

COUNCIL MINUTES

June 9, 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 June 9, 2005 at 7:46 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Paul Wenbert
Debbie Spinner
Barbara Jones

1. Hear a presentation from Fred Rosenfeld regarding the citizen voting requirements for secondary property taxes.

Financial Services Director Bryan Raines reported that in response to inquiries from the Financing the Future Citizen Committee, Fred Rosenfeld, the City's bond counsel, has prepared a legal opinion regarding whether a City election would be required if the Council determined that it was necessary to levy a secondary property tax to repay outstanding General Obligation (GO) Bonds. He acknowledged that in order for the City to impose a primary property tax, the issue must be voted upon by Mesa's electorate.

Mr. Rosenfeld addressed the Council and stated that in his opinion, the City of Mesa may levy a property tax to pay any and all outstanding obligation bonds without holding a second election. He explained that in recent years, the ballots for the City's various bond elections have contained language indicating that a secondary property tax would be levied "if necessary" to pay for the bonds. He noted that based on the fact that this language is contained in the ballots, it becomes the Council's determination as to whether to levy a tax.

Mr. Rosenfeld also recounted the pertinent facts regarding Allison v. the City of Phoenix, a lawsuit that addressed similar circumstances regarding the payment of bonds through a general tax levy. (A detailed analysis of the lawsuit is available in the City Clerk's Office for review.)

Discussion ensued relative to the fact that if the City elected to impose a secondary property tax, it would be necessary to contact Maricopa County's Board of Supervisors and Finance Department to ensure that the tax is actually levied; that if a secondary property tax was included as a component of future City budgets, the item would be placed in the preliminary budget and a public hearing would be conducted to solicit input relative to that issue; that if the

Council determined a secondary property tax should be imposed, the tax would need to be established on the tax rolls by November 2005 in order for it to be levied in FY 2006/07; and that City staff is currently working with the Maricopa County Assessor and the Department of Revenue in order to accomplish the necessary steps to meet such obligations.

In response to a series of questions from the Council, Mr. Rosenfeld's comments included, but were not limited to, the following: that a previous citizen initiative seeking voter approval (and a Charter change) for the City to levy a property tax dealt only with a primary property tax; that a similar election with regard to a secondary property tax would abrogate an existing contract between the City and its bondholders; that a Charter change could only affect local legislation and not general legislation; that the bonds are issued under a State act that mandates, along with the State Constitution, an election and a tax; and that Utility System Revenue bonds and Street and Highway User Revenue bonds are paid solely from a defined revenue stream and cannot be paid from general taxes like GO bonds.

Mayor Hawker expressed appreciation to Mr. Rosenfeld and Mr. Raines for their presentation.

2. Discuss and consider staff's recommended priorities for the CDBG Streetlight Improvement Program.

Community Revitalization Director Kit Kelly and Community Revitalization Assistant Rob Bohr addressed the Council relative to this agenda item. Ms. Kelly provided a brief historical overview of staff's efforts to upgrade streetlights in Mesa's older neighborhoods that are located in the Community Development Block Grant (CDBG) target area, upon which revisions were based on new Census data reflecting changes in low and moderate income areas in the City. She explained that as directed by the Council, staff began to create priority areas for streetlight upgrades in all eligible Census tracts Citywide and said that in addition to the Community Revitalization Division, a number of other City divisions also participated in the compilation of criteria.

Ms. Kelly highlighted the criteria used to create the prioritization of all areas as follows:

- Percentage of low and moderate-income residents in the Block Group.
- Percentage of low and moderate-income residents in the Census Tract.
- Crime rate and calls for service.
- Percentage of housing built prior to 1980.
- Neighborhood requests.

Ms. Kelly displayed a document entitled "CDBG Streetlight Improvement Program Prioritization Map" and highlighted the proposed priority areas throughout the City. (See Attachment 1.) She added that staff generally completes one to two streetlight projects per year, but said that if the Council directs staff to increase that number, consideration could also be given to that option.

Vice Mayor Walters expressed concerns regarding the prioritization map and stated that it could take years for streetlight projects, for example, in close proximity to parks and schools, to be completed. She suggested that it might be appropriate for the Council to make a determination whether, in fact, they are willing to allocate additional funding toward the CDBG streetlight program and added that it has a significant impact in terms of crime, safety and neighborhood revitalization.

In response to a question from Mayor Hawker, Ms. Kelly clarified that the prioritization map merely depicts eligible areas under the CDBG Streetlight Improvement Program, but commented that if the Council would like Development Services and Engineering to research streetlight needs in other areas of the community, staff would do so.

