



Minutes Enhanced Services Commission September 12, 2007

Minutes of the Enhanced Services Commission held on September 12, 8:30 AM, at the Rio Salado Operations Center, Tempe, Arizona.

Members Present:

Chris Anaradian
Tom Canasi
Scott Cole
Jerry Hart
Randy Levin
Greg Loper
Mark Richwine
Mitch Rosen
Chris Salomone
Chris Wilson

City Staff Present:

Roger Hallsted
Diane Johnson
Dee Dee Kimbrell
Nancy Ryan
Julie Sparr

Guests Present:

Members Absent:

Gordon Cresswell

Meeting convened at 8:38 AM.

Scott Cole called the meeting to order.

Agenda Item 1 – Consideration of Meeting Minutes: August 8, 2007

Scott Cole asked if the members had an opportunity to review the minutes from the August 8, 2007 meeting.

MOTION: Randy Levin moved to approve the minutes.

SECOND: Chris Salomone

DECISION: The minutes were approved unanimously.

Agenda Item 2 – Public Appearances

There were no public appearances

Randy Levin wanted to start the meeting by giving kudos to Tom Canasi and the City for the fabulous job on the Tempe Center for the Arts Grand Opening last weekend.

Agenda Item 3 – CFD Budget Update

Roger Hallsted passed out a handout to the commission members showing the updated CFD budget. He then gave a summary of the budget.

- 1) Roger stated the CFD 2006-2007 fiscal year operating budget had \$381,000 left over. He said the budget will be finalized in early December and there might be a second true-up in spring. The money left over will be split between all of the properties in the CFD.
- 2) Roger said page two of the handout shows lake operations cost were larger this year. The increase was due to costs from SRP monitoring and maintaining wells around the lake. He said the reason for this is the wells are getting older and they need more repairs. Another added cost was for SRP replacing and reattaching buoy lines from the 2005 flood.
- 3) He reported on the budget sheet it shows the lake surface and shoreline clean-up costs were \$358,000 coming in lower than the budgeted amount. Also reported the revenue from permits was \$40,000. Roger stated you can get updated CFD information at anytime by going to the web site www.tempe.gov/lake/CFD.

General discussion regarding the **CFD Budget Update**, including:

- Randy stated Roger is getting better each year at budgeting for the CFD. Roger said one of the factors in estimating the budget is the Water Department asking staff to estimate running the bypass water pumps 24/7. He reported Rio Salado had zero water replacement last year which is unusual and there will be pumping costs in the next fiscal year.
- Randy said the bypass water pumping is important to the developers around the lake because right now the water tables are at the 500 year water retention level that were reported in the Levine and Fricke hydrology report. He said the development projects are severely impacted and the pumps are critically important to Town Lake.
- Scott stated he thinks ASU is using SRP water for Karsten Golf Course. He said they should probably be talking to the City about using the bypass water for the golf course. Nancy said ASU would also have to talk to Arizona Department of Water Resource (ADWR) for rights to use the water. She reported in the future there will be a pipeline of reclaimed water coming into the lake and that water could be used to water the golf course.
- Randy asked to have Basil Boyd, City of Tempe hydrologist, come to the next ESC meeting to talk about the Levine & Fricke hydrology report. Nancy said she will put Basil on the agenda for next month.

Agenda Item 4 – Town Lake Marketing Release

Nancy gave each ESC member a copy of the premiere issue of Wrangler News Magazine showing the new marketing material for Town Lake. She stated staff is excited about Wrangler choosing the lake and the Tempe Center for the Arts Grand Opening to be featured in their first issue.

- 1) Nancy showed the commission members the new font for the Town Lake on the front page of the Wrangler News. She reported for the next 12 months on the inside cover of the magazine there will be a list of upcoming lake activities. Other new marketing materials will be released at the end of this month. She also showed the cover of the new brochure, an updated power point presentation, and said staff is bringing back "Music at the Marina", a free concert series in October.

- 2) Nancy announced the new Town Lake marketing material will be available to private developers on September 20th at Hatton Hall. Kris Baxter, Marketing Specialist will be sending out an announcement for this event.

Agenda Item 5 – Private Project Update

Each private developer gave a brief summary of their projects around Town Lake.

