



Minutes City Council's Technology, Economic & Community Development Committee January 13, 2009

Minutes of the meeting of the City Council's Technology, Economic & Community Development Committee held on Tuesday, January 13, 2009, at 3:00 p.m., in the 3rd Floor Conference Room, Tempe City Hall, 31 E. 5th Street, Tempe, Arizona.

Committee Members Present:

Councilmember Onnie Shekerjian, Chair

Council Members Absent:

Councilmember Corey Woods

City Staff Present:

Chris Anaradian, Dev Svcs Mgr
Kris Baxter, Marketing Specialist
Lisa Collins, Deputy Dev Svcs Mgr
Martha Garner, Comm Relations
Michelle Gurrieri, Comm Relations
Eric Hansen, Planner
Shelley Hearn, Community Relations Mgr
Dave Heck, Deputy IT Mgr
Ted Hoffman, Deputy IT Mgr
Gregg Kent, Light Rail
Chris Messer, Prin. Planner
Yvette Mesquita, Parks & Rec
Joe Nucci, Historic Preservation Officer
Gene Obis, IT Mgr
Arlene Palisoc, Planner II
Nikki Ripley, Comm Relations
Nancy Ryan, Comm Dev/Rio Salado
Chris Salomone, Community Dev Mgr
Alex W. Smith, Technology Dev Spec
Jeff Tamulevich, Dev Svcs
Jay Taylor, Fleet Dir
Sheri Wakefield-Saenz, Econ Dev Administrator
Shawn Yunt, Public Works

Guests Present:

Barbara Khalsa, Rio Salado College
Dan Killoren, Tempe Historic Preservation Commission
MaryAnn Miller, Tempe Chamber of Commerce
Kerry Vinson, INMOTION
Brian Swager, INMOTION

Councilmember Shekerjian called the meeting to order at 3: 06 p.m., and everyone introduced themselves.

Agenda Item 1 – Approval of Minutes

Continued to the next meeting.

Agenda Item 2 – Public Appearances

None.

Agenda Item 3 – Wireless Technology

Dave Heck summarized that one of the goals in the work plan is to look into the expansion of the use of wireless technology to improve efficiencies. He provided an overview of current technologies in use and some of the projects being completed or planned, as well as possibilities for the future.

- Completed Projects
 - Roll-out of WiFi in Tempe Library (Tempe Café)
 - City office buildings
 - Fire trucks for ability to upload data to their equipment
- Current Projects
 - Mobile computers in patrol cars
 - Vehicle location and tracking
- Mobile Solution for Police Department
 - Need in patrol vehicles to have more bandwidth to do reporting and receive dispatch information, as well as maximized use of vehicle during the shift.
 - Prepare for future applications in the vehicle, i.e. video, fingerprinting, etc.

Kerry Vinson, INMOTION, provided detail on the Police Department project.

- INMOTION is a Canadian-based company. Core customers are primarily municipalities, EMS, fire, police and transit.
- As network grows, initial investment is leveraged. It is installed once, and it grows as needed.
- Also provide complete application suite.
- The gateway communicates back to the local resources, but it turns the vehicle into a WiFi hot zone, so anywhere around that vehicle, you can access the network in the vehicle. It converges wireless communications through one device.
- Core is “mobility manager” and allows the ability to manage the gateways in the field.
- OnBoard Mobility Manager tracks vehicles and reports location.
- Extensive vehicle tracking reports.
- OnBoard Telemetry collects vehicle status and diagnostic codes, i.e. mileage, fuel levels, idle time, for improve maintenance efficiency.
- OnBoard Asset Manager helps track what is on the vehicle and provides reports.
- Concept is business efficiencies, automating business processes, which saves time and resources.
- Real time ability to track
- Police officers can tend to the business that is important to them, not requiring them to be technologists.

Mr. Heck added that it could be beneficial to Development Services, Code Enforcement, Building Safety, Water and Traffic; they have all shared interest in it.

