



COUNCIL MINUTES

March 13, 2008

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on March 13, 2008 at 7:30 a.m.

COUNCIL PRESENT	COUNCIL ABSENT	OFFICERS PRESENT
Mayor Keno Hawker Kyle Jones Tom Rawles Scott Somers Darrell Truitt Claudia Walters Mike Whalen	None COUNCIL-ELECT PRESENT Alex Finter Dave Richins	Christopher Brady Debbie Spinner Linda Crocker

Mayor Hawker congratulated newly elected Councilmembers Dave Richins, Alex Finter and Dennis Kavanaugh and wished them good luck during their tenure in office.

1. Review items on the agenda for the March 17, 2008 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts of interest declared: 11b (Truitt)

2. Hear a presentation, discuss and provide direction on the Southeast Mesa Strategic Development Plan.

Planning Director John Wesley introduced Mark McLaren, Vice President of HDR, Inc., and Project Manager for the Mesa Gateway Strategic Development Plan.

Mr. McLaren displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and provided a brief status report of the Plan. He reported that the primary challenge of the process has been to develop a plan that would result in the creation of 100,000 high quality/high wage jobs by 2030 and also protect the operations at Phoenix-Mesa Gateway Airport.

Mr. McLaren stated that at the December 13, 2007 Study Session, he presented an extensive analysis of three land use concepts for the Council's consideration. (See Attachment 1.) He noted that on December 13th and 14th, the City hosted a Community Workshop in order to solicit

input from the public regarding those concepts. Mr. McLaren commented that in evaluating each of the concepts in terms of infrastructure, operations and maintenance (O&M), transportation impacts, and a fiscal analysis conducted by Fishkind & Associates, it was determined that an option “somewhere between Concept A and Concept C” was the most reasonable accommodation to address the above-listed issues and to ensure that the Plan is fiscally viable. Mr. McLaren indicated that the participants at the workshop offered a favorable response relative to a land use concept that would include increased density, mixed-use and urban cores, significant open space and linked open space between the areas, and residential components. He also reviewed direction provided by the Council and the stakeholders with regard to various refinements to the Plan. (See Attachment 2.)

Mr. McLaren further reported that in January of this year, the Council heard a presentation regarding opportunities and growth patterns that have occurred around the Ontario and John Wayne Airports in California and briefly reviewed the different land use developments that exist within those areas. (Note: At Ontario Airport, manufacturing and warehouse-related industries dominate the area around the airport. At John Wayne Airport, in addition to manufacturing and warehouse-related industries, there is a greater mix of high wage jobs.) He explained that the advantage within the Phoenix-Mesa Gateway area is the opportunity to draw on the patterns of development that exist around Ontario and John Wayne Airports, with an emphasis on office and high wage jobs to the north/northeast and warehouse and industrial uses to the south/southeast.

Mr. McLaren also spoke regarding HDR’s efforts to research trends regarding housing and lifestyle opportunities for “knowledge-based” workers. He stated that 6 out of 10 homebuyers chose a higher-density, mixed-use community ranging from town homes, low-rise multifamily, embedded garage multifamily, and high-rise multifamily developments.

Mr. McLaren referred to a document entitled “Mesa Gateway Strategic Development Plan Preferred Concept: Study Area Land Uses.” He noted that the Plan is configured in such a way to respect and protect the opportunities at the airport and also respond to the Council’s input at the January 31, 2008 Study Session relative to flight patterns in the area. (Note: The document is available for review in the City Clerk’s Office.)

Mr. McLaren concluded his presentation and advised that in May, the consultants would bring back the Strategic Plan for Council approval. He stated that his firm is currently in the process of refining the financial impact model to evaluate the capital and operating costs associated with the Plan and also determine the associated fiscal impacts. Mr. McLaren added that HDR is also updating the transportation model and completing the draft Plan report.

Mr. Wesley advised the Council that staff has begun to give consideration to the transition period once the Sub-Area Plan is approved and there is a plan that is somewhat different than the existing General Plan in terms of land uses and categories. He explained that approving the Sub-Area Plan does not specifically alter the General Plan and said that is a separate step that would have to occur.

Mr. Wesley also reported that staff intends to begin the processing of Minor General Plan Amendments, including adding the new categories (Urban Employment/Mixed Use) that are not currently listed in the General Plan. He stated that it would also be necessary for staff to review the current General Plan criteria with regard to what constitutes a Major Plan Amendment in this

area. Mr. Wesley added that in the last year, staff amended the General Plan to reflect that any change from Employment to Residential would automatically be a Major Plan Amendment.

