

Meeting Minutes

City Council Work Session

August 12, 2021 | 5:00 p.m.
Council Chambers Conference Room
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 5:00 p.m.

Roll Call

Council Attendance

Mayor Kevin Hartke
Vice Mayor Mark Stewart
Councilmember OD Harris
Councilmember Terry Roe
Councilmember René Lopez
Councilmember Christine Ellis
Councilmember Orlando

Appointee Attendance

Josh Wright, Acting City Manager
Debra Stapleton, Assistant City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

Staff in Attendance

Matt Burdick, Communications and Public Affairs Director
Derek Horn, Development Services Director
Kevin Mayo, Planning Administrator
Thomas Allen, Assistant City Attorney
John Owens, Downtown Redevelopment Specialist
Kim Moyers, Cultural Development Director

Discussion

1. Redevelopment of southwest downtown including City owned property.

MAYOR HARTKE introduced the discussion item and called for a staff presentation.

JOSHUA WRIGHT, Acting City Manager, said there has been some developer interest recently regarding the area near the new parking garage and staff was looking for additional feedback regarding what Council would like to see.

KIM MOYERS, Cultural Development Director, presented the following presentation.

- South Arizona Downtown
 - South Arizona Area Corridor Plan (SAzACAP) – 2011
 - Development and Interest continuing to the South of downtown's core
 - SazACAP update scheduled for FY21/22
 - Address immediate needs for redevelopment
- South West Downtown
 - Oregon Street from Chicago Street south to Frye Road
 - Mix of residential and commercial uses
 - Wall Street – infrastructure improvements
 - Site 8 overlay district
 - Pink area denotes "Cultural and Entertainment"
 - Yellow hatched area denotes "Future Growth Area"
- Adaptive Reuse/Redevelopment
 - The Local
 - Walker Redevelopment
 - Pie Snob, Quadmark, Delete
 - Shops on Frye
 - The Perch
 - Ghatt'Yo Tacos and Sliders
 - The Sleepy Whale and Gadzooks
- Considerations
 - Oregon Street Garage traffic flow to spur development on Oregon Street off of Frye Road
 - Transitional area
 - Lower traffic volume – use of Oregon Street Parking Garage/neighborhood walkability
- Considerations Continued
 - Smaller developers
 - Infrastructure needs
 - Sensitivity to the impact of residential homes
 - Encourage entrepreneurial activity/small business ownership – bakery, bookstore, café, outdoor dining, small office, craft/art (supplies, gallery, classes), yoga studio
- Vision
 - The Vig @ Fillmore – DT Phx
 - The Pemberton – Roosevelt Row
 - Casey Moore's – DT Tempe
 - 5th Street – Downtown Phoenix
 - Magazine Street – New Orleans

COUNCILMEMBER LOPEZ asked if those were businesses or restaurants.

MS. MOYERS said it is a combination of retail and restaurants and a small office.

MS. MOYERS continued the presentation.

- Direction
 - Direction on extending the Site 8 overlay to the west side of Oregon Street to guide and encourage development
 - Emphasis on minimizing impact to existing residents by directing activity towards Oregon Street and being mindful of noise levels.

COUNCILMEMBER HARRIS asked where staff was at with the Pedestrian Study for Downtown.

MS. MOYERS said they have selected a consultant to do the pedestrian study and the first meeting is August 26. Ms. Moyers said it would take about a year to complete.

COUNCILMEMBER HARRIS asked if this was considered in the study.

MS. MOYERS said this is part of the study.

COUNCILMEMBER HARRIS said if this is part of the study then Council would not be able to make a decision because they would need that information.

MS. MOYERS said the pedestrian study will ensure there is enough signage Downtown. The study will not look at land use in the Downtown area but more for direction for pedestrians.

COUNCILMEMBER HARRIS said this would not stop Council from doing what they need to do.

MS. MOYERS said that was correct.

COUNCILMEMBER HARRIS asked if there was a lighting study being done as well.

MS. MOYERS said this study did not address lighting.

COUNCILMEMBER HARRIS said some of the areas are dark and pedestrians would not know which way to go and said there was discussion about blocking off some of the alleyways. Councilmember Harris asked if this was being discussed too soon.

MS. MOYERS said this is being done in conjunction with the study. There are lot of developers looking now and the concern is, is if they do not have some direction now regarding some of these areas they may miss this window of opportunity.

COUNCILMEMBER HARRIS asked if the study could be done faster. Councilmember Harris said as they work on the study, there are other factors such as lighting to consider. This will show Council and the developers how it would be mapped out in the area.

COUNCILMEMBER ORLANDO asked if the developers would be able to provide some of the lighting and walking paths.

MS. MOYERS said yes, that is something staff is looking at.

MAYOR HARTKE said they want adequate lighting that is appropriate for the area as it is still a residential area.

