



## Minutes City Council Retreat August 12, 2016

Minutes of the Tempe City Council Retreat held on Friday, August 12, 2016, 8:30 a.m., at the Four Peaks Tasting Room, 2401 South Wilson 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 8:43 a.m.*)

### **STAFF PRESENT:**

Andrew B. Ching, City Manager  
Judi Baumann, City Attorney  
Steven Methvin, Deputy City Mgr.- Chief Operating Officer  
Renie Broderick, Internal Services Director  
Scott Powell, Economic Development Program Manager  
Paul Bentley, Deputy Human Services Director  
Shelley Hearn, Community Services Director  
Various Departments Heads and their representatives

Ken Jones, Deputy City Manager – Chief Financial Officer  
Kay Savard, Deputy City Clerk  
Rosa Inchausti, Strategic Management and Diversity Dir.  
Donna Kennedy, Economic Development Director  
Jill Buschbacher, Economic Development Program Mgr.  
Ryan Levesque, Deputy Community Dev. Dir./Planning  
Linda Cano, Recreation Manager

***Mayor Mitchell called the meeting to order at 8:39 a.m. and welcomed meeting attendees.***

### **Strategic Management Initiative Update**

Mayor Mitchell stated that the purpose of the strategic management initiative is to increase efficiency in achieving goals, to provide tools for successful outcomes, and to enable informed policy decisions. This global approach focuses on issues that affect all City departments. This process will benefit neighborhoods and the business community.

Rosa Inchausti, Strategic Management and Diversity Director, reviewed the five City Council priorities [1. Safe and Secure Communities, 2. Strong Community Connections, 3. Quality of Life, 4. Sustainable Growth & Development, and, 5. Financial Stability & Vitality], proposed performance measures, next steps, and discussed the new City Council strategic priorities webpage. Ms. Inchausti provided an overview of the history of the City Council priorities from 2011 to the present, including the creation of the Office of Strategic Management and Diversity in March, 2016. Ms. Inchausti reviewed the strategic planning cycle and outlined the benefits of the strategic planning process. Strategic planning assists leaders in making data-based decisions and ensures that goals are reflective of the City Council's intentions.

Councilmembers discussed the importance of ensuring that the goals consist of items that the City Council has the ability to impact and that staff provides the City Council with the data needed to make decisions related to the staffing and funding needed to achieve the goals.

Councilmembers discussed the importance of ensuring that information on the City's website is easily accessible, searchable, and that hyperlinks work properly.

Councilmembers discussed how data will be used to measure outcomes and consideration of aligning with the metrics established through the Sustainability Tools for Assessing and Rating (STAR) system for communities.

Ms. Inchausti provided a preview of the City Council strategic priorities website. Staff is seeking partnerships to assist with exploring strategic planning industry language standards. The next step is to develop strategies to help achieve the goals. Currently, the focus is on performance measurements for each of the five priorities.

Ken Jones, Deputy City Manager – Chief Financial Officer, stated that staff is working with the Municipal Budget Office to reallocate funds in order to achieve the goals. Previously, the City Council did not have detailed information needed to make those budget decisions.

Councilmembers discussed how the OpenGov software provides a graphical interface with the City's finances, increasing transparency. Renie Broderick, Internal Services Director, stated that staff is in the process of exploring additional system components, which will have costs associated with them.

Ms. Inchausti highlighted performance measurements and discussed how they were developed for each of the five strategic priorities.

Councilmembers and Ms. Inchausti discussed the use of survey data to develop annual goals, the City staff and public notification process on the status of the goals, and redirecting staff when goals are not being achieved. Staff could work with the departments on assessing survey results and communicating that information throughout the organization. ETC Institute is an organization that conducts community surveys, annually benchmarks cities, and compares national trends. This data will enable the City Council to make better policy decisions and identify issues that need to be addressed.

Andrew Ching, City Manager, stated that one of the areas of focus is to identify factors outside of Tempe's span of control that may affect Tempe's ability to attain its goals.

