



## **Minutes City Council's Technology, Economic & Community Development Committee May 8, 2009**

Minutes of the meeting of the City Council's Technology, Economic & Community Development Committee held on Friday, May 8, 2009, at 10:00 a.m., in the 3<sup>rd</sup> Floor Conference Room, Tempe City Hall, 31 E. 5<sup>th</sup> Street, Tempe, Arizona.

### **Committee Members Present:**

Councilmember Onnie Shekerjian, Chair  
Councilmember Corey Woods

### **City Staff Present:**

Kris Baxter, Com Dev  
Martha Garner, Com Relations  
Michelle Gurrieri, Com Relations  
Dave Heck, Deputy IT Mgr  
Chris Messer, Prin. Planner  
Jenae Naumann, Asst. City Atty  
Joe Nucci, Preservation  
Sheri Partridge, Comm Rel  
Nikki Ripley, Com Relations  
Alex W. Smith, Technology Dev Spec  
Sheri Wakefield-Saenz, Econ Dev Administrator

### **Guests Present:**

Luis Almelda, Donation Coordinator, STRUT  
Jennifer Bucich, Insight Client Services  
Bob Gasser, HPC Chair  
Barbara Khalsa, Rio Salado College  
Dan Killoren, HPC

Councilmember Shekerjian called the meeting to order at 10:00 a.m.

### **Agenda Item 1 - Introductions**

Everyone introduced themselves.

### **Agenda Item 2 – Approval of Minutes from April 10, 2009**

Motion by Councilmember Woods to approve the minutes from April 10, 2009. Second by Councilmember Shekerjian. Motion passed unanimously.

### **Agenda Item 3 – Public Appearances**

None.

**Agenda Item 4 – Computer Recycling**

Dave Heck summarized that at the direction of the Committee, ITD looked at options for disposal of the City's used computers. He introduced Luis Almeida from Tempe High School. Luis had contacted the City about surplus computer equipment. Mr. Heck and Michael Greene met with Luis and Luis provided a tour of Tempe High's computer lab. Staff has verified that the City would be able to donate computer equipment to the school, so it would be a matter of Council direction. Typically, the City sells used computer equipment in the range of \$30 to \$100 per PC. The question is whether to allow a program like this to take the computers, refurbish them, and place them back into the community.

Councilmember Shekerjian asked, in terms of distributing the computers in the community to reduce the digital divide, if that is something Mr. Almeida's organization would be able to do.

Luis Almeida responded that he is very interested in this program and would be glad to do that.

Councilmember Shekerjian clarified that the goal would be to provide computers to students in the high school district who otherwise might not be able to afford them. She asked if he has talked to the district to be able to distribute the computers district-wide.

Mr. Almeida agreed to discuss this with the superintendent.

Barbara Khalsa stated that Rio Salado Community College has the Bridge Program to allow high school students to take college classes on line. They are located in five different high schools and one of their goals is to reduce the digital divide and provide access and exposure to computers. She stated that she would talk to their partners at Tempe High as a place to begin.

Councilmember Shekerjian directed Mr. Heck to work with Mr. Almeida and Ms. Khalsa and the school district to develop a plan on paper. She would then take that to Council for action.

Mr. Heck wasn't sure how much stipulation could be attached to the equipment after donation to the school, but he will work with them and see how this can be worked out. There will be nearly 500 computers in inventory by the end of the summer. Approximately 100 of those will be held back for the City's use.

Councilmember Shekerjian added that one point of organizing and branching out would be through Rio Salado Community College and the High School District.

Alex Smith suggested considering Tempe Elementary School District and Kid Zone for some would be older PCs.

Councilmember Shekerjian volunteered to bring all of these people together at a separate meeting to organize it.

Mr. Heck clarified that Tempe High's program allows students to refurbish the computers. If they can use them within the school, they will, or they can be donated into the community.

Councilmember Shekerjian suggested piloting a program in this direction, but then it could be expanded. One purpose would be the process of learning how to refurbish computers, and the second purpose would be to provide them to the community for students in need. She will convene a meeting separate from this to develop an expanded plan.

Mr. Heck agreed. He suggested seeding this program and seeding some other programs as well.