COUNCILMEMBER LOPEZ said they need to have a balance and as someone develops they need to ensure it can be seen and is safe but is not blinding to the neighbors in the area.

COUNCILMEMBER HARRIS said he did not have a problem moving forward with the project but wanted the pedestrian study and lighting to be done. Councilmember Harris said they need to be forthcoming in the proposal and how the City would partner with them. Councilmember Harris said the study needs to be done to really show the developers what the expectation is.

MAYOR HARTKE said he did not want to hold up development but they could let them know about the study.

COUNCILMEMBER ROE asked about California Street.

MS. MOYERS said it something staff has discussed a great deal. Ms. Moyers said staff is suggesting that just Oregon Street is developed right now to see what happens and from there determine if they want to develop further. Ms. Moyers said around the parking garage there is mostly developers and not residential homes. Ms. Moyers said in the future someone may assemble the properties and do something larger.

COUNCILMEMBER LOPEZ asked for clarification regarding the developers in the area.

MS. MOYERS said the developers are not putting the money into them and they are just sitting on them. Ms. Moyers said some may be renting the property but they are not renovating.

MS. MOYERS continued the presentation.

- City-Owned Parcel
 - Purchasing of Downtown property
 - 200 & 210 S. Oregon Street (.36 acres)
 - Purchased 2006: \$260,445
 - Proximity to Oregon Street Parking Garage
 - Connectivity between New Square development and smaller intensity uses

- Spur development and set tone for future development
- Complementary uses to SW area
- Request for Proposal
 - Sell at appraised value/ best use
 - Complementary uses to SW area
 - Transitional development – up to two stories in height
- Direction
 - Direction on preparing a RFP for the sale and development of 200 & 210 S. Oregon Street

COUNCILMEMBER LOPEZ asked about the properties immediately south of that area.

MS. MOYERS said both of those are residential.

COUNCILMEMBER ORLANDO asked if they are doing two stories.

MS. MOYERS said yes, they are trying to get as much density as they could.

COUNCILMEMBER ORLANDO asked if they would go higher.

KEVIN MAYO, Planning Administrator, said two stories is reasonable and achievable. Three stories could work but it would depend on how it is done. When looking at Oregon Street, it would develop in a more organic way like Wall Street and would create a line for the future growth area. Mr. Mayo said they would see two to three stories is reasonable and they do not expect to scale up larger than that.

COUNCILMEMBER ROE said New Square is six stories and said he wanted the project to be good and possibly have access to the parking garage.

COUNCILMEMBER ORLANDO said if they go higher the parking garage is there for parking needs so they could make something robust. Councilmember Orlando said he would like to see a solar element as well.

MAYOR HARTKE asked if Council was comfortable with an RFP being up to three stories to see what comes in. Mayor Hartke asked if this was similar process to what was done with the other piece in the area.

MS. MOYERS said yes, staff would get the RFP ready and the selection committee would vet the proposals and bring the top proposals to Council.

MAYOR HARTKE said he would like to see all of the RFPs submitted and hear staff's recommendations. Mayor Hartke said not everyone who bids on these may not be as savvy as others and would appreciate staff to review the feedback and see if there are ways to improve.

COUNCILMEMBER ROE asked if they would be asking for parking.

MAYOR HARTKE said the property is so small and there is plenty of parking. Mayor Hartke asked if staff is confident they have enough parking to support the future growth in the area.

MS. MOYERS said yes, and this is the most popular parking garage. There is capacity however Planning is always looking to ensure there is proper parking. Ms. Moyers said as they start looking at future developments there will always be a review of parking capacity. Ms. Moyers said if New Square comes back as a smaller amount of office and larger amount of residential then they would not need as much parking as they first thought.

COUNCILMEMBER LOPEZ asked if they were considering expanding the parking garage.

MS. MOYERS said when they built the parking garage, they also purchased land so they could expand to the west if needed.

COUNCILMEMBER LOPEZ said he liked the idea of going to California Street and it would open more opportunities. Councilmember Lopez said he could see how residents may feel they were being pushed out even though that is not the intent, but they are trying to grow the downtown area.

COUNCILMEMBER ORLANDO asked if that was all private property on the other side.

MS. MOYERS said they have worked with Neighborhood Resources because a lot of these houses are in such disarray that they cannot go in and fix them. Ms. Moyers said these are first generation houses and staff is hearing from the children that once the parents leave them, the homes will be sold for another use. Ms. Moyers said these homes have been paid off for years and they cannot move to another place for the same price.

COUNCILMEMBER ORLANDO asked if the houses across the street are residential or investments.

MS. MOYERS showed the areas that were mostly ownership and the areas that were mostly investments.

COUNCILMEMBER LOPEZ said they are talking about going to California Street not jumping all the way to Dakota Street and the church would stay.

