

COUNCIL MINUTES

March 24, 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 March 24, 2005 at 7:30 a.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. Hear an update and consider recommendations regarding the Falcon Field Employment Center Strategy Plan.

Economic Development Director Richard Mulligan reported that last November, staff made a presentation to the Council regarding the Falcon Field Employment Center Strategy Plan, which identified not only a variety of issues facing the Falcon Field Employment Center, but also targeted the types of businesses/industries that would best serve the area. He explained that at the conclusion of the presentation, the Council directed staff to implement a detailed action plan to prioritize specific tasks and establish timeframes within which to complete such tasks. Mr. Mulligan added that because the number of recommendations and strategies contained in the Plan are extensive and would take several years to implement, staff has developed a 12-Month Action Plan to prioritize and establish a schedule for addressing the highest priorities.

Assistant Development Services Manager Jeff Martin referred to a PowerPoint presentation and provided a brief overview of the following development initiatives:

Mesa Falcon Field Airport:

- Create a development strategy for vacant property available for lease at Mesa Falcon Field Airport, in appropriate phases, utilizing different solicitation approaches for various sections of the airport.
- Establish leasing guidelines and a lease template that can be provided to existing and prospective tenants at the Airport.
- Enhance airport aesthetics by establishing design guidelines for future development.
- Update the 1992 Mesa Falcon Field Airport Master Plan.

- Develop 5 and 25-Year Financial Plans for Mesa Falcon Field Airport to fund capital improvement and staffing needs identified in the Falcon Field Employment Center Strategy Plan.

Falcon Field Employment Center:

- Envision collaborating with the Arizona Department of Transportation on visual enhancements to the Greenfield and Higley Roads freeway interchanges.
- Continue collaborative efforts with developers, landowners, real estate brokers and other strategic partners to attract industrial, office and retail facilities.
- Reassign an existing position, which is currently vacant, within the Office of Economic Development to focus on development-related activities within the Falcon Field Employment Center.
- Envision working with the State Land Department on changing the land use designation for property located at the southwest corner of Greenfield Road and the Red Mountain Freeway.
- Anticipate preparation of a Falcon Field Employment Center Sub-Area Plan.

Discussion ensued relative to the available land for potential development at the Falcon Field Airport and the proposed phasing of such development; the fact that staff has met with the banking community to address their concerns regarding staff's proposed development of leasing guidelines, policies and procedures; and that the Action Plan can be modified as unanticipated issues arise.

Mr. Martin and Mr. Mulligan referred to a document entitled "Falcon Field Employment Center Strategy Plan: 12-Month Action Plan," and provided a short synopsis of the individual action items, the defined tasks, the estimated completion dates and status reports. (The document is available for review in the City Clerk's Office.)

Councilmember Griswold stated that the area surrounding Falcon Field Airport "is exploding" with the completion of the Red Mountain Freeway and the number of new businesses locating there. He added that it is essential that the City implement efficient, straightforward and modern procedures to ensure the successful relocation of these businesses.

In response to Councilmember Griswold's comments, Mr. Martin stated that in the ongoing recruitment of a new Airport Director, staff is seeking a candidate who will possess, among other qualifications, strong experience in the area of economic development.

It was moved by Vice Mayor Walters, seconded by Councilmember Whalen, that the Falcon Field Employment Center Strategy Plan – 12-Month Action Plan, be approved.

Councilmember Rawles expressed the opinion that the development of Falcon Field Airport and the surrounding area should be accomplished without government participation.

City Manager Mike Hutchison responded to Councilmember Rawles' comments and stated that in order for the City of Mesa to receive Federal funding for various improvements at Falcon Field, it must adhere to stringent compliance regulations. He commented that the City is sensitive to its need to respond to the Federal government and the Federal Aviation Administration (FAA) regarding issues at Falcon Field and Williams Gateway Airport.

Further discussion ensued relative to FAA's policy that it does not allow a municipality to release land for sale if it is specifically located within the airport square mile.

Mayor Hawker requested during the next 12 months that staff coordinate the lease terms at Falcon Field and Williams Gateway to ensure consistency at both facilities; that as the 5 and 25-Year Financial Plans are developed and additional properties are leased at Falcon Field, that the costs associated with the Office of Economic Development's staff member, whose primary focus is development-related activities at Falcon Field, be passed through an enterprise account; and that on the 20-year projection, that the projects be listed and items be included, for example, the t-hangars, that would be considered a benefit to tenants at the airport.

Councilmember Whalen seconded the motion.

Councilmember Thom expressed support for the Action Plan, but commented that it should have been implemented before the Red Mountain Freeway opened to Higley Road. She stated that she has learned that individuals lease the t-hangars to store boats, for example, and said that she would prefer to see those facilities used strictly for aircraft-related purposes.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion carried by majority vote.