Brian Swager stated that he started on this project in Tempe nineteen months ago. A lot of measurements were done and he worked directly with the Police Department. From a communications standpoint, the difference between

what was in the police cars for communications then and what they have today provides an increase in efficiency of about 800%.

Ms. Vinson shared some case studies and ideas of how to help the City departments.

- Transit – study of 500 transit buses, 500 gateways installed, 2 to 3 end user devices in the vehicle, switching between three mobile networks, total cost was approximately \$1M for the first year. Customer benefits were driver/passenger safety with video in the bus, and emergency contact (WiFi panic button) with police dispatcher so a patrol car can tap into the bus to see what is going on without getting on the bus; passenger Wi-Fi available to increase ridership, and location-based advertising.
- EMS – variety of devices connected to the gateway, either physically or via Wi-Fi converging the applications through the gateway to the back-end network; ability for dispatchers or IT staff to manage those devices in the field.
- Building Services – reliable communications, improved scheduling, deployment of more bandwidth, and gas-savings through telemetry, no unauthorized use of vehicle, protection of the assets, and driver safety through telemetry; roll out of I-Fi (WiFi-enabled SD cards) for cameras, so if an inspector were in the field, could take pictures of the subject to provide a documented record; pictures sent immediately by Wi-Fi through the gateway to the server for a permanent record; coordinate to GPS; ability to customize the way things happen.

Mr. Heck added that because this project was designed to be used around a WiFi network, use of a Verizon network was planned as a back-up. When the WiFi vendor went out of the picture, the Verizon network became the primary. Even if the WiFi network doesn't come back in the future, the City would be able to deploy a few hot spots throughout the City so there would at least be a place within a couple of miles to access it.

Mr. Swager added that the gateway has the capability of measuring coverage through the City. Verizon had about a 91% to 92% data coverage, which was unacceptable and Verizon fixed that to 99%.

Mr. Heck added that this not only works in Tempe but anywhere in the country because it is uploading to the Verizon network.

Ms. Vinson continued with additional examples:

- Code Enforcement – track vehicles and improved scheduling with turn by turn and vehicle messaging, remote troubleshooting of applications, driver safety and video-streaming
- Garbage trucks – devices on trucks notes GPS location each time the truck picks up a trash can and water meters could be read at the same time
- Automated License Plate Recognition (ALPR) – the return on investment is so high

Mr. Swager also showed some live coverage reports of vehicle tracking, as well as data reports on specific vehicles.

Mr. Heck added that the only additional monthly cost for this from Verizon is approximately \$45 per month per device for unlimited data.

Chris Anaradian asked if there is any data analysis that customizes data.

Mr. Swager responded that there are third party companies, such as Bradshaw Consulting, that manufacture a product that overlays their data. It also does "smart routing" to view where traffic is. The data can be fed into the software and it will go back over years of analysis and pinpoint the best route.

Jay Taylor asked if there were any existing interfaces for current fleet maintenance software.

Ms. Vinson responded that she will check to see if that opportunity exists.

Councilmember Shekerjian asked about cost savings. If we spend money, we need analysis as to dollars saved to plan for future use.

Mr. Anaradian didn't know if he could quantify the dollars, but he could quantify the service level.

Councilmember Shekerjian added that the case could be made that you take the dollars lost with the loss of a position, and use that as part of the analysis. She suggested as IT moves forward with whatever departments are interested, there should be some way to demonstrate the cost savings associated with this purchase. There are citizens who are very interested in WiFi, and she asked if there was some way for citizens to piggyback on the vehicle hot spots.

Mr. Heck responded that was not possible.

Councilmember Shekerjian added that there are many companies who provide a service to municipalities that use tax dollars and they will sometimes have an arm of their company that assists in providing access to federal funds for different technologies.

Ms. Vinson responded that their company does not have contacts in Washington, D.C., but they have successfully helped customers to write grant requests.

Mr. Swager added that INMOTION is a known entity, particularly with Homeland Security, which will grant money for these emergency services. They have had that successfully done at numerous agencies.

