

COUNCIL MINUTES

December 19, 2005

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 December 19, 2005 at 4:20 p.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Tom Rawles
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

1. Review items on the agenda for the December 19, 2005 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: 4j (Hawker); 8b (Hawker) (Rawles)

Items added to the consent agenda: 4d

Items removed from the consent agenda: 4c

2. Discuss, consider and provide direction on additional City regulations for payday and auto title loan stores.

Senior Planner Gordon Sheffield reported that the purpose of this agenda item is to discuss the State legislature's passage of a bill that authorized the licensing of "deferred presentment companies," also known as "payday lenders." He explained, among other things, that an individual could obtain a loan by writing a post-dated check for the loan amount plus a percentage of the amount to be loaned; that the "fees" as opposed to "interest rates" are capped at 15% of the loan amount; that if a consumer received a \$100 loan for two weeks, at the end of that time, he could agree to allow the \$115 check to be paid or, alternatively, to pay another \$15 fee for an additional two weeks; that the process could continue for up to two months; that the annualized interest on such a loan could reach as high as 390%; and that the lenders are not subject to usury laws.

Mr. Sheffield commented that Mesa's zoning ordinance considers the payday loan companies as financial offices and said that the businesses are allowed in any commercial or industrial zoning district. He stated that Tempe recently passed a Special Use Permit requirement that establishes a 1320-foot distance between one payday lender and another. Mr. Sheffield noted that Tempe's Zoning Administrator reviews the Special Use Permit, with the Board of Adjustment hearing any appeals in this regard. He added that Tempe requires a separate Special Use Permit for auto title loan stores and a similar separation distance.

Discussion ensued relative to South Tucson's efforts to enact a Zoning Administrator Confirmation, which requires a 1320-foot separation between other "non-chartered financial institutions" and a 500-foot separation between a payday loan store parcel and a residential district; and that of the 95 payday loan stores located in Mesa, 64 are west of Gilbert Road, reflecting that two-thirds are situated in the community's lower income areas.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, to direct staff to draft an ordinance regarding payday loan stores, which is modeled after the City of Peoria's ordinance (which requires a Use Permit for "non-chartered financial offices" and requires a 1000-foot separation between locations), and to bring back the document to the Council for further discussion and consideration.

Councilmember Rawles voiced opposition to the motion and stated the opinion that payday loan stores "fulfill a need in the market" and commented that for the Council to regulate such businesses is "absurd."

Councilmember Thom commented that the issue of payday lenders is one that should go back to the State legislature for further discussion and consideration and not be independently addressed by the City of Mesa. She added that she is aware of a new payday loan establishment in the area of Greenfield and Baseline Roads, which would indicate that the industry does not necessarily target only low-income areas of the community.

Vice Mayor Walters commented that a Council Use Permit would be the most appropriate mechanism by which the City could regulate payday loan stores, and said that it would be similar to the process Mesa already uses for pawnshops and tattoo parlors. She stressed that such an action would not eliminate the establishment of such businesses, but would prevent their further clustering in the community and especially in west Mesa.

Vice Mayor Walters clarified her motion that staff be directed to develop a possible ordinance regarding payday loan stores, which would incorporate the language contained in the City of Peoria's ordinance, and be modeled after Mesa's current Council Use Permit process for pawnshops and tattoo parlors.

Councilmember Griswold seconded the clarified motion.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

AYES - Griswold-Jones-Walters-Whalen
NAYS - Hawker-Rawles-Thom

Mayor Hawker declared the motion carried by majority vote.

Mr. Sheffield requested direction from the Council regarding whether staff should bring back the draft ordinance to the Council prior to presenting it to the Planning & Zoning Board (P&Z). He explained that pawnshops and tattoo parlors require the modification of the zoning ordinance and said that P&Z generally reviews those matters before they are presented to the Council.

Mayor Hawker suggested that staff continue with the process as outlined by Mr. Sheffield.

3. Hear an update and provide direction regarding the recommendation of the Transportation Advisory Board relative to traffic control changes on Baseline Road near Longmore Street.

Deputy Transportation Director Dan Cleavenger and Senior Traffic Engineer Renate Ehm addressed the Council relative to this agenda item. Mr. Cleavenger reported that at the October 18, 2005 Transportation Advisory Board (TAB) meeting, several citizens addressed the Board regarding the September 23, 2005 fatal crash at the intersection of Longmore and Baseline Roads involving Rhodes Junior High School student Sean Casey. He explained that at 5:39 p.m. that evening, the youth was riding his bicycle southbound on Longmore when a westbound driver who had run a red light on Baseline Road struck him. Mr. Cleavenger stated that the Board requested that staff address possible traffic control changes in the area at its November 15th meeting.

Mr. Cleavenger indicated that at the November 15th TAB meeting, staff was presented with three petitions which included more than 1800 signatures in support of traffic control changes on Baseline Road. He noted that some of the suggestions included an all-day 35 miles per hour speed limit, additional visible signage, flashing lights, increased crosswalk time, and red light cameras. He stated that the speed limit on Baseline Road near Rhodes Junior High is currently 35 miles per hour from 7:30 a.m. to 4:00 p.m. on school days and 45 miles per hour at all other times.

