



Minutes City Council's Mill and Lake District Committee June 11, 2009

Minutes of the meeting of the City Council's Mill and Lake District Committee held on Thursday, June 11, 2009, 4:00 p.m., at the Tempe Transportation Center – Don Cassano Room, 200 East 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:

Kris Baxter, Marketing Spec
Dawn Coomer, Transportation Plnr
Travis Dray, Dep Recreation Mgr
Hunter Hansen, Com Dev
Jan Hort, City Clerk
Glenn Kephart, Pub Wrks Mgr
Jeff Kulaga, Asst City Mgr
Jyme Sue McLaren, Comm Dev
Charlie Meyer, City Mgr
Micah Miranda, Comm Dev
Mark Richwine, Parks & Rec Mgr
Nancy Ryan, Rio Salado Mgr
Chris Salomone, Comm Dev Mgr
Larry Schmalz, Prin Plnr
Alex Smith, Com Dev
Sam Thompson, Dep Mgr, Parks
Mark Vinson, City Architect
Sheri Wakefield-Saenz, Econ Development
Shauna Warner, Neighborhood Svcs

Guests Present:

Neil Calfee, Dir, Real Estate Development, ASU
Nancy Hormann, DTC

Mayor Hallman called the meeting to order at 4:09 p.m.

Agenda Item 1 – Introductions

Mayor Hallman welcomed everyone to the meeting.

Agenda Item 2 – Public Appearances/Call to the Public

None.

Agenda Item 3 – Review Minutes from May 7, 2009, Meeting

Motion by Councilmember Mitchell to approve minutes of May 7, 2009. Second by Councilmember Woods. Motion passed, 7-0.

Agenda Item 4 – Project Updates

- ASU Block 12
Chris Salomone introduced Neil Calfee, ASU Director of Real Estate Management, to provide an update on the project.

Neil Calfee summarized that Block 12 is bordered on the north by 6th Street, on the south by 7th Street, on the west side by Forest, and on the east by College Avenue.

- This site has been assembled over the years by ASU, and most recently ASU completed the acquisition of private property.
- With these acquisitions, ASU is looking at an opportunity to move development along and seeks to create some opportunities to enliven College Avenue and meet the needs of the University at the same time.
- An RFP was issued about two weeks ago. ASU is looking for an ASU project which will include a 200,000 sq. ft. Class A office building, with a possibility of a new ASU bookstore of at least 80,000 sq. ft. This would necessitate shutting down the existing bookstore in the center of campus and relocating it. The project would also include ground floor retail along College, and an 800-space parking garage (still to be determined), and a to-be-determined use along the Forest and 6th Street intersection as a buffer to the mosque and the lower scale development on that quadrant of the block.
- The Burchett house on the southwest corner is not included in the RFP and ASU is looking at separate uses for that.
- The pre-bid meeting was held yesterday with more than 250 people in attendance.
- ASU is leasing approximately 200,000 sq. ft. of office space around the Tempe campus, and that space is needed, so it would make sense to consolidate this operation near the campus and lower lease costs. Currently they are paying \$25 to \$30 per sq. ft. lease rates.
- The concept is to use a public/private partnership to construct the project with ASU leasing the improvements in a manner where someone could come in with a lease-to-own situation with below-market rents that will have ASU owning the project at the end of the lease term.
- The structure may not have worked several years ago when the economy was hot, but at this point, it might be different.
- The RFP closes in mid-July. It will be a two-phased proposal with the first phase looking at qualifications from the developers, and the second phase involving making a selection of the project.
- Plan to have the project completed and occupied in three years, including 100% occupancy.
- The concept would be for a project of 10 to 12 stories with the goal of making it as buildable as possible and something that meets their needs and brings a lot of people into the area. Based on the financing models, they are anticipating that the project will have to look, act and feel like a commercial office project. If ASU were building it, they probably wouldn't add a parking garage into it, but based on the financing models, it will need to have parking, at least for the office space.

Mayor Hallman recalled that the original proposal in 2002 was for two towers with a ground-floor footprint no bigger than 9,000 or 10,000 sq. ft. This proposal would end up being a super block model. How would it impact the downtown?

Mr. Calfee responded that the challenge is looking at the economics of creating underground parking, much like the Brickyard. The cost of that is incredibly high. ASU is trying to balance the desire to retain the costs and provide a project that is financeable and buildable, but at the same time compromises that alley connection by keeping parking above ground, getting a configuration that would work, and pushing the density to the College Avenue side. They have tried to ensure that all of the density would be up against College and will taper down to two stories at Forest. The only way to do that would be to create a fairly sizable parking deck that stays above ground.

- College Avenue Streetscape

Chris Salomone summarized that in keeping with the PPS principles, ASU has brought to the City a planning effort to look at streetscape along College Avenue to differentiate it from Mill Avenue, to allow connectivity along 6th and 7th Streets to Mill Avenue and to embark on a theme concept.

