

COUNCIL MINUTES

January 2, 2003

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 2, 2003 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Dennis Kavanaugh
Rex Griswold
Kyle Jones
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

STAFF PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

1. Review items on the agenda for the January 6, 2003 Regular Council meeting.

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

The following conflicts of interest were declared: 6f (Mayor Hawker).

The following items were removed from the consent agenda: 6f, 8e and 9b.

The following items were placed on the consent agenda: None.

2. Hear an update concerning the City's Historic Preservation Program.

Redevelopment Director Greg Marek and Victor Linhoff, Chairman of the Historic Preservation Committee, addressed the Council relative to this agenda item. Mr. Marek reported that the City of Mesa's Historic Preservation Program is unique due to the fact that the same individuals staff both the Historic Preservation Office and the Redevelopment Office. He commented that this categorization has proven to be extremely effective and has also created a singular balance between development and historic preservation objectives.

Mr. Linhoff displayed graphics in the Council Chambers and provided a timeline of significant events relative to the Historic Preservation Program. He stated, among other things, that in 1994, the City Council adopted the first Historic Preservation Ordinance and established a subcommittee of the Downtown Development Committee (DDC) to advise the Council on historic preservation matters; that in 1995, the City of Mesa became a Certified Local Government (CLG), enabling the City to apply for funds through the State Historic Preservation

Office to assist in the preservation of historic properties; that in 1996, Mesa's first Historic Districts were created; that in 1997, the Ordinance was revised to establish a seven-member Historic Preservation Committee (which replaced the DDC subcommittee) to serve in an advisory capacity to the City Council; that in 1998, various local historical landmarks were designated; that in 1999, the City established a web site to provide the public with information regarding historic preservation; that in 2000, the Temple Historic District received local and National Register listing; that in 2001, signs were installed identifying Mesa's Historic Districts, and that in 2002, the Council adopted a comprehensive Historic Preservation Plan which established the goals and objectives of the Historic Preservation Program.

Mr. Linhoff explained that a wide array of accomplishments have been achieved as a result of the Historic Preservation Program's implementation including, but not limited to, the designation of five historic districts, 30 properties, and seven archaeological sites; the completion of the State's most comprehensive Historic Preservation Plan, and the creation of a successful annual Historic Preservation Awards Program. He commented that the Historic Preservation staff has begun work on a Citywide Reconnaissance Survey and noted that a key element of the study is the development of a City Rehabilitation Code. Mr. Linhoff noted that the Code would recognize the unique nature of historic properties and allow property owners to restore, rehabilitate and preserve their properties at an economically feasible cost.

Discussion ensued relative to the economic benefits of historic preservation