Councilmembers, Ms. Inchausti, and Mr. Jones discussed collaboration opportunities with the private sector and individuals in leadership roles to achieve goals; and, ensuring that departmental budget requests align with goals to assist the City Council in prioritizing the budget. Departmental budget information should not be pre-screened before it is presented to the City Council. Mr. Jones advised that, prior to presenting the budget to the City Council, the City Manager reallocates resources to address the department's concerns. Staff should identify needed funding to achieve goals. Mr. Ching stated that budget proposals will be based on the results of this discussion along with the City Council strategic priorities; transparency will be part of the internal processes.

Mr. Ching reiterated that staff is seeking feedback on the performance measures and how they relate to the City Council priorities. The criteria used to identify performance measurements are items that can be influenced through City programs and services.

Councilmembers and Mr. Jones discussed considering the return on investment as part of measuring goals; allocating resources in areas where the City has the ability to effect change; recognizing areas where the City has no control over the outcomes being measured; and, ensuring accountability of resources. Mr. Jones stated that although some items are not 100% under the City's control, these items relate to City Council priorities. Councilmembers agreed that accountability, identifying the resources utilized, and assessing the return on investment should be incorporated into the strategic plan to measure outcomes.

Councilmembers discussed how new programs and initiatives are created in the Committee of the Whole process. Education is a priority for residents and the City Council. Residents hold the City accountable for education outcomes, even though the City does not manage the education system. The City is working with the Institute for Child Success to determine the impact the City is having on education. The City should evaluate resources allocated to various City programs and their impacts on the education system.

Councilmembers discussed focusing on performance goals within the City's control so that the City's impact can be measured; not spending resources in areas where the City has no control over; and, identifying the difference between funding and resources. Councilmembers suggested establishing partnerships to assist in achieving goals. Measurement tools can hold the City accountable to attain its goals.

Councilmembers noted that 37% of Tempe residents are eligible for services through Tempe Community Action Agency. A Councilmember asked staff to include a performance measurement on homelessness. Mr. Jones noted that staff will be seeking City Council direction on several items related to housing.

Ms. Inchausti discussed a three-year Americans with Disabilities Act (ADA) transition plan for municipal facilities, right-of-ways, parks, and adaptive recreation programs. Ms. Inchausti discussed the ADA transition plan timeline, Department of Justice ADA compliance, and City standards for improved access that exceed ADA requirements. Placeholders for performance measures under the *Sustainable Growth & Development* priority include a Smart Cities Initiative, a Housing Attainability Index, and an Urban Core Vision. Gentrification is also an issue of concern.

Councilmembers expressed an interest in seeing how the Housing Attainability Index is measured, what peer cities have done, and the range of expectations. Performance measures are heavily weighted towards the Public Works Department. Sustainability should take into account social and economic justice issues. A Councilmember requested adding a metric under the *Financial Stability & Vitality* priority for Local First Procurement for procurement amounts under \$100,000.

Councilmembers requested that the following items be added to the goals or performance measures:

- Library goals for circulation, outstanding fees, or number of patrons
- Tempe Center for the Arts number of users; revenue
- Diversity hiring
- Call hold times or email response times for internal and external customers
- Outreach, resident engagement and communication
- Gold bike level status
- Federal and state grants
- Bike theft
- Tree canopy coverage
- Upkeep of vegetation in right-of-ways
- Traffic delays related to construction, time to set up, and barrier removal
- Apartment complex recycling
- Graffiti
- Composting in parks

Mayor Mitchell stated that the list of these items has been provided to Ms. Inchausti, who will follow up.

Councilmembers and Mr. Ching discussed incorporating future space planning and public access for municipal facilities into the goals. The intent of the strategic priorities document is to reflect the values of the City Council, the City organization, and the community; and, to develop a framework that will be the basis of decision making for all priorities.

Councilmembers, Mr. Ching, and Ms. Inchausti discussed the City employee survey; the importance of empowering employees to look for trends and identify gaps; and, assurance that there is a performance measure on the engagement level of employees.

Based on the discussion, Ms. Inchausti will incorporate the feedback into the strategic planning performance measures and return to the City Council with an update.

*The meeting was recessed at 10:00 a.m. for a break and reconvened at 10:08 a.m. with all Councilmembers present.*

## **Economic Development Strategies**

Mayor Mitchell discussed the current economic development activity in Tempe. This discussion is an opportunity to review strategies to keep the economy growing and moving forward. Creative ideas are needed for business expansion locations and business attraction. The economy funds City Council priorities.

