projects the Council has in the CIP moving ahead. Worst case scenario would be that some projects would

wait, perhaps a matter of months, in order to have the funding available to actually start construction. We would borrow from cash funds upfront to keep the projects moving for a year. Under either option, we will accomplish the entire CIP. There could be some minor differences between the two, however.

Jerry Hart clarified that if Council were to decide to proceed with November 2008, we are obligated to call the election by July 7th. In looking at the Council calendar, the last meeting this fiscal year is June 19th, which happens to be the final property tax hearing and adoption of the property tax rate. We would have to actually call the election by that date, and at the same time we would need to have the ballot language as well. The ballot language is due to the County on July 22nd.

Mayor Hallman clarified that if we decided to move forward with a November 2008 bond election, we would need to make that decision by the June 19th meeting. It could be adopted at the July 17th meeting.

Mayor Hallman further clarified that if we are having a November 2008 election, and if we put our bond on the November 2008 ballot, people need to know the reason we are talking about a November date is because State law has changed and we have to have our bond election in November. If we had it in November 2009, that would be a special election. He asked how would that affect what the City pays for the election.

City Clerk Jan Hort responded that if we do it during the period of the normal General Election, it would cost about \$80K, and in November 2009, it would cost from \$140K to \$160K.

Councilmember Carter wondered what else would be on the November 2009 ballot.

Mayor Hallman responded that the Tempe Union High School District would have a bond election as well as an override election and unification for November 2008.

There was consensus to hold a bond election in November 2008. Council direction was to start preparing for an election in November 2008.

Mayor Hallman added that staff has noted that Option 2 was for \$113M in water and sewer improvement bonds, with \$100M of excise bonds being proposed.

Mr. Hart clarified that proceeding with a November 2008 election would take the bond election total to \$238,710,000.

Councilmember Arredondo asked about Option 4.

Mayor Hallman clarified that Option 2 and 4 are identical on the street improvements, but there is a difference in law enforcement. Option 2 has \$10,900,000 in law enforcement bonds vs. Option 4 with \$2,823,527. The only change in Option 2 is \$113M in water and sewer improvements. That increases the total to \$238,710,000, and that assumes that \$100M of excise tax bonds.

Mr. Meyer added that the proposal would not result in the delay of any project.

Mayor Hallman further clarified that the Option 2 footnote, Item #1, would be changed to \$100M, and item 4 would be deleted. The consensus is Option 2 with the adjustments described for November 2008. That means staff needs to have to Council by June 19th the Call for the Election with proposed language that needs to be finalized by Council's July 17th meeting. The only other item implied in our bond program are the numbers that Mr. Hart had prepared in the CIP initial proposal that imply there is \$7.7M in unallocated bond authorization and bonding capacity available plus \$12.5M in extra Rio East proceeds.

Mr. Hart agreed, although with the addition of a few of the projects from the unfunded list, that has taken the Rio East number down to about \$11.8M.

Mayor Hallman also added that there was material that referred to the assumption of the property valuation increase for the current year of being only 10% which the County estimates now show at almost 16%.

Mr. Hart clarified that is actually the 2009 assessments.

Mayor Hallman clarified that there is an estimated 16% increase. That material showed that the historic appeals reduction in valuation is less than 1% which would bring that number down to 15%. The assumptions in our model that uphold this plan said it would be 10%, so there is an extra 5% in valuation increases that we have included in our CIP for this bond model. All of that taken together show a significant leeway currently to consider some other options.

Mayor Hallman distributed a memo to Council outlining concepts for setting the property tax rate at a lower number than the \$1.40 with the understanding that it would allow the entire five-year CIP to be funded. In addition, in the last four years the reserve has been increased from 5% to 8% so that there is always at least 8% in reserve to pay bonds. That's a big part of the reason the City has a triple-A bond rating. With almost \$400M in bonds that were just recently placed, Tempe again received a triple-A rating. That is an incredible achievement for this community. The Tempe Union High School District is in dire fiscal straits and needs the City's help. They are going to be having a bond election and he would like Council to consider an opportunity to reduce the City's property tax rate from \$1.40 to \$1.27 without touching any of the CIP items and not delaying any of them. Tempe Union High School District will have to increase its rate as a result of the bond it will issue, and this is our taxpayers' opportunity to shift capital essentially from the City of Tempe over to the school district without imposing any further tax increase on our residents. The residents could then go forward and support the school's program knowing that between the School District and the City, capital has been placed where it is most needed and it will reduce and minimize the tax impact on the residents.

Councilmember Mitchell clarified that in speaking of bond elections, whether it's about the school district or the City, it is just asking the voters for authority to spend the money.

Mr. Hart agreed.

