

# COUNCIL MINUTES

May 19, 1998

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 May 19, 1998 at 7:30 a.m.

## COUNCIL PRESENT

Mayor Wayne Brown  
Pat Gilbert  
John Giles  
Dennis Kavanaugh  
Joan Payne  
Wayne Pomeroy  
Claudia Walters

## COUNCIL ABSENT

None

## STAFF PRESENT

C.K. Luster  
Wayne Balmer  
Neal Beets  
Denise Bleye  
Mike Hutchinson  
Greg Marek  
Jeff Martin  
Ruth Anne Norris  
Ellen Pence  
Bryan Raines  
Andrea Rasizer  
Tom Remes  
Becky Richardson  
Sharon Seekins  
Jenny Sheppard  
Jan Strauss  
Mindy White  
Others

## OTHERS PRESENT

Theresa Carmichael  
Barry Kirshner  
Frank Milano  
Rod Rish  
Others

### 1. Review items on the agenda for the May 21, 1998 Regular Council meeting.

All of the items on the agenda were reviewed by Council and staff with no formal action taken. There was specific discussion relative to the following agenda items:

4. Conduct a public hearing on the 1998-99 annual assessments for the Mesa Town Center Improvement District No. 228.

In response to a question from Councilmember Giles, City Attorney Neal Beets advised that at the previous public hearing, Mayor Brown, Vice Mayor Gilbert, and Councilmember Pomeroy declared conflicts of interest and the hearing was conducted by the remaining four Councilmembers. Mr. Beets added that a motion was made but did not receive four votes and therefore, in order to abide by State law which states that the Council must act on the assessments, the three Councilmembers who declared conflicts of interest rejoined the meeting and notwithstanding the conflict, proceeded to vote on the assessments in order to achieve a majority vote of the Council. Mr. Beets stated the opinion that should similar circumstances occur at the present public hearing, a similar format should be followed by the members of the Council.

Mr. Beets noted that an additional alternative, which was not pursued at the previous public hearing, would be to remove the assessments of the three involved Councilmembers, so that the Councilmembers would vote on all assessments other than their own.

In response to a question from Councilmember Payne, Mr. Beets explained that the public hearing is required by State law to be held in the Spring of each year. Mr. Beets stated that the assessments are calculated based on the square footage of the various parcels and added that the primary purpose of the assessment hearing is to determine whether the formula has been correctly calculated.

Discussion ensued relative to the multi-factor formula which is used to calculate assessments, the fact that the public hearing provides citizens with an opportunity to present their views on the assessments, the fact that every five years a hearing is held to determine whether the Special Improvement District should be continued and that the next hearing on this issue will occur in December 1998, and the fact that Councilmembers who have declared conflicts of interest may not participate in discussions and/or votes, other than to break a deadlock vote, but may remain at the meeting should they so choose.

In response to a question from Mayor Brown, Mr. Beets advised that agenda item 9b, to Consider a resolution approving the 1998-98 annual assessments for the Mesa Town Center Improvement District, may be combined with agenda item 4 and acted upon with one motion.

7. Consider the following contracts:

- \*c. Replacement 911 Telephone System Equipment and Dispatch Consoles as requested by the Police Department.

Mayor Brown stated that this item will be removed from the Consent Agenda.

- e. One replacement SWAT Vehicle requested by the Police Department.

In response to a question from Councilmember Walters, City Manager Charles Luster advised that a protest has been filed on this agenda item.

- h. Mesa Town Center Streetscape Improvements.

In response to a question from Mayor Brown, City Attorney Neal Beets stated the opinion that the Mayor, Vice Mayor Gilbert and Councilmember Pomeroy should declare conflicts of interest relative to this agenda item.

Mr. Luster discussed staff's intention to add an additional agenda item, 7i, consisting of automated claims handling equipment for the City's Employee Benefits Department.

11. Consider providing for fluoridation of the City of Mesa's water supply.

In response to a question from Councilmember Giles, Mayor Brown advised that Mr. Louis Stradling, a citizen in opposition to fluoridation, and proponents of the item, will be provided a total of 15 minutes for each side to present their views. Mayor Brown added that citizens will also be provided an opportunity to provide input.

12. Consider the following appeal of a Design Review Board decision:

a. **DR96-22**

Community Development Manager Wayne Balmer provided the Council with a brief overview of this agenda item.

\*g. Mesa Southwest Museum Expansion, 53 North Macdonald Street.