Mark Vinson summarized that College Avenue has new development to the north end on one side, and new development on the south end on the other side, and is a relatively short street that is an important link. It seems to want its own character. It has related characteristics to Mill Avenue on the west with 3rd Street / Arizona Center to the east, but it would have its own realm. Staff studied what ASU is doing on their campus in downtown Phoenix and he showed pictures of the Taylor Mall streetscape. It is of similar size, three blocks long, connecting Central Avenue, and along the way links ASU campus buildings. Part of the street is open to vehicular traffic with parallel parking, and the part closest to Central Avenue is closed except for emergency service vehicles. There are building overhangs and shade, built-in benches, and landscaped areas situated so pedestrians view more landscaping than parking from the street. The parking spaces are surfaced with a porous concrete block that allows some percolation and natural drainage. Public art is also incorporated in the walkway itself, and a focal point is created at the west end.

Councilmember Shekerjian suggested that if a focal point is developed, it should be better than what Phoenix has. Concerning Block 12, she asked if the City has a say about what ASU does on that property.

Mayor Hallman responded that to the extent it is not strictly academic, the City would have a say.

Councilmember Shekerjian stated that she thought that such giant blocks of property were moving away from space-making and re-engaging the grid so that people can flow back and forth. For financial reasons, she understood why ASU might want to do that, but in terms of what the City is trying to do, she didn't understand how that works into the concept of opening up streets.

Mr. Calfee responded that the challenge ASU has run into is how to make the development viable and financeable. The stated goal would be to leave the alley. The problem is then to lay out parking and get a project to work, something has to give. If they leave the alley, they will likely create a parking garage that works and it would be necessary to push all parking underground. For example, with a 200,000 sq. ft. office building, to build 800 parking spaces with that, the parking will be pushed to four levels above ground and two or three levels underground. The cost would be \$20K to \$25K per space which is two to three times what it would be for total underground. Can they build a project that is buildable within the next three years that enlivens 6th Street, 7th Street, and College and is sensitive to the mosque and the Burchett House? In his view, the alley would need to be sacrificed. It activates the streets and does a lot to make the connection along College, much like

what has been attempted for years between Mill and the Lake. The Tempe Gateway project starts to fill that gap and it is important in order to create a continuous street presence along College.

Councilmember Navarro added that even a tunnel-type shot might lose 10 parking spaces, but maybe they could be put somewhere else.

Mayor Hallman added that it does need to include two separate buildings. Those kinds of challenges could be addressed and it would be up to ASU to decide that it is feeling enough pressure from this Council about what is important to the Council.

Councilmember Shekerjian added that she has great regard for ASU. If Council sent a message that it is important to us, they would come up with something that would allow us to have something. She asked Mr. Calfee, as a partner, to look if there is some option for a walkway.

Mr. Calfee added that they might be able to tunnel through.

Mr. Salomone added that going forward, staff expects to meet with ASU, along with all of the various interdepartmental staff, to work on an array of proposals for College Avenue and 6th and 7th Streets to present to Council.

Agenda Item 5 – Review Mill and Lake District Placemaking Investments

Chris Salomone stated that given the time constraints, staff would like to introduce the idea of alley treatments and receive Council recommendation on which alley for a demonstration.

- **Alley Treatments**

Hunter Hansen summarized that the “pedestrian backroads” are a key component.

- Around the country, some of the most character-defining elements are back alleys.
- They recapture land that has not been maximized.
- They reinforce pedestrian linkages.
- How can we take the same amount of right-of-way and re-program that space to have a café, triangulated use and to grow businesses?
- Los Angeles has a green alley program that addresses storm water and linking schools and networks through the re-capturing of the alleys.
- They clean up blight.
- Existing spaces that have infrastructure with shade amenities and businesses, include 6th Street Park Plaza to engage it with café/restaurant/hotel, the area behind the post office, the area behind the Gordon Biersch building, and the alley adjacent to Chronic Taco.

Mark Vinson continued:

- The Urban Open Space study suggests turning single-use spaces such as a parking lot into multi-use places where people would like to congregate.
- The City Hall Park Phase II would follow the master plan and bring the curving walkway around to form a focal point against the building and also repeat the idea of a quilting pattern that unites the buildings in the downtown campus and stands for the idea of coming together. It also allows for multiple uses.
- The sundial will have a permanent location on the south side of the parking structure.

Kris Baxter highlighted the grand opening of the park.

- Children would get “nerf-like” balls to throw out, some bubbles, Frisbees, friendly dogs, and snacks.
- It would be quick, simple and to the point.

Councilmember Mitchell asked about the outdoor seating area with the grassy area.

Mayor Hallman suggested if there was the right kind of person at the location on the south side of 5th Street, which would be the appropriate location for an eatery, we could end up with an extension of premises for specific periods of time and activate that space with games, for example.

Councilmember Mitchell added that it wouldn't have to be permanent, but during specific times.