2. Discuss and consider recommendations #1 and #2 in the Ad Hoc Redevelopment Advisory Committee report.

Ad Hoc Redevelopment Advisory Committeemembers Steve Adams and Alex Finter addressed the Council relative to this agenda item. Mr. Adams reported that three weeks ago, several Committeemembers made an extensive presentation to the Council regarding their recommendations and said that today, he and Mr. Finter are prepared to respond to any questions the Council may have concerning Recommendations I and II. (See Attachment 1.)

City Attorney Debbie Spinner advised that Mayor Hawker, Vice Mayor Walters, Councilmember Whalen and Councilmember Jones have previously declared potential conflicts of interest relative to **Recommendation I, Town Center Development Area**, which would leave only three Councilmembers to act on the Committee's recommendations. She stated that per A.R.S. 38-508 (B), if a public body cannot take action because the majority of its members have a conflict of interest, all members may participate in the decision after declaring the conflict in the official record. Ms. Spinner further commented that none of the Council would have a potential conflict regarding **Recommendation II, Town Center Development Area – Additional Issues**, because those items are policy decisions.

Mayor Hawker stated that relative to **Recommendation I**, he was originally thinking of merging the Downtown Development Committee (DDC) with the Planning & Zoning Board (P&Z) to allow P&Z to consider Town Center Development Area issues. He suggested that this would assist in reducing staff time and added that the P&Z Boardmembers have the necessary expertise to

address such matters. Mayor Hawker noted that at this time, he does not have a strong opinion one way or the other regarding the Committee's recommendation.

It was moved by Councilmember Whalen, seconded by Vice Mayor Walters, that **Recommendation I** be approved.

In response to a question from Councilmember Whalen, Ms. Spinner clarified that the Council would have to adhere to the State statutes relative to expanding, shrinking or modifying the boundaries of the Town Center Development Area in the future.

Councilmember Whalen requested that staff provide the Council with information relative to the process.

Councilmember Rawles expressed opposition to the motion and noted that in reference to the Committee's recommendation to "retain existing redevelopment area designation," he does not believe that Mesa needs a redevelopment area. He added that whether Mesa has a vibrant downtown area is dependent upon the local property owners and should not be a burden imposed on the rest of the community.

Councilmember Jones voiced support for the motion and noted that the downtown area is located within his district. He expressed the opinion that it is imperative that the City continue to maintain and rebuild this part of the community.

Councilmember Griswold, Chairman of the Ad Hoc Redevelopment Citizen Advisory Committee, stated that with regard to **Recommendation I**, it was the consensus of the Committee that Mesa had paid the price politically and financially to create a redevelopment area that offered various tax credits to the businesses that located to the area and said that he is supportive of the motion.

Councilmember Thom commented that if the Superstition Freeway had been built near Broadway Road, the issue of downtown revitalization and redevelopment would not exist. She added that as long as the redevelopment designation does exist, it "casts a cloud over the whole area" and suggested that private investors should be the ones to make it a viable area of the community again and not the City.

Discussion ensued relative to an historical overview regarding the manner in which the original downtown square mile was designated as a redevelopment area.

Mayor Hawker stated that although he would not want to change the original square mile designation, **Recommendation I** refers to redevelopment areas as designated, including expanded boundaries. He commented that because he opposed such expansion in the past, he would be consistent and vote in opposition to the current motion.

Vice Mayor Walters expressed support for the motion. She noted that cities that ignore their aging downtown areas do so to the detriment of the entire community and negatively impact the recruitment of businesses to the area.

Councilmember Rawles advised that during the Committeemembers' presentation three weeks ago, Tom Verploegen, Executive Director of the Mesa Town Center Corporation, provided an overview of the various improvements in the Town Center area over the last 20 years. He

stated that he has requested that staff provide the Council with information regarding the amount of money that the City has expended in downtown redevelopment during that same period of time.

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.

Mayor Hawker requested input from the Council regarding **Recommendation II, Town Center Development Area – Additional Issues**.

An extensive discussion ensued among the Council regarding the various components of **Recommendation II**, and it was the consensus of the Council that rather than adopting the individual items, they would prefer to acknowledge and accept the fact that the Ad Hoc Committee validated various City policies currently in effect and also that it may be appropriate for the City to highlight the benefits of businesses locating to a redevelopment area.

Mayor Hawker thanked Mr. Adams and Mr. Finter for their presentation.

3. Discuss and consider proceeding with a Request For Proposal for 51-55 East Main Street.

Vice Mayor Walters declared a potential conflict of interest and said she would refrain from discussion/consideration of this agenda item.