Mayor Brown stated that this item will be removed from the Consent Agenda.

13. Consider the following cases from the Planning and Zoning Board and possible adoption of the corresponding ordinances:

Z98-1 The 5200 - 5400 blocks of East McKellips Road, south side. Rezone from M-1-DMP to R-3-DMP.

Z98-3 The 5200 block of East McLellan Road, north side. Rezone from M-1-DMP to R1-6-PAD-DMP.

In response to a question from Vice Mayor Gilbert, Mr. Balmer presented a brief update on the status of these cases.

Z98-22 The northwest corner of Thomas and Power Roads. Rezone from R1-9-DMP (Conceptual C-2) to C-2-DMP.

Mr. Balmer advised that the applicant has requested that this case be withdrawn.

15. Notice of Intention: to consider revising water and wastewater development fees, residential development taxes and adopting development fees for parks facilities, library facilities, cultural facilities, police facilities and equipment and fire facilities and equipment.

In response to a question from Councilmember Payne, Senior Management Assistant Bryan Raines stated that this agenda item relates to new development payments only and does not relate in any manner to water consumption rates.

Additional discussion ensued relative to this agenda item.

2. Further discussion and consideration regarding the Voit proposal to redevelop Site 21 (former Bank One Building).

Redevelopment Director Greg Marek stated that this item was presented to the Council on April 10, 1998 and that staff was directed to proceed with negotiations with the Voit Companies for the redevelopment of Site 21, the former Bank One Building, with the understanding that the City would construct a parking garage on the surface lot located to the north of the former Bank One Building. Mr. Marek advised that Mr. Barry Kirshner, representing the Voit Companies, had informed the Council that a parking garage located on the lot adjacent to the building was required in order to attract Class A, Fortune 100 companies to that location. Mr. Marek referred to a draft Disposition and Development Agreement prepared by staff for Council consideration and action.

Discussion ensued relative to the fact that the City purchased the former Bank One Building and the accompanying surface parking lot for \$1.5 million, the fact that the estimated value of the building is currently \$1.2 million and \$300,000 for the surface parking lot, the issuance of a Request for Proposals in August 1997 and the fact that the Voit Companies was the only developer to respond, Voit Companies' proposal, the terms of the proposed agreement, coordination of the redevelopment of Site 21 with the Main Streetscape Project, and anticipated positive impacts of the project on the Town Center and the City of Mesa as a whole.

Mr. Marek informed the Council that a petition has been received from several business owners located on the north side of Main Street between Macdonald and Center Streets, requesting that a parking garage not be built on the surface lot behind their businesses. Mr. Marek noted that the business owners have recommended that the Pepper Street Garage be expanded to accommodate the additional parking needed to renovate the former Bank One Building. Mr. Marek added that the Downtown Development Committee has also expressed opposition to the development of the proposed parking structure.

In response to a question from Councilmember Kavanaugh, Mr. Marek stated that the Council Report does not contain a fiscal impact analysis and stated the opinion that the project may provide intangible benefits and result in added private sector investments as a result of renovating the building and attracting high-end tenants to the downtown area.

Mr. Marek reported that the Voit Companies is limiting their financial contribution to \$4.2 million.

Additional discussion ensued relative to the City's financial participation, estimated parking garage costs and a 'recapture clause' to be included in the proposed agreement.

Councilmember Payne spoke in opposition to the proposal and stated the opinion that additional data should have been presented to the Council for consideration prior to the meeting.

Councilmember Walters noted that although she does not support the development of the parking structure, she does support the redevelopment of the former Bank One Building. Councilmember Walters expressed the opinion that the proposed agreement will protect the City from financial harm and stressed the importance of developing this crucial piece of town center property.

In response to a question from Councilmember Walters relative to the Voit Companies financial contribution, Mr. Kirshner, representing the Voit Companies, stated that the company's \$4.2 million includes a below market development fee, approximately 2%, which will cover overhead costs, office and administrative expenses. Mr. Marek added that the project would be completed at a cost below the Voit Companies' normal compensation.

Additional discussion ensued relative to minimizing the impacts on existing businesses in the area during construction and the possibility of providing additional parking signage during the term of the construction.

Frank Milano, owner of Milano Music in the Town Center area, spoke in support of redeveloping the former Bank One Building, expressed concerns relative to limited parking and requested that the Council consider additional options to assist the business owners and address their parking concerns.

