

Minutes Formal City Council Meeting October 19, 2006

Minutes of the Formal Council Meeting of Thursday, October 19, 2006, held at 7:30 p.m. in the Harry E. Mitchell Government Center, Municipal Building, City Council Chambers, 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 7:35 p.m.

1. Councilmember Arredondo gave the invocation.
2. Mayor Hallman led the audience in the **Pledge of Allegiance**.
3. **MINUTES**

A. Approval of Council Meeting Minutes

Motion by Councilmember Mitchell to approve the following **COUNCIL MEETING MINUTES**.
Second by Councilmember Carter. Motion passed unanimously on a voice vote.

1. Council's Executive Session – October 5, 2006
2. Council's Issue Review Session – October 5, 2006 [20061019clrck01.pdf](#)
3. Council's Formal Meeting – October 5, 2006 [20061019clrck02.pdf](#)

B. Acceptance of Board & Commission Meeting Minutes

Motion by Councilmember Mitchell to accept the following **COMMITTEE & BOARD MEETING MINUTES**. Second by Vice Mayor Hutson. Motion passed unanimously on a voice vote.

4. Community Special Events Task Force – September 26 & October 10, 2006
[20061019setf01.pdf](#) [20061019setf02.pdf](#)
5. Enhanced Services Commission – September 13, 2006 [20061019esc01.pdf](#)
6. Hearing Officer – September 19, 2006 [20061019ho01.pdf](#)
7. Library Advisory Board – September 11, 2006 [20061019lab01.pdf](#)
8. Mayor's Youth Advisory Commission – September 19, 2006 [20061019myac01.pdf](#)
9. Neighborhood Advisory Commission – September 6, 2006 [20061019nac01.pdf](#)

10. Police Public Safety Personnel Retirement Board – August 10 & September 7, 2006

4. REPORTS AND ANNOUNCEMENTS

A. Mayor's Announcements

- Mayor Hallman announced that the **National Recreation and Park Association Gold Medal Award** was recently awarded to the Parks and Recreation staff. This award celebrates Tempe's continued dedication to providing world-class parks, facilities and services to the residents of the City of Tempe. It is an honor to be recognized for this commitment and acknowledge the work of its residents, staff and Council in making Tempe the best place to live, work, play, go to school and raise a family.
- Mayor Hallman read a Proclamation declaring October, 2006, as **Community Planning Month**. Community planning is an important part of Tempe, whether it be economic, planning and zoning, affordable housing, historic preservation or development/redevelopment. This recognizes the huge amount of work our residents do in contributing to all the great planning in the past and will continue to go forward in the future.

B. Manager's Announcements

- City Manager Will Manley invited the residents to a question-and-answer forum for Assistant Police Chief Tom Ryff, finalist for the position of Tempe Police Chief. This forum will be held in the City Council Chambers on Wednesday, October 25, from 6-8 p.m. He urged residents to come and provide their input in this important selection process.

5. AGENDA

All items in these minutes identified with an asterisk (*) are **public hearing items**. All items listed on the agenda are approved with one council action. Items scheduled for Introduction/First Public Hearing will be heard but not adopted at this meeting. Items scheduled for Second Public Hearing/Final Adoption will be voted upon at this meeting.

Mayor Hallman announced consideration of the **AGENDA**.

Motion by Vice Mayor Hutson to approve the Agenda as amended (Items #42, #44, #45 and #48 were removed for separate consideration). Second by Councilmember Arredondo. Motion passed on a roll call vote 7-0.

A. Miscellaneous Items

11. Approved acceptance of Title V Incentive Grant funds administered through the Governor's Office for Children, Youth and Families, and approved an extension of the existing contract.

COMMENTS: Federal funding for local delinquency prevention. Grant totals \$47,733.

- DOCUMENT NAME: [20061019csjt01.pdf](#) COMMUNITY SERVICE ADM
(0701-01)
12. Approved **Contract #2006-255**, an artist agreement with Brower Hatcher for artwork for the Glass Sculpture Garden at the Tempe Center for the Arts.
DOCUMENT NAME: [20061019csju01.pdf](#) TEMPE ARTS CENTER (0109-19)
13. Approved **Contract #2006-256**, an Intergovernmental Agreement between Tempe School District No. 3 and the City of Tempe for the implementation of the Experience Corps™ program.
DOCUMENT NAME: [20061019csjt02.pdf](#) COMMUNITY SERVICE ADM
(0701-01)
14. Approved the execution of **Contract #2006-257**, a license agreement between XO Communications, Inc., and the City of Tempe for the continued use of the city's rights-of-way to provide intrastate telecommunication services.
DOCUMENT NAME: [20061019ITD01.pdf](#) XO COMMUNICATIONS (0802-29)
- *15. Held a public hearing and recommended the approval of a Series 09 Liquor Store License for Circle K, Incorporated, dba Circle K Store #0145, 1101 S. Rural Road.
COMMENTS: Kim Kwiatkowski, Agent.
DOCUMENT NAME: [20061019LIQ1.pdf](#) LIQ LIC (0210-02)
- *16. Held a public hearing and recommended the approval of a Series 11 Hotel/Motel Liquor License for Safe Restaurant Manager, LLC, dba Sheraton Phoenix Airport Hotel, 1600 S. 52nd Street.
COMMENTS: H. J. Lewkowitz, Agent.
DOCUMENT NAME: [20061019LIQ2.pdf](#) LIQ LIC (0210-02)
- *17. Held a public hearing and recommended the approval of a Series 6 Bar Liquor License for Club Peso, Incorporated, dba Club Cherry, 411 S. Mill Avenue, #201.
COMMENTS: Brian Roehrich, Agent.
DOCUMENT NAME: [20061019LIQ3.pdf](#) LIQ LIC (0210-02)
- *18. Held a public hearing and recommended the approval of a Series 12 Restaurant Liquor License for RJ Restaurants, Inc., dba The Derby Grill & Pub, 6463 S. Rural Road.
COMMENTS: Lewis Barnes, Agent.
DOCUMENT NAME: [20061019LIQ4.pdf](#) LIQ LIC (0210-02)
- *19. Held a public hearing and recommended the approval of an off-track wagering establishment application for American Greyhound Racing, Inc., dba Arizona Off-Track Wagering, to be located at Six Shooters, 705 S. Rural Road.
COMMENTS: Daniel Luciano, Agent.