Mr. Heck added that the benefit of this is that we have invested in this infrastructure. The investment is \$45 per month.

Councilmember Shekerjian suggested that as IT moves forward with working with interested departments, we access those sources and apply for those dollars to offset the cost. One example of cost savings would be to have water meters read by solid waste trucks.

DIRECTION: Dave Heck to send copy of the presentation to Jan Hort and Shelley Hearn.

Agenda Item 4 – Economic Development Strategy/Policy

Sheri Wakefield-Saenz summarized that part of the Committee's Work Plan is to evaluate the economic development strategy. About four years ago, Economic Development merged with Redevelopment. Economic Development has moved from working simply with businesses and creating jobs and capital investment to doing mixed used projects and redevelopment projects.

- Principal Activities
 - Attraction – working with companies to create jobs and grow the workforce.
 - Retention – address issues/concerns and identify opportunities
 - Marketing – advertising, marketing kit, awards
 - Public Relations – ground-breakings, project announcements, special events
 - Project management – includes everything from client relationship, advertising, press release, Council relationship

- Development assistance – assistance with Development Services/Entitlement process and project consultants/owners
- Data analysis – tax analysis, incentive opportunities, site/building advantages, workforce/educational partnerships
- Attraction
 - Staff actively works with real estate brokers, developers, landowners, Arizona Department of Commerce, site location consultants and GPEC to identify potential locates/expansions.
 - Trade shows, conferences and targeted business development missions in Denver, Dallas, Los Angeles, San Diego, San Francisco, New York

Councilmember Shekerjian added that the lead-generator piece of attraction strategy would be critical. She asked how staff decided which cities to include in the targeted business development missions.

Ms. Wakefield-Saenz responded that over the years, most locates have come from those markets. Also, about four years ago, GPEC paid IBM to do a scatter study and they tracked all the leads as they came in, and it proved over time that we were more successful in targeting companies out of these markets.

Councilmember Shekerjian asked if any analysis is done after a company locates in Tempe concerning the level of involvement that these entities or events had in terms of effectiveness in getting that particular company here.

Ms. Wakefield-Saenz responded that there is nothing specific that has been tracked over the years, but at the end of the year, GPEC produces a report that shows the source of their leads, and year over year the Department of Commerce is the most successful in lead-generation and locates.

Councilmember Shekerjian added that it be very important to determine who is giving the most service for the involvement so it is off-loading some of the work you have to do in terms of the service.

Ms. Wakefield-Saenz added that exposure in getting Tempe out there is labor and dollar intensive. From a perspective of selling Tempe, GPEC does a much more effective job of carrying the Tempe message, only because of the way their process works. When GPEC gets a lead, they send it immediately to the cities for a response, so staff responds with buildings, as well as on-line electronic brochure and sometimes a customized letter. When the client comes to town, we get a site visit. The Department of Commerce will typically do its own real estate search or work through GPEC. The other piece is the local brokerage community, which is probably the second best lead generator.

Alex Smith added that in terms of tracking, one issue is that all of those data management products are going to cost money.

Councilmember Shekerjian added that an Excel spreadsheet listing the different businesses that come to town doesn't cost any money. That would allow staff to be data-driven in the decision-making as well as allows Council, when a contract has to be renewed, to have data to make the decision. Simply categorize level of service and where the leads came from. Something very basic would be very helpful to the Council.

Ms. Wakefield-Saenz added that their IT analyst has helped them to identify software packages that are relatively inexpensive and everything could be tracked.

Councilmember Shekerjian added that in a recent meeting with East Valley Partnership it was brought up that we need to be re-branding the term "incentive" and Tempe uses "investment tools" as opposed to give-aways. She would suggest staff create a new term.

