



Minutes City Council's Mill and Lake District Committee April 9, 2009

Minutes of the meeting of the City Council's Mill and Lake District Committee held on Thursday, April 9, 2009, 4:00 p.m., in the City Council Chambers, Tempe City Hall, 31 E. 5th Street, Tempe, Arizona.

Committee Members Present:

Mayor Hugh Hallman
Vice Mayor Shana Ellis
Councilmember P. Ben Arredondo
Councilmember Mark W. Mitchell
Councilmember Joel Navarro
Councilmember Onnie Shekerjian
Councilmember Corey D. Woods

City Staff Present:

Chris Anaradian, Development Services Manager
Lisa Collins, Deputy Development Services Manager and Committee Liaison
Jan Hort, City Clerk
Lisa Lathrop, Administrative Asst. II/City of Tempe
Chris Salomone, Community Development Manager

Guests Present:

Nancy Hormann, DTC

Mayor Hallman called the meeting to order at 4:08 p.m.

Agenda Item 1 – Introductions

Agenda Item 2 – Public Appearances/Call to the Public

None.

Agenda Item 3 – Mill and Lake District Development Update and Overview

Mayor Hallman summarized that the goal is to provide an overview of the history.

Chris Salomone provided a summary of some of the actions taken over the last three or four years regarding the urban core, and noted that the last economic cycle was a renaissance for Tempe, but with the current economic low, it might be the time to move forward with some deliberate planning. The previous Committee of the Whole meetings were more of a workshop setting and Council would have the option to continue that format if they choose.

- During the last six years, 30-story buildings were proposed which led to quick staff analysis of where that development should occur.
- In 2006, staff developed, at Council's direction, the Community Design Principles which deal mainly with the urban core. The principles centered around four ideas: integration, definition, articulation, and innovation and with quality development, quality materials, building setbacks, articulation, some discussion of corridors, places that would be preserved, and places where development could be dictated by the market. The document was designed to be something staff could give to the development community to outline what was expected in Tempe. It may need to be updated in the months to come.
- Out of that, height guidelines for downtown buildings were developed. This was done in conjunction with the introduction of the tall buildings, the concern about which areas should be protected from tall buildings, and the FAA push to deal with height on a case-by-case basis. Planes of development were developed where height could be 300 feet where it was away from the main corridor, where it would be lower in order to protect views of the Butte, and where it would be lower in order to protect the historical urban core, and these were adopted as guidelines for developers to follow. For the most part, the developers did follow these guidelines in the many projects that came after that. This plan should be revisited in the next few months.
- Staff is setting up a design planning team to look at transportation corridors, advanced planning for the City in a way that has never been done, and unification of advanced planning with redevelopment.
- Finally, the Project for Public Spaces (PPS) study was done.

Mayor Hallman noted that the PPS study was never presented to Council in a robust way, and this is the forum where it should be presented.

- The PPS study involved a public process with many workshops held. Teams went out to do place-making exercises, ASU helped immensely, and community members volunteered their time. The area was divided into districts and a lot of energy was created around the idea that buildings aren't put where a park should be, or development where connections between ASU and Lake and downtown should be, where bike paths should go into the balance of the City, and where corridors should exist. A number of concepts were introduced during that study. In those public workshops, international best practices were examined and it did develop a sense of Tempe going forward with elements to look at and the kind of techniques to incorporate into planning documents. These are things staff would like to see codified. Staff would like to bring them back to Council and have these principles in the urban area, around the Lake, and along the transportation corridors become more solid so that these developments aren't done in an ad hoc way going forward. Staff will be asking for Council's direction on that.

Chris Anaradian summarized that the urban spaces tie into a phenomenon Development Services has been noticing during the last year and a half. He showed the valuation of issued building permits from 2002 to the present. This data represents private investment in the community and it shows the building boom in 2006 and 2007. Over the last five months, the City has had the best year ever for private investments, right in the middle of the recession. It started to level off in the last month. There has been a lot of variability in the last year.

Mayor Hallman clarified that he was attributing all of the activity into the single month when the permit is pulled and that is why spikes are shown.