DOCUMENT NAME: [20061019STAX1.pdf](#) LIQ LIC (0210-02)

B. Award of Bids/Contracts

20. Awarded **Contract #2006-258**, one-year contracts with three (3) one-year renewal options to Stabilizer Solutions, Inc., Horizon, Arizona Sports Turf, Inc., and Elite Specialty Products, Inc., for ball field surface maintenance products.
COMMENTS: Subject to execution of the final written contracts. Total cost for these contracts shall not exceed \$80,000 during the initial contract period.
DOCUMENT NAME: [20061019fsdl13.pdf](#) PURCHASES (1004-01) (IFB #07-056)
21. Awarded **Contract #2006-259**, one-year contracts with two (2) one-year renewal options to Mesa Materials and Vulcan Materials Company for raw construction materials.
COMMENTS: Subject to execution of the final written contracts. Total cost for these contracts shall not exceed \$375,000 during the initial contract period.
DOCUMENT NAME: [20061019fslg14.pdf](#) PURCHASES (1004-01) (IFB #07-044)
22. Awarded **Contract #2006-260**, a one-year contract with two (2) one-year renewal options to Arizona Refuse Sales for truck-mounted roll-off container hoists.
COMMENTS: Subject to execution of the final written contract. Total cost for this contract shall not exceed \$102,050 during the initial contract period.
DOCUMENT NAME: [20061019fsdl12.pdf](#) PURCHASES (1004-01) (RFP #07-078)
23. Awarded a one-year contract to American Water Works Association Research Foundation (AWWARF) for an annual membership.
COMMENTS: Subject to execution of the final written contract. Total cost for this contract shall not exceed \$35,000 during the contract period.
DOCUMENT NAME: [20061019fst07.pdf](#) PURCHASES (1004-01) (Contract #07-094)
24. Awarded **Contract #2006-261**, a one-year contract with three (3) one-year renewal options to Norit Americas, Inc., for powdered activated carbon (PAC) for the Water Utilities Department.
COMMENTS: Subject to execution of the final written contract. Total cost for this contract shall not exceed \$850,000.
DOCUMENT NAME: [20061019fst15.pdf](#) PURCHASES (1004-01) (IFB 07-068)
25. Awarded **Contract #2006-262**, one-year contracts with three (3) one-year renewal

options to Spray Systems Environmental and Project Development Group, Inc., for asbestos, lead paint, and mold abatement.

COMMENTS: Subject to execution of the final written contracts. Total cost for the contracts shall not exceed \$50,000 during the initial contract period.

DOCUMENT NAME: [20061019fst10.pdf](#) **PURCHASES (1004-01) (IFB #06-094RB)**

26. Approved **Contract #2006-263**, a professional services contract, plus a design contingency, with CMX, LLC, for the Dorsey Lane and Apache Boulevard Park & Ride Facility for the light rail project.

COMMENTS: Subject to execution of the final written contract in an amount not to exceed \$68,300, and a design contingency in an amount not to exceed \$9,000.

DOCUMENT NAME: [20061019PWTG02.pdf](#) **TRANSPORTATION PLANNING (1101-01) PROJECT NO. 60-966710**

27. Approved **Contract #2006-264**, a professional services contract with Water Works Engineers, LLC, for the Well No. 6 Raw Water Pipeline project.

COMMENTS: Subject to execution of the final written contract in an amount not to exceed \$107,330.

DOCUMENT NAME: [20061019PWTG03.pdf](#) **WASTEWATER MANAGEMENT ADMIN. (0812-01) PROJECT NO. 3202701**

28. Awarded **Contract #2006-265**, a Construction Manager at Risk Construction Services contract, plus a construction change order allowance, to PCL Construction, Inc., for the Johnny G. Martinez Water Treatment Plant Water Quality Improvements Project Guaranteed Maximum Price (GMP) 1.

COMMENTS: Construction Manager at Risk Construction Services contract for a Guaranteed Maximum Price of \$1,531,402, subject to execution of the final written contract, plus a construction change order allowance of \$150,000.

DOCUMENT NAME: [20061019PWTMG04.pdf](#) **JOHNNY G. MARTINEZ WATER TREATMENT PLANT (0811-03) PROJECT NO. 3201091**

29. Approved one-year contract renewals with Moyes Storey; Ridenhour, Hinton, Harper, Kelhoffer, Lewis & Garth; Mariscal, Weeks, McIntyre & Friedlander, P.A; Irvine Law Firm, P.A.; Ayers & Brown, P.C.; and Fennemore Craig, P.C. for legal counsel.

COMMENTS: Total amount not to exceed \$100,000.

DOCUMENT NAME: [20061019fsdl02.pdf](#) **PURCHASES (1004-01) T06-047-01, 06-047-02, 06-047-03, 06-047-04, 06-047-05, 06-047-07**

30. Approved a one-year contract renewal with The Segal Company for employee benefits consultant services.

COMMENTS: Total amount not to exceed \$101,000.

DOCUMENT NAME: [20061019fsdl04.pdf](#) **PURCHASES (1004-01) (T05-**

053-01)

31. Approved one-year contract renewals with ACR Contracting, Inc., R. R. Hawkins, C&W Sons Enterprises, Inc., BCS Enterprises, Inc., Dickens Quality Demolition, LLC, and KNK Diversified, Inc., for demolition services for selected structures on the light rail right of way.
COMMENTS: Total amount not to exceed \$200,000
DOCUMENT NAME: [20061019fslq01.pdf](#) **PURCHASES (1004-01)** (T05-013-01 thru T05-013-06)
32. Approved a four-month renewal of State of Arizona contracts with Am-Pac, Wingfoot Commercial, and Purcell Western States for tires and tubes.
COMMENTS: Total amount not to exceed \$75,000.
DOCUMENT NAME: [20061019fsdl06.pdf](#) **PURCHASES (1004-01)**
(AD040531-A2-2-A2 and AD040531-A2-3-A3)
33. Approved the utilization of a nine-month Maricopa County contract with 3M Library Systems for three self-check systems for the Tempe Public Library.
COMMENTS: Total cost of this contract shall not exceed \$70,000.
DOCUMENT NAME: [20061019fsdl03.pdf](#) **PURCHASES (1004-01)**
(Contract #03032C)
34. Approved the utilization of a three-month State of Arizona contract with Kelly Services, Staffmark Pacific, LLC, and Corporate Job Bank Personnel Services for temporary employment services.
COMMENTS: Total cost of this contract shall not exceed \$256,250 during the initial contract period.
DOCUMENT NAME: [20061019fsdl05.pdf](#) **PURCHASES (1004-01)**
(AD000171-001-A5, 002-A5, 004-A5)
35. Approved the utilization of a twenty-two month State of Arizona contract with Workplace Safety Specialists for employee OSHA safety training services.
COMMENTS: Total cost of this contract shall not exceed \$90,000 during the initial contract period.
DOCUMENT NAME: [20061019fst08.pdf](#) **PURCHASES (1004-01)**
(Contract # EPS060041-21)
36. Approved the utilization of six-month State of Arizona contracts with Philip Transportation and Remediation, Inc., and Environmental Response, Inc., for emergency and routine response to hazardous substance and/or pollutant situations.
COMMENTS: Total cost of these contracts shall not exceed \$70,000 during the initial contract period.
DOCUMENT NAME: [20061019fst09.pdf](#) **PURCHASES (1004-01)**

(Contracts # SCC060013-2 and SCC060013-4)

37. Approved the utilization of a one-year State of Arizona contract with Brown Evans Distributing Company for vehicle lubricants.

COMMENTS: Total cost of this contract shall not exceed \$65,000 during the initial contract period.

DOCUMENT NAME: [20061019fsdl11.pdf](#) **PURCHASES (1004-01)**
(Contract #SCC070001-A3)

C. Ordinances and Items for Introduction/First Hearing - These items will have two public hearings before final Council action.