Donna Kennedy, Economic Development Director, reviewed economic development accomplishments since the last City Council Retreat [October 2, 2015]. "In Tempe Start Grow and Thrive" is the new economic development brand which was developed by the Arizona State University (ASU) Arts Department. The "In Tempe" website will be launched next month. Ms. Kennedy outlined economic development activities occurring within various City facilities.

Ms. Kennedy introduced Economic Development Program Managers, Scott Powell and Jill Buschbacher, and Rob Cox, ASU Economic Development Liaison. Ms. Kennedy then reviewed the Economic Development Department's mission and vision statements, discussed the Department's database, and reviewed the economic development goals for fiscal year 2017 as follows:

- Remain an importer of net jobs per resident.
- Concentration on High Wage Jobs (Wage level that exceeds the region for net new jobs per annum).
- Focus on Capital Investment (per capita vs benchmarks).
- Achieve ratings of "Very Satisfied" or "Satisfied" with patrons who received services provided by the City of Tempe, the Business Resource and Innovation Center (BRiC), and Valley Benchmarks.

In response to questions from Councilmembers, Ms. Kennedy stated that brokers are interested in how to sell Tempe. She provides information to brokers related to technology jobs, innovation hubs, BRiC, and Class A office space. Density and diversity of the housing mix are important to economic development. She has received feedback that Tempe is one of the most progressive cities for economic development. Economic Development staff reviews the financial records of businesses that may potentially relocate to Tempe.

Scott Powell, Economic Development Program Manager, discussed the various cities that Tempe competes with for economic development opportunities. Arizona has limited local and state incentives. The focus is for the City to fill that gap.

Councilmembers discussed the importance of enhancing regional relationships to help with business growth and business attraction; the Greater Phoenix Economic Council (GPEC) and Maricopa Association of Governments (MAG) are assisting. Mr. Powell noted that GPEC is compiling competitive packages to attract businesses. Tempe's proximity to ASU, its transit options, and Government Property Lease Excise Tax (GPLET) incentives, can affect outcomes. Mr. Powell outlined targeted industry sectors and noted that data centers are not a good fit for Tempe because of the amount of land needed compared to the number of jobs generated. Tempe needs to be competitive with Scottsdale and Phoenix.

Mr. Powell stated that Tempe needs strategies for real estate development and options for company expansions. Staff is pursuing market tax credits, grants, and other funding solutions with various Federal agencies to decrease the costs for the International Biomedical and Technology Campus (IBTC). Mr. Powell discussed the anticipated employee wages and reviewed the site plan for the IBTC, which will be located next to the Tempe Center for the Arts. He discussed regional economic development competitors, outlined competitive tactics, and noted that ASU gives Tempe a competitive advantage.

Councilmembers discussed the grants available in the financial technology sector; the economic impact of importing talent versus utilizing local talent; attracting industries suited to local talent; comparing the industries under consideration with the workforce being produced by the college sector; and, having an education strategy to prepare the workforce for existing jobs. Mr. Powell discussed certifications and licensing that are required in various industry sectors.

In response to a question from a Councilmember, Jill Buschbacher, Economic Development Program Manager, stated that ASU was awarded a grant from the Big Data Innovation Hub Program through the National Science Foundation. ASU is interested in collaborating with staff to develop benchmarks and strategies to advance Tempe.

Councilmembers discussed reasons why businesses choose to relocate; the economic benefit to attract industries that employ residents; the importance of diversifying industries; maintaining relationships and partnerships with cities in Mexico; and collaboration opportunities with the biotech industry. Businesses are attracted to Tempe's quality workforce. The City should factor in whether industries will be utilizing local talent, which is of significant economic benefit to Tempe. Ms. Kennedy stated that a qualified workforce has been an issue of statewide concern. GPEC encourages students to seek jobs in Arizona. She also noted that mayors from Mexico have been invited to visit Tempe.

Mr. Powell compared Tempe's low industrial property vacancy rates to surrounding Valley cities. Tempe offers the second highest amount of industrial space in the metro area and needs to develop the right type of product for that sector. Councilmembers discussed the economic value that industrial space brings to Tempe, compared to multi-family developments.