Mr. Anaradian added that it relates closely to the public and urban spaces. He showed all of the development that relates to transit—Apache, downtown Tempe, and near light rail. Increasingly in the last year, student housing development is prevalent. The question as a service provider for our customers is how to keep this going. There are some principles. One is consistent service, one is clarity, and the big one is reducing uncertainty. When uncertainty is reduced, people want to invest. The zoning code, updated in 2005, was written for the entire community. Experience has shown that when projects come in, developers look at that book and say, "that's nice, but I am not

building in your neighborhoods. I am building in your TOD or your downtown or the Town Lake.” This is to be expected and we need the Council to separately consider through a PAD or whatever mechanism that we don’t want that parking ratio, or we don’t want to do that other sidewalk, or we don’t want that setback. On the Formal agenda tonight, there is a second hearing on a project in a neighborhood that is asking for certain things, and there is a first hearing on a project that is not in a neighborhood and is not asking for certain things, and yet the same set of rules apply.

Mayor Hallman clarified that the point is that these kinds of buildings are different and are situated in an area that is different from the typical area.

Mr. Anaradian stated that staff has created an urban commission because it is important not to affect the suburban experience because it’s working and people like living there. He proposed trying to attack some code changes that would help introduce certainty for those areas where things have been added, such as light rail. In the year ahead, he believes that work in his department will be down about 30 percent. He has people who can work on those rules. We want to make the code reflect the community that we serve and right now we have a code book that is trying to serve everyone and it is not ideal.

Mayor Hallman clarified that some of those things were fixed. For example, Hayden Ferry Lakeside had struggles over building a single parking garage for its buildings. They happened to cross parcels because they had to be able to divide up those sections of the property to sell a building and some parking rights associated with it, but our code said they couldn’t build a building against the lot line, let alone cross over it. We fixed that one at a time and we tried to fix that as a code provision.

Mr. Anaradian added that there is a lot more of that to be done in Planning. Building Safety tackled that a few years ago.

Mayor Hallman clarified that he wasn’t asking Council to do that today, but that this is an issue that staff would like to move forward on.

Mr. Anaradian clarified that this is what he would like to embark on for the next year and return in a year with something that Council could support. Instead of handling it the way the 2005 code rewrites started with a room of 100 people, he would like to get the people in who use this as part of their daily lives. He would like them to tell staff what the scope should be, then go to relevant commissions that the scope impacts and develop those ideas, and then return to Council. The finish would include things like working on the language, having stakeholder forums, putting things on line, going back to the commissions, and then the approval process.

Councilmember Mitchell asked how he proposed to change the code.

Mr. Anaradian responded that it may get a little more into building heights, but this is mostly about the physicality of the buildings and the process and the regulatory requirements, not the underlying land use. We are not trying to rewrite the General Plan nor are we trying to change zoning, but we need a series of discussions about parking standards in an urban environment vs. parking in a suburban environment. There is no end of projects that have come in that have said they don’t want to meet the parking standard.

Councilmember Shekerjian clarified that he might bring forward to Council different ways of dealing with different identified areas. A suburban area would look one way with certain codes and standards, and an urban area would look one way with certain codes and standards, based upon that identification.

Mr. Anaradian added that those areas are known today. We would like it to be the TOD and be downtown. The urban type areas wouldn’t include any single family. They would like to talk to others about that. There would be two

standards in the community in the zoning code that would tell people what we would like to see with certainty. People wouldn't have to wonder if they will get a PAD approved by Council this year. There won't be an endless run of people trying to get special treatment.

Council gave support to go forward.

Mayor Hallman asked staff to provide Councilmembers with the design guidelines and the building height guidelines document. Council has never seen the PPS final report and he suggested that it be presented to Council at the next Mill and Lake District Committee meeting.

Agenda Item 4 – Mill Avenue District Update

Nancy Hormann, DTC Executive Director, summarized that she would present their work plan and what the DTC is trying to accomplish in "this change of strategy for a new economy." This downturn needs to end and we need to take advantage of being ready to move forward when things start to pick up again. The DTC has initiated several things to help move forward.