- 1) Randy Levin of SunCor reported the second office tower at Hayden Ferry Lakeside is 60% leased. The drawings for the third tower are into the City and will be ready for permits by the end of this week. They will start building the third tower when 75% of the second office tower is leased. For the second condo tower, Bridgeview, sales are slow with the sale of about one unit a month. Construction for this project is on schedule with the first tenants moving in around February. Drawings for the third condo tower are complete and they will be in for plan check soon.
- 2) Randy said the ASU property called Marina Heights will be marketed as Hayden Ferry Lakeside (HFL) East. The existing project will be HFL West and the ASU property will be know as HFL East. He said since closing on June 30, SunCor has been working on design guidelines and a hotel RFP for the project.
- 3) Mitch Rosen said Rio West is 100% leased. In building "A" U.S. Airways has leased 54,000 sq. ft. for their IT department and 2,000 sq. ft. for Continental Federal Credit Union. The credit union's corporate headquarters is moving to Tempe and taking the rest of building "D". Mitch announced Rio West was the fastest leased flex office project in the state.
- 4) Greg Loper, Weststone Properties, stated Weststone hopes to have their first closing at Northshore by the first of the year. He said right now they are working on the interiors of the project. Last week they submitted Onyx to the City for plan review and they have started sales for the project.
- 5) Chris Salomone reported Opus has their construction fencing up on the U.S. Airways mixed use building on 3rd St. and Mill Avenue. Chris Anaradian said they will first clear the parking lot then start construction in the next 4 to 6 months. The Flour Mill project is moving forward with a foundation permit and coring of the mill building. Chris Salomone also stated The Pier improvement district goes to Council next week.
- 6) Randy reported Todd Decker, developer of the Le Meriden Hotel, gave a presentation of the project to City department heads and staff last week. He said SunCor is requiring financial warrants for the project because they do not want an unfinished building. Randy stated it has taken a year to complete design drawings for the project using the Building Information Modeling (BIM) system, a 3-D modeling of the entire building. He said with this system it takes longer do to the drawings but the construction is completed faster and cheaper. The hotel construction is projected to start in December.

General discussion regarding the Private Project, including:

- Randy asked Greg how the closings on Northshore were going and are they having a lot of people dropping out. Greg said they have done well with only a few dropping out.
- Mitch asked who the developer was for The Pier project. Chris Salomone said Laguna Pacific and Barker Pacific Group are the developers.
- Mitch stated it has never been harder to pull off a condo project.

Agenda Item 6 – Public Project Update

Nancy Ryan gave a brief summary of public projects around Rio Salado.

- 1) Nancy announced Chanen Development Company and Rio Salado Foundation have been selected by the City as the RFP respondent to develop the Boathouse. The City and developers will enter into a 90-day development agreement. For the Between the Bridges (BTB) project Avenue Communities was selected as the RFP respondent. They will also begin a 90-day development agreement with the City.
- 2) Nancy reported the first phase of the dam replacement analysis is due back this month. In the analysis they looked at six alternatives for the replacement. Staff will select two or three of the alternatives to move forward and take a closer look. They are looking very closely at how the dam will interface with the pedestrian bridge. The second phase will come back after the first of the year.
- 3) A permanent bypass pump station at the east edge of "The Pier" project has 30% of its design completed.
- 4) The City will be doing a phase I environmental study west of the Tempe Center for the Arts from Hardy to Priest. They will be looking at the subsurface challenges on this land for the Arts Related development and the relocation of the Priest Yard. Another phase I environmental study will be developed for the approximately 70 acres around the VORTAC on Rio Salado Parkway west of Priest.
- 5) She said the Amateur Sports Facility RFP received one submittal and staff is going through an analysis of it and will take it to the E-Session on September 20.
- 6) A settlement offer is on the table between Rio Lago and the City for a buy out. Nancy said there will be discussion on whether it would be a City operated business or a concessionaire.
- 7) The buoy line at the Light Rail Bridge is scheduled to come down the end of September due to completion of the bridge. This will open up the west end of the lake.
- 8) The gabion baskets at the turf expansion on the north bank have been reconstructed and are awaiting inspection from the Flood Control District before the turf can be installed. Staff will modify some of the grades with the anticipation of the freeway expansion starting in January 2008. At this site the freeway wall will be becoming out the width of the multi-use path and the slope will need to be modified.
- 9) Tonight is an open house of the Tempe Urban Open Space Plan. The meeting will be held in Council Chambers at 6 p.m. where they will show the final draft of the plan.
- 10) Nancy reported staff contracted an outside company to make a lake bottom map of Town Lake. The company will identify 30,000 data points through out the lake to make a topographic map and a 3-D map of the lake. These maps will allow staff to track changes in deposition or erosion of the lake.

General discussion regarding the **Public Project Update**, including:

- Randy asked what input do the commission members have on the design for the BTB project. Nancy responded saying the project could be some of the design already shown or something total brand new. City staff has brought together ASU and Avenue Communities to discuss the project that pertains just to the area between the bridges and nothing in the surrounding park.
- Tom Canasi said the TCA grand opening went well with 18,000 to 20,000 people attending the public opening on Sunday, September 9. He said staff is setting up an event meeting to

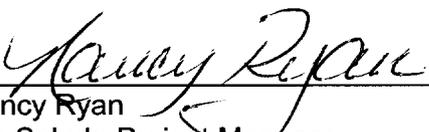
explore how to get the word out on the TCA event capabilities to developers and tenants around the lake.

The Committee's next meeting will be **October 10**.

Meeting adjourned at 9:34 AM.

Prepared by: Diane Johnson

Reviewed by: Nancy Ryan



Nancy Ryan
Rio Salado Project Manager