



Minutes City Council Work Study Session August 11, 2016

Minutes of the Tempe City Council Work Study Session held on Thursday, August 11, 2016, 4:00 p.m., in the City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

COUNCILMEMBERS PRESENT:

Mayor Mark W. Mitchell
Councilmember Kolby Granville
Councilmember Lauren Kuby
Councilmember David Schapira

Vice Mayor Robin Arredondo-Savage
Councilmember Randy Keating
Councilmember Joel Navarro (*arrived at 4:14 p.m.*)

STAFF PRESENT:

Andrew B. Ching, City Manager
Judi Baumann, City Attorney
Kay Savard, Deputy City Clerk
Shelly Seyler, Deputy Public Works Dir. – Transportation
Jerry Hart, Deputy Internal Services Director – Finance
Shelley Hearn, Community Services Director
Jeff Tamulevich, Interim Community Development Dir.

Ken Jones, Deputy City Manager – Chief Financial Officer
Steven Methvin, Deputy City Manager – Chief Operating Officer
Eric Iwersen, Principal Planner
Mike Nevarez, Transit Manager
Michael Greene, Procurement Administrator
Elizabeth Higgins, Mayor and City Council Chief of Staff
Various Department Heads or their representatives

Mayor Mitchell called the meeting to order at 4:04 p.m.

Call to the Audience

None.

Issue Review Session Items

Streetcar Project Update

Eric Iwersen, Principal Planner, introduced co-presenters Scott Smith, Interim Chief Executive Officer, Valley Metro, and Wulf Grote, Director of Capital and Service Development, Valley Metro. Mr. Iwersen stated that staff last provided a Streetcar project (Streetcar) presentation to the City Council at the April 7, 2016 Work Study Session. He provided highlights of tonight's presentation and stated that the Streetcar route is 3 miles long, and includes 14 stops, 6 vehicles, and 2 Light Rail Transit connection stations.

Scott Smith reviewed the following unresolved project milestones: 1) Streetcar funding is included in President Obama's Fiscal Year (FY) 2017 budget; 2) the Streetcar is advancing through the Congressional budget appropriations process. Mr. Smith stated that if the budget appropriation does not occur prior to the beginning of FY 2018, the Small Starts Grant funding application will need to be resubmitted to the Federal Transit Administration (FTA). He discussed potential Presidential election-year impacts. Changes to the rules were made after the Tempe application was submitted; rule changes will not impact the Small Starts Grant funding application submittal timeline. The next milestone will be to obtain Federal funding.

Wulf Grote explained that Valley Metro has been working with the FTA to prepare "readiness" items for the Streetcar project to determine that the required technical and organizational capacities are sufficient to move the project forward. Valley Metro anticipates submitting the application for \$75 million in Small Starts Grant funding to the FTA in the spring, 2017, and

anticipates receiving grant funding by late summer or early fall, 2017. Valley Metro and City staff meet monthly with the FTA Project Management Oversight Contractor, as well as with FTA Region 9 staff on a quarterly basis.

The preliminary engineering process is nearing completion. Valley Metro and City staff are coordinating track location and roadways, stops, utilities, and rights-of-way, with concurrent public works projects. Valley Metro is also coordinating property alignment with Arizona State University (ASU) regarding the Rio Salado Parkway/Apache Boulevard segment of the route. The process includes off-wire design options in the downtown.

The Request for Proposals (RFP) for the purchase of six streetcar vehicles was issued in May, 2016; the contract is anticipated to be awarded to a vehicle manufacturer in March, 2017. City staff, the Center for Transportation and the Environment (CTE), and Valley Metro will evaluate the commercial, cost, and design elements of the proposals. Streetcar design options include off-wire propulsion technology for Mill Avenue, between University Drive and Rio Salado Parkway that includes one stop; and for the Mill Avenue and Ash Avenue segments that includes two stops.