- The simple goal is: "Build Traffic to Downtown Tempe."
- In order to do that, we need to create a more compelling value proposition in both perception and reality.
- Who are we talking to? Citizens or out-of-town visitors? The DTC's goal is to focus on the Valley citizens, which is more sustainable traffic.
- In order to do that, we have to change the perceptions, create a compelling reason to come here, and build traffic by doing both of those things. To do that, we need to create the reason to act.
- The cycle starts with today's product offering, then we give them a new perception and a reason to act, we add traffic, and with that traffic, more growth and investment comes which adds more traffic which gives more investment, etc. The compelling thing is that we have to start bringing people here.
- The Work plan is set for the next six months and the goals are:
 - Activate the streets
 - Activate the empty storefronts
 - Successfully manage and promote a cost effective – customer service oriented parking program
 - Successfully maintain, coordinate and promote a clean, safe, and vibrant public environment
- Street Activation – "Music on Mill", a non-event, but a seeding of street performers every Thursday night. The goal is to eventually bring more and more people without paying for them, but to activate the streets. They have heard over and over again that Mill Avenue is where you went for music. We want to be what people know we are. We hope eventually it will continue on Friday and through the weekends. Special events are fabulous. A record crowd attended the Festival of the Arts this year. Their event parking revenues during the festival were half of what they were last year because people came on the light rail. They didn't do the free parking lot or the shuttle, but just advertised the park-and-ride locations and the parking locations. Their goal was to bring people downtown and there were no complaints. The contributions the City makes to these events is \$21K and the actual dollar value DTC gives back to the City is about \$370K, but the DTC also gives \$162K in cash. These events are paying their way and they are self-sufficient.

Mayor Hallman asked how they would overcome the code provision that requires permits.

Ms. Hormann responded that if they aren't currently chasing the musicians off the street, why would they chase these performers off the street? It is a public right-of-way, and she didn't understand why there would be a need for a permit. They want to encourage people not to have to come down and spend money in order to entertain and be a draw. If this were done as a big event, it would cost about \$174K in permit fees, which would mean they couldn't do it.

- Empty Storefront Activation – “Madcap Theaters”, the Mill Avenue District Community Arts Project. DMB has leased the DTC the old theater space and workers are donating time or doing things at cost. The goal is to increase the live entertainment and cultural activity downtown. That’s what Mill Avenue has always been known for. They are renovating and utilizing eleven theater spaces, and performing arts groups, musicians, and comedians are ready to go. They are keeping cost low for them so that the community theater groups can use the theaters, and the DTC will only take a small percentage of their ticket sales. The biggest expense will be electricity to run the air conditioning system.

Mayor Hallman asked if ASU has been approached for joint use of this space.

Ms. Hormann responded that they are talking to ASU about using the space for classroom space. Tempe Mission Palms and other businesses would also like to use it for conference space. There are only enough funds currently to do two or three theaters and the upstairs lobby. They are looking for sponsors and she asked Council to help steer her in the right direction for sponsors. The demand is there. The theaters will be opening the first week in June. They are considering live music, but also school performances. The concept is to turn one of the theaters into a dinner theater. It is all about economic development. The empty storefronts in Centerpoint on Mill drive the negative press about downtown and Mill Avenue. Mill Avenue is an entertainment district, not a shopping destination, although there is that option. If we promote ourselves as a shopping destination, we will disappoint people.

- Retail Recruitment - Retail competition.
 - DMB has given the DTC one retail space free for a year.
 - DTC is holding a public contest for the best concept retailer for downtown. Business plans and concept plans will be submitted.
 - The winner of the contest will get one year’s free rent on Mill Avenue.
 - Non-winners can be cultivated for additional business.
 - This will create interest among unique businesses in locating in the downtown.
 - It will fill the vacant spaces in Centerpoint on Mill and then it will spread throughout all vacant spaces in downtown.
 - It will create a positive buzz for supporting growth of new business during rough economic times.
- Clean, Attractive and Friendly – very important part of what needs to be presented.
 - Hoping to expand the Ambassador program during the next year. The ambassadors are available on Thursday, Friday and Saturday, day and night.
 - Working to add more flowers to the planter boxes along the street, and they also plant flowers on “A” Mountain.
 - Electronic communications are used and social networking has been strong.
 - Contest for the best design for painting of electrical boxes.
 - Working with outdoor media companies to replace the stationary kiosks. She proposed that they be changed to a three-cornered kiosk that will be more easily changed. There is a possibility of selling appropriate advertising and the City would get 25% of the advertising sales.