- *38. Introduced and held the **first public hearing** for an ordinance authorizing a development agreement for the sale of real property and dedication of a street and landscape easement to TOWN LAKE PROPERTIES, LLC. **The second public hearing is set for November 2, 2006.**

DOCUMENT NAME: [20061019cdcm01.pdf](#) **COMMUNITY DEVELOPMENT/REDEVELOPMENT ADM (0403-01) ORDINANCE NO. 2006.40**

- *39. Introduced and held the **first public hearing** for an ordinance authorizing a development agreement for the sale of real property and dedication of a street and landscape easement to RIO SALADO 2. **The second public hearing is set for November 2, 2006.**

COMMENTS: To Jerry Hubbell and Chris Rowley (and/or their successors in interest, known as RIO SALADO 2, an Arizona general partnership).

DOCUMENT NAME: [20061019cdcm02.pdf](#) **COMMUNITY DEVELOPMENT/REDEVELOPMENT ADM (0403-01) ORDINANCE NO. 2006.41**

- *40. Introduced and held the **first public hearing** for an ordinance granting a gas franchise to Southwest Gas Corporation ("SWG"). **The second public hearing is set for November 2, 2006.**

DOCUMENT NAME: [20061019casv01.pdf](#) **FRANCHISE ELECTION (0506-3004) ORDINANCE NO. 2006.84**

- *41. Introduced and held the **first public hearing** for an ordinance granting an electric franchise to Arizona Public Service ("APS"). **The second public hearing is set for November 2, 2006.**

DOCUMENT NAME: [20061019casv02.pdf](#) **FRANCHISE ELECTION (0506-3004) ORDINANCE NO. 2006.85**

- *42. ***THIS ITEM WAS REMOVED FOR SEPARATE CONSIDERATION.***

Introduced and held the **first public hearing** for a Planned Area Development Overlay for KENNETH PLACE LOFTS at 1426 South Kenneth Place. **The second public**

hearing is set for **November 2, 2006**.

COMMENTS: (Jimmy Evans, owner; DeLorme & Associates, applicant) (PL060566) for a Planned Area Development Overlay for eight (8) residential units, located at 1426 South Kenneth Place in the R-4, Multi-Family Residential General District and the Transportation Overlay District, including the following request:
SPD-2006.10 Ordinance No. 2006.24 Planned Area Development Overlay consisting of 26,064 square feet of building area on 0.40 acres.

APPLICANT PRESENTATION

Cammie Goldfarb, DeLorme & Associates, representing the architectural firm for this project. The project is an 8-unit townhome development, homeowner-occupied, CC&R, located in the Transportation Overlay District two blocks south of Apache Boulevard. This is a request for a Planned Area Development Overlay to allow for townhomes to be established to reduce the minimum lot size. This has gone through Design Review and has complied with all conditions of approval. They have worked with the neighbors on several occasions and had some extra meetings when necessary. They have gone through Planning & Zoning and have been approved also.

PUBLIC HEARING

Jeff Hansen, Tempe, Neighborhood Chair and a member of APAC, but he spoke as an individual. He feels the project does not fit into the neighborhood because the height is out of proportion to the single-story homes surrounding it. It is too much packed into too small a space. It adjoins two new land trust homes, and it is across the street from the first Habitat for Humanity home built in Tempe. All of these are single-story family homes. When the City put out RFPs for the land trust and the Habitat for Humanity home, they were asking for single-story, single family homes. An apartment was planned one street to the west of this project, and the developer reduced the structure from three stories to two because of citizen concerns. Two streets to the west is a six-acre redevelopment, a public/private partnership, and it will have 25 new homes and 25 condos. These will all be two-story homes to blend in with the existing neighborhood. This is an R4 neighborhood with apartments and houses interspersed. He is also concerned about the increase in traffic on Kenneth Place. The City's PAD Overlay promotes development that forms an attractive and harmonious unit. This project does not fit with the existing homes.

Julie Born, Tempe, lives next to the proposed development. She turned in a petition tonight signed by neighborhood residents. She had written an original letter that they were hoping would serve as an official protest, but it was determined that they needed 20% of the homeowners within 150 feet of the property, so she asked to add these signatures to what was turned in. She lives in one of the NewTown houses. Basically, this project is a 3-story building with a 4th floor roof deck and it will dwarf all of the surrounding homes. She is concerned with her loss of privacy. The higher traffic is also a concern. This project does not fit the character of the neighborhood. It will be the only 3-story building on that street and it changes the face of the neighborhood. There is also lower cost housing in that neighborhood that will be lost by this project. The price point is about \$350K for one unit and it will price many people out.

Bob Stafford, Tempe, a member of APAC. Tempe is an exciting place to live, with all the things going on in downtown, along the Lake, and the light rail. This was brought before APAC and a motion was made to deny

this project, but it was defeated. This project meets the criteria of the TOD and the 2030 General Plan. We need to support this in order not to set a precedent for other developers not to come to Tempe. He understood that the roof deck was being eliminated and the first floor is parking, so there are only the second and third floors. He would ask the developer to use a hip roof instead of the large gables which may help on the appearance of size.

APPLICANT RESPONSE

Cammie Goldfarb addressed some of the concerns of the neighborhood. At one point, they offered extensive landscaping for the neighbor adjacent to the property, which was declined. In exchange, they have updated their landscaping plan to allow for one 24" box tree to be placed in each backyard to encourage the privacy and differentiation between this 3-story and the 1-story homes. They are complying with the 2030 General Plan which calls out medium to high density in the area. The lot is currently zoned R3 and they are not requesting a change in that zoning. On Spence Avenue, about 150 feet away, there will be a 3-story building, and there is 3-story apartment complex to the east of the property, along with a 2-story complex. Owners of the property across the street have asked her firm to do something similar to what is being proposed. Concerning the increase in traffic, for a morning peak time from 7 a.m. to 9 a.m. for a townhome development, we would rank at 3.5 trips. During the afternoon peak time from 3 p.m. to 6 p.m., we would rank at 2.3 trips. This is a minimal traffic increase according to the International Trip Generation (ITG) manual for traffic impact study. Regarding the front setback, they have provided a right-of-way, and we have also flipped the units around on the front side to present doors on the front, with a porch atmosphere, and walkways up to the front door to give a neighborhood feeling. Also in compliance with the neighbors, the deck to which they are referring has a hip roof and there is no visibility from the back side. The only visibility is to the interior in the center of the project.

Councilmember Carter asked to receive, in preparation for the second hearing, a copy of the Planning and Zoning Commission Minutes showing the close vote of 3-4. Also, she would like a copy of the APAC Minutes that were mentioned.

Mayor Hallman further asked that the Transit staff provide a copy of the TOD so Council can understand the vision for this area.

Councilmember Shekerjian asked to have a copy of the provision in the 2030 General Plan that Mr. Stafford referred to.