In response to questions from Councilmembers, Valley Metro representatives stated that the streetcar manufacturers were not provided with CTE's technical analysis of off-wire technologies that was specifically designed for the Tempe alignment and climate. On-wire and off-wire propulsion technology options are included in the streetcar vehicle RFP. Valley Metro and City staff are committed to fulfilling the City's desire for providing off-wire propulsion technology for as much of the streetcar route as is operationally feasible. Based on discussions with streetcar manufacturers, Valley Metro is confident that off-wire technology can be provided along the Mill Avenue-only segment, but is not as confident that such technology can be provided along the Mill Avenue/Ash Avenue segments.

Valley Metro representatives explained that streetcar manufacturers perform modeling and computer simulations on their own vehicle's performance in situations involving high temperatures, frequent stop-and-go traffic, and other factors. The RFP submittals must demonstrate that the streetcar vehicle will effectively and consistently perform in the Tempe alignment, topography, and climate. Manufacturers responding to the RFP were asked specifically to run models of the off-wire technology on both the Mill Avenue-only and the Mill Avenue/Ash Avenue segments; in their RFP response, they must explain their rationale for committing to a specific vehicle and technology.

In response to additional questions, Valley Metro representatives stated that the feasibility and certainty of providing off-wire propulsion technology on both Mill and Ash Avenues will be known once the proposals have been submitted. Valley Metro will analyze the data in the proposals and return to the City Council with recommendations for the purchase of the streetcar vehicles. Councilmembers will have sufficient information to award the contract to a manufacturer that will build a vehicle that will perform; meets the City Council's objectives and aspirations; and, maintains the integrity, safety, security, and functionality of the streetcar system.

Mr. Iwersen noted that CTE will have an opportunity to evaluate the RFP data provided by the manufacturers and ask the manufacturers questions.

Mr. Grote reviewed the fall, 2016 procurement timeline for Request for Proposals for the Construction Manager at Risk (CMAR) services and the Request for Qualifications for design, CMAR and Artists services.

Mr. Iwersen explained that four artists will be hired to create artwork at stops within one of four sections of the streetcar system, known as the public art and design zones. Mr. Iwersen reviewed each of the art zone areas and stated that the artists will work with City staff, the Regional Rail Arts Commission, and other stakeholders in the art zone areas to create unique and engaging artwork.

Mr. Iwersen discussed the next steps:

- Community and stakeholder outreach is ongoing; a public meeting is scheduled for October 26, 2016.
- Finish preliminary engineering in August, 2016.
- Submit Small Starts rating materials in September, 2016.
- Award design, CMAR, and public art contracts in November and December, 2016.
- Award vehicle manufacturing contract in March, 2017.

In response to questions from Councilmembers, Mr. Iwersen noted that staff has been meeting with Valley Metro to discuss solutions to mitigate vehicular traffic congestion on Mill Avenue. Areas of focus are optimizing fiber optic communications between traffic signals and studying traffic mitigation measures implemented by peer cities. Traffic congestion on Mill Avenue is not anticipated to be greatly improved with the addition of the Streetcar; traffic congestion during peak hours is anticipated.

Mr. Smith stated that Valley Metro has contacted various cities that have streetcar alignments similar to Mill Avenue to find out how they overcame challenges, achieved successes, and mitigated risks.

Bus Pullout Decision Matrix

Shelly Seyler, Deputy Public Works Director – Transportation, introduced co-presenter Mike Nevarez, Transit Manager. Ms. Seyler stated that staff will present the bus pullout decision matrix (matrix) strategy for arterial-arterial and arterial-collector intersection locations, as requested by the City Council at the May 5, 2016 Issue Review Session. She delivered a slide presentation describing the benefits and drawbacks of bus pullouts, and outlined the factors considered when creating the matrix.

In response to questions from Councilmembers, Ms. Seyler explained that pass-through bus trips equate to the number of buses that stop at each location. Mike Nevarez, Transit Manager, noted that staff is recommending bus pullouts at intersections with a high level of ridership and opportunity for passenger transfers. Bus pull-outs provide safer areas for passengers and motorists, and improve traffic flow.