Town Center Administrator Shelly Allen and Senior Town Center Development Specialist Patrick Murphy addressed the Council relative to this agenda item. Mr. Murphy reported that staff is seeking further direction from the Council regarding staff's recommendation that the project must include a destination restaurant that has the ability to provide catering services for the Mesa Arts Center. Mr. Murphy explained that pending Council direction, staff would amend the Request for Proposals (RFP) and proceed with its issuance as noted in the March 3, 2005 staff report. He highlighted the alternatives as follows:

Alternative One:

- In the RFP, require that the project must include a destination restaurant that has the ability to provide catering services for the Mesa Arts Center.

Alternative Two:

- In the RFP, state that the City prefers that the project include a destination restaurant that has the ability to provide catering services for the Mesa Arts Center.

Alternative Three:

- In the RFP, do not make any reference of a destination restaurant that has the ability to provide catering services for the Mesa Arts Center.

Performing Arts Center Administrator Randy Vogel responded to a series of inquiries from the Council. He stated, among other things, that the catering facilities were engineered out of the plans during the Arts Center's construction; that the catering kitchen would provide the opportunity and knowledge base for someone to work with staff and utilize the City's liquor license, if necessary; that a catering kitchen would provide the City with the opportunity to generate revenue and accommodate increased event activities; that when the theaters are not busy, the Arts Center could serve as a site for many corporate and private events; and that even if a restaurant and catering kitchen are not onsite at the Arts Center, it is essential that such facilities are in close proximity to ensure success.

Councilmember Whalen commented that although he does not like any of the alternatives, it would be prudent for the Council to listen to staff when they say that a catering kitchen is an essential component of the project.

Councilmember Jones expressed support for Alternative Two and stated that if an entrepreneur realized that an opportunity existed for a built-in customer base with the Arts Center located nearby, the developer would take advantage of such a situation.

In response to a question from Councilmember Rawles, Mr. Vogel explained that staff is not requiring that the project include a dedicated space in the facility to be used as a banquet room to service events at the Arts Center, but rather a catering kitchen to provide service for various locales at the Arts Center.

Councilmember Rawles stated that he would probably lean toward Alternative Three, although he would prefer that the City sell the property outright. He also stated the opinion that he does not think the individuals responding to the RFP should be awarded additional points for their bid if it includes the restaurant/catering kitchen component as compared to another proposal that does not.

Councilmember Griswold, speaking as a restaurateur, expressed his opinion regarding the pros and cons of staff's recommendation that the project must include a destination restaurant with the ability to provide catering services. He noted that he would probably support Alternative Two and added that in terms of revenue sharing, the City would have the opportunity to generate greater revenues at the Mesa Arts Center if such an amenity was in place.

Councilmember Thom stated that she preferred Alternative Three.

In response to a question from Councilmember Thom, Mr. Vogel clarified that all of the space at the Mesa Arts Center has been allocated for various activities and said that he is not aware of any location at the facility that could be modified in order to construct a catering kitchen.

It was moved by Councilmember Rawles, seconded by Councilmember Thom, that Alternative Two be adopted, and that no additional points be awarded in the grading of the proposals for the inclusion of the restaurant/catering kitchen component.

In response to a question from Mayor Hawker as to why Alternative Three would not be the preferred alternative, Mr. Murphy explained that it is the opinion of staff that Mesa needs an upscale restaurant in the downtown area, and commented that if such a requirement is not stipulated in the RFP, the project would most likely not include a restaurant.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion carried by majority vote of those voting.

4. Discuss and consider participation in the Superstition Vistas Visioning Project.

Williams Gateway AREA Project Manager Wayne Balmer and Roc Arnett, President and CEO of the East Valley Partnership, addressed the Council relative to this agenda item.

Mr. Balmer provided a brief overview of the Superstition Vistas Visioning Project, a study being proposed by the East Valley Partnership, in conjunction with the Morrison Institute, of 360 square miles of State land in northern Pinal County. He explained that the study would establish guidelines regarding how best to develop the land. Mr. Balmer advised that the City of Mesa is one of six entities being proposed to sponsor the project and contribute \$33,500 as its share of the cost of the project. He stated that the five other participants in the study include Pinal County, the City of Apache Junction, the Sonoran Institute, the Central Arizona Project and the Salt River Project. Mr. Balmer also said that the Town of Queen Creek has recently indicated its interest in participating in the process as well. He added that it is staff's recommendation that the City participate in the project and noted that the State land is located on Mesa's immediate eastern boundary (from Baseline Road to Germann Road) and that whatever development decisions are made could impact the City in the future.

Mayor Hawker expressed support for the cooperative effort to conduct the Superstition Vistas Visioning Project and stated that the anticipated growth in this area of Pinal County will significantly impact transportation and air quality issues. He added that with the ongoing Williams Gateway Freeway alignment study and the City's ownership interest in the Pinal County water farm, it only makes sense that Mesa participate in the discussions regarding future impacts on its border.