- Recent focus including high-technology, corporate office, hospitality and niche retail. Bio is a tough sell in this market because lab space is very expensive and land prices have escalated beyond our competitor markets. Solar is the other high-tech opportunity currently. Staff stays on top of the trends to know where our community assets fit in the market. Niche retail creates the biggest challenge.
- Averaged 25 major locates per year over the last 10 fiscal years and 35 major locates in the past 2 fiscal years. Majority over the last five years have been generated by staff or the Department of Commerce.
- Retention
 - 100+ retention calls per year
 - Discuss site, workforce, security, economic, transportation and environmental issues
 - Speaking with existing businesses about expansion possibilities and supply chain opportunities
- Marketing and Public Relations
 - Marketing brochures/handouts
 - Community Development website
 - Media & press
 - Advertising
 - Sponsorship and events
- Project Management
 - Market overview and materials
 - Site location assistance
 - Disposition and Development Agreement
 - Manage timelines/expectations and communications
- Development Assistance
 - Papago Park Center
 - Meissner site (SE Priest and RSP)
 - South Bank
 - Fountainhead Corporate Park
 - ASU Research Park
 - Emerald Center
- Data Analysis
 - Tax
 - Workforce
 - Industry Sectors
 - Market patterns/analysis
 - Economic impact analysis
 - Project tracking
- Bottom Line
 - Attract high-wage jobs
 - Diversify economic base of community
 - Promote Tempe business brand
 - Create business and community partnerships

Councilmember Shekerjian asked what goals and objectives are set for the department and how they are measured.

Chris Salomone stated that his objective was to introduce the idea of a strategy. Other cities have done very deliberate strategic documents about strategies and it is a valuable thing to do. To have deliberate discussions with this committee about goals would be helpful. Staff would like to do this.

Councilmember Shekerjian stated she would like to pursue a strategic plan. She has noticed that staff does great things, but a lot of things are done on an ad hoc basis. There is no cohesive plan and what could we do if we were able to put a plan together? The committee would help in whatever way possible.

Mr. Salomone added that the proposed reorganization is trying to create advance planning, and this is part of advance planning. The City Manager wants the department to have the resources to have that kind of advance planning.

Councilmember Shekerjian added that there has been a desire to do more with our community colleges and university on workforce development. As staff starts to develop a formal strategy with measurable goals, she would suggest adding something about how we can improve workforce development.

Alex Smith added that staff is good at the big stuff, and he was asked to see if staff is missing something. With ID's help, many doors have been opened. In the period of three weeks, staff has taken the MAG employment database and geo-coded all of that information and has run it against zoning information. It turns out that if you use the database with one employee and up, you will find that if you search for technology businesses in Tempe, about 40% of those technology businesses are in residential properties. The opportunity is to identify those businesses, reach out to them and try to move them into empty locations. If we can combine that with what the community college is doing in workforce development, we will be very successful.

Ms. Wakefield-Saenz added that the entrepreneurial piece and the retail piece have the biggest opportunity in terms of developing the program. That is very labor intensive, and our partners are necessary to make that happen.

Councilmember Shekerjian asked if staff would be sure to communicate to Council the events that would be of interest. Also, the work plan listed increasing the opportunities for solar and bio/nano. She would like to find out what the strategy is for those kinds of businesses. She added that City Hall has a flat roof and it would be very symbolic if we could partner with one of our solar companies to use the roof for solar energy, as well as other City facilities. It would send a huge message about our commitment. She would also like to see a draft in the next few months of an assessment tool for lead-generators and then next Fall see how it was used.

Agenda Item 5 – Historic Preservation

Joe Nucci introduced Dan Killoran, a preservation professional and a volunteer member of the Tempe Historic Preservation Commission. It is the commission's involvement that has brought them to this committee today.

- Local designation complements state or national designation. People must pursue historic designation for their properties.
- State and national designation convey status and recognition and provide incentives of cash value. In Arizona, one of the big incentives is property tax reduction.
- Property tax reduction locks in an assessed valuation for historic property that is listed on the National Register and keeps that valuation in place for 15 years and the property owner to renew that for another 15 years. During that time, their property tax commitment can be reduced by as much as 50%.
- Local designation provides the complement of services to the state and national honorific recognition. Local designation is specifically designed to provide some measure of protection or a system of checks and balances against what current development standards have evolved to allow properties to be built do.
- Zoning is R16 and has been for the last 15 years.

