



Minutes Tempe City Council and Arizona State Legislators Joint Meeting January 9, 2015

Minutes of the Tempe City Council and Arizona State Legislators Joint Meeting held on Friday, January 9, 2015, 8:30 a.m., in the Connections Café Community Room, Tempe Public Library, 3500 South Rural Road, Tempe, Arizona.

COUNCILMEMBERS PRESENT:

Mayor Mark W. Mitchell
Councilmember Joel Navarro

Vice Mayor Onnie Shekerjian
Councilmember Corey D. Woods

COUNCILMEMBERS ABSENT:

Councilmember Robin Arredondo-Savage
Councilmember Shana Ellis
Councilmember Kolby Granville

COUNCILMEMBERS-ELECT PRESENT:

Councilmember-Elect Lauren Kuby
Councilmember-Elect David Schapira

ARIZONA STATE LEGISLATORS PRESENT:

Senator Ed Ableser (District 26)
Representative Andrew Sherwood (District 26)

Representative Juan Mendez (District 26)
Senator-elect Jeff Dial (District 18)

TEMPE CITY STAFF PRESENT:

Andrew B. Ching, City Manager
Judi Baumann, City Attorney
Brigitta M. Kuiper, City Clerk
Rob Cox, ASU Economic Development Liaison
Marge Zylla, Government Relations Officer
Kris Baxter, Public Relations Officer

Ken Jones, Deputy City Manager – Chief Financial Officer
Steven Methvin, Deputy City Manager – Chief Operating Officer
Donna Kennedy, Economic Development Director
Elizabeth Higgins, Mayor and Council Chief of Staff
Nikki Ripley, Communications and Media Relations Manager

Mayor Mitchell called the meeting to order at 8:53 a.m.

Welcome and Introductions by Mayor Mark W. Mitchell

Mayor Mitchell welcomed meeting attendees and asked everyone to introduce themselves.

Economic Development in Tempe – Mayor Mark W. Mitchell

Mayor Mitchell stated that economic development is important to the community and noted that the City recently hired Donna Kennedy, Economic Development Director. The City is partnering with Arizona State University (ASU) on their Stadium District development and creating economic development sustainability measures. He reviewed the various development projects ASU is working on. The downtown area is expanding with residential housing, mixed-use developments including a grocery store, and has a 97% Class A office space occupancy rate. The footprint of downtown is being expanded from College Avenue west to Farmer Avenue. He reviewed various development projects underway in the downtown and noted that the first phase of the Marina Heights project should be completed within the next year. He reviewed several developments in South Tempe, including GoDaddy, Shutterfly, and the expansion of the ASU Research Park. Without economic development, the City would not be able to afford the quality of life amenities that exist. Tempe needs the legislators' assistance to create economic development/incentive tools to increase investment in infrastructure, which will

spur private sector development. Tempe is engaging residents in Character Area studies, redeveloping properties, and has implemented an Adaptive Use Program. State shared revenues need to be protected; funding changes impacts cities and their ability to provide services to residents. The City seeks to partner with legislators for economic development purposes.

Tempe Entrepreneur Network (TEN) - Donna Kennedy and Rob Cox, Tempe Economic Development

Donna Kennedy, Economic Development Director, provided an overview of the Tempe Entrepreneur Network (TEN) program. The purpose of the program is to create an environment to retain, support, grow, and attract entrepreneurs and small businesses. Tempe's affiliation with, and proximity to, ASU are beneficial. Rob Cox serves as the ASU Economic Development Liaison. Mr. Cox is exploring outreach activities so that ASU and City of Tempe strategies and programs can be merged. She reviewed various outreach strategies including meeting with entrepreneurs and large Tempe technology companies and identifying resources and partnerships, such as with the Maricopa Community Colleges Corporate College. This is an effort to empower and facilitate collaboration of local entrepreneurs.

Mayor Mitchell noted that regionalism is important when considering economic development. Cities and towns partner with each other, as well as with the League of Arizona Cities and Towns.

Councilmembers discussed the importance of schools and educational facilities when companies make (re)location decisions. Focusing on relationships with Arizona State University and the K-12 local schools is important, as are promoting the A ratings received by Tempe schools; this is an economic selling point. Legislators should be provided with information about the diversity of students and the success of Tempe schools, to serve as a resource when promoting Tempe. Staff is in the process of updating information on housing and schools that will be provided to potential relocates.