Ms. Buschbacher discussed the City's collaboration with the Arizona Commerce Authority and GPEC in contacting targeted industries. Businesses are looking for customer service, ease of plan review and permitting, talent, and financial tools. Tempe has a variety of amenities making it uniquely positioned to be competitive. Next year a business survey will be conducted to evaluate needs so that programs and services can be customized. A CEO Network will be launched as a business advisory service.

Councilmembers emphasized the importance of proactively reaching out and establishing relationships with established, long-time, Tempe businesses; staff should conduct site visits and offer assistance. Ms. Buschbacher stated small business representatives will be invited to participate in the CEO Network. A series of forums will be held at BRiC seeking feedback on existing programs and services. BRiC will provide free, collaborative, co-working space. The ASU W.P. Carey School of Business Center for Entrepreneurship will offer business start-up training. Business mentoring will be offered through the Greater Phoenix SCORE Program. Company profiles will be featured on the City's Economic Development website. Negotiations are in progress to locate a design industry incubator at the Tempe Performing Arts Center (TPAC). Design industry training is offered at ASU, East Valley Institute of Technology, and Maricopa Community Colleges.

Talent attraction is a concern for area businesses. BRiC will provide educational opportunities related to new career paths and industries; priority will be given to Tempe residents that participate in career training and certification workshops. A Youth Entrepreneurship Boot Camp will be implemented through an ASU grant.

A Councilmember discussed business recruitment efforts and suggested that a fourth category be added to the economic development area of focus, which is to integrate spaces where new businesses can operate for a limited time while their business becomes established. It was noted that Tempe has no equivalent to Gangplank, which is a collaborative co-working and event space. Creating this space will encourage graduates to stay and grow in Tempe.

Councilmembers discussed companies that started in Tempe and evolved into major corporations; the importance of a diverse business market; and, that many small companies are expanding and creating new ventures and opportunities. The MAC<sup>6</sup> organization created co-working space without any GPLET incentives; however, MAC<sup>6</sup> had many partnerships and resources that enabled their start up. Tempe should focus equal efforts to incubate new companies, as well as on business recruitment. Co-working space benefits innovators that work at night. The City can help facilitate co-working space. A constraint of co-working space at the Tempe Public Library is its limited hours of operation. Ms. Kennedy stated that there are 10 co-working spaces at TPAC to accommodate late night workers; the Downtown Tempe Authority oversees nighttime security at TPAC.

A Councilmember suggested that the Eastline Project could serve as a potential location for incubator businesses. There are various incentives to help small businesses grow and succeed. In response to a comment, Ms. Kennedy stated that staff is pursuing tourism-related economic development strategies. A variety of companies have inquired about the co-working concept.

Ms. Buschbacher stated that staff will provide quarterly progress reports to the City Council. A Councilmember acknowledged the increased workload of staff and that resources are limited.

## **Downtown Development Vision**

Mayor Mitchell noted the need for a downtown development vision that will encourage year-round success for businesses.

Steven Methvin, Deputy City Manager – Chief Operating Officer, stated that staff is seeking City Council feedback regarding the City Council's downtown development vision. The feedback gathered will assist staff in developing a vision.

Councilmembers discussed the evolution of the various types of downtown housing over the years. The downtown businesses, Class A office space, and the streetcar route all need to coincide with the vision for the types of housing options available in the downtown. How land is used is important. Condominium platted development, mixed-use, and a hotel/conference center are anticipated for future downtown development. A mixture of housing options is needed; however, student housing is not appropriate in the downtown. A Councilmember requested that the Stadium District and small businesses be included in this process. The Character Area 3 plan may incorporate some of the uses in the downtown area.

Councilmembers discussed the need for housing density and maximizing density on the remaining downtown lots. There are opportunities for Class A office space around the Town Lake as well as close to ASU. New developments should take into consideration setbacks, alleyways, connectivity, creative water features, and public seating areas. Use bollards instead of traffic barricades for special event street closures to improve aesthetics. Streetscapes and right-of-ways need to include shade. Unique streets should include lush greenscape, versus desert vegetation. Councilmembers suggested creating a template, uniform guidelines, to guide staff on desired elements for new developments and to set expectations for developers. The City has not been consistent in its application of development guidelines.