MS. MOYERS said there are only a few houses left as the City has already purchased some of them and they have the authority from Council to purchase the other two if they should go for sale.

MAYOR HARTKE clarified it was not eminent domain but just the right to purchase.

VICE MAYOR STEWART said the City did not purchase them.

MAYOR HARTKE said they are not for sale right now.

VICE MAYOR STEWART said they had discussed buying the back row behind the garage.

MAYOR HARTKE said they bought three of them.

COUNCILMEMBER ORLANDO asked why they are focusing on just this piece and not put something out concurrently on the other sites to assemble them.

MS. MOYERS said there are no other areas that are assembled at this time. Several years ago, Council opted not to purchase any more property downtown so there are these one off properties in the downtown area left.

COUNCILMEMBER LOPEZ said the RFP is only for the lots that are City owned and allowing the expansion to California it would give more options to the developers.

MAYOR HARTKE said it is more costly for the City to assemble compared to when others do it and it is not their central job.

COUNCILMEMBER LOPEZ said Council has done what they needed to do to spur development and now it is back to private industry to continue it.

VICE MAYOR STEWART said he agreed that Council has done what they needed to do and now it is time to private industry to take over.

COUNCILMEMBER ELLIS said asked about the plan to go north of Chandler Boulevard and what the vision is now. Councilmember Ellis said everyone wants to be in the area but there would be more congestion in the area.

MS. MOYERS said there has been discussion to extend to the north and to the east. With the updated study there would be an expansion of the square area.

MAYOR HARTKE said this is also why they went through Dakota Street and there has been a long-term plan to extend to Pecos. There are other roads to prevent this from being a traffic jam. Mayor Hartke asked if Council was in agreement to put out the RFP up to three stories.

COUNCILMEMBER ELLIS asked what the price would be.

MAYOR HARTKE said they would wait for the appraisal.

COUNCILMEMBER ELLIS asked why they could not ask for more.

MS. MOYER said they have asked for the best price for the best use to get the project that they want. It may be less money up front, but they would get better tax revenues in the future.

MAYOR HARTKE said when they did another project, they selected the best use even though it may not have been the best price.

COUNCILMEMBER ORLANDO asked what the time frame would be.

MS. MOYERS said with Council's direction, staff would get the RFP out in the next 30 days and it would be open from 30-60 days and staff would bring it back to Council about a month after that. Ms. Moyers said before the end of the year.

MR. WRIGHT asked about how far to extend and if Council wanted to go to California Street to Boston Street down to Frye Road.

MAYOR HARTKE said he was concerned about chasing out residents since these are residents who have lived in the area a long time and they could always extend it later.

MR. WRIGHT said this would be addressed in the area plan update happening this fiscal year.

COUNCILMEMBER LOPEZ asked if staff could provide input on the overlay.

MR. WRIGHT said staff's recommendation is to do those areas as part of the area plan update because there is not as much urgent interest right now nor is there City owned property for an RFP. This would be worked out through the area plan update.

COUNCILMEMBER ROE said he thought they should go to Chicago to California.

COUNCILMEMBER ELLIS said they have all received calls about the project and there is a group that is already aware of an RFP happening before this discussion happened. Councilmember Ellis said that group felt it was their idea and it puts Council in a hard position.

MAYOR HARTKE said they have reached out but there is no obligation. Council would look at all of the RFP submissions and choose the best project.

MS. MOYERS said the Walker Development is what spearheaded that piece of the conversation because it does not fit a traditional use. There is a great opportunity for the area so staff wanted to bring it forward and there is another project so if there was ever a time to go for an RFP this would be the time. Ms. Moyers said when they talk to anyone this is the reason it goes for an RFP because they need to determine the best use for the area.

MAYOR HARTKE said it seems there is consensus from Council for the RFP but needed clarification regarding California Street.

COUNCILMEMBER ORLANDO said they should do the RFP and then if they want to look at the whole overlay that should be a separate discussion. Councilmember Orlando did not want to force the

residents out or even give the residents that feeling. Councilmember Orlando said he would like to put the RFP out as it is and look at the rest later.

MAYOR HARTKE agreed to stick to the plan as is.

COUNCILMEMBER HARRIS like the project and thought they should stick with the project as is. Councilmember Harris agreed they should start looking north.

COUNCILMEMBER LOPEZ said he agreed with the RFP and like the idea of going to California Street.

COUNCILMEMBER ELLIS said she agreed with the RFP and wanted to wait on the other piece.

COUNCILMEMBER ROE said he was open and if there is an RFP the developer would not be locked into the overlay if they have additional property.

VICE MAYOR STEWART agreed with the RFP.

Adjourn

The meeting was adjourned at 5:51 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: August 26, 2021

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the City Council of Chandler, Arizona, held on the 12th day of August 2021. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of August, 2021.

City Clerk