In response to questions, staff discussed the difficulty of gathering data on mid-block bus stops and the need to re-evaluate such data, based on changing conditions. Staff had several discussions regarding various scoring criteria and how to incorporate the criteria into the matrix.

Ms. Seyler reviewed circumstances that fall outside of the scoring system that could accelerate the installation of a bus pullout, including passenger layover locations; development opportunities; City-owned property; Orbit Saturn route implementation; safety and accessibility concerns; and, right-of-way/property acquisition.

Mr. Nevarez stated that staff performed a comprehensive assessment and applied scoring criteria to 35 bus pullout locations. As a result, the top 14 ranked locations are recommended for design in the Fiscal Year (FY) 2016-17 budget. A map was displayed outlining the proposed bus pullout locations. Staff is seeking City Council feedback on the bus pullout recommendations and decision matrix criteria.

In response to questions, Ms. Seyler explained that four bus pullouts along Guadalupe and Kyrene Roads are being recommended due to high traffic volume, bus transfer routes, and bike lanes. The design and analysis of each bus pullout will reveal if there are utility conflicts or right-of-way requirements. Providing bus pullouts at heavily used transfer points helps minimize the distance that passengers need to walk between bus stops.

Councilmembers discussed how street reconfigurations and the addition of bike lanes have impacted traffic congestion, particularly at the intersection of McClintock Drive and Baseline Road. Councilmembers suggested locating a bus pullout at this intersection to help alleviate traffic congestion in this area.

Councilmembers expressed appreciation to staff for developing the scoring criteria and matrix. Councilmembers also conveyed support for adding criteria that considers the traffic impacts of street reconfigurations over the last two years, and gathering and incorporating feedback from residents regarding the bus pullout prioritization and criteria. In November, staff will present information to the City Council regarding the McClintock Drive street reconfiguration impacts.

In response to questions from Councilmembers, Ms. Seyler explained that the scoring criteria considered the number of travel lanes, level of traffic volume, and bike lanes on a roadway. Staff collected traffic volume data over the last 6 to 12 months and continues to collect data.

Councilmembers voiced concern about posting the chart outlining the top 14 ranked bus pullout locations recommended for design, in FY 2016-17, on the City's website as it may impact community feedback. It is important to differentiate traffic concerns from bike lane concerns.

Based on the discussion, staff will add scoring criteria to the matrix that includes street reconfigurations that have occurred in the past two years; and, include community feedback with the matrix data, specifying the distinction between concerns related to traffic congestion versus the addition of bike lanes. Staff will provide follow-up information to the City Council at a future Issue Review Session.

Mayor Mitchell left the meeting at 5:22 p.m.

Procurement Ordinance Update

Jerry Hart, Deputy Internal Services Director – Finance, introduced co-presenter, Michael Greene, Procurement Administrator. Mr. Hart stated that staff is recommending changes to the City's Procurement Code (Code), based on organizational structure changes, technological advancements, procurement best practices, and changes to procurement regulations. The last major update to the Code was in 2009, followed by a minor Code update in 2011. The City Attorney's Office has reviewed and approved the recommended Code changes. Staff is seeking City Council feedback and direction on the changes. If supported by the City Council, the proposed ordinance will be added to an upcoming Regular Council Meeting agenda.

Michael Greene, Procurement Administrator, explained that the Code change recommendations include raising the City's formal bid limit from \$50,000 to \$100,000; raising the City's informal procurement limit from \$49,999 to \$99,999; allowing e-signatures on formal vendor offers; and, miscellaneous language revisions and clarifications. Mr. Greene identified Arizona agencies that have implemented the \$100,000 formal bid limit threshold, or plan to request similar increases this year. Various Valley municipalities Town/City Councils have delegated authority to staff to award contracts up to \$100,000, although their formal bid limits are currently at or below \$50,000.

Mr. Greene outlined the benefits and the risks to the City if the formal bid limit is increased to \$100,000; and, discussed the implementation of specific actions to mitigate risk, should the City Council approve the staff recommendation.

