

**\*PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**

**MINUTES  
CITY OF GLENDALE  
CITY COUNCIL WORKSHOP  
SEPTEMBER 6, 2005  
1:30 P.M.**

**PRESENT:** Mayor Elaine M. Scruggs, Vice Mayor Thomas R. Eggleston, and Councilmembers Joyce V. Clark, Steven E. Frate, David M. Goulet, H. Phillip Lieberman and Manuel D. Martinez

**ALSO PRESENT:** Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

**1. PROPOSED 2006 LEAGUE RESOLUTIONS**

CITY STAFF PRESENTING THIS ITEM: Ms. Miryam Gutier-Brown, Intergovernmental Programs Director and Ms. Dana Tranberg, Deputy Intergovernmental Programs Director.

This is a request for the City Council to review and provide direction on the proposed resolutions which will be voted on at the September 20, 2005 Arizona League of Cities and Towns Resolutions Committee meeting. We are requesting that Council identify the top five resolutions of greatest municipal interest to be provided to the League.

Each year, the Arizona League of Cities and Towns requests draft resolutions from all municipalities for discussion by the League Resolutions Committee, a committee on which the Mayor sits as the Glendale representative.

Resolutions approved by the League Resolutions Committee will be included in the 2006 Municipal Policy Statement.

Traditionally, the League chooses five of the approved resolutions as the priorities for the next legislative session by seeking guidance from each member of the committee. Municipalities are expected to support and advocate these five resolutions as part of our collective municipal legislative agenda.

The key principles of Glendale's legislative agenda are to preserve and enhance the city's ability to deliver quality and cost-effective services to Glendale citizens and visitors, to address quality of life issues for Glendale citizens, and to enhance Council's ability to serve Glendale citizens by retaining local decision-making authority and maintaining fiscally balanced revenue sources.

The proposed resolutions provide the basis for the annual Municipal Policy Statement. Many of these resolutions will be brought forward to the Council for adoption in the City of Glendale 2006 Legislative Agenda.

The recommendation was for the Council to review this item and provide staff direction on the proposed Arizona League of Cities and Towns Resolutions.

Ms. Gutier-Brown offered to answer questions concerning the five federal issues and 43 state issues presented for consideration.

Councilmember Goulet asked if there would be an opportunity to present additional resolutions, suggesting they may want to present a resolution with regard to assisting the Gulf Coast. Ms. Gutier-Brown explained the deadline to submit resolutions was August 22; however, the Executive Committee can decide to accept a resolution after the deadline in an emergency situation.

Councilmember Goulet asked what other types of economic development incentives are being discussed or used by other cities. Ms. Tranberg explained Resolutions 5 and 6 both relate to economic development and both are intentionally broad at this point. She said staff has been discussing tools that other cities and states use, including the creation of special districts for redevelopment areas. She suggested the resolution would go forward with a broad intent and the understanding staff will continue to research the issue and bring it back to the League Executive Committee and different City Councils.

Councilmember Clark asked if staff has further refined their position with regard to Resolutions 17, 19 and 20. Ms. Tranberg explained Resolution 17 relates to the enforcement of sex offenders and crimes against children and proposes a restriction on the number of sex offenders living within a one-and-a-half square mile radius. She said the City of Phoenix proposed a similar concept five years ago and, through the legislative process, deemed it unlikely to stand up to constitutionality measures. She explained staff recommended a neutral position so as not to appear against efforts to provide more enforcement, but could not support a concept that has already been shown to be unconstitutional. Ms. Tranberg said staff supports Resolution 18 which limits the ability of sex offenders from living within 2,000 feet of a primary or secondary school or child care facility, noting that concept has withheld scrutiny in the State of Iowa. She explained staff supports the concept proposed in Resolution 19; however, there is some concern that judges should have the discretion to determine what an appropriate sentence is for different individuals. Councilmember Clark suggested the Council give its recommendation as to whether it cares to remain neutral, to support or not to support the resolutions.

Councilmember Clark asked if the city has considered taking a position of support on issues that primarily effect smaller cities so as to give them a sense of solidarity. Mayor Scruggs explained they often go in with a neutral position because the small cities do not always agree with one another. Ms. Gutier-Brown pointed out many of the

resolutions forwarded by smaller communities do not go far enough or are too vague to warrant support at this point. She said staff typically recommends a neutral position until they see where the resolution goes once it gets to the League conference.

Councilmember Clark expressed her opinion the city should support Resolutions 19 and 20.

Councilmember Martinez agreed.

While Councilmember Goulet said he supports the Resolutions, he asked how they deal with the legislative and judicial conflicts they create. Ms. Gutier-Brown said such issues couldn't be determined until the legislation is drafted.