Councilmember Shekerjian added that the City could make some stipulations on the donated computers. She asked Sheri Partridge to set up a meeting with Dave Heck, Luis Almeida, someone from the Tempe Union High School District, Barbara Khalsa, and someone from the City Attorney's Office, as well as recommendations for attendees from Art Tate and Dave Schauer. At the next committee meeting, staff could provide an update. It might also be possible to involve non-profit organizations for the distribution.

Nikki Ripley will involve the media in this concept.

**DIRECTION:** Staff was directed to develop a step-by-step plan with the Tempe High school district and Rio Salado Community College and report back to the committee in June. The plan will be taken to Council, specifying what will happen to the computers.

#### Agenda Item 5 – Historic Preservation

Joe Nucci summarized that for the past several years there has been discussion on ways to get more private and commercial property registered. There is a lack of incentives to do that. The Historic Preservation Commission's (HPC) goal is to be on par with the cities of Phoenix and Scottsdale.

Dan Killloren summarized that in January he presented to the committee the initial concept for developing an investment package for historic preservation. He returned to the Commission for discussion, and the proposal before the Committee provides not only investments, but strategy to take the historic preservation program to the next level. He presented a series of recommendations, not all to be implemented, but rather a checklist to see which fit the City best. The two key programs are the Reinvestment Program and the Rehabilitation Grants Program.

- The Reinvestment Program sets aside City funds for investing in properties listed on the local register or property owners who have an interest in listing their property on the local register in return for some investment.
- The Rehabilitation Grants Program has been used in the City of Phoenix. This leverages the money the city has for investments in the community. One of their commissioners runs the grant program for the City of Phoenix. That program has produced a 1:4 match, so every \$1 the city invests leads to \$4 being invested on the part of the community. That is targeted at residential and commercial property owners with an interest in listing their property and doing some sort of historic rehabilitation.

He continued that part of what makes historic properties unique is the landscaping that surrounds them, particularly in the Maple-Ash and the older neighborhoods. Rental properties, in which owners don't want to pay irrigation charges and the landscapes end up not being maintained, have a deteriorating effect on the property as a whole. There is a potential of providing some financial assistance to property owners to maintain their flood-irrigated landscapes through the City by either waiving the fee it passes on from SRP or some sort of investment program.

He further provided a spreadsheet that presented the full range of programs. The HPC wants to do more than provide a match or financial assistance to property owners interested in rehabilitating properties. There are other forms of assistance that might not be as capital intensive. Within the technical assistance area, professional staff could provide recommendations to property owners on how to best rehabilitate their properties. This gets done currently in designated districts. Staff can also provide assistance on national register nominations or building condition assessment reports. The HPC has also looked at the more interpretive elements of historic designation, including the signage and plaque program and there has been discussion about properties that are listed on the local register receiving some sort of plaque as a designation of their commitment. They don't have much to offer a property owner who wants to list their property on the local register except for protection from detrimental impacts to that property. It is at the national register level that a property owner receives the property tax abatement and the financial considerations that come with designation. The Community Development Department has already funded a signage program for this year. In order to preserve it for the long term, the HPC is looking for funding opportunities.

Mr. Killoren summarized that the Commission is looking to create the preservation strategy and the Commission would provide the guidance to get that program started. It is really a City function to maintain the program, whether it is bond-funded or is a reinvestment or technical assistance program. This is the ideal time to form the strategy for the future.

Councilmember Shekerjian stated that she didn't feel comfortable proposing anything beyond this committee without identifying where the funds will come from. When he spoke of bond funds, was he talking about going out for a bond and asking the citizens to approve it?

Mr. Killoren agreed.

Councilmember Shekerjian clarified that out of nine items on the list, five are currently being done. She asked if the other four would be covered under the issue of a proposed bond.

Mr. Killoren responded that only the Rehabilitation Grants Program would be bond-funded. The Reinvestment Program would come from the City setting aside funds for that purpose. It is really choosing between two options. They would both be matches to property owners who are hoping to rehabilitate their properties

Mr. Nucci clarified that both the Reinvestment Fund and the Rehabilitation Grant Fund would have the same objective, but they would be funded differently. The grant program is proposed to mirror what the City of Phoenix has done and be bond-funded. The Reinvestment Fund could happen sooner because it can be funded from the proposed program similar to the "1% for the Arts" Program where it is development funded or is using some local or state revenue.