Mr. Cleavenger highlighted staff's recommendations as follows:

- Increase the size of the School Advance Warning signs on Baseline Road.
- Install additional School Advance Warning signs in the raised median.
- Install yellow flashers on the 35 miles per hour speed limit signs, with flashers activated between 7:30 a.m. and 4:00 p.m. on school days.
- Install two speed display (radar) units activated during school times with yellow flashers in the reduced speed zone on Baseline Road between Longmore and Pennington.
- Monitor the effect of the above-referenced recommendations on driver speeds.
- Encourage parents and the school to continue or increase traffic safety education and also monitor key locations around the school.

Mr. Cleavenger further commented that the TAB voted in favor of staff's recommendations with the following two modifications: 1.) Extend the 35 miles per hour speed limit until 6:00 p.m. to cover most of the regular after-school activities; and 2.) Staff would report back to the TAB in six months to discuss their findings in regard to the effectiveness of the traffic control changes.

Mr. Cleavenger requested direction from the Council regarding the matter. He commented that because residents near Rhodes Junior High were anticipating "swift action" relative to the

implementation of the various recommendations, staff has already addressed the issue of the School Advance Warning signs and is also working with a vendor, although there is no financial commitment, regarding the installation of the speed display units. Mr. Cleavenger added that if the Council determines it is appropriate to extend the 35 miles per hour speed limit to 24 hours a day, it would not be necessary for staff to pursue the speed display units.

Councilmember Rawles, in whose district the accident occurred, expressed frustration that the Council is unable to take public comment during a Study Session, and in particular, from Sean Casey's father and others who wish to address the issue of extending the 35 miles per hour speed limit. He suggested that it might be appropriate to accept the TAB's recommendations today and place this item on the agenda of either a Transportation Committee meeting or a Regular Council meeting in order to provide citizens with an opportunity to address the Council in this regard.

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, to instruct staff to implement the eight recommendations as approved by the TAB, and to place this issue on a Regular Council meeting agenda to receive public comment and also to discuss and consider the 35 miles per hour speed limit.

Discussion ensued relative to the installation of the yellow flasher signs and the speed radar units.

Councilmember Rawles modified his motion to direct staff to implement the recommendations as approved by the TAB, with the exception of the acquisition of the yellow flasher signs and the two speed display radar units, and that the Council discuss and consider the issue of extending the 35 miles per hour speed limit to 24 hours a day at the January 9, 2006 Regular Council meeting.

Vice Mayor Walters seconded the amended motion.

Councilmember Griswold questioned, pending parental approval, whether it would be possible to use a photograph of Sean Casey on written materials and signs to be used in a campaign to remind drivers to "slow down" around all schools in the City of Mesa.

Mayor Hawker called for the vote.

Carried unanimously.

4. Hear an update and provide direction concerning compliance with arsenic standards.

Vice Mayor Walters stated that staff is continuing to gather information regarding this item and requested that the matter be delayed to a future Study Session.

Mayor Hawker concurred with Vice Mayor Walters' suggestion.

5. Discuss and consider and provide direction regarding the 2006 State Legislative agenda.

Assistant to the City Manager Jim Huling and Government Relations Coordinator Scott Butler addressed the Council. Mr. Huling referred to a December 19, 2005 memo, which outlines the 2006 State Legislative agenda and issues that have been identified as significant to the City of

Mesa. (The document is available for review in the City Clerk's Office.) He suggested that in the interest of time, he would forgo making a formal presentation and ask that the Council accept the proposed priorities and provide staff with any direction they deem appropriate.

Mayor Hawker stated that he would like to see the indexing of the gas tax added to the list of priorities.

It was moved by Vice Mayor Walters, seconded by Mayor Hawker, to move forward with the recommendations identified on the "2006 Statewide Legislative Agenda Citywide."

Councilmember Thom voiced opposition to the Downtown Parking Enforcement legislation that would allow municipalities to contract with private vendors to enforce local parking ordinances. She stated that such legislation would create major problems by handing police authority over to private vendors. Councilmember Thom also expressed concerns regarding the proposed funding for the Arizona State University Polytechnic Campus.

Councilmember Rawles commented that although he is not in favor of all the priorities identified on staff's list, he would support the motion in order to move this item forward.

Mayor Hawker called for the vote.

Carried unanimously.

6. Appointments to boards and committees.

Mayor Hawker recommended the following appointments to Boards and Committees:

MUNICIPAL DEVELOPMENT CORPORATION

Charles K. Luster

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.

Carried unanimously.

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

Councilmember Thom	Opening of the 202/Santan Freeway from Country Club Drive to Gilbert Road
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8. Scheduling of meetings and general information.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Tuesday, December 20, 2005, 4:00 p.m. – Police Committee Meeting

Thursday, December 22, 2005, 7:30 a.m. – Study Session

Thursday, December 29, 2005, 7:30 a.m. – Study Session – Cancelled

Thursday, January 5, 2006, 7:30 a.m. – Study Session

Monday, January 9, 2006, TBA – Study Session

Monday, January 9, 2006, 5:45 p.m. – Regular Council Meeting

9. Prescheduled public opinion appearances.

- a. Hear from Sheila Mitton regarding the purpose of government.

Ms. Mitton was absent from the Council Chambers and did not address the Council.

10. Adjournment.

Without objection, the Study Session adjourned at 5:23 p.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, 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 19th day of December 2005. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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