City Manager Charles Luster advised that pedestrian parking can be accommodated between the garage and the telephone building to ensure the continued access to rear lot parking.

Vice Mayor Gilbert spoke in support of assisting local businesses and minimizing the negative impacts on their establishments during the construction period.

Councilmember Pomeroy concurred with Vice Mayor Gilbert's remarks and stressed the importance of working with the local retailers to ensure customer access and parking availability. Councilmember Pomeroy spoke in support of the redevelopment project and stated that the location is an ideal site to initiate the upscale development of the Town Center area.

Theresa Carmichael, representing the Town Center Corporation, spoke in support of the redevelopment of the former Bank One Building and in opposition to the construction of the adjacent parking garage. Ms. Carmichael briefly discussed the anticipated negative impacts of construction on businesses located adjacent to the garage and requested that the Council allow these business owners an opportunity to provide input on this issue.

Mayor Brown commented that should a majority of the Council vote to consider this item at the May 21, 1998 Regular Council Meeting, all citizens wishing to address the Council on this issue will be provided an opportunity to speak.

It was moved by Vice Mayor Gilbert, seconded by Councilmember Pomeroy, that this item be placed on the agenda of the May 21, 1998 Regular Council Meeting for Council consideration and action.

Carried unanimously.

3. Reviewing financing for various Town Center projects.

City Manager Charles Luster stated that the Council may vote to place this item on the agenda of the May 21, 1998 Regular Council Meeting.

It was moved by Vice Mayor Gilbert, seconded by Councilmember Walters, that this item be placed on the agenda of the May 21, 1998 Regular Council Meeting for Council consideration and action.

Carried unanimously.

4. Review and consider possible introduction of Property Maintenance and Neighborhood Preservation Ordinance (Housing Code).

It was moved by Vice Mayor Gilbert, seconded by Councilmember Kavanaugh, that an ordinance relative to Property Maintenance and Neighborhood Preservation (Housing Code) be introduced at the May 21, 1998 Regular Council Meeting.

Upon tabulation of votes, it showed:

AYES - Brown-Gilbert-Giles-Kavanaugh-Pomeroy-Walters  
NAYS - Payne

Mayor Brown declared the motion carried by majority vote.

5. Acknowledge receipt of minutes of meetings of various boards and committees.

- a. Adjustment Board meeting held May 5, 1998.
- b. Design Review Board meeting held May 6, 1998.
- c. Judicial Advisory board meeting held May, 6, 1998.
- d. Library Advisory Board meeting held May, 5, 1998.

It was moved by Councilmember Walters, seconded by Councilmember Pomeroy, that receipt of the above listed minutes be acknowledged.

Carried unanimously.

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

Mayor Brown advised that there were no reports on meetings and/or conferences attended.

7. Scheduling of meetings and general information.

City Manager Charles Luster advised that the meeting schedule is as follows:

Thursday, May 21, 1998, 5:45 p.m. - Regular Council Meeting

Friday, May 22, 1998, 7:30 a.m. - Council Orientation

Friday, May 22, 1998, 5 to 7 p.m. - Reception for Outgoing Councilmembers

Tuesday, May 26, 1998, 7:30 a.m. - Budget Review Session

Wednesday, May 27, 1998, 7:30 a.m. - Budget Review Session

Thursday, May 28, 1998, 7:30 a.m. - Budget Review Session

Friday, May 29, 1998, 7:30 a.m. - Council Study Session

8. Prescheduled public opinion appearances (maximum of three speakers for three minutes per speaker).

Mayor Brown advised that there were no prescheduled public opinion appearances.

9. Items from citizens present (maximum of three speakers for three minutes per speaker).

Rod Rish, the owner of Mesa Art 'n Framing, located at 48 West Main Street, addressed the Council relative to the Voit Companies' proposal. Mr. Rish stated that easy access, excellent parking, and good visibility has contributed to the success of his business and must continue if Mesa Art 'n Framing is to operate a thriving business in the Town Center area. Mr. Rish stated the opinion that the Voit Companies' proposal is excessive and will negatively impact the existing businesses in the area. Mr. Rish spoke in strong opposition to the development of the parking structure and urged the Council to support the merchants in the Town Center area.

10. Adjournment.

Without objection, the Study Session adjourned at 8:55 a.m.

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WAYNE BROWN, 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 19th day of May 1998. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_ 1998

BARBARA JONES, CITY CLERK