Mayor Hallman asked that when voters are asked to approve bonds, doesn't it imply that taxes have to be collected to pay them and doesn't it imply what the tax rate will have to be?

Mr. Hart agreed. One of the things we have to provide in the publicity pamphlet is an estimate of what that rate will be to pay for those bonds.

Mayor Hallman suggested forming a committee because the City of Tempe can't participate in the bond election itself. Councilmembers can, but they can't use City resources to do that. Going forward, he would like Council to consider privately who could chair that committee. He felt that those who have illustrated they can lead in these kinds of things are Councilmembers Mitchell and Arredondo. He would like them to consider chairing that committee when the time comes.

CONSENSUS

- November 8, 2008 Bond Election.
- Approved Option 2 with addition of \$113,000,000 Water & Sewer improvement, for total of \$238,710,000.
- June 19, 2008, Call for Election
- Finalized by Council on July 17, 2008
- Consider lower property tax at later date.

Follow-up Responsibility: Jerry Hart

SACA Grant Program

INFORMATIONAL BACKGROUND available in City Clerk's Office.

DISCUSSION – Presenters: Support Services Director Brenda Buren; TCC Assistant Director Jayson Matthews

Brenda Buren summarized that staff is asking for feedback on proposed changes to the Seized Asset Community Action (SACA) Grant Program. The Tempe Police Department began funding the SACA program about 15 years ago with proceeds from adjudicated RICO forfeitures. The Tempe Community Council (TCC) has administered the SACA grant program since that time. The purpose of the program is to take proceeds from illegal criminal activity in the community and focus on funding gang and drug prevention programs in the community. Since 1992, the program has brought back a little over \$400K to the community.

Vice Mayor Hutson stated that the previous memo had listed organizations who were either going to apply or have applied. As he understood this program, it is gang and drug related. He has a difficult time with some of the programs listed that are not gang or drug related. Will they qualify?

Jayson Matthews responded that the process distributes the actual grant opportunity to all of the agencies that have either applied for both the SACA programs and the human service grant process over the last three years. Those agencies will be able to self-select. If they do apply and are not qualified, they will get filtered out through the evaluation process.

Vice Mayor Hutson added that it was his understanding that the money could only be used for gang or drug

related programs. Is that true?

Ms. Buren responded that it is true.

Councilmember Arredondo suggested that in the future it would be more effective to leave this with the Police Department and let them determine that the money is being used properly. Once those needs have been met from the City's perspective, then they can go ahead. The only people who know and should know how that money can be used is the Police Department.

Mayor Hallman clarified that the proposal the Police Department is making is that ultimately all of these grants will come back to Council for final decision, just like the TCC-funded programs. He would look to the Police Department to be making final recommendations whether or not the requests and proposed awards meet the criteria for the funding. This finally puts back into Council's lap the responsibility and the opportunity to make those decisions.

Councilmember Arredondo just wanted to make clear that it is the Police Department's responsibility to enforce the law about the use of the SACA money.

Vice Mayor Hutson added that he would be in favor to move it to the responsibility of the Police Department with the recommendations brought back to Council for approval.

Mayor Hallman said that he was comfortable that the TCC can run the process. They will make recommendations, and those recommendations will be reviewed by the Police Department and presented to Council. Council will rely on the Police Department to make sure they are appropriate.

Councilmember Arredondo clarified that prior to going to the TCC, the City Manager and the Police Chief should make sure that the City's needs for gang and drug prevention are met. Whatever money is left over goes to the TCC.

Mayor Hallman clarified that Councilmember Arredondo was proposing that the memo be changed to specify rather than "10% or \$30K, whichever is less", it should add, "or whatever amount the Police Department has left over to give."

Councilmember Shekerjian stated that on page 3, under item 3, paragraph 3, it states that this year the SACA grant program will be approved on June 5, 2008. She suggested that in the future that it takes place earlier in the year because if the school districts were to choose to apply, it affects their ability to staff.

Mayor Hallman clarified that the memo currently states that the amount of funding going to TCC for dispersion under the mini-grant program would be the lesser of 10% or \$30K. If there is \$500K in total funding, 10% would be \$50K, but the memo is saying that the total amount would be no more than \$30K. If there was only \$250K, then 10% would be \$25K. What Councilmember Arredondo, Vice Mayor Hutson, and he were saying is make sure that the Police Department has used the SACA money first for every need it believes is appropriate and necessary for the Police Department, and if there is less left over than the 10% or \$30K, that amount will be

applied. The standard will be the lesser of \$30K, 10%, or the amount the Police Department deems available for that year's grants. Councilmember Shekerjian's point is that this process has to be run much like the TCC process so it completes earlier in the cycle and probably no later than the typical TCC funding cycle so that agencies who want to apply and use those monies can plan for hiring and matching funds, etc.