Discussion ensued relative to the fact the City utilizes CDBG funds for the design and construction of each project; that there is \$35,000 allocated in FY 2004/05 and \$40,000 in FY 2005/06 for the design of streetlights in two areas; that streetlights cost approximately \$4,000 each; the cost estimates for priority areas 1 and 2; and the fact that the program consists of upgrading existing streetlights.

Councilmember Whalen stated that he has learned that Salt River Project (SRP) has created a franchise system wherein it assumes the responsibilities for the installation/maintenance of streetlights and pays a fee to the City to do so. He requested that staff conduct research relative to such an operation.

Mayor Hawker advised that it is the consensus of the Council that staff be directed to include within the prioritization criteria those areas that are in close proximity to parks and schools; that staff commence the design process for the streetlight projects in priority areas 1, 2 and 3; and that beyond that, staff will redraft the prioritization map to include the schools/parks criteria as previously discussed.

3. Hear an update on the framework for a new partnership for Williams Gateway Area.

Williams Gateway Regional Economic Activity Area Project Manager Wayne Balmer and Lynn Kusy, Executive Director for Williams Gateway Airport, addressed the Council relative to this agenda item.

Mr. Balmer provided a brief historical overview of the formation in 1993 of the Williams Redevelopment Partnership, which consisted of 11 public sector and nonprofit agencies that became the property owners of certain portions of the former Williams Air Force Base. He stated, among other things, that over the last ten years, the individual property owners have successfully redeveloped their sites and said that it is now time to consider a collective approach for the future success of the area; that in November 2004, the City of Mesa and the Town of Gilbert funded a study entitled "Framework for a New Partnership," which was designed to analyze the current business practices, plans and needs of the 11 entities and to establish a future planning framework. Mr. Balmer noted that subsequently, the 11 entities have met to identify six major elements of the framework and added that an agreement was tentatively reached that the group would become an advisory board to the Williams Gateway Airport Authority. (A copy of the study is available in the City Clerk's Office for review.)

Mr. Kusy addressed the Council and highlighted some of the organizations' long-term development goals and visions not only for the former Air Force base, but also the property located around it. He explained that the property owners are interested in a "very loosely knit" organizational form and are asking that the Airport Authority appoint them as an advisory committee. Mr. Kusy stated that the Airport Authority already represents four local governments, including the Indian community, and noted that the property owners have expressed an interest in working with those entities.

Vice Mayor Walters suggested that a possible model for the organization could be based on the East Valley Partnership. She stated that the partnership meets and discusses issues, but there is no obligation to follow through on such discussions.

Councilmember Thom expressed support for the proposed working group.

Mayor Hawker commented that he hopes the City of Apache Junction would eventually become a member of the Williams Gateway Airport Authority. He spoke in support of an advisory board concept and noted that he is anxious to discuss it further. Mayor Hawker also encouraged future discussions that would not only include the property owners, but also representatives of other major industries in the area (i.e. General Motors and Talley).

Discussion ensued relative to the fact that the Air Force Research Laboratory has been recommended for closure and that Governor Napolitano will meet with the Base Closure and Realignment Commission regarding the issue.

Mayor Hawker thanked everyone for the update.

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

Councilmember Thom	Swearing In Ceremony of the Town of Gilbert's Mayor and new Councilmembers
--------------------	--

5. Scheduling of meetings and general information.

Deputy City Manager Paul Wenbert stated that the meeting schedule is as follows:

Thursday, June 16, 2005, 7:30 a.m. – Study Session

Monday, June 20, 2005, TBA – Study Session

Monday, June 20, 2005, 5:45 p.m. – Regular Council Meeting

Thursday, June 23, 2005, 7:30 a.m. – Study Session

Thursday, June 23, 2005, 9:30 a.m. – General Development Committee

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

Tuesday, July 5, 2005, TBA – Study Session

Tuesday, July 5, 2005, 5:45 p.m. – Regular Council Meeting

6. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

7. Items from citizens present.

Sheila Mitton, 1615 W. Pueblo, addressed the Council and concurred with Vice Mayor Walters' comments in reference to agenda item 2. She also stressed the importance of parks and schools being included as priority areas for the CDBG Streetlight Improvement Program funding.

8. Watch a video on the Mesa Arts Center's inaugural theater season.

Mesa Arts Center Cultural Director Geri Fathauer and Performing Arts Center Administrator Randy Vogel played a video depicting the upcoming events and performances scheduled during the Center's inaugural theater season.

Mayor Hawker thanked staff for the presentation.

9. Adjournment.

Without objection, the Study Session adjourned at 9:25 a.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 9th day of June 2005. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

pag
attachment