Rob Cox, ASU, presented information about resources for entrepreneurs such as co-working and incubator spaces that entrepreneurs can use on a daily basis to work on their ideas and receive free mentorship, consulting, prototyping, video and on-line classes, and access to ASU classes. The goal of the TEN network is to create a comprehensive network or ecosystem for entrepreneurs and the businesses they create; this program will complement private sector entrepreneurial resources. Mr. Cox discussed outreach activities. He reviewed amenities available in the Tempe Library/ASU Alexandria Space and a proposed Small Business and Startup Boot Camp to be offered by ASU, free of charge. Wi-Fi capabilities for the Alexandria Space will be increased.

ASU is evaluating different uses for repurposing the former Tempe Performing Arts Center. Maricopa Community Colleges Corporate College has indicated an interest in an innovation or incubation project at this location. The space could also serve as a site to provide resources and assistance for launching companies in Tempe. Programming, sponsorship, and grant funding opportunities were discussed.

Councilmember-elect Kuby suggested that staff include sustainability and green issues as part of the program; GreenBiz U recently held a forum at ASU and may be a resource for programming. Discounted passes are available for community members to attend GreenBiz U programs.

Mr. Cox noted that several private businesses have indicated an interest in providing consulting and teaching services free of charge. Another area of interest is mentoring and consulting services for how to make businesses sustainable.

Participants discussed the Small Business and Startup Boot Camp and other training sessions, workshops, and work spaces offered to small businesses and entrepreneurs, free of charge. The manufacturing industry offers opportunities that may fit into this network. Partnerships, business friendly opportunities and policies are key to attracting businesses.

State Legislative Priorities - State Legislators

Representative Mendez stated that he is working with Newtown Community Development in Tempe, a first time home buyer program. He outlined program components and challenges that families encounter with assessed property taxes for their home. He is sponsoring a bill to modify property taxes for homeowners that qualify for programs such as Newtown Community Development. Housing and homeownership are important issues. Participants discussed the proposed legislative bill, assessed value of residential properties, various tax rates per jurisdiction or taxing entity, creating a new tax

category for certain properties, and that other stakeholder groups, such as school districts, may have relevant input on the issue. Ken Jones, Deputy City Manager - Chief Financial Officer, explained how the City of Tempe property tax rate is structured.

Senator Ableser reviewed key issues and challenges this legislative session such as the State's budget deficit, preserving state shared revenue, craft brewery regulations, child safety issues and impacts to education funding.

Representative Sherwood stated that the education budget and funding formula are key issues, as is the State's budget deficit. He will work to protect Tempe; he considers Tempe one of the best run cities.

Senator-elect Dial reviewed State budget issues; surplus funds will be used in the next fiscal year to mitigate budget cuts. The economic recovery, State infrastructure, buildings to house research and laboratory facilities, and entrepreneurial activities, are areas of focus.

Participants discussed economic development opportunities with Mexico, the State's budget deficit, addressing wasteful spending without impacting education and education funding, budget impacts to fund community colleges and universities, constitutionally mandated programs that must be funded, school tax credits, and eliminating tax credits in general. Proposed bills include technological changes such as a virtual driver's license and a legislative commitment to full-day kindergarten. Vice Mayor Shekerjian noted that Dick Foreman, Arizona Business Education Coalition CEO, could be a resource for lobbying assistance on education issues.

Legislative Partnership – State Legislators/City Council

Ken Jones, Deputy City Manager – Chief Financial Officer, thanked legislators, on behalf of the City, for the restoration of Highway User Revenue Funds (HURF) funding, and for preserving state shared revenues. These revenues help attract businesses to Tempe, which in turn, provide tax benefits to the City and the State.

Mayor Mitchell stated that cities and towns are the economic drivers for the State; partnerships with State legislators and public sector investment are vital. He thanked legislators for their service to the community and offered the City's assistance as a resource for issues. Councilmember Navarro noted that the City recently hired an Education Coordinator. This individual will be the liaison with the schools and can serve as a resource to legislators.

There being no further business, the meeting was adjourned at 9:53 a.m.

I, Brigitta M. Kuiper, the duly-appointed City Clerk of the City of Tempe, Maricopa County, Arizona, do hereby certify the above to be the minutes of the Tempe City Council and Arizona State Legislators Joint Meeting of January 9, 2015 by the Tempe City Council, Tempe, Arizona.

Mark W. Mitchell, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk