



Minutes Joint Dinner Meeting Tempe City Council and Downtown Tempe Community January 29, 2009

Minutes of the Joint Dinner Meeting of the Tempe City Council and the Downtown Tempe Community (DTC) held on January 29, 2009, at 5:30 p.m., Monti's La Casa Vieja, 1 W. Rio Salado Parkway, Tempe, Arizona.

Tempe Councilmembers Present:

Councilmember Mark W. Mitchell
Councilmember Onnie Shekerjian
Councilmember Corey D. Woods

Tempe Councilmembers Absent:

Mayor Hugh Hallman
Vice Mayor Shana Ellis
Councilmember Ben Arredondo
Councilmember Joel Navarro

Tempe Staff Present:

Mike Crusa, Mayor's Chief of Staff
Shelley Hearn, Community Relations Manager
Jan Hort, City Clerk
Jeff Kulaga, Assistant City Manager
Charlie Meyer, City Manager
Chris Salomone, Community Development Manager

Downtown Tempe Community members Present:

Alexis Bourdamis
Mike Burke
Eddie Goitia
Darwyn Harp
Kathy Honeycutt
Nancy Hormann
Ken McKenzie
Stu Seifer
Lara Skutt

Reception convened at 5:30 p.m., dinner and meeting convened at 6:00 p.m.

Eddie Goitia welcomed the group and summarized that the economy has hurt everyone. The DTC is a partnership of the City and the DTC must do its part to help wherever possible to alleviate expenses and start building tax revenue. This is the time to begin making plans for a better tomorrow. The DTC wants the downtown area to continue to grow and keep that great environment.

The message from the business community in the downtown area is that we believe we need to work in partnership with the City.

Agenda Item #1 – Expansion of District

Mr. Goitia summarized that the idea to expand the district was developed at a stakeholder's meeting. One of the ideas brought forward was to expand the district marketing to include areas of the Town Lake and the area around Gammage and look at how all of these parts of the downtown area are interconnected. The DTC will look at expanding the district and how to make the Town Lake and Papago area all the way south to the Gammage part of an integrated downtown.

Nancy Hormann presented two maps. The first map shows the Mill Avenue District, which made no sense to her because the DTC was leaving off one of the best assets, the Town Lake. Only the middle of the district is being promoted. They split the district into four districts: The Lake District, the University District, Mill Avenue District, and eventually the Farmer Arts District. DTC proposes a marketing overlay within their district, not over the full district. She outlined the boundaries: down to Apache, over to Roosevelt, on both sides of Mill Avenue, to the other side of Farmer. She added that the DTC is a business improvement district and does take money from its constituents, so it would not be fair to market those that do not pay into the district.

Mr. Goitia added that within the Enhanced Services District, they have the ability to change the guidelines.

Councilmember Woods agreed. He would like to hear what local businesses need from the City to make sure they continue to stay within the City of Tempe. This is a partnership and he wants to make sure the City is providing whatever businesses need to make them more successful.

Mr. Goitia added that the Board realized that the DTC is marketing one thing, and the TCVB is out there marketing one thing, as well as the Chamber and the City. For years there has been a fragmented approach. We need to have a consistent message and consistent image so that no matter what organization someone is with, the same message is being sent to the customer. To save money, resources need to be packaged.

Chris Salomone stated that the Chamber would like to cooperate, but their resources are so limited. He continued that the concept of the marketing overlay was a good idea. They could do a marketing overlay over the Lake which has a CFD already and they are paying pretty hefty fees. A marketing overlay would be a modest fee and it would be so incrementally manageable that the idea is good.

Councilmember Shekerjian stated that she is encouraged by what she is hearing. Many of us have been saying that the message we send about what we are in Tempe isn't one consistent message. During economic downturns, one of the positives is being able to focus on priorities and people are more apt to want to cooperate. Second, she is not hearing about the way things have always been done. As a Council, we have taken this poll issue seriously and everyone sits on a Council committee. Between what the DTC is doing and what the City will be doing with the Mill and Lake District committee, we can make some good things happen.

Mr. Goitia added that the message also goes out to the events. Some of the early events kicked off a good part of the transformation of the downtown area. He felt that Mark Richwine and Travis Dray should spend more time in the downtown area. The majority of the events happen in the downtown area as a marketing branch of the downtown and of the City in general.

Councilmember Mitchell added that there is also a Sports, Recreation, Arts & Culture Committee which does a lot of special events in the downtown area, as well as Diablo Stadium. We have great support from the TCVB, as well as

the Chamber, and we need to make sure Nancy Hormann attends the meetings. We pool our resources together to help get the Tempe message out. There are perceptions that need to be overcome and one is parking.