Councilmembers discussed the importance of creating a pedestrian experience and environment; ground level businesses should incorporate more public uses; and, it is important to attract long-term residents. There should be a diverse balance of businesses, retail, services, office space, and homeownership. There should also be a Business Resource and Innovation Center (BRiC) located in the downtown. A focus should be placed on what attracts Tempe residents to the downtown and the impact that special events have on downtown residents. Density supports economic development and growth, and is context specific to each location. The type of land use depends on the project density.

Councilmembers discussed revising the downtown building heights guidelines, including establishing minimum building height requirements; tiered building heights on the north side of University Drive, east of Mill Avenue; and, extending Mill Avenue streetscape elements to side streets, from Ash Avenue to College Avenue. Ground floors should be leased to commercial businesses, as a condition to retain a Government Property Lease Excise Tax (GPLET); require a use permit to deviate from the GPLET condition. A list of required neighborhood amenities would be helpful to downtown businesses. Building heights and density could be considered on a case-by-case basis, depending on the use.

Councilmembers voiced support for increased density between Farmer Avenue and Rural Road, north of University Drive; fewer rental projects; and, stricter incentive guidelines to justify GPLET abatements.

Councilmembers expressed concern about making the wrong decisions relating to the long-term vision. Quality and uses are important considerations; infrastructure needs to be able to support the density. This is an opportunity to get the proper mix of density and uses.

Councilmembers voiced support for more downtown housing options for lower income and younger populations. The Eastline project will include residential units with community and retail space on the ground level, and potential live-work spaces; ownership opportunities should be an option for those types of spaces. Downtown accessibility should be increased for south Tempe residents using alternative modes of transportation.

Councilmembers discussed that there is room for horizontal density, while maintaining the character of the City and its neighborhoods. The Foundry project is an example of a public process regarding density, housing, and commercial use issues. Buffer zones need to be protected, especially for the historical neighborhoods surrounding the urban core; a dense urban core is important. Lush landscaping can be drought resistant vegetation that provides shade. The Urban

Core Street and Urban Tree Canopy programs align with the needs of the downtown. Leadership in Energy and Environmental Design (LEED) standards add unnecessary costs to building designs; energy use and implementation are more important. More sustainable and close to net zero buildings, energy and water conservation should be encouraged.

Mayor Mitchell asked staff to incorporate the City Council feedback into a comprehensive downtown development vision to present to the City Council at a future meeting.

Councilmembers discussed development impacts on infrastructure and public safety. It is important to ensure that infrastructure meets the needs of future density and development; and, to plan for infrastructure needs over the next 30 - 50 years. Not approving a development due to inadequate infrastructure will leave the City with a less than desired development. Traffic congestion should be addressed by building underpasses and overpasses to provide pedestrian access and connectivity. A Councilmember requested that the downtown vision include homelessness issues.

Andrew Ching, City Manager, noted that resource allocation and determining the priorities leads to strategic planning. Water and Utilities Division staff are considering future planning and growth with modeling. There will be adjustments needed for specific types of development. There also needs to be cross-departmental consideration of the impacts to infrastructure.

Ken Jones, Deputy City Manager – Chief Financial Officer, stated that the City Council has identified important elements of downtown development. Before a plan is developed, staff will seek input from the City's downtown partners and ASU officials related to the desired elements of downtown development.

A Councilmember noted that excessive parking could work against the quality of life. A study conducted by the University of Connecticut recommended that cities consider policies designed to limit parking to restrict demand, including elimination of minimum parking requirements, the use of maximum parking requirements, and implementing market-based pricing. While Tempe has reduced its parking requirements, planning efforts should focus on the next ten years. The City should also balance how it incentivizes retail, restaurants, and bars.

Mr. Methvin stated that staff will share this information with the Downtown Tempe Authority (DTA), Tempe Tourism Office, ASU, and developers, to seek their feedback before returning to the City Council.

Mr. Ching stated that financial resources have been set aside to assist when there is a need to reallocate funding mid-year. In response to a question from Mr. Ching concerning the potential need for outside consulting services, the City Council confirmed that staff may reallocate funds for consultant services as needed.