Councilmember Shekerjian appreciates the effort the Police Department has put forward to clarify the information. She just wishes it could have happened sooner.

Councilmember Ellis stated that it was her understanding that when this started in the early 1990's it was complicated how the money came to Tempe. She asked if it has cleared up so that it could be done earlier in the year?

Ms. Buren responded that the mini-grant program is established earlier in the year. They actually approved one of the mini-grants because they knew the timeframe was in place.

Councilmember Ellis agreed that TCC's involvement is why the Police Department asked TCC to help. Agencies were applying for general revenue grants and SACA grants for the same program, and it is essential that link stays. What is the maximum dollar amount for a mini-grant?

Mr. Mathews responded that it is \$50K.

Councilmember Ellis asked what other criteria will be looked at.

Mr. Mathews responded that they have included a sample evaluation sheet that the volunteers will be using to review and it has been posted on the website. It puts a strong emphasis in the point total on the anti-gang, anti-violence and character building for that program.

Mayor Hallman noted Item 2 speaks about the economic issues facing the City and proposes a portion of the surplus remain in the SACA account to be returned to the Police Department to help address efforts in fighting graffiti, specifically that \$85K be returned and used to purchase a vehicle that allows graffiti to be quickly removed. Council already directed \$200K in CIP money for acquiring the necessary vehicle. Why is another \$85K added here?

Mr. Meyer clarified that this \$85K would be used to fund a portion of that \$200K, so the other \$115K would come out of other CIP funds. This \$85K would go into the CIP for the graffiti abatement program.

Councilmember Arredondo asked when people write grants, they use targeted words, but he would hope that the TCC would realize that some of those agencies can justify it. That's a clarification that might need to be added. TCC would know who and what is justified.

Mayor Hallman added that his understanding of these programs is that it includes efforts to reduce gang activity so it includes pre-emptive efforts to keep kids out of gangs. For example, there might be programs where the school districts could apply to acquire funds that would be targeted toward special communities of students who

might otherwise be at risk. Educational programs could be used to make sure those students go in a positive direction. His hope would be that the TCC knows how important it is to look broadly to support our youth.

Councilmember Arredondo added that there might be other nonprofits out there with programs.

Councilmember Shekerjian added that the community needs to realize if they have an anti-gang or anti-drug program that they would like to see funded with SACA money, there is a process by which anyone can apply.

CONSENSUS

Proceed with SACA Program process as presented with following changes/additions:

- Money to be determined by the Police Department, 10% NTE \$30,000 annual or amount deemed prudent by Police Department.
- Begin future process earlier in the year to allow school participation.
- Post to web to open notification to all.

Follow-up Responsibility: Brenda Buren, Jayson Matthews

Affordable Housing Trust Fund

INFORMATIONAL BACKGROUND available in City Clerk's Office.

Mayor Hallman summarized that staff is asking to move forward with the creation of the Affordable Housing Trust Fund. There are already projects coming forward that will be generating significant dollars for contribution toward an affordable housing program. Councilmember Ellis is Chair of the Transportation, Housing and Environment (THE) Committee and that committee has been working with staff to develop the tools to move forward for affordable housing. That has resulted in this concept.

Councilmember Ellis added that this concept was developed by a group of citizens working with staff as well as with a consultant.

Mayor Hallman added that this is the beginning step for the formation of an Affordable Housing Trust Fund in which the City can begin depositing money received. So far, \$150K is coming from Avenue Communities (\$45K per tower), and \$100K from University Square. The projects downtown are creating resources to be put into a trust fund, and as a result a vehicle needs to be developed to hold the money and start on a process for how that money will be distributed. The memo provided by staff outlines a process.

Councilmember Carter asked for the difference between this and the land trust.

Mayor Hallman responded that the land trust was not directed by the City of Tempe, but rather a third party charity. This will actually be held by the City and requests for proposals or notifications of the availability of funds will be sent to agencies that supply the kinds of services we are looking to support.

CONSENSUS

Proceed to set up an affordable housing trust fund.

Follow-up Responsibility: Chris Salomone

Formal Council Agenda Items

None.

Future Agenda Items

Councilmember Ellis suggested that the Council Summits be calendared for the calendar discussion set for June 19th.

Councilmember Arredondo added that he had understood that before the Summit, Mr. Meyer was going to come back and provide his perspective from his first months on the job. He also asked the City Manager to have the Police Chief introduce the new liaison tonight.

Councilmember Carter suggested a discussion on how to dispose of aging public art.

Mayor's Announcements/Manager's Announcements

None.

Meeting adjourned at 7:40 p.m.

Jan Hort
City Clerk