It was moved by Mayor Hawker, seconded by Vice Mayor Walters, that the City of Mesa participate in the Superstition Vistas Visioning Project and that it contribute \$33,500 toward the cost of the study.

Councilmember Rawles commented that Mesa would be expending funds to participate in the study and questioned whether the City normally goes through a solicitation of qualifications or bids in order to determine the best available price.

Deputy City Attorney Joe Padilla responded that oftentimes when the City is soliciting or acquiring services, it goes directly to a consulting firm to handle such matters and said that it is not necessary for the City to go through a solicitation process.

Councilmember Rawles stated that he would vote no on this item.

Councilmember Griswold and Vice Mayor Walters expressed support for the motion.

Mr. Arnett advised that any monies contributed by the Town of Queen Creek for the project would be held in trust and would not be spent without the approval of the partners. He also commented that this arrangement is not a contract with the East Valley Partnership, but rather a contract and RFP with the Morrison Institute, and said that the East Valley Partnership has merely acted as the facilitator to bring the various participants together.

Councilmember Rawles thanked Mr. Arnett for his comments and stated that the Council does not want the public to get the perception that "Mesa is doing something out of the ordinary." He stated that it is a little unusual for a private entity such as the East Valley Partnership to facilitate the bringing of a contract to the City that is to be shared by other agencies and said that he just wanted the record to reflect that there was nothing improper about such action.

Councilmember Whalen acknowledged Mr. Arnett and Mr. Chuck Backus for their efforts and hard work in moving this project forward.

Councilmember Thom expressed support for the motion and commended Mr. Arnett for his efforts in this regard.

Mayor Hawker called for the vote.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion carried by majority vote.

Mayor Hawker thanked Mr. Balmer and Mr. Arnett for the presentation.

5. Acknowledge receipt of minutes of boards and committees.

- a. Board of Adjustment meeting held March 8, 2005.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

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

Vice Mayor Walters

Joint meeting of the Elderly Mobility Task Force and MAG Safety Committee

Councilmember Whalen Power Plant and Transmission Line Siting Committee meeting
Councilmember Griswold Joint Council/Dobson Association meeting; YMCA meeting

7. Scheduling of meetings and general information.

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

Thursday, March 31, 2005, 7:30 a.m. – Study Session

Monday, April 4, 2005, TBA – Study Session

Monday, April 4, 2005, 5:45 – Regular Council Meeting

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

8. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

9. Items from citizens present.

Bob Reid, 2064 N. Maple, addressed the Council and stated that the City of Mesa should provide hangar facilities at Falcon Field Airport for members of the public who fly aircraft rather than for non-aviation related businesses. He also referred to a map distributed to the Council and offered a series of suggestions regarding the configuration of the airport, the location of additional hangars to provide greater revenue to the City, and the realignment of Greenfield Road in order to provide greater taxiway access and hangar/office complexes.

10. Adjournment.

Without objection, the Study Session adjourned at 9:45 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 24th day of March 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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Attachment

COUNCIL REPORT

RECOMMENDATIONS

The following are the recommendations of the Ad Hoc Redevelopment Advisory Committee:

I. Town Center Development Area

- a. Retain existing redevelopment area designation, and retain existing Downtown Development Committee (DDC) structure whereby the DDC functions as the Planning and Zoning Board and the Design Review Board. The DDC also acts in an advisory capacity to the City Council regarding projects in the redevelopment area.

II. Town Center Development Area -- Additional Issues

- a. Recognize the limitations that proposition 105 impose on economic development efforts, and that new development and/or redevelopment will be done without the use of eminent domain.
- b. Continue working with Mesa Community College to expand their campus in Downtown Mesa.
- c. Support a volunteer non-City board whose purpose is to champion the revitalization of Downtown Mesa. This board will maintain communications with the City Council on innovative ways to continue implementing the City's vision for revitalizing the downtown as set forth in the 1999 Mesa Town Center Concept Plan as amended from time to time.
- d. Continue the practice of only assessing impact fees for the service demand that the new development may create over and above what previously occurred on the site.
- e. Develop and implement a pro-active aggressive marketing plan to attract new development (retail, restaurants, office, and residential) in the TCRA.
- f. Implement the recommendations outlined in the Hunter Interests, Inc. report dated September 12, 2002 including the use of, but not limited to the flexible and revised Request for Proposals system to develop city owned properties in the TCRA.
- g. Encourage new residential development, including multi-family, to help stimulate non-residential downtown development.

III. Create new Neighborhood Business Investment Areas (NBIA) in Mesa that focus on economic development within neighborhoods

- a. Develop criteria for designating NBIA areas and obtain neighborhood and business input into the development of these criteria.