She added that the DTC is attempting to continue to foster their reputation as an efficient, effective and respected organization. During the last six months, she has reduced staff to save about \$32K of costs. To do that, they took their special events staff and contracted them. It saved about \$62K.

Mayor Hallman clarified that the DTC’s annual budget has been about \$600K. He asked where that money comes from.

Ms. Hormann responded that it is through assessments and some in-lieu contributions.

Councilmember Navarro thanked Ms. Hormann for her ideas and concepts.

Councilmember Shekerjian stated that she thought the ideas were great. The street activation piece, in particular, is great, as well as the Madcap Theater. She suggested checking with Maricopa Community Colleges since they are always looking for places to hold classes. The City of Peoria instituted a 48-hour film festival. An independent filmmaker has 48 hours with certain parameters to make a film and come back and show it. That has been very successful. She suggested that Ms. Hormann check on that, as well. She appreciated Ms. Hormann's enthusiasm.

Mayor Hallman added that Mill Avenue is not an outdoor mall or a strip mall. It is unique and there are many landowners and each of them is seeking their own best. That makes a struggle, but it also means that it is organic, it is cutting edge, bohemian, and that is what Mill Avenue is about. It attracts all kinds of people, but a lot of it is about folks who are looking for refreshing experiences. The positioning statement and brand promise capture as well as it has been captured what Mill Avenue is supposed to be about. He thanked Ms. Hormann for taking the time to think about what it is. Regarding the last line of the brand promise, "the brilliance of ASU and true metropolitan culture", he felt this is rather a "unique" metropolitan culture. He feared that people would think we are merely trying to duplicate any large city. This is the largest small town one can find and it is a unique culture that is based in our history, the long commitment of the people in the community, the preservation of the intangible culture as well as the tangible environment in which that culture is placed, and that an historic structure, the open spaces, the parks that surround the downtown are all connected to it. He also appreciated the focus on Valley residents rather than out-of-towners. While we do a significant amount of business with tourists from long distances, it is the ability to pull in a less volatile, more stable environment that attracts people from around this valley. Most importantly, visitors want to go where the locals go, and that's what we have to sell to those visitors. That's why people who came to the Super Bowl in Glendale came to Tempe anyway. He also commended the excellent effort in putting together the packages and working with the landowners for the retail development. The City's economic development staff has been doing that across the valley, but this downtown requires a very specific focus and a lot of specific data, and he congratulated her on getting the landowners to start working together to provide that so that the DTC can act as a marketing arm for their space.

Ms. Hormann added that it is a joint effort between the City and the DTC.

Mayor Hallman added that she spoke about a dinner theater showing a movie rather than live entertainment.

Ms. Hormann responded they are setting up a dinner theater for live performances, but they would like to do another one that would be a theater venue.

Mayor Hallman suggested cross-marketing that with patrons could bring their own meal with a receipt from a downtown restaurant for free admission. That way we are selling to-go meals from our downtown restaurants for people to eat in that dinner theater and it avoids the hassle of actually cooking food on site.

Ms. Hormann added that they have started their own stimulus package for some of those doing semi-volunteer work by paying them in gift certificates.

Agenda Item 5 – Future Agenda Items

- PPS presentation

Mayor Hallman suggested that it be an in-depth presentation upon which to build for brainstorming on how to move forward. A lot of what explains some of the huge amount of activity that is going on, in addition to light rail, is a huge amount of marketing efforts undertaken by this Council over the last four years and the work that Development Services did to make the department run more efficiently. He attested to the fact that a huge amount of the

opportunity we are seeing and the stability of our revenues is due to the work of that staff, as well as Development Services, Engineering and Public Works working together to make this an effective and efficient place to do business. Tempe went from one of the worst cities in which to develop a building to one of the best. That speaks volumes for the leadership and the efforts of our staff in those departments.

Meeting adjourned at 5:00 p.m.

Prepared by: Connie Krosschell
Reviewed by: Lisa Collins

Jan Hort, City Clerk