Councilmember Navarro asked if that corner space is designated for an eatery.

Mr. Salomone responded that it was designed with that option in mind, but the market realities are that we may or may not get a restaurant. Every option will be brought to Council for direction. At the next meeting, staff could return with a more detailed update.

Mayor Hallman suggested that staff return with a couple of ideas for direction. It is a space that could activate a pedestrian way between the Brickyard Fountain Plaza and the 6th Street Park itself.

Councilmember Arredondo would like to see a cost comparison to what we are doing for the neighborhood alleys. We don't want to drop the residential alleys for a downtown alley.

Councilmember Shekerjian asked how this compares to what is being done in residential alleys.

Councilmember Arredondo responded that what is being done for residential alleys is completely different than what is being proposed for downtown. There is still a cost for both and he wanted to make sure the residential alley work is not being dropped in lieu of the downtown alley proposal.

Mayor Hallman added that the Quality of Life Committee made it clear at its last meeting that alley rehabilitation is still a focus for the Council. One doesn't preclude the other, but it would be important to stay on task.

- Sign Code

Chris Anaradian summarized that this is Development Services' potential project and the reason for bringing it forward today is to outline a proposed interim set of sign regulation changes. There has never been an economic environment where we didn't have complaints from business owners about the City's sign code. To a certain extent, that might indicate we have struck a balance between the aesthetics of the community and the desire for businesses to get the word out. In the current economic environment, there has been a chorus from the business communities that they would like to see some relaxed standards during these economic times. The following are being proposed for the next nine months. Over the last few days, as the final version was crafted, staff spoke with Byron Russell who owns two establishments on Mill Avenue, as well as Lyle Edwards who owns the Haven Apartments on Broadway Road, Charles Boyle with Grace Community Church, Michael Pollack who owns several shopping centers in Tempe, and with the Chamber of Commerce. They have all expressed accord with this direction on a temporary basis.

Jeff Tamulevich outlined the proposed changes to provide flexibility to the businesses:

- Lead-In Signs – typically in front of apartment complexes. Each complex is allowed four of these signs. The current ordinance allows 3 sq. ft. for each sign, and the proposal is for 6 sq. ft. The height would remain at 3 feet.
- Sale, Lease or Rent Sign – typically in front of a commercial, industrial or residential unit. Current ordinance allows 6 sq. ft. in area, and the proposal is for 16 sq. ft. (from a 2 x 3 to a 4 x 4) Still one sign per street frontage.

- Significant Event Sign – permit that can be obtained by any business and allows businesses to display banners, pennants, streamers, flags, inflatables for up to 14 days of the calendar year. The proposal is to increase that to 21 days every six months (42 days per year rather than 14 days).

Mayor Hallman clarified that the driver behind this is the fact that we have significant already-built multi-family for-sale projects that are having a hard time getting the word out and there are significant apartment complexes that are having a hard time getting their message out. The new trend is that commercial is also starting to lose significant occupancy. By doing this on a temporary basis, our commercial and residential landlords can get leased up and the for-sale product can get sold. If we get to that point, we don't have to continue to do it.

Councilmember Shekerjian added that the "moms and pops" are the ones to get hurt first and they depend on that signage as a large part of their advertising. In these economic conditions, the first ones to go under are the "moms and pops." These changes are an important consideration.

Councilmember Mitchell agreed only so long as it is temporary.

Mayor Hallman suggested including a "sunset" clause so Council doesn't have to take action and it will expire automatically.

- Prioritization of potential projects
Hansen summarized a handout showing current ideas that have come from the DTC, staff, and the public. He asked Council to review the list and staff will bring back concepts and ideas at a future meeting.

Agenda Item 6 – Tempe Town Lake 10th Anniversary Planning Efforts

Nancy Ryan stated that the Tempe Town Lake was opened on November 6, 1999. Staff is organizing activities and celebrations for the 10th anniversary on December 12th to coincide with the Boat Parade.

Nancy Hormann stated that the boat parade is a great thing to coincide with this anniversary. Birthday and anniversary party celebration events are being considered to add to it.

Kris Baxter summarized some of the brain-storming ideas:

- A very large birthday cake for the entire community.
- Competing for a Guinness Book of Records for the largest group singing "Happy Birthday" (10,000 is the record).
- A one-mile run with a finish into the cold December water of the Lake.
- Arizona Game and Fish would like to do a free fishing day.
- Samples of Parks and Recreation classes.
- A celebration of everything we already do at the Lake.

Agenda Item 7 – Future Agenda Items

- Continuing look at alley treatments and prioritization of projects
- Update on the program for trees and median plants on Mill Avenue
- Update on the maintenance schedule for cleaning streets and bus stops

Agenda Item 8 – Announcements

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- *Arizona Republic* News Article
- *Arizona Planning Association* Article

Meeting adjourned at 4:55 p.m.

Prepared by: Connie Krosschell
Reviewed by: Chris Salomone

Jan Hort, City Clerk