In response to questions from Councilmembers, Mr. Greene explained that staff currently reaches out and solicits quotes and bids from Arizona-based companies for procurements under \$50,000. Approximately 88% of the City's supplier spending is with businesses located in Arizona; approximately 26% of bids are awarded to Tempe companies. Currently, Tempe does not offer incentives to businesses based on their geographic location or size. The Request for Proposal (RFP) process provides controls and flexibility to staff to award contracts based on the quote that achieves the best value and quality for the City.

Councilmembers expressed support for involving local businesses in the procurement process. Mr. Greene stated that if the formal bid limit threshold is increased to \$100,000, staff will solicit quotes and bids from an on-call short list of Arizona-based businesses for procurement opportunities valued under \$100,000. Staff evaluates a company's familiarity of local regulations and conditions, and experience with relevant local projects. Increasing the formal bid limit could provide new opportunities for local businesses that offer better procurement choices for the City. Staff will continue to proactively educate local businesses regarding the City's RFP and RFQ evaluation processes.

Based on the discussion, staff will move forward with the proposed City Code revisions. Staff will submit a memorandum to the City Council with a timeline for a future Issue Review Session presentation regarding a local first procurement component, to include recent data regarding the impact of the City of Phoenix's policy to incorporate more local businesses in its procurement process.

Tempe Beach Park Splash Playground and Options

Shelley Hearn, Community Services Director, presented background information on the Tempe Beach Park Splash Playground replacement project (Splash Playground). Ms. Hearn stated that the demolition and construction work at the Splash Playground revealed that subsurface conditions were problematic. City staff evaluated the site and recommended retaining a contractor to assess the project. The contractor assessed the project and recommended renovation of the entire site. The project is on hold while staff seeks City Council feedback on how to proceed.

Ms. Hearn reviewed the following options for City Council consideration:

- 1) Receive full funding and move forward with a job order contract, two-phase approach (design and construction). This would meet the goal of reopening the facility in May, 2017.

- 2) Receive full funding and move forward with a separate design contract and procure a construction manager at risk. This would allow for a separate design contract and all of the construction services would be in one contract. This would extend the opening date to summer, 2018.
- 3) Do not fund the project, eliminate the Splash Playground, and restore the area.
- 4) Relocate the Splash Playground to a different location.

In response to questions from Councilmembers, Ms. Hearn stated that the City would generate significant savings by maintaining the Splash Playground in its current location because of the existing infrastructure. To date, the City has spent \$241,000 on the Splash Playground. If the Splash Playground remains in its current location, the City would lose approximately \$50,000 worth of materials that would have to be removed. The benefit of relocating the Splash Playground would be to better align it with the needs of the Parks Master Plan. From May through September, 2015, approximately 54,000 people used the Splash Playground.

Councilmembers requested information on potential locations for the Splash Playground, in the context of the Parks Master Plan; community feedback regarding potential locations; the cost difference between renovating the Splash Playground versus relocating it; and, the impact that special events have on the existing location of the Splash Playground. Based on the discussion, staff will provide follow-up information at a future Issue Review Session.

Water Rebates on Taxable Income

Councilmember Kuby noted that she serves as the City's representative on the Arizona Municipal Water Users Association Board of Directors, and the National League of Cities' Energy, Environment & Natural Resources Steering Committee. These groups are asking municipalities to send a letter to President Obama, encouraging the Internal Revenue Service to not tax rebates involving water conservation.

Elizabeth Higgins, Chief of Staff to the Mayor and City Council, explained that the letter is asking the Obama Administration to provide clarity that the water conservation rebate will not be taxed as income. There is uncertainty nationwide regarding whether cities should be issuing 1099 forms to consumers.

Councilmembers confirmed that the National League of Cities and Towns is supportive of not taxing water conservation rebates as income and conveyed support for sending a letter to President Obama.

Future Agenda Items

None.

The meeting was recessed at 5:58 p.m. for a break and reconvened at 6:04 p.m. with Mayor Mitchell absent.

Call to the Audience

None.

Committee of the Whole Items

Items ready for City Council Direction or Status Update

None.

