



# COUNCIL MINUTES

January 22, 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 January 22, 2008 at 4:30 p.m.

## COUNCIL PRESENT

Mayor Keno Hawker  
Kyle Jones  
Tom Rawles  
Scott Somers  
Darrell Truitt  
Claudia Walters  
Mike Whalen

## COUNCIL ABSENT

None

## OFFICERS PRESENT

Christopher Brady  
Donna Bronski  
Linda Crocker

### 1. Review items on the agenda for the January 22, 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: 7a, 8g, 8h, 8i and 8j (Whalen)

Items removed from the consent agenda: None

Items added to the consent agenda: None

### 2. Hear a presentation and discuss the marketing and sale of the Pinal County Farm properties.

Real Estate Services Director Doug Tessendorf introduced Nate Nathan, of Nathan & Associates, who was prepared to address the Council regarding this item.

Mr. Tessendorf provided a short synopsis of the Pinal County Farm properties (See Attachment 1.). His comments included, but were not limited to, the following: that in 1985, the City purchased 11,606 acres in Pinal County (at a cost of \$29 million) to be used as an assured water supply for Mesa's utility customers; that the final bond debt for the farms was paid in full in December 2007; that the land is currently used for farming and the City's annual lease income is approximately \$721,000; that Mesa has experienced a positive cash flow between income and operating expenses until this year when taxes were raised from \$509,741 to \$706,989; that the City has used various water management practices to meet its water demands and no longer needs the Pinal County water farm as a resource; that after a series of discussions regarding the sale of the property, the Council directed staff to proceed in that regard; and that

in March 2007, Nathan & Associates, a land brokerage firm, was hired to represent the City in the sale of the property.

Mr. Tessendorf stated that the City currently has two sales in escrow. He explained that the first transaction with TransCanada includes the sale of a 200-acre parcel, with close of escrow scheduled for March 2008 on the first 100 acres (\$5.5 million) and a five-year option on the remaining acreage. Mr. Tessendorf also noted that Schuck Corporation is purchasing 1,618 acres, for a total sale price of \$48 million, and added that the first close of escrow is scheduled for December 2008.

Mr. Tessendorf remarked that due to the downturn in the economy, little interest has been generated in the residential properties and only moderate interest in the industrial sites. He assured the Council that staff follows through on every contact they receive and are currently engaged in discussions with a number of entities regarding possible sales.

Mr. Tessendorf further reported that in October 2007, the City hired CMX Engineering (CMX) to create a land use plan that would demonstrate possible development opportunities to prospective buyers. He explained that representatives of Pinal County and Coolidge have given general approval of the plan and noted that copies of the document would be distributed to those entities following today's presentation.

Mr. Nathan commented that one of his primary objectives with regard to the marketing of the Pinal County Farm properties is to educate the public relative to the fact that Mesa is one of the largest single landowners in the southeast Valley, which encompasses portions of Maricopa and Pinal Counties. He explained that it is anticipated that the southeast Valley (excluding the Mesa Proving Grounds and Superstition Vistas area) would reach build-out in ten years. Mr. Nathan also advised that in two years when the sluggish real estate market is forecast to rebound, he would expect major land developers to pursue the availability of properties south into Pinal County, including Eloy and Coolidge.

Mr. Nathan also noted that the land use plan, although preliminary, provides detailed environmental restrictions and potential transportation corridors (pending passage of the State Land Reform Act) that would allow freeways to be dedicated near the Pinal County Farm properties. He added that with regard to the Schuck land sale, the company would eventually employ up to 5,000 individuals at that site.

Discussion ensued relative to the fact that the combined 11,606 acres of the Pinal County Farm properties equate to 18.1 square miles, or half the size of Tempe; the importance of implementing long-term planning for the property, which would generate greater gains when sold over time; that staff is directed to display the land use plan on the City's website so that citizens have the opportunity to access the information; and that a Mesa Development Corporation (MDC) meeting is scheduled for tomorrow to transfer ownership of the remaining properties from the MDC to the City of Mesa.

Mayor Hawker thanked everyone for the presentation.

3. Appointments to boards and committees.

DOWNTOWN DEVELOPMENT COMMITTEE

Kari Cluff – Term Expires June 30, 2010

PERSONNEL APPEALS BOARD

W. Tom Brewer – Term Expires June 30, 2011

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

Carried unanimously.

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

Councilmember Somers: Phoenix-Mesa Gateway Airport Authority Board of Directors meeting; MLK Parade

Councilmember Whalen: MLK Parade

Vice Mayor Walters: Event at the Arizona Golf Resort to welcome Cessna employees relocating to Mesa; Fit City Challenge Kick-off

Councilmember Jones: Event with students from Guaymas, Mexico participating in an exchange program at EVIT

5. Scheduling of meetings and general information.

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

Wednesday, January 23, 2008, 5:30 p.m. – Mesa/Queen Creek Joint Meeting

Thursday, January 24, 2008, 7:30 a.m. – Study Session

Thursday, January 24, 2008, 8:30 a.m. – Public Safety Committee Meeting

Thursday, January 31, 2008, 7:30 a.m. – Study Session

Thursday, January 31, 2008, 8:30 a.m. – Community & Neighborhood Services Committee Meeting

Thursday, January 31, 2008, 1:00 p.m. – Presentation at Phoenix-Mesa Gateway Airport, followed by a tour of the facility

Monday, February 4, 2008, TBA – Study Session

Monday, February 4, 2008, 5:45 p.m. – Regular Council Meeting

Tuesday, February 19, 2008, TBA – Study Session

Tuesday, February 19, 2008, 5:45 p.m. – Regular Council Meeting

Councilmember Rawles stated that he would be out of town for the February 19<sup>th</sup> and March 3<sup>rd</sup> Council meetings.

6. Adjournment.

Without objection, the Study Session adjourned at 5:02 p.m.

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KENO HAWKER, MAYOR

ATTEST:

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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 22<sup>nd</sup> day of January 2008. I further certify that the meeting was duly called and held and that a quorum was present.

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LINDA CROCKER, CITY CLERK

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(attachment – 1)