Councilmember Goulet asked if the State of Iowa reimburses cities with regard to Resolution 18. Ms. Tranberg offered to find out the specifics on how Iowa's law has been implemented.

Councilmember Lieberman said he could also support Resolutions 19 and 20.

Mayor Scruggs said she would take Council's recommendation of Support forward to the conference.

Vice Mayor Eggleston asked why staff has chosen not to support Resolution 8. Ms. Tranberg explained present law allows cities and towns to enter into agreements along their borders to declare no incentive zones. She said staff feels there is no need to ask the legislature to clarify an existing power and fears there could be unintended consequences if the legislation is proposed. Mayor Scruggs noted Mayor Hallman indicated the resolution would be withdrawn.

Vice Mayor Eggleston asked why staff recommends a position of no support with regard to Resolution 31. Ms. Tranberg explained the resolution urges the legislature to allow municipalities to contact out-of-state or absentee owners of rental property when crime or blight arises on the property. She said the City of Phoenix submitted the resolution in response to some slumlord situations that have arisen in their city. She said staff felt Glendale does not have such extreme conditions and much of the information is already available through tax roles and other sources. She pointed out the resolution fails to provide an enforcement provision.

Vice Mayor Eggleston asked for an explanation of Resolution 43. Mr. Shuey stated the resolution is specific to areas with large amounts of federal land, which is not subject to property tax payments. He said Glendale does not have any sizeable federal lands within its jurisdiction.

Councilmember Martinez asked if the state already has legislation similar to that proposed by Resolution 15. Ms. Gutier-Brown said, while they do not have empowerment zones, staff recommends a position of support because it will be a good tool for the future.

Councilmember Martinez expressed his opinion the city should support Resolution 28. Ms. Tranberg explained staff recommended a neutral position because staff had not had an opportunity to review the language for the ballot proposition, which was submitted to the Secretary of State late last week. She noted the proponents have promised it will be a minimum threshold statewide and that cities will be able to implement further restrictions or modifications as appropriate for their communities. She said staff wants to make sure that provision is included in the language. Mayor Scruggs asked if the League has the right or authority to take a position on a ballot issue. Ms. Tranberg was unable to say.

Councilmember Lieberman said Glendale would need to find a sponsor for legislation that will allow the sale of very expensive vehicles, such as motor homes, at the stadium site and other sites by entities that do not have a local presence. He stated the City Manager voiced his opinion the city will benefit from the sales tax generated by such events. Ms. Gutier-Brown said staff has to do more review on the issue to determine if they are prohibited by statute from bringing that type of convention to Glendale. Councilmember Lieberman said Family Motor Coach Association (FMCA) would likely send representation to Glendale by the end of the month to work on a piece of legislation.

Councilmember Goulet asked how they intend to implement Resolution 27. Ms. Gutier-Brown said staff recommended a neutral position because they too have questions as to how the resolution would be implemented.

Mayor Scruggs explained the top five resolutions will be selected by the Resolutions Committee meeting on September 20. She asked each Councilmember to indicate which five resolutions they feel are most worthy of their support.

Councilmember Clark chose Resolutions 1, 2, 3, 4, and 7.

Councilmember Goulet selected Resolutions 1, 5, 40 and 45.

Ms. Gutier-Brown pointed out the League already has Resolution 1 as one of its core principals.

Councilmember Clark changed her recommendation, exchanging Resolution 1 for Resolution 40.

Ms. Gutier-Brown noted five of the Resolutions, including Resolution 45, are federal issues and should not be included in the top five.

Councilmember Martinez voiced support for Resolutions 21 and 22.

Ms. Gutier-Brown expressed her opinion Resolutions 21 and 22 will be combined during the League conference.

Councilmember Martinez said he also supports Resolutions 2, 7 and 40.

Councilmember Lieberman selected Resolutions 5, 7 and 40.

Councilmember Frate chose Resolutions 7, 21, 22 and 40.

Vice Mayor Eggleston selected Resolutions 2, 3, 7 and 40.

Mayor Scruggs summarized, stating Resolutions 2, 3, 7, 21 and 40 appear to have majority support, stating she will take those back with her to the conference.

## **2. DOWNTOWN UPDATE AND DINING DISTRICT CONCEPT**

CITY STAFF PRESENTING THIS ITEM: Ms. Stacy Pearson, Assistant Communications Director and Ms. Jennifer Reichelt, Senior Management Assistant, Deputy City Manager's Office, and Mr. James Edison, Principal with Economic Research Association.

This is a request for the City Council to provide staff direction regarding a proposed Dining District program. Staff will also be providing the City Council with a downtown update.

The proposed Dining District will enhance the quality of life for Glendale residents, provide additional economic development opportunities in the downtown area, and strengthen the city's relationship with small businesses.