Councilmember Shekerjian added that the City is already asking a lot from the developers and she is concerned that adding another fee would be dangerous. She is concerned that they won't want to develop in Tempe.

Mr. Nucci added that the idea is that it would involve very little money, perhaps as little as \$75K per year from a development impact fee.

Councilmember Shekerjian added that it is important to be strategic when looking for the money. It is hard to ask developers to continue to contribute more or add an impact fee. It is important to think of the long term impact.

Councilmember Woods asked if there are any other potential sources.

Bob Gasser responded that at one time the HPC discussed a voluntary dollar contribution on the water bill.

Mr. Nucci added that one of the biggest adverse effects for these historic areas is rental housing. There are many non-owner occupied homes being held speculatively for redevelopment. The hope is that over the long term the historic designation will bring the market value up in the designated neighborhoods and force the rental properties out. Maybe it could be a fee attached to the rental properties.

Mr. Killoren added that an impact fee could be assessed on a case-by-case basis.

Councilmember Shekerjian added that a fee on rental housing would cut into affordable housing. There is a balance to be created. She is concerned also with making development unaffordable in Tempe. She asked about other potential sources.

Mr. Killoren responded that the Rehabilitation Grants, a bond-funded program, has been shown to operate effectively in Phoenix and it would be the model the HPC would be looking to replicate. They are looking for a strategy on which to operate going into the future.

Councilmember Shekerjian agreed that the Rehabilitation Grant Program would be worthy of further discussion. A voluntary donation on the utility bill for historic preservation may also be pursued. She suggested tabling a discussion with Chris Salomone about the potential of a percentage of the Community Block Grant (CDBG) to be set aside in the Capital Improvements Program budget.

Sheri Wakefield-Saenz asked Mr. Nucci if there was a possibility to do an overlay that captures existing tax revenue as a recurring source.

Mr. Nucci responded that is what this process does. It creates a zoning overlay that is different from the community at large for zoning purposes, and it might be extended for tax purposes.

Councilmember Shekerjian suggested a meeting with Sheri Wakefield-Saenz, Chris Salomone and Joe Nucci to explore that possibility. At the next meeting, that group will have an update regarding that funding source and see what can move forward.

#### **Agenda Item 6 – Social Media Update**

Kris Baxter summarized that she and Michelle Gurrieri have been remodeling the Council's web pages. They are looking at adding video, a photo bucket page, updating calendar items and basically remodeling the web pages. This will move forward over the summer.

Councilmember Shekerjian added that this is about connecting with the community.

Jan Hort added that the Clerk's Office is in the process of rolling out a new agenda system, Agenda Plus, so some of the links might change.

Councilmember Shekerjian asked whether there is anything that precludes inclusion of something, for example, like "chat with me every Tuesday night." Does that conversation have to be posted or can it be treated like a phone conversation?

There was discussion concerning what comprises public information.

Janae Naumann continued that staff had brought to the committee the document on the social media guidelines. Since the last meeting, there were concerns raised. One concern is that we have to be aware of our account names and branding, so when we sign up we want some official designation so it is obvious that it is on behalf of the City. The government is held to different standards. Another issue is that the newspaper can take down something that they deem offensive, but that doesn't mean the government can do the same. If we are posting on a particular topic, and someone either brings in a comment that doesn't fit the topic or fits to the topic but isn't a comment that we like, if it falls into a category of something we can deny, we can pull it down. However, if it falls into the category of what we have to allow, such as offensive or controversial or defamatory comments, the only way to effectively deal with that is to say we are only going to leave it up for a day or two and then after that time period, everything is being pulled down.

Nikki Ripley asked if that meant it wasn't being retained.

Ms. Naumann clarified that it was not being posted, but it is retained. We would designate a topic for the day and say that we will accept comments through a certain time and after that time, everything is taken down. That way, we don't get accused of censorship or prior restraint because we are doing what we said we would do. There are ways to structure it so that those comments live in another forum. Now that the guidelines have been finalized, the next step is sending it to Human Resources.