New Items for City Council Consideration

Commercial Property Pavement Maintenance

Councilmember Granville stated that he is requesting to create a working group to develop a Pavement Quality Index measure that establishes a minimum objective standard to determine if the condition of parking pavement on commercial property meets the requirements for pavement maintenance. Jeff Tamulevich, Interim Community Development Director, stated that staff currently enforces the upkeep of commercial parking pavement on a complaint basis. Councilmembers voiced concern about the impact on staff resources; creating a mandate; and, the importance of being business friendly.

Councilmembers suggested that the working group also consider the maintenance of xeriscape landscaping in commercial parking lots; the need to educate business owners on how to comply with City Code (Code) regulations if the business receives a Code violation; involve the small business association and the Tempe Chamber of Commerce in the process; and, to consider the time needed to correct more extensive problems, versus minor repairs.

Based on the discussion, the City Council agreed to move the item forward for study.

Animal Welfare Laws and Programs

Councilmember Kuby stated that she and Councilmember Keating are requesting to create a working group to explore the feasibility of implementing animal welfare ordinances and programs, such as an anti-tethering ordinance and a low-cost spay/neuter program. The working group would explore best practices from other cities, including the possibility of providing financial assistance to families. One potential funding source could be the Ramsey Social Justice Foundation. Councilmembers discussed various stakeholders and agencies that should be engaged in the process.

Based on the discussion, the City Council agreed to move the item forward for study.

Items in Progress – updates as needed

“Housing First” Approach to Homelessness in Tempe

Councilmember Kuby announced that the Solution-Oriented Town Hall on Homelessness will be held on Saturday, August 13, 2016, at Arizona State University. Councilmember Kuby announced that Councilmember Keating will be added to this working group.

Kid Zone Program Expansion

Councilmember Schapira stated that he, Mayor Mitchell, and Councilmember Navarro met with representatives from the Institute for Childhood Success to discuss a feasibility study to implement a preschool pilot program, and to identify potential funding sources.

Free Arts Programming In Neighborhood Parks

Councilmember Schapira announced that Councilmember Keating will be added to this working group.

Neighborhood Libraries

Councilmember Schapira noted that this item can be removed from the list of *Items in Progress*.

Commercial Pet Sales Ban

Councilmember Kuby stated that the Arizona Legislature passed Senate Bill 1248. The City is amending the City Code to conform to the new State law. Councilmember Kuby stated that she is working on the enforcement component and is looking for participation from her colleagues. She stated that she is working with staff on exploring collaborative partnerships with animal welfare groups.

Electric Bike Ordinance

Councilmember Kuby stated that she anticipates that this item will be ready for City Council direction at the September Work Study Session.

Plastic Bag Ban

Councilmember Kuby noted that as a private citizen, she filed a lawsuit against the State for passing legislation preempting Arizona cities and towns from enacting fees or placing bans on the use of plastic bags. The City of Bisbee has also signed on to the lawsuit. The State Legislature has threatened to withhold State-shared revenues from jurisdictions that adopt ordinances that ban or prohibit the use of plastic bags.

Councilmember Kuby expressed an interest in participating in the “Sustainable Neighborhoods for Wellbeing and Happiness” project (also known as the Green Streets Pilot Program) along with Councilmember Granville.

Art Murals on Commercial Property

Councilmember Keating stated that he would like to be added to this working group.

Commercial Sign Regulation Reform

Councilmember Keating stated that he would like to be added to this working group.

My Brother's Keeper Designation

Councilmember Keating stated that he would like to be added to this working group.

Mayor's Announcements/City Manager's Announcements

None.

Future Meeting Date:

September 1, 2016, at 4:00 p.m., City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

The meeting adjourned at 6:20 p.m.

I, Kay Savard, the duly-appointed Deputy City Clerk of the City of Tempe, Maricopa County, Arizona, do hereby certify the above to be the minutes of the City Council Work Study Session of August 11, 2016, by the Tempe City Council, Tempe, Arizona.

Mark W. Mitchell, Mayor

ATTEST:

Kay Savard, Deputy City Clerk