Mr. Wesley further remarked that staff might receive requests that are consistent with the Sub-Area Plan but not with the General Plan. He noted that staff would evaluate such requests and assist the applicants with any changes that might be needed relative to Minor Plan Amendments. Mr. Wesley added that staff would also review the need for a Major General Plan Amendment for the area (to be filed by staff in 2009) and would work with the property owners once staff fully evaluates the differences between the Sub-Area Plan and the General Plan.

Vice Mayor Walters stated that she would like to see language in the Plan that establishes minimum and maximum building height requirements for the area so that it would be a very difficult process to lower height levels.

Mayor Hawker voiced concern regarding the proposed high density residential in the area south of Elliot Road between Sossaman and Hawes Roads and said that the Town of Gilbert is already providing high density residential west of Power Road. He also commented that he would like to ensure that the airport is protected and stated that in his opinion, there would be a conflict between high density residential and the number of overflights in those areas.

In response to Mayor Hawker's comments, Mr. McLaren explained that based on City staff's evaluation of the flight pattern information provided by Sky Harbor Airport, and in reviewing the flight patterns in and out of the area around Phoenix-Mesa Gateway Airport, it was the opinion of the consultants that the area referenced by Mayor Hawker would be compatible for high density residential.

Councilmember Rawles stated that if Mesa wants to attract high quality jobs to the Phoenix-Mesa Gateway area, he questioned whether those individuals would want to live in multifamily or high-density residential areas.

Discussion ensued relative to the flight patterns at the airport; and the possibility of the Council, representatives of the business community and landowners in the area of Phoenix-Mesa Gateway Airport participating in an audio demonstration at the Arizona State University Decision Theater that would provide examples of various sound levels for departing jets and cargo planes at different locations in the overflight area.

Mayor Hawker thanked everyone for the presentation.

(Mayor Hawker excused Councilmember Whalen from the remainder of the meeting at 8:40 a.m.)

3. Hear a presentation and discuss the proposed funding recommendations for FY 2008/09 CDBG/HOME/ADDI/ESG programs.

Neighborhood Services Department Director Ray Villa introduced Housing and Revitalization Director Carolyn Olson and Management Assistant Scott Clapp, who were prepared to address the Council relative to this item.

Ms. Olson displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and provided a brief overview of the annual proposal process for the FY 2008/09 Community Development Block Grant (CDBG), HOME Investments Partnership (HOME), American Dream Down Payment Initiative (ADDI) and Emergency Shelter Grant (ESG) programs. She explained that the FY 2008/09 Federal entitlement allocations for the programs total \$4,546,983, a 3.9% decrease from the previous fiscal year. Ms. Olson also spoke regarding various activities that are eligible for CDBG funding; commented that HOME funding creates affordable housing for low-income households; noted that ESG funding is available for the operations and/or rehabilitation of emergency shelter facilities; and added that staff works in collaboration with the Human Services Advisory Board for the organizations that receive such funding.

Ms. Olson further reported that this year, the non-profit organizations were able to submit their applications for funding online. She advised that a 30-day public comment period relative to the funding recommendations began February 24th and ends March 24th. Ms. Olson also stated that final Council approval of the FY 2008/09 Annual Action Plan Application to the Department of Housing and Urban Development (HUD) is scheduled for April 7th. She added that per the suggestion of the Utilities Department, staff proposes to amend the current FY 2007 CDBG Action Plan in an amount up to \$26,000 in order to increase energy efficiency at the Mesa Senior Center.

Discussion ensued relative to staff's efforts in the past year to work with the Mesa Senior Center to more efficiently manage the non-profit's utility costs; and the proposed first time homebuyers assistance program.

Mayor Hawker thanked staff for the presentation.

4. Hear a presentation and discuss Falcon Field budget issues.

City Manager Christopher Brady stated that Falcon Field Airport and the Solid Waste Management Department are two areas included within the City's Utilities and Enterprise Fund Operations. He explained that what distinguishes these operations from other City departments is that they are enterprises and are required to generate revenues in order to cover all expenses. Mr. Brady noted that the Solid Waste Department contributes to the Utility Fund transfer. He added that Falcon Field Airport is a wholly contained enterprise and said that all revenues generated at the facility remain onsite as required by the Federal Aviation Administration (FAA).

Falcon Field Airport Director Corinne Nystrom displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and provided a short synopsis of the proposed FY 2008/09 budget for Falcon Field Airport. She reported that the airport, which has more than 800,000 square feet of hangar space, is the site for 98 businesses. Ms. Nystrom explained that in 2007, Falcon Field Airport was ranked number four nationwide in terms of general aviation operations (314,129 operations) and said that in January 2008, the airport was ranked number one with 30,293 operations in a one-month period.