Stu Siefer agreed. One thing that is not a perception is that we are losing tenants. We need to be vigilant and focus on that problem. Historically, the relationship of the City to downtown redevelopment has been that the City has felt comfortable investing in the downtown, but they always asked to see what the return on investment was. When Centerpoint was developed, the City offered them land at a very low price, and in exchange for that, the City got it all back in the form of sales tax. He hoped that idea is still alive. We don't need more buildings, but we do need help filling these spaces. There are options, but they all cost money and the City doesn't want to spend money right now. The DTC would like to say that if the City can help out financially, it will come back in the form of sales tax. Consider the alternative if we continue to let things slide.

Mr. Goitia added that the retail recruitment that Ms. Hormann is trying to put together will help out. Councilmembers may not be fully aware of what the DTC is doing.

Mr. Salomone added that the City did spend \$20M on a parking structure that will have 400 public parking spaces, and is negotiating with US Airways to cooperate to get those spaces. That would be a good message to collectively get out in the first part of March.

Councilmember Woods stated that he was concerned with losing the small shops to someone else who may come with what may seem like a more lucrative offer. We all think Tempe is the best place to live, work and play in the entire Valley, but at the same time, it is imperative to make sure that we are staying competitive in terms of what we are trying to offer to keep people already in the downtown, and also making sure we are bringing other businesses here as well. We don't want people getting off light rail and wondering where all the businesses are.

Mr. Siefer added that one project that won't cost anything, is the "Buy Tempe" campaign. We need to get all the people who are working down here to think about making their purchases downtown.

Councilmember Shekerjian added that a deterrent for people to come downtown for lunch is the cost of parking. It would be helpful to find a way to encourage those who work in the area to come downtown for lunch and to give them some sort of pass so that they don't have to pay for parking during that time.

Ms. Hormann responded that it is a marketing issue because most of the parking garages give the first hour free. It is a parking perception problem and we must start marketing our parking better.

Councilmember Mitchell suggested utilizing the Chamber of Commerce to get the message out to the members.

Ms. Hormann suggested a lunchtime pass for light rail to allow everyone from Papago Park to come to the downtown to eat lunch. If they have to pay \$2.50 to do it, they won't. A "free zone" at lunchtime between the three different stops would be great.

Ken McKenzie stated that the Lake will have its 10th anniversary this year. The Lake is one of the top venues in the state. It has reached the point where instead of answering the phone for events, we need to go out and start soliciting events that we want to come to the Lake. There are a lot of events that don't generate demand for this marketplace and there are events that do create demand. .

Mr. Goitia asked who the special events person is in the City. How can we streamline the process? What are the criteria for events? How can the DTC help with setting criteria? What are the merchants looking for?

Ms. Hormann stated that one thing we don't do enough here is celebrating our successes. The 10-year anniversary of the Lake is coming up; she would like to see the City and the DTC get together to plan an amazing event to celebrate the success of that Lake. One of the issues with these events is the prohibitive cost of the permits. For example, the downtown used to be the live music capital of the Valley and we need to make that happen again. The DTC is planning to put bands all over town on Thursday nights. The bands would be paid very little and they will be able to sell their CD's. The event fees to activate the downtown would have cost \$1500 per week in just permit fees. They did get a reduction from the Parks Department to reduce that to \$7500 per year, but she didn't know where they are going to get \$7500 to bring sales tax revenue to the City. They do have a good relationship with the Parks Department, but everybody is in the same boat in looking for their revenues. Is there a way to waive some of these fees so they can start bringing foot traffic? If we are going to fill those retail spaces in this economy, the only way we're going to do that is put feet on the ground on those streets. When we bring retailers down and they see all the people on the street, they will want to be here. When she started to look at doing something for the 10th anniversary of the Lake, she discovered that it would cost \$4,000 to use the park, plus a \$50,000 rider on their insurance to use the park. This is not a public/private partnership when this happens. They are doing it for the good of the City, but it is coming out of their dollars. We need to look at the return on investment and see how we can become partners with the City and what things the DTC can do to give the return on investment. They would gladly pay for the services for the Police and clean-up. There is a difference between a promoter coming in to make money and the DTC that never wants to charge for an event. The City waives fees to a lot of companies that are coming in for events and making money from them, but does not waive fees for DTC.