Downtown Glendale is positioned as a leading destination in the Valley with a collection of shopping and cultural attractions in a pedestrian environment. In addition, a small group of signature downtown restaurants have received national acclaim, garnering publicity in *The Arizona Republic*, *WHERE Magazine*, *New Times*, and *The New Yorker*.

Over the past year, there has been significant interest and activity in Glendale's downtown. There has been an increase in visitors, shoppers and special event attendance. Currently there are a number of large improvement projects under construction in the downtown including the construction of the Grand Avenue underpass and pedestrian bridge, improvements to Murphy Park and construction of the Downtown Plaza project. Despite construction in the area, city sales tax revenue for the core downtown has shown a four percent increase in sales tax revenues for both April and May, and a two percent increase in June.

Private investment in the downtown area is also on the rise, ranging from developers investing in properties for new developments to property owners redeveloping and renovating existing properties. The Council had a vision to bring high-quality home ownership options and mixed-use development to downtown Glendale. Vanguard City Home is an example of the Council's vision and a private developer working together to enhance and improve the downtown. Vanguard City Home purchased land from the city to develop over 90 high-quality, owner-occupied townhomes. The development will also include retail, commercial, and office components.

Staff is always looking to enhance and further develop the downtown. In researching opportunities for downtown Glendale, staff identified culinary tourism as a niche Glendale should explore. Culinary tourism is an emerging national trend and research shows that dining is the most memorable vacation activity. In addition, travelers spend more time with a restaurant server than any other local resident. For every \$1 spent in restaurants, an additional \$1.98 is spent in associated businesses.

Despite continued success in downtown Glendale, a handful of retail vacancies remain, and an increasing number of potential restaurant owners are inquiring about those sites. However, the cost to convert an existing retail establishment into a restaurant remains too high for most potential entrepreneurs and property owners. Staff is exploring the concept of a Dining District, which would convert vacant retail space into restaurant space.

Economics Research Associates has begun developing a feasibility study on the potential success and impact that a Dining District would have in downtown Glendale. Currently staff is exploring options where the Dining District program could provide financial assistance to property owners, business owners and restaurants in an effort to attract a diverse collection of restaurants and eateries. James Edison, Principal with Economics Research Associates, was present today to discuss the initial findings of the feasibility study and gather input and feedback on the proposed Dining District concept from the Council.

Staff will return to Council once the research has been completed and present an inclusive Dining District proposal that will include funding needs, operational guidelines, and development timelines.

The City Council adopted the City Center Master Plan on July 23, 2002.

Vibrant downtowns are integral components in successful communities. Downtown Glendale has the potential to become an innovative leader in culinary tourism. By having a downtown that provides a variety of diverse amenities and businesses, Glendale is better able to serve our residents and meet the needs of our community. A diverse mix of restaurants would create additional sales tax revenue for the city. In addition, the Dining District would complement existing Historic Downtown businesses and create a unique downtown environment.

The recommendation was for the City Council to review and provide direction on the proposed Dining District program.

Ms. Reichelt reviewed the status of various projects currently planned or underway in the downtown area.

Mr. Edison explained in conducting their feasibility study they look at demographics, competition in the area, and market balance. He said, while restaurateurs take tourism into consideration, they first need to know they have a sufficient customer base in the area to sustain their business. He stated their initial findings indicate there is a market for additional restaurants in the downtown area. He emphasized the importance of marketing and branding the downtown area in order to gain a reputation for culinary tourism. He said Glendale is fortunate in that it already has a well-established downtown urban fabric upon which to build. He stated, however, there are some impediments to a restaurant district, including retrofitting older buildings with necessary infrastructure. He said to help offset the impediments; the city could offer waivers of fees for certain types of developments.

Councilmember Frate said national chains he has spoken with indicate there is inadequate foot traffic to sustain their business. He asked if the city should focus on other developments that will increase visitors to the downtown area before proceeding with a culinary district. Mr. Edison stated national chains tend to have very strict criteria. He expressed his opinion there is room for at least a couple non-chain restaurants in the area now, stating the presence of restaurants often increases foot traffic in the area to the benefit of other businesses. He emphasized the importance of taking a long-term approach, stating a dining district is not created overnight. Councilmember Frate asked if the restaurant business stays fairly constant even during times of recession. Mr. Edison stated, while restaurants certainly have a hard time during recessions, they are not hit as hard as retail stores.

Vice Mayor Eggleston asked if the city should attempt to attract individual restaurants rather than chain restaurants. Mr. Edison stated there are numerous very nice chain restaurants; however, some cities enact non-chain ordinances, which prohibit restaurants that have more than a certain number of locations. Vice Mayor Eggleston pointed out the downtown area does not have the parking spaces that might be required of a popular chain restaurant. Mr. Edison said the issue is really a policy decision the city will have to make.