Discussion ensued relative to the fact that for FY 2007/008, the airport will have an ending fund balance (excluding Federal and State grants) of \$5,189,979, or a net change of \$786,889 for the fiscal year; that the airport has experienced increased revenue due to staff's efforts to

aggressively market/lease the vacant land at the airport; and that various Capital Improvement Projects have been pursued at the airport as a result of securing more than \$2 million in Federal and State grant funds.

Ms. Nystrom reported that the proposed FY 2008/09 Airport budget (excluding Federal and State grants) is projected to include a year-end balance of \$4,724,263. She also highlighted various FY 2008/09 Capital projects that are scheduled for completion. Ms. Nystrom noted that a possible challenge to the airport is that the State Legislature might not disburse State Aviation Funds for pavement preservation. She also stated that the Legislature may divert the funds to the State's General Fund, which could impact the amount of funding that Falcon Field would be eligible to receive for other capital improvement projects. Ms. Nystrom added that as a result of such actions, it may be necessary for Falcon Field to self-fund these particular projects (\$600,000 for pavement preservation and \$400,000 for capital improvements) with airport funds generated by new revenue sources and increased user fees.

Ms. Nystrom further indicated that Federal and State grant funds are discretionary and explained that Falcon Field competes with other airports nationwide to receive funding for capital improvement projects. She said that it is essential that Falcon Field plans capital improvement projects that are competitive with the projects of other airports; continues to communicate with the FAA regarding the importance of Falcon Field's role in the national aviation system; and postpones projects that are not funded.

Further discussion ensued relative to Falcon Field's key priorities for FY 2008/09.

Mayor Hawker thanked Ms. Nystrom for the presentation.

5. Hear a presentation and discuss Solid Waste budget issues.

Solid Waste Management Department Director Willie Black introduced Management Assistant Erin Romaine, who was prepared to assist with the presentation.

Mr. Black displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and reported that the mission of the Solid Waste Department is to provide excellence in the delivery of solid waste services to Mesa's residents, businesses and visitors. He also reviewed various Solid Waste programs and services including, but not limited to, curbside collection service, frontload trash and recycling bin service, roll-off service and green waste disposal, household hazardous waste collection events, and Clean Sweep/Green Sweep.

Mr. Black reported that the Solid Waste FY 2007/08 budget forecast includes \$46.7 million in revenue, \$32.4 million in expenses, for a net income of \$14.3 million, which is \$2 million more than the amount originally budgeted. Mr. Black also discussed various landfill fees, a green waste processing fee, and recycling revenues. He remarked that as costs continue to rise for landfill disposal fees, recycling becomes a more viable option.

Mr. Black further highlighted a number of savings that were implemented in the Solid Waste Department for the current budget year including personal services (\$690,900), managing routes (\$41,000), monitoring growth purchases (eliminated the purchase of roll-off vehicle - \$177,300 and bins - \$299,300) and tonnage savings (\$220,500 in landfill fees). He stated that there has been a decrease not only in commercial trash pickup, but also in the residential

sector. Mr. Black stated that in his opinion, such decreases are related to the downturn in the economy and the housing crisis, which has resulted in the City making adjustments/cuts to existing trash routes in the community.

Discussion ensued relative to FY 2008/09 budget adjustments, such as the elimination of four positions, improving efficiency (routing and vehicle inspections) and tonnage expectations (an additional \$150,000 savings in landfill fees); an analysis of the overall barrel diversion rate between FY 2005/06 through FY 2007/08; the City's recycling outreach efforts; the Clean Sweep/Green Sweep Program; and a benchmarking process for residential trash and recyclable collection utilizing a cost model developed by the City of Phoenix.

Mayor Hawker thanked staff for the presentation.

6. Appointments to boards and committees.

Mayor Hawker recommended the following appointments to Boards and Committees:

HOUSING ADVISORY BOARD

Christian Karas – Term Expires June 30, 2010

It was moved by Vice Mayor Walters, seconded by Councilmember Jones, that the Council concur with the Mayor's recommendation and the appointment be confirmed.

Mayor Hawker declared the motion carried unanimously by those present.

7. Hear reports on meetings and/or conferences attended.

Councilmember Somers	Meeting in Washington, D.C. with Arizona Congressional delegation
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8. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Monday, March 17, 2008, TBA, Study Session

Monday, March 17, 2008, 5:45 p.m. – Regular Council Meeting

Thursday, March 20, 2008, 7:30 a.m. – Study Session

Thursday, March 20, 2008, 8:30 a.m. – General & Economic Development Committee

9. Items from citizens present.

There were no items from citizens present.

10. Adjournment.

Without objection, the Study Session adjourned at 9:14 a.m.

KENO HAWKER, MAYOR

ATTEST:

LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 13th day of March 2008. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

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(attachments – 2)