Mr. Siefer added that the big goal is for the Mill Avenue District to become the Bourbon Street of the Southwest. We want it to eventually to be where a person could come down any night of the week and know there will be a lot of live music venues, a combination of activating the public arenas we already have, and then the private spaces (Centerpoint Courtyard), but what will really make this work is to get all the bar and restaurant owners to buy into the idea and have them start to hire live music. It is something we can do in this economy. It won't cost a fortune and it can pay off in some great results.

Agenda Item #2 – Downtown Neighborhood – Ordinances, “Urban Rules”

Nancy Hormann presented a packet of what Raleigh, North Carolina, spent a year formulating. This includes all the rules and regulations for a downtown area in one book. The issue is that we have rules across the City which are city-wide; we don't have things that are done specifically for an urban environment. Sign ordinances and vending ordinances really apply differently to the downtown area than to the rest of the City. She would suggest undertaking a project to sit down with the City departments, write the manuals and review what does and what doesn't work for a downtown area and make recommendations to the Council.

Councilmember Mitchell stated that we have codes, but the issue is how to enforce them. If there was a way to work with DTC to help the City out as a partner, maybe Charlie Meyer and Jeff Kulaga could work on that.

Charlie Meyer added that the Police are doing code enforcement things at night and on the weekends when other staff isn't around. It can work.

Councilmember Shekerjian noted that the Police Department has taken an interdepartmental approach when it comes to a problem area in the community. That same approach could be taken to these types of problems and issues in the Lake and Mill District Committee. She suggested the DTC create a laundry list and bring that to the Lake and Mill District Committee. Look at a cross-departmental connection with DTC, much like what the Police Department has done with areas with a variety of issues. Also, look at similar towns and see what they have done. For example, Yaletown Falls Creek in British Columbia has a university, a downtown area, a very similar situation to

what we have. Her understanding is that the kind of situation they have created is very similar to what we are saying we want to create.

Ms. Hormann reiterated that this City is the most cooperative city that she has ever worked with. Everyone is willing to work together. We have opportunities to go very far.

Councilmember Shekerjian asked that the DTC get the area of Hooter's to turn down their amplification, especially when it comes to obscene materials.

Councilmember Mitchell encouraged the DTC to ask and find ways to work together.

Mr. Goitia added that there are 165,000 people in Tempe, and we have to be able to talk to each other. He thanked the staff present tonight. The parting message is - what can the DTC do to help the City to continue to grow the downtown during these tough economic times?

Darwyn Harp added that sometimes it is difficult to see it when you are in it. Having exposure for over six years in downtown Tempe, being intimately involved in some of the developments, and then moving to downtown Phoenix, working there full time and seeing how that district operates has been good. Phoenix does some things pretty effectively in terms of communication, but it sometimes seems to fall on deaf ears. The downtown Mill Avenue District doesn't have to try to create a place, they have a place. We have to figure out how to enhance that place and market that place. We have something special and have advantages over others.

Ms. Hormann encouraged anyone to come to their offices and watch the light rail. It is absolutely phenomenal the amount of people that get off and on at that stop.

Charlie Meyer stated that he has been trying to focus in such a way, in particular with Chris Salomone and Shelley Hearn, to try to get resources and organization internally so we can do a better job. Shelley Hearn has developed a program where we have a half-dozen different marketing arms. Then we have the DTC, TCVC, and TCC and the Chamber all doing marketing. We have all discussed how those efforts aren't necessarily the most coordinated. We are trying to address that and do it within the context of keeping the budget in control. He is also working with Chris Salomone to provide the resources to move in the same direction.

Councilmember Shekerjian extended her thanks to the DTC. We do a great job individually, but we need a "pacemaker" so all those cells work in coordination. It is when we come together and work together that we make something happen.

Agenda Item #3 – Opening of 4th and 6th Streets

Mr. Goitia added that Darwyn Harp with US Airways is the best neighbor he has ever had. He and Darwyn have attended three International Downtown Association conferences and they have learned a lot about downtowns and what works. To be successful, streets cannot be closed and Fourth and Sixth Streets have been closed. The professionals advise not to close streets because it cuts off the pattern and flow of traffic. The stakeholders agreed. Is there a way to reopen those streets?

Mr. Salomone responded that plans are to reopen Fourth Street. Plans are on hold, but we can try to get that done. Sixth Street would take a lot of work.

Mr. Goitia added that if we can build the upside pyramid, we can open streets.

Meeting adjourned at 7:10 p.m.

Prepared by: Connie Krosschell
Reviewed by: Jan Hort

Jan Hort
City Clerk