*The meeting was recessed at 12:00 p.m. for a break and reconvened at 12:26 p.m. with all Councilmembers present.*

## **Citywide Housing Strategies**

### **Defining Housing Terms**

### **Approaches to Housing and Housing Demographics: Housing inventory, framework and involuntary displacement**

### **Overarching Housing Plan**

Mayor Mitchell stated that the City needs the right mixture of housing options to make downtown successful and to provide work/live housing options. Staff is seeking feedback on a vision for a comprehensive housing plan, including strategies, tools, and definitions of housing types.

Paul Bentley, Deputy Human Services Director, provided an overview of Tempe's affordable housing continuum. Staff is seeking City Council direction to guide future affordable housing initiatives. Clear, consistent definitions for housing terms need to be identified. Staff is proposing a categorization of housing into four categories based upon the measurement of annual median income (AMI) of \$44,000. The following categories were reviewed:

1. Subsidized Housing – Households earning less than 80% of the AMI. Multiple programs support this category for both rental housing and home ownership, including Section 8, Low Income Housing Tax Credit Program, Community Assisted Mortgage Program (CAMP), and Family Self Sufficiency.
2. Workforce Housing – Households with income between 80%-120% AMI. This group is typically limited in their housing options within their price point.
3. Market-Rate Housing – Households earning between 120%-250% AMI. Generally this group can afford to buy in a location that is convenient to their place of employment.
4. Luxury Housing – Households earning greater than 250% AMI or housing priced over \$350,000.

The staff research will answer questions that relate to who can, and cannot, afford to live in Tempe and what impact does housing development have on Tempe residents.

Scott Powell, Economic Development Program Manager, presented an outline of housing options utilizing various occupations, Bureau of Labor statistics, and Standard Occupancy Codes (SOC) to determine the type of workforce and income levels that exist within the Phoenix Metro region. He discussed data comparing the median wage for each occupation to the cost of various housing types, including variables such as multiple-income and multiple occupancy homes. A housing inventory needs to be compiled related to the types of housing and affordability levels.

Mr. Bentley stated that the goal is for staff to provide up-to-date housing information. The research will help staff determine the appropriate percentage of each housing type for Tempe. Staff is seeking City Council support for staff to research and study models that may work for Tempe.

Councilmember Granville voiced a preference to hire a consultant, similar to how a consultant was hired to compile the Tempe Municipal Arts Commission report. This approach would remove Councilmembers from influencing the process. The long-term solution to affordable and workforce housing will be based upon unbiased research data.

Councilmembers discussed the possibility of hiring a consultant and voiced concern that a consultant may not know the City and the context of the issues. This situation is different from the Municipal Arts Commission study. Community involvement is important and may be impacted if a consultant managed the process. Councilmembers voiced support for staff to conduct research and present data for City Council consideration.

Councilmembers stated that they would like the research to include Affordable Housing Impact Statements and policies from cities similar to Tempe that offer diverse housing types. This could be an opportunity for ASU students to assist with research. Councilmembers expressed concern for the displacement of families that are impacted by the redevelopment of mobile home parks along Apache Boulevard.

Mayor Mitchell stated that the City Council consensus is for staff to develop an overall housing plan, including the means that will be used to achieve that plan. It can later be determined if a consultant is needed.

Councilmembers referenced the work of a University of Arizona professor who is an expert in the housing industry field, as being a potential resource. Mr. Bentley stated that staff has contacted Dr. Joanna Lucio, ASU School of Public Affairs, a professor who also specializes in the housing field.

Ryan Levesque, Deputy Community Development Director – Planning, reviewed past and current housing initiatives. He outlined the provisions of a proposed 2008 workforce housing Zoning and Development Code initiative that was tabled, for various reasons. He noted that the Streetcar Project received a federal grant for a transportation overlay district for this area. There is an affordable housing strategy component to that grant.

At the request of a Councilmember, Mayor Mitchell requested that staff include research data on Affordable Housing Impact Statements and involuntary displacement.

In response to a question regarding whether or not gaps exist between housing needs and resources available, Mr. Bentley advised that more research and data is needed in order to identify service gaps. A significant focus has been placed on public notification efforts for Tempe's housing voucher program waiting list.

Councilmembers requested the following: a definition for the diversity of housing stock; a summary of programs utilized in other cities, including their program outcomes; data on net income with regard to affordability and the percent of income available for housing; and, data on rental housing trends and strategies for allocating resources to maximize the return on investment.