******FIRST PUBLIC HEARING ONLY, NO COUNCIL ACTION TAKEN. THE SECOND PUBLIC HEARING IS CURRENTLY SCHEDULED FOR NOVEMBER 2, 2006.***

DOCUMENT NAME: [20061019dsrl01.pdf](#) PLANNED DEVELOPMENT
(0406)

- *43. Introduced and held the **first public hearing** for an ordinance authorizing a lease between the City of Tempe and Save the Family Foundation of Arizona. **The second public hearing will be held on November 2, 2006.**

DOCUMENT NAME: [20061019cdnc01.pdf](#) REAL PROPERTY DISPOSITION

(0902-21-01) ORDINANCE NO. 2006.83

D. Ordinances and Items for Second Hearing/Final Adoption

- *44. **THIS ITEM WAS REMOVED FOR SEPARATE CONSIDERATION.**
Held the **second public hearing** for a Major General Plan Amendment for FUTURE ARTS RELATED DEVELOPMENT at 1002 West Rio Salado Parkway.
COMMENTS: (City of Tempe, owner; Nancy Ryan, applicant) (PL060403) for a Major General Plan Amendment located at 1002 West Rio Salado Parkway in the MU-4, Mixed Use, High Density; GID, General Industrial; and R1-6, Single Family Residential zoning districts, including the following request:
GEP06001 Resolution No. 2006.54 General Plan Land Use Map Amendment from Public Open Space and Public Recreational / Cultural to Mixed-Use, and a Projected Residential Density Map from No Density to Medium to High Density (up to 25 dwelling units per acre), all located on approximately 12 acres.

Mayor Hallman asked the City Attorney if it was acceptable to take Item #44 and Item #48 together.

City Attorney Andrew Ching responded that the discussions could be held together. When the discussion is in reference to the major plan amendment, that it is referenced during the discussion, and when it references Item #48, that it is referenced during the discussion. The two votes should be taken separately.

Chris Anaradian clarified that Item #44 is a general plan amendment because the proposed amendment deals with an area designated as open space. This general plan amendment has to happen this time of year. If Council was looking to change this item in any way and bring back the same size site for reconsideration in the future, it would have to happen at this time of year next year.

The PUBLIC HEARING was held in combination with Item #48.

Motion by Councilmember Arredondo to deny Item #44. Second by Councilmember Shekerjian. Motion passed on a roll call vote, 7-0.

DOCUMENT NAME: [20061019dsrl02.pdf](#) PLANNED DEVELOPMENT (0406)

- *45. **THIS ITEM WAS REMOVED FOR SEPARATE CONSIDERATION.**
Held the **second public hearing** and approved **with conditions** a Zoning Map Amendment and a Planned Area Development Overlay for ARMORY at 323 East Veteran's Way.
COMMENTS: (David Krumwiede, College Avenue Advisors LLC, property owner, Manjula Vaz, Gammage & Burnham, applicant) (PL060380) for the development of two mixed-use buildings (17-story and 20-story), consisting of 364 residential condominium units, 29,146 s.f. of commercial/restaurant area, 45,246 s.f. of office area, and a below-

grade parking garage on 1.62 acres, located at 323 East Veteran's Way, in the CSS, Commercial Shopping and Service District / R1-6, Single Family Residential / R-3, Multi-Family Residential Limited, and Transportation Overlay District, including the following request(s):

ZON06004 Ordinance No. 2006.68 Zoning Map Amendment from CSS, Commercial Shopping and Service District / R1-6, Single Family Residential / R-3, Multi-Family Residential Limited to MU-4, Mixed-Use, High Density District.

PAD06005 Planned Area Development Overlay for approximately 247,500 s.f. of building area, including condominium units and commercial space.

The following conditions were approved:

1. A building permit shall be obtained and substantial construction commenced within two (2) years of the date of City Council approval or the zoning shall revert to that in place at the time of application, subject to a public hearing.
2. The Planned Area Development Overlay shall be put into proper engineered format with appropriate signature blanks and kept on file with City of Tempe's Development Services Department prior to issuance of building permits.
3. Process a Subdivision Plat and a Condominium Plat through the City of Tempe Development Services Department. Provide correct engineering format including appropriate signature blanks for Subdivision Plat, Condominium Plat and Planned Area Development for the Armory. Record Subdivision Plat and Condominium Plat with the Maricopa County Recorder's Office through the City of Tempe's Development Services Department prior to issuance of Certificate of Occupancy.
4. Provide a continuing care condition, covenant and restriction (CC&R's) for the landscape of Armory, including that located in any common area on site or in the public right of way in front of the project. Include CC&R's for other aspects of the project as required. Provide CC&R's in a form satisfactory to the Development Services Manager and City Attorney prior to the issuance of Certificate of Occupancy.

APPLICANT PRESENTATION

Manjula Vaz, Gammage & Burnham, and **Eugene Marchese**, President of Marchese Partners Architects and Constellation Property Group. Mr. Marchese stated that they have projects in California, Texas, and Australia. To be part of Tempe and part of this catalyst that is happening in Tempe is very exciting. Their projects are benchmark projects. They have been involved in projects on the east coast of Australia for the last fifteen years, and in the United States during the last two years. These projects have set a standard which they believe others will follow. They are a design-oriented developer, their product is high quality design, and they have a deep value in creating buildings and spaces that are beautiful. This permeates through the areas where they work, and it is an exciting opportunity to be one of the first in Tempe. He showed slides of some of their projects. The Armory project is an unbelievable opportunity. Being opposite the transport hub, at one of the main gateways to ASU, and in a prominent position to the surrounding structures and the Butte, is an opportunity to create a piece of architecture and urban design that will be a benchmark for the area. The project is designed to be broken into two parts which breaks down the massing of the building and provides a dramatic gateway into the area. The building that fronts Veterans Way is a 20-story building that relates to the scale of the surrounding structures. The stadium in front of it has a direct relationship to the 20-story building and the building along College is also in relation to the more pedestrian interaction that happens at College. The ground floor has been set up to activate the street. It is all about pedestrians, getting retail to front the street, pedestrians interacting with the buildings and getting that activity at the street. The towers have an angular form

at the corner to create a sense of tension and structure at the corner. Significant facilities have been provided for the residents. Parking is below ground. In discussions with Council and the community, it was apparent that height had become an issue. They took pictures at strategic points to show if the proposed buildings would block the view of the Butte. The only one that had any impact was at College and Encanto. They examined how the heights of the buildings, if reduced, would impact that view. They reduced the height of the building on College from 195' to 170' to open the view.

Mayor Hallman clarified that their view was to focus on a height limit, rather than on number of stories.

Mr. Marchese added that a story could be anywhere from 12 feet high and 15 feet high. They calculated that this is the height that would expose that view.

PUBLIC HEARING

Bryan Young, Tempe, stated that he lives two blocks from this location. He is glad for the vision he saw tonight. He would have liked to see some setback of the buildings, however. The underground parking is good. He would caution the developer that ASU students have a tendency to find a creative way to park and he would caution about making parking available to the public because businesses will suffer. Students will park there because of convenience. He would encourage the developer to allow the Police Department to come in and take care of problems. He would also encourage them to use environmental design and designate some affordable housing.

Barbara Miller, Tempe, stated that Tempe is developing many high rises, and this specific high rise does impact the view from her neighborhood, even if it is dropped down a few stories. Personally, she doesn't like to see downtown Tempe turned into a concrete jungle. She sees the detriment. She can't find free parking or stores where she would like to shop. Council has the chance to impact the character of Tempe. We can never go back. What do the citizens of Tempe want? Do you think they want these high rises in their downtown or a downtown they can use?