Vice Mayor Eggleston commented that one restaurateur he spoke with suggested the city offer a grease trap rebate program to entice restaurants to come to the area. Ms. Pearson said the city has offered improvement incentives for exterior improvements in the past and doing something similar for interior improvements seems to be a natural progression.

Councilmember Goulet asked Mr. Edison if they are considering only the immediate downtown area for the dining district or if it would extend to the city's downtown borders of 43<sup>rd</sup> Avenue and 67<sup>th</sup> Avenue. He also asked how many restaurants would he foresee being located in the dining district. He expressed concern that even a successful franchise would create conflict with the vision many people have for the downtown area. He stated, however, the cost of establishing an individual restaurant can be cost prohibitive. Mr. Edison said they are in a preliminary stage at this point, trying to ascertain the market dynamics. Councilmember Goulet asked if they foresee the restaurants existing in conjunction with the successful businesses already in the downtown area or if they anticipate the restaurants replacing those businesses. Mr. Edison said that would depend to some degree on the types of incentives the city creates. He stated the needs and demands of the tenants in relationship to the city's policies would also shape the ultimate design of the district. Councilmember Goulet pointed out the city will also have to address parking and the need for additional liquor licenses that will be created by such a district.

Councilmember Lieberman asked if Glendale should encourage self-standing buildings or storefront restaurants. Ms. Pearson said their next step would be to identify available properties, interested property owners, and potential tenants, explaining they will then present a more detailed plan for the district to Council. Councilmember Lieberman noted the downtown area already has seven storefront and two self-standing restaurants. Mr. Edison said the city must first decide what it wants the district to be; explaining they can then control land uses and use incentives to attract specific types of development. He expressed his opinion tearing down existing buildings to create stand alone restaurants with individual parking lots would not be a good use of the city's resources. He noted some cities create parking structures behind the storefronts to encourage pedestrian traffic throughout the entire area.

Mayor Scruggs asked staff what kind of direction they seek from Council. Ms. Pearson explained they are asking for direction from Council to complete their research, which includes bringing property owners to the table to discuss the potential for retail to restaurant conversion.

Councilmember Martinez said he supports moving forward with additional research. He asked how the city should respond to existing restaurants that are upset at the prospect of the city offering incentives to new restaurants. Mr. Edison said, unfortunately, there would always be existing businesses that do not benefit from an incentive program when one is established by a city. He suggested, in the long run, it would not matter because either all of the restaurants will benefit if the concept is successful or, conversely, those who were given incentives will not have benefited if the concept ultimately fails. He said how the city uses its resources is ultimately a policy decision. Ms. Reichelt noted some of the restaurant owners they have talked with have expressed strong support for bringing more restaurants to the downtown area.

Councilmember Clark said she finds the idea of a downtown-dining district to be interesting, but very complex. She stated she would not be able to make any decisions until she sees the results of an unbiased feasibility study. She said the feasibility study may conclude that the best form of incentive to offer would be to develop parking structures that would benefit businesses of all kinds. She pointed out restaurants have a much higher rate of failure than other types of businesses, stating she is concerned about developing an incentive policy that attracts businesses that ultimately fail. She expressed concern about staff's request to proceed with identifying property owners, stating she does not believe they are at that point yet in the process.

Mayor Scruggs clarified staff's intention is to approach existing property owners. Ms. Pearson explained they needed to determine whether or not existing property owners are interested in the concept.

Councilmember Clark asked if they are looking at a specific area. Ms. Pearson said the boundaries of the district have yet to be defined, explaining staff intends to bring back to Council a couple different scenarios. Councilmember Clark reiterated her position that staff is asking to proceed with a concept that they have not yet determined to be feasible.

Mayor Scruggs explained one factor in determining the feasibility of the concept is to determine whether or not any existing property owners are interested in the concept. Ms. Pearson agreed, stating their intent is just to present the concept to determine the property owners' level of interest.

Councilmember Goulet said businesses and people who have come to the downtown area have told him they come for two reasons; because of the city's downtown redevelopment plan and the downtown events. He noted receiving phone calls immediately upon approval of the Van Guard project, offering not only deposits to live in the project, but inquiring how and where other similar projects could be started in the downtown area. He expressed concern that they might stray from the redevelopment plan that already establishes the types of uses desired in the area. Ms. Reichelt said ERA has been given a copy of the City Center Master Plan, explaining they are looking for a niche that compliments the plan.

Mayor Scruggs voiced Council's consensus to direct staff to proceed with their research.

## ADJOURNMENT

The meeting was adjourned at 3:10 p.m.