Kris Baxter added that another type of social media has been added--Photo Bucket and PitchEngine.com. This is a type of press release that is interactive, similar to the ones staff used for the national release of light rail. It looks like a mini-web page, but is e-mailable. Photos and videos and links can be added and it resides on a page on PitchEngine.com and releases from around the world are shown and people do have the ability to comment. These are very time-intensive, however.

**DIRECTION:** Social Media update at the next meeting.

#### **Agenda Item 7 – Neighborhood Commercial Centers**

Sheri Walkefield-Saenz summarized that as a result of this committee's meeting last month, staff had some action items to pursue.

- One action item was the Economic Forum to be held with Michael Pollack and some of the development community to discuss things that we could do with an internal departmental committee to improve the environment for retailers and neighborhood shopping center developers, and immediate steps that could be taken to potentially get some "wins" in terms of rehabilitating some centers in the community.
- The long term strategy would be to improve the M-80 codes or policies and programs that are available to developers and retailers in the shopping centers with the immediate strategy to get some "wins" in terms of rehabilitating some centers. This group was convened yesterday and 16 people attended. New ideas generated included:
  - Allowing extension of premises in areas outside the downtown.
  - The potential to "up-zone" or add greater density to neighborhood centers, specifically coming up with a revenue source or matching program to get some of the centers rehabilitated. For example, CDBG funding or stimulus funds could be used to get some pilot projects going. Staff thinks this can be done with Michael Pollack's Center at Baseline and McClintock and Elliot and McClintock.
  - There is a two-step process going forward: education and outreach in terms of marketing the opportunities we currently have but then also working to identify those things we can change that really don't negatively affect the long term aesthetics of the community.
  - The immediate step from the education/marketing piece is that staff will attend the International Council of Shopping Centers Conference on May 17<sup>th</sup> in Las Vegas. Michael Pollack will be there as well as several of the retailers that staff is looking to attract. Several shopping center owners and developers will also be there. Staff hopes to package some of the awareness issues and take it along as a special handout.
  - The next steps with Michael Pollack and his team will be to bring the Development Services team in to talk about specific project details, what is currently allowable, and what by development agreement could be accomplished.

She added that staff has been out taking photos of all the shopping centers around the City and assembling an inventory of vacancies and needs.

#### **Agenda Item 8 – Economic Forum – Discussion and Update**

Alex Smith summarized that the Economic Forum is scheduled for May 27 in the Don Cassano Room at the Transportation Center. Personal invitations have been sent to more than 40 business owners and developers, as

well as a broadcast invitation sent to the Tempe Chamber of Commerce, DTC, public relations representatives of the school districts, and the Tech Oasis Group. Approximately 3000 invitations have been sent.

Councilmember Shekerjian suggested sending invitations to some of the economists at ASU and contacts at the Community College District. That kind of expertise would be helpful as well.

Ms. Wakefield-Saenz suggested that staff discuss with Councilmember Shekerjian about facilitation. Feedback has been requested in advance and topics are listed on the invitation. The same format on the web page for the Technology Forum has been followed.

#### **Agenda item 9 – GPEC Update**

Sheri Wakefield-Saenz summarized that the numbers have changed a little bit.

- To date, the number of qualified prospects year over year are up 113%.
- Last month, they had 16 site visits that went to the community,
- International prospects are up 360%. The funding from the State went away, however, for the international contracts for business development.
- Specifically, 14.7% of those prospects were from California, 15.4% were international, and the prospects that they send to the community are up 24% compared to last year.
- There were two locates, 350 jobs last month, but unfortunately, those were prospects that we were short-listed for that chose Phoenix. They were corporate users and it was strictly a lease/rate issue. While we competed extremely well on the people side and location, it was an economic decision in the end.

#### **Agenda Item 10 – Future Agenda Items**

Next meeting will be at the Orchid House at 8:00 a.m. on June 12<sup>th</sup>.

Meeting adjourned at 11:35 a.m.

Prepared by: Connie Krosschell  
Reviewed by: Chris Messer

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Jan Hort  
City Clerk