Mike Duffy, Tempe, stated that he is an architect and feels this is a great project. It is a good mix of uses. He appreciates Council's commitment.

APPLICANT RESPONSE

Eugene Marchese responded to the affordable housing concern. They are making a significant contribution to Tempe and they have committed, as part of this project, \$400K toward affordable housing. Also, they have designed within the project a number of residential units that will be in the \$270K range. They are cognizant of the community that makes up Tempe. They see the opportunity in this site to service the people who exist in Tempe today and they see an opportunity to provide housing for students and individuals who can't afford \$700K units. That's why the buildings are designed with a number of smaller units that accommodate the price range which they feel is under-served in the Tempe market.

Councilmember Arredondo asked for clarification that the only place where there is a blocking of the view is right in the middle of College and Encanto. He appreciates the developer listening to the community and reducing the height. He asked for clarification that \$400K would be contributed to affordable housing, and he was also

under the impression that there would be at least 5% workforce housing.

Mayor Hallman verified that this would mean applying the City's guidelines to 5% of the stock within this building meeting our affordable housing guidelines. If we are going forward tonight, we would need to incorporate into the motion that it would include a commitment for \$400K for the City's affordable housing fund, payable when the Certificate of Occupancy permit is requested.

Councilmember Arredondo appreciated the commitment to underground parking because that is very expensive.

Mayor Hallman verified that the College Avenue building would be capped at 170', including parapet and equipment. He asked which building would be undertaken first.

Mr. Marchese responded that it would be probably be the stadium building because it is the biggest.

Mayor Hallman asked for the current height of the stadium building.

Mr. Marchese responded that it would be 225', including parapet and mechanical.

Councilmember Shekerjian stated that she appreciated their due diligence regarding the community input concerning the building height and the reduction in the height of the College Avenue building. A price range of \$270K for 5% of the property's units may seem a lot to those of us buying homes twenty years ago. In today's market, however, that is considered affordable housing because it is within the 80% to 120% of the median cost of homes in Tempe. She asked staff to verify that.

Chris Salomone clarified that that is the national standard for workforce housing.

Mayor Hallman noted that this is in addition to the \$400K going into the affordable housing funds, as opposed to workforce housing numbers.

Mayor Hallman summarized that stipulations would be added that the developer would provide, at issuance of Certificate of Occupancy, a \$400K payment to the City of Tempe for the affordable housing fund, that 5% of the project's residential units would be designated as workforce housing and priced within the guidelines established by the City of Tempe; that the College Town building would be capped at 170', including mechanical and parapet; and the stadium tower would be capped at 225', including mechanical and parapet.

Vice Mayor Hutson stated that it was his understanding that in the developer's budget \$400K was allocated for the affordable housing fund, and that \$2.1M was allocated for fees. He asked Chris Anaradian to verify that the developer has looked at the amount of fees. It was his understanding that his department has kept the fees at a certain amount.

Chris Anaradian responded that there is no cap. They have done an analysis on the drawings they have for this application, and the fees are estimated at \$1.83M. That's an estimate because they don't have actual blueprints

to work from yet.

Vice Mayor Hutson asked Mr. Anaradian to verify that if the estimate is low, and they go up to the \$2.1M figure, it is already in the developer's budget.

Mr. Anaradian responded that was correct.

Vice Mayor Hutson continued that if the estimate is correct, or even lower, where does the delta go? Where is the savings, the extra \$300K, going? If there is a delta, whatever that amount is, it will go along with the \$400K and that would be due when permits are pulled.

Mayor Hallman suggested that since the money would come to the City one way or another, we could designate the funds and if we have underestimated the amount, it's still going to the City. If we capture fees at \$1.8M, and the developer has complete certainty on the fees, the developer would take the extra \$300K and put it toward the affordable housing fund. They would be agreeing that anything less than \$2.1M spent on fees will come to the City for the affordable housing fund.

Mr. Marchese responded that they want to be a good corporate citizen in Tempe and be here long term. They would certainly like that to happen and would like some support from the City to move forward. They are excited about this project and want to see it happen. If that is what it takes, then they see that as a small price in the long term. If they could get support from the City staff, which has been terrific through the process, to help them move forward in terms of getting permits, etc., that would be even better. They want to start on the site. The faster they move, the happier he would be to give the \$300K.

Mayor Hallman summarized that we will merely state that since they budgeted \$2.1M, if the fees by the final payment are less than \$2.1M, the excess would be paid to the City's affordable housing fund.

Councilmember Carter stated that there have been many projects that have come through and how far is too far and at what point are we hanging ourselves out there legally by making deals with developers?

Manjula Vaz responded that they would be happy to contribute to the affordable housing.

Mayor Hallman asked if there was ever any consideration, when developers were asking for incentives, how much was too much and whether one developer got an amount and another got a substantially different amount whether we were on legally touchy ground?

Ms. Vaz responded that it was usually a case-by-case basis.

Mayor Hallman stated that a case-by-case basis does apply when asking for a PAD.

City Attorney Andrew Ching responded that he will research it. There is certainly some gray area with respect to this issue, but the reasonable relationship between what you are asking the developer to do and the impact the development has on the areas you are asking for is the rough calculus as to how we come up with

development fees, impact fees, etc. They are statutorily permissible. To the extent in this situation, is this similar in kind to that sort of fee that we would normally require anyway? He thought we are still within that comfort zone.

Motion by Councilmember Arredondo to approve Item #45 with the stipulations. Second by Vice Mayor Hutson.

Mayor Hallman restated that it has been moved and seconded to approve Item #45 with the following stipulations: “The developer will provide an additional \$400K for the affordable housing fund for the City of Tempe upon receipt of Certificate of Occupancy; that 5% of the residential units within the project will be designated as workforce housing in terms of pricing as set forth in the guidelines by the City of Tempe; that the College tower building will be capped in height at 170’ overall height, including all mechanical and parapet; that the stadium tower will be capped in height at 225’ overall height, including all mechanical and parapet; and that to the extent that the developer is required to pay development fees of less than \$2.1M, the difference between the amount of fees actually paid and \$2.1M will be provided to the City of Tempe for the affordable housing fund upon issuance of permits.”

The motion passed 7-0.

DOCUMENT NAME: [20061019dsd2k01.pdf](#) PLANNED DEVELOPMENT
(0406)

E. Resolutions

46. Approved RESOLUTION NO. 2006.84 authorizing Contract #2006-266, a Memorandum of Agreement between the Federal Aviation Administration (FAA) Phoenix TRACON, City of Phoenix, City of Tempe, and Williams Gateway Airport Authority to provide access to and use of FAA Flight Track Data for Phoenix Sky Harbor International Airport.

DOCUMENT NAME: [20061019cacc01.pdf](#) SKY HARBOR AIRPORT NOISE
POLLUTION (0604-02-01)

47. Approved RESOLUTION NO. 2006.85 accepting grant funding from the Arizona Community Foundation, Contract #2006-267, for an architectural, engineering and historical assessment of the Eisendrath House.

DOCUMENT NAME: [20061019cdnc03.pdf](#) COMMUNITY DEVELOPMENT
ADMIN. (0406)

48. **THIS ITEM WAS REMOVED FOR SEPARATE CONSIDERATION.**

Request approval of a resolution authorizing selection and exclusive negotiations with the Lab Holdings and the Roberto-Venn School of Luthiery in response to a City-issued Request for Proposals for 12 acres west of the Tempe Center for the Arts.