- Design review and design guidelines are intended to provide some measure of conservation of the historic culture resources or the community identity.
- Preservation incentives for local designation are specified by the ordinance and are currently limited to assistance and services that don't have an actual cash value.
- Passage in Arizona of Proposition 207 requires zoning waivers and holds the owner harmless for many unintended consequences or adverse effects in the future. It is the opposite of what we are trying to do. We are trying to give the property owner the tools and ability to protect something that is of value to the whole community.
- Tempe continues to compete against a very nice package of cash grants, low interest loans and tax benefits provided at the state and national level.

Dan Killoren summarized that the process of looking at incentives was started prior to Proposition 207, but the proposition has changed the game. Historic preservation in Tempe has been an established practice over the past fifteen years. The Commission is considering how to take it to the next level.

- The gold standard for the region and the country is the Phoenix bonded historic preservation program. They have a number of bond-funded programs, including residential rehabilitation and some commercial property assistance, and they have been successful in securing three bonds to continue their program which has led to a variety of preservation programs. They have seen it as an economic development tool, as well as a community development tool.
- To have a bonded program in Tempe would be the Commission's long term goal.
- Incentives for individual property owners, however, might be quite small. For the individual homeowners, an honorific plaque designating that the property is listed on the National Register may be enough to make them a long-term supporter of historic preservation.
- The Commission would like to see the City strategize a plan or package of incentives that would include everything from signage to bond-funded programs for assistance in architectural professional services or in-kind pro bono type services that the City may be able to provide.
- The Commission is considering providing a recommendation to Council of an entire package of incentives and laying out a vision for multiple years into the future of how we can start the incentive program and build it. We can look at properties that are currently eligible for listing and see how we can reach out and preserve them. There are also properties listed on the National Register but not on the local register. At this point, there is no economic incentive to list properties locally.
- The goal would be to have the Commission present, either through this Committee or in another forum, a list of incentives that could be taken up by the City and wrap that into a long term plan for how to get to bond funding, whether that is viable.

Councilmember Shekerjian clarified that there is criteria for local designation and further asked why property owners aren't doing it.

Mr. Nucci responded that the criteria are set up to be similar to the National Register criteria. In the past, they have tried to bring properties on the National Register onto the local register. There is no cost involved, but we don't have anything to offer them.

Mr. Salomone added that it is almost a pre-emptive policy. We have the first contact at the local level, and if we could give them something, we might have them make a different consideration at that point.

Councilmember Shekerjian asked if the Commission has looked at sponsorship possibilities to help with a fund. She also suggested a re-branding of the term "incentive."

Mr. Nucci stated that another term for incentive is conservation easement. As far as maximizing the partnerships, thankfully Mr. Salomone has consistently supported preservation. Department money has been used to match state and national programs to achieve preservation objectives year after year. They continue to look for new partners.

Mr. Killoren added that local sources can come to bear in signage efforts and outreach efforts.

DIRECTION: Councilmember Shekerjian directed staff to come back to the Committee with a listing of bullet point incentives.

Agenda Item 6 – Social Media

Shelley Hearn met with IT to create a team of webmasters and communicators to look at tools to utilize. The first step will be to create a policy and guidelines for the internal users of those tools. Staff would like to return to the Committee with an update.

Agenda Item 7 – Technology Forum

Update Councilmember Shekerjian as needed.

Agenda Item 8 – Economic Development Forum

Update Councilmember Shekerjian as needed.

Agenda Item 9 – Future Agenda Items

Future meetings will be limited to 1 ½ hour - from 3:00 to 4:30 p.m.

Meeting adjourned at 5:25 p.m.

Prepared by: Connie Krosschell

Reviewed by: Chris Messer

Jan Hort
City Clerk