Based on the discussion, Mayor Mitchell stated that the goal is for staff to develop an overarching housing plan that encompasses the feedback and items discussed. Staff will provide an update at an upcoming meeting.

Councilmembers noted that residents are being displaced because of older housing stock being torn down and replaced with market rate housing.

## **Special Events Strategies and Vision**

Shelley Hearn, Community Services Director, introduced co-presenter Linda Cano, Recreation Manager. Ms. Hearn stated that staff is seeking City Council input on the types of special events that they would like to see in Tempe Beach Park (TBP). The City Council's vision for special events will be included in a plan that also takes into account the Stadium District, the Downtown Tempe Authority's (DTA) Open Spaces Plan, and Tempe's branding initiative. She discussed internal audit findings related to special event processes.

Linda Cano, Recreation Manager, stated that the City will collaborate with Tempe Tourism and will seek out national producers to attract more destination-type events to TBP.

Councilmembers suggested consideration of the following types of events: battle of the bands (local bands); signature events such as Oktoberfest, Ironman or Rock and Roll Marathon; destination/tourism related events; fall/spring music festivals; beach volleyball; wakeboarding; events that bring economic opportunities for businesses; events that attract a variety of audiences; family friendly outdoor events that incorporate use of the Town Lake; preference to charitable events that provide economic benefits to the City; and, drone racing. A Councilmember noted that a previous volleyball event was costly to the City due to park damage.

Councilmember Granville stated that he will provide a list of suggested events to staff.

Councilmembers discussed hosting events on a regular basis in areas around the Town Lake other than in TBP, to give TBP a break in activity and to activate the entire lake. Councilmembers also discussed leveraging the Tempe Center for the Arts space and utilizing the pedestrian bridge.

Councilmembers and Mr. Ching discussed how Tempe is centrally located and is in competition with other cities for large, signature events. Tempe lacks sufficient space and capacity for larger types of events. Arizona State University (ASU) Sun Devil Stadium could serve as a special event venue. Staff should consider the impact that special events have on street closures and neighborhoods.

Ms. Hearn noted that because TBP is consistently booked with events, staff does not have the opportunity to seek out signature, destination-type events.

Andrew Ching, City Manager, discussed regional competition events that offer locations that have larger spaces. He requested feedback regarding incentivizing certain special events. The City has offered incentives in the past for the Ironman and Rock n' Roll Marathon events.

Councilmembers stated that the same audience attends the same signature events, annually. A diversity of events will expand the amount of people attending special events.

Councilmembers discussed the use of a point system to rank events; exploring how development will affect TBP; and, collaborating with ASU to utilize Sun Devil Stadium as an event venue. It was emphasized that the purpose of this discussion is for the City Council to provide feedback to staff, with the expectation that staff will provide a future staff update to the City Council.

Ms. Hearn stated that staff will explore locations that can accommodate certain audience capacities, both large and small. Councilmembers suggested looking at events that attract 500 people as opposed to 3,000 and establishing minimum recycling goals for special events. Ms. Cano noted that staff is working on stricter recycling requirements, which will be included in the special events handbook. Councilmembers expressed frustration that special event recycling was discussed last year, and guidelines have not yet been implemented.

Mayor Mitchell reviewed the staff memo. There was City Council consensus for staff to explore the items outlined in the staff memo, including types of events, diversity of events, national acts, smaller events to allow time for the park to recover, cost recovery, incentives, and booking policies.

Ms. Hearn stated that staff will research special event policies and costs in other cities.

Councilmembers discussed the possibility of offering special pricing for events that utilize waste diversion methods and requested additional information regarding the manageable numbers of attendees for events. Councilmembers also noted the importance of cost recovery and the benefits derived from events. Ms. Hearn discussed the fees charged for special events and noted that the cost for park and events staff are not completely recovered.

Based on the discussion, Mayor Mitchell stated that staff will follow up on the feedback provided and schedule a future update to the City Council.

***There being no further business, the meeting adjourned at 1:39 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 Retreat of August 12, 2016, by the Tempe City Council, Tempe, Arizona.

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Mark W. Mitchell, Mayor

ATTEST:

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Kay Savard, Deputy City Clerk