General discussion was held concerning both Item #44 and Item #48 as they are related subjects.

Mayor Hallman noted that Councilmember Mitchell asked for Item #48 to be removed for further consideration.

Councilmember Mitchell moved that Item #48 be denied. The motion failed for lack of a second.

STAFF REPORT

Chris Salomone summarized that his staff has been working with these arts groups for a number of years, going back to trying to locate Arizona Bronze on Apache Boulevard, working to retain Segura Printing here in Tempe, and later Meltdown Glass came into the decision. They looked at options at the flour mill, which was under consideration for development, looked at options involving City property at 5th and Farmer, but felt it wouldn't create the kind of synergy desired in the downtown, and ultimately concluded that with the Tempe Center for the Arts and with tourism being the focus of the economic development program, locating them to complement the Center for the Arts would be the best site. Staff felt that any city would love to have these three entities--successful, solvent, manufacturing of art groups with national quality clients. It would be unique facility, a place of education and exposition, and a complement to the local Center for the Arts, but it could also expand and be other things. They drafted a fairly general RFP with that vision in mind. He read a paragraph from the RFP: "The premise is simple. Tempe is committed to the arts and to the substantial community investment in the Center for the Arts acting as a hub. Our community desires to create a destination where arts can create, display and sell their work, where the public can not only appreciate art, but partake in the creation of art, where students of all ages can learn about the arts or develop their artistic talent. Finally, this destination should successfully demonstrate the vital link between the arts and commerce." With the concurrence of that core group of artists, they issued the RFP. Three responses were received. One was the Roberto-Venn School of Luthiery, which would perfectly anchor another anchor, so there would be four anchors on the city-owned property to begin a project.

Mr. Salomone contined that staff then came to City Council, after evaluating the three responses, and recommended that Roberto-Venn School of Luthiery could go with either developer chosen because it is a standalone, solvent proposal. The other recommendation that came out of the discussion with City Council was that the residential component should be removed. Staff went back to the two developers and related that Council's direction was to remove the residential element and re-submit and when they re-submitted, the process would include a joint hearing with the Arts Commission and the Rio Salado Commission where there could be public viewing and airing of this process. The joint meeting was held. Following that, they followed the RFP process by staff making a recommendation to Council and that is the recommendation before Council tonight. A team of staff had reviewed this originally and that same team is recommending Lab Holdings, one of the two respondents. This was based on the criteria in the RFP and the RFP weighted various criteria with various percentages. They rated experience with the arts as 25%, organizational capacity at 15%, financial capacity at 20%, project design and programming at 20%, and focus on the arts at 20%. Nearly 65% was weighted on experience with arts. Staff's recommendation is for Lab Holdings based on that. They have direct experience of their project principals in working with community-based arts groups. They have direct recommendations, letters of those arts groups from their project in California, groups that would not come here and had no stake in this project. They were local, large groups that had worked in a collaborative way with this developer. They also had a direct experience in dealing with retail and restaurant concepts that worked in

concert with those arts groups and were successful. Staff saw that management as a critical skill point. These four anchor tenants had been gathered and we had land, a beautiful setting, and filling in the gaps that would complement it and make it self-sustaining, which was a critical element. They had done programming and management of art groups for a number of years. Staff does not take their experience in California as something they will replicate. Council will have total jurisdiction over whatever they do here. Staff is taking the elements of their experience there and thinking it can be transferred with staff and Council oversight into a workable model here, which will be a unique model for the nation. Their ability of managing was also a pivotal point. They used the commercial development elements of the project to fund the arts. Staff felt that use of the private sector elements of the project to fund it was a sound base, and they had demonstrated that in California. They also had a clear focus on community arts. Staff felt that was a very compatible mission that would be the City's mission for the Center for the Arts. They also had an educational component and a world class design team. The design team is Pompei Architecture out of New York, one of the best architecture firms in that city. They also had Andy Spurlock who did the landscape architecture for the Getty Museum in California. That's the basis of staff's recommendation. Whatever happens tonight is the beginning of a process that will be public. There's a lot of negotiation, and many elements going forward that will involve the community, Council, staff and the developer before the end product is reached.

Mayor Hallman added that the RFP says the successful respondent to this RFP will be expected to partner with the surrounding neighborhood on the final planning and design of the site and he would add that it's the neighborhood and entire community. The selection of the developer is the beginning of the process to develop the uses that fill in those gaps for those four identified anchor tenants for this project. That was Council's vision, which may not have been fully conveyed to the community.

Councilmember Shekerjian added that she watched the DVD that was made of the public hearing. She was looking for the vision of the community and the things they liked and disliked about both programs. Her understanding is that once a developer is chosen, there is a period of time in which we can interject and make sure that community vision is a part of the project and that the developer will understand that this has to reflect what the community needs and wants. Is that accurate?

Mr. Salomone agreed.

Councilmember Shekerjian added that she appreciated having the percentages of the criteria. Essentially, it was based on the fact that Lab Holdings had a proven record. Is that correct?

Mr. Salomone agreed. He further pointed out that the percentages were in the RFP so the applicants knew they would be evaluated on that criteria.

Councilmember Shekerjian asked, regarding the long term discussion staff had with Arizona Bronze, Meltdown Glass, and the publishing company, whether those anchors will still have the opportunity to be a part of the development, whichever one is chosen.

Mr. Salomone responded that the RFP stated that there would not be any preference given to those artist groups because we had already identified them, and it was felt the city just needed to select the right master

developer for this site. He can't speak for them, but it was staff's assumption.

Councilmember Shekerjian asked, in terms of our being able to offer it, whether it is still available to them in terms of our side, as well as the luthiery school.

Mr. Salomone affirmed and noted that the luthiery school would be happy to work with either developer.

Mayor Hallman asked if they are still interested and intend to work with whichever developer is selected. Do we know that?

Mr. Salomone responded that they do not. In fact, that's why staff wanted the City to select the developer, not the artists.

Mayor Hallman asked Mr. Salomone if staff talked to the artists initiating this process.

Mr. Salomone responded that he assumed that they did, but he couldn't say for certain.

Mayor Hallman asked whether they will work with one or the other.

Joe Segura, Segura Printing, said he would not work with either developer.

Tom Bollinger, Arizona Bronze, stated that he has been involved with this for eight years. It is really difficult to say. We didn't really understand that the City would pick the developer. We went forward with the best intent. We are not developers, but artists and business people. We formed a team and a close bond. This is stressful. It's very difficult to say he wouldn't pursue it, but that being said, it's very difficult if you're a person of character to be deceptive with people to whom you have made promises and arrangements. We got a developer involved and spent a lot of money. He will say that is an abstract question at this point until the City makes a decision.

Mayor Hallman responded that if he is saying he would work with both of them, that's one answer, if he is saying he would only work with one, that's another, if he's saying he is bound to work with one, that's a different answer.

Mr. Bollinger responded that he would like the City to make a decision.

B. J. Katz of Meltdown Glass said that her studio has been situated in Tempe for about half the life of the studio. We didn't understand when we were approached. The three of us sat down and I felt we were asked to come up with a full-blown concept for what we felt would be a viable arts community for Tempe. We have worked extremely hard over the course of the year to put together a concept we feel would be successful. If you listen to the tape, the other developer apparently said that artists "need to be babysat." That is a bit condescending and it might work with very small artists who are not successful, but the three of us run very professional, very successful businesses. She is dubious as to whether she could actually make a success when we are coming from a very different philosophical place. She feels, philosophically, that they have developed something that is much more than a little commercial development and that could actually be a great

attraction for cultural tourism for Tempe. She didn't get any sense that was the goal of the other developer. For herself, if this group decided to go to another community and develop their ideals, she would be very attracted by that. When Council makes a decision and the developer is chosen, she will have to make a very hard decision.

Vice Mayor Hutson asked who sat down to make the plan.

Ms. Katz responded that she, Joe Segura, and Tom Bollinger were called in by Mr. Salomone and his staff.

Mayor Hallman asked if they led them to believe they needed to go out and select a developer.

Ms. Katz responded that when the three of them sat down together, they had very thriving businesses and they felt that they had very strong ideas of what this might look like. They wanted to talk with the community to develop it further, but didn't feel they could spend the time in their profession to develop something that would be of great benefit to Tempe. That's when they brought the developers in, and they thought about what developers might move toward our ideals, and then they asked them to do a lot of the groundwork for them because they are too busy.

Mayor Hallman asked when the developers were brought in.

Mr. Katz responded it was December 28, 2005.

Mayor Hallman asked if it was before the RFP went out.

Ms. Katz responded that it was. They were called in prior to the RFP going out just to see if they had a sincere interest in moving to Tempe, or remaining in Tempe, and trying to help work together to develop. That's her impression.

Ms. Shekerjian stated that ultimately the community vision is what's going to be important and the developer has to implement that. She is a little disappointed with the process, and we as a Council can take some responsibility of the fact that one developer over another chose to involve groups of people that the City had already been in discussions with for a very long period of time. She was a little disappointed that the process took a turn in that direction and that one developer over another was able to capture that. All along, the City wanted to have a place for them. Whatever way it goes tonight, she hoped they would at least consider staying here.

Mayor Hallman asked, in terms of her current circumstances, could she remain at her current location?

Ms. Katz responded that she could. She added that they approached the developers because of what they felt the City's staff asked them to do. The developers did not approach them. They brought them in because they felt that we shared a philosophy that would ultimately have good results.

Mayor Hallman asked about the other two anchor tenants.

Mr. Segura responded that he would like to move to Tempe. He moved from Tempe to Mesa about 4 years ago. He does not have to move, however.

Mr. Bollinger responded that he has been in Tempe for 30 years. He is out of space. They have been waiting for this process and they are squeezed.

Mayor Hallman noted that if the space was only ground leased, for example, rather than selling it to the developer, that might affect his decision.

Mr. Bollinger agreed.

Councilmember Mitchell stated that he was under the impression that the businesses we were looking to attract here were on a short term lease and we had to move quickly.

Mr. Salomone added that when staff started this process, both Segura Printing and Arizona Bronze indicated they needed to make decisions about where they would be in a very short period of time in order to decide the current status of their leases.

Mayor Hallman stated that he has watched the DVD as well and he did not take the comments by the one developer the same way. He received an email much like Ms. Katz' comments and there was one other person who took it that way as well. He could understand, however. The responses we have gotten have missed the mark of the vision for this property and that was evident to him with the first response that required such heavy reliance on residential. Our focus and goal was to take a piece of property that had been designated for community use, specifically for outdoor recreation, and had sought to turn it toward a use that was compatible with the Arts Center. The immediately preceding respondent who was going to be awarded this property was proposing a water park, but the deal fell through. It did not quite capture the idea of the recreation element that was originally visioned immediately adjacent to a \$93M Arts Center. He did have a misunderstanding as this process began about the depth of which our Arts Commission and the Rio Salado Commission had been involved. He thought staff worked very diligently to create something that would work properly with the Arts Center. From all of the material we have received, however, and the kinds of discussion points that came up at the dual Commission meeting, it became apparent that we skipped a step, and that step was a visioning process with our community and making sure we all agree and understand what this property should be. That's why he asked to pull off Item #44 because he wanted to start the process over a year. If we make this step to change this General Plan, we've done it without going through the kind of process that led us first to designate this area as recreational open space. Those of you who remember might recall that we had a couple of years' worth of public meetings with the community to talk about what kinds of things should be sought for this area, and although he feels the arts-related use is likely exactly where we should go, he is making that assumption without a really thorough public process. He got there from this RFP process because of the residential components that were submitted in the responses. Given that aircraft fly over this site, given that this Arts Center is being built with a double roof on it to reduce the likelihood of noise intrusion from aircraft, and given that we have an intergovernmental agreement that restricts to a substantial extent our use of property within this

corridor, he thinks there are two solutions. Either table Items #44 and #48, or deny them this evening and refer this to the Central City Development Committee of the Whole (CCDCW) to begin a process to determine how we would bring our community together. This would happen by meeting with the Arts Commission, Rio Salado Commission, and Parks Board, to talk about this space and whether it is property converted to this arts use and that we govern it from Council through the CCDCW. It needs to begin, however, at the CCDCW by designing the process we want to go through to bring the community input in to really have a full community conversation about what this property should be. He believes that's the right way to go because he doesn't believe we should stop what we are doing here but do it the right way. He didn't believe the respondents, because of their initial weight on residential development, met what our true goal and vision was. While there was an effort to mold them into something that they initially weren't, he thought this ought to be done more honestly, directly and openly and that's what he would ask his Council colleagues to consider.

Councilmember Carter added that this goes back to the discussion at the Issue Review Session and assignment of the RFP process. She has issues with both developers and their proposals, but she thought the biggest problem is process-related. We haven't gotten full input from the community as to what we do with public space. There is so little of it left, and she thought it is important to hear from the citizens. She was also concerned about the time factor and losing these three businesses. If this will be revisited, could it be fast-tracked?

Mayor Hallman responded that he is concerned because it is important to take the amount of time necessary to get this done right and not shortchange the process. The fundamental question has to be asked. As desirous as it is and worthy as it is to seek a central home for these three organizations, he believes it is necessary to question whether or not there are other arts organizations who might want to be considered. Let's vision it, understand what it is, create those spaces, think as a landlord or developer would think, and seek through a proper RFP process whatever we need to do for the City, who those players should be, select them by using appropriate criteria, and then create a master plan for this kind of project and get it done right. It sounds like Mr. Segura is in no hurry to move at any cost, that Meltdown Glass owns the studio, and that Arizona Bronze would like to have more space but isn't going to lose his business. He added that there is a CCDCW scheduled for November and this will be agenda Item #1.

Councilmember Carter added that when the Arts Center was being planned, the 12-acre open space was planned for a 350-space parking lot. That was because we were planning a Phase 2 for the Arts Center, but that isn't in the budget now. Mr. Salomone came to me six months ago with this wonderful idea for using this space. This is a compatible use.

Councilmember Arredondo stated that this whole thing is about an out-of-state vs. an in-state group and who can do what better and the neighborhoods and citizens feeling they haven't had some input. He believes Council was confused and the process failed. We need to take it back and do it right. The right way is to start so that everyone knows where the starting line is and where the finish line is. He thinks staff got it right and delivered what they thought was right, but he didn't think Council gave clear direction. It needs to be referred back to CCDCW to look at the process. We need to make sure we are clear in a vision of what we expect, make sure the neighborhoods feel they have been engaged and they've been heard, and then we will proceed as quickly as possible.

Mayor Hallman asked the City Attorney if the proper process for Item #48 would be to reject all bids and terminate the RFP process.

Andrew Ching responded that would be one option. It could also be tabled. The CCDCW meets in November and that discussion could lead to modification of the process already in place or continue in some manner. By rejecting it now and denying the current process, it might foreclose the possibility of bringing it back with some modifications.

Mayor Hallman added that the responses don't get him where he thought we were going and that's why he would reject all bids. The process won't get better by trying to tweak it, and we need to start over and state the vision clearly through a process built first by community involvement.

Mr. Ching added that if that is the motion, then that would end the process today and Council could go forward and have that additional discussion.

Councilmember Arredondo added that the reason he would concur with that is that there may be other developers now. We need to start over.

Councilmember Shekerjian agreed. We are responsible for the process. We didn't ask the right questions and we led them to believe it was about choosing a developer as opposed to choosing a vision.

Councilmember Ellis added that she has talked to a lot of citizens. This has been an education in how our RFP process works. She wants to be able to communicate freely within the purview of the law. Further, in the Staff Summary Report it wasn't clear as to why a certain developer was selected. We need to have that discussion as part of what was on the IRS earlier to talk about how we can get that out to the public.

Mayor Hallman added that this item will be the first one on the agenda for the next CCD meeting.. If we deny Item #44, we would reassert the process in a year once we determine what this property should be.

Councilmember Mitchell asked if it is necessary to wait until this time next year.

Mayor Hallman responded that it is necessary for a General Plan Zoning Amendment, but we could move the project forward and rezone concurrently if we were to move forward within that year's period. Is that correct?

Mr. Anaradian responded that, given the fact that we are starting over, it will take well past a year to get it to the point where the zoning has to be in place for the development plan to be approved.

Councilmember Arredondo clarified that there would be one motion to deny Item #44 and one motion to deny Item #48.

Mr. Ching clarified that, regarding Item #48, a vote to deny the resolution would have the effect of denying the bids because staff is not being authorized to engage in negotiations which would be the end result of the

process currently in place.

Councilmember Arredondo added that the reason we would deny Item #44 is because the City Attorney feels that in the Staff Summary Report under ADDITIONAL INFO, second paragraph, the statement isn't broad enough to accomplish what we might want to do.

Mayor Hallman clarified that it might not be broad enough but it also might be different from what we ultimately envision. He didn't want to tell the community, notwithstanding we're going to take your input, we're already going to rezone the property.

Councilmember Carter stated that she feared that we have sufficiently messed this whole thing up. Might we begin developing a reputation as being ineffective and have trouble getting responses?

Mr. Salomone responded that this is a wonderful project and a wonderful dream, so he would be optimistic that we will get responses.

Mayor Hallman added that this property has gone out for RFP now five times. The Rio West site was originally to be a recreational center, and it's now home to Monster.com, a U S Airways facility, and other substantial developments and has generated \$10M to the City which has allowed us to develop plans, designs and move forward on developments around the Lake. The original RFP for the Peabody Hotel turned into a lawsuit, and there are a few others. Given the record that our Development Services Department has now set and given what our Community Development Department is now doing, he didn't believe this one bump in the road is a particularly severe one.

Councilmember Shekerjian added that our reputation is important, but our reputation with our citizens is more important to her. If that means we have developers who aren't willing to stick it out and believe in that project and don't come back, she's sorry, but she thought getting this process right and getting community input the correct way is the only way in which we can really be respectful of our community and make sure that this reflects the community's vision. She's more concerned about making sure the process is right. We can only build this once.

Motion by Councilmember Arredondo to deny Item #48. Second by Shekerjian. Motion passed on a roll call vote, 7-0.

Mayor Hallman added that he didn't believe either response captures properly the vision Council had hoped for that site. He looked forward to creating a community vision that will bring a project that will achieve that.

Vice Mayor Hutson added that we had all the good intentions in the world of doing the right thing, but it only takes a little bit to mess it up.

Councilmember Arredondo added that he was glad to take a better look and get it right.

DOCUMENT NAME: [20061019cdnc02.pdf](#) REAL PROPERTY DISPOSITION
(0902-21-01) RESOLUTION NO. 2006.86

49. Approved RESOLUTION NO. 2006.79 authorizing the execution of all documents necessary for the City of Tempe to accept conveyance of a 2.707 mile segment, known as the El Paso Natural Gas Pipeline easement.

DOCUMENT NAME: [20061019PWMG01.pdf](#) UTILITY
EASEMENTS GRANTED (0904-02)

6. PUBLIC APPEARANCES

SCHEDULED PUBLIC APPEARANCE

- Bobbi Hartmann, Prescott Valley, re: Motorcycle Parking – Did not speak.

UNSCHEDULED PUBLIC APPEARANCE

- Jessica Williams, Tempe. She reminded Council of the ASU Homecoming Parade on Saturday morning at 10 a.m. She asked that Council arrive at 9:15 a.m., and she distributed parking passes.

7. CURRENT EVENTS/COUNCIL ANNOUNCEMENTS/FUTURE AGENDA ITEMS

- Councilmember Mitchell extended condolences to the family of Carla Lingerfelt. She is remembered for her significant contributions to the City of Tempe in the field education.
- Councilmember Shekerjian thanked Councilmember Arredondo for his help to her as a member of the Council's Neighborhood, Quality of Life, Public Safety, Parks & Recreation Committee which he chairs.
- Councilmember Ellis stated that she had attended the 2006 Clean Air Campaign Awards luncheon yesterday and the City of Tempe won the "Outstanding Trip Reduction Program" in the Public Sector. She congratulated Tanya Chavez, Sue Taaffe, and the Transit Office.
- Councilmember Arredondo thanked Assistant City Manager Jeff Kulaga for getting him a pager. He also commended the Police Department for their outstanding job during the recent eviction incident. Their prompt response may have saved more lives. They also warned the citizens in the surrounding area to take precautions for their safety. He thought possibly a flyer should be distributed letting them know that everything is now secure.
- Mayor Hallman stated that he attended an awards ceremony at the new Phoenix Convention Center last week. The evening was highlighted with a fire alarm and following evacuation of the 500 attendees. When we get the Arts Center open, let's be sure all the dust is blown out of the building, as that is what caused the fire alarm.

Meeting adjourned at 10:00 p.m.

I, Connie Krossschell, the duly-appointed Acting City Clerk of the City of Tempe, Maricopa County, Arizona, do hereby certify the above to be the minutes of the Formal City Council meeting of October 19, 2006, by the Tempe City Council, Tempe, Arizona.

Hugh Hallman, Mayor

ATTEST:

Connie Krosschell, Acting City Clerk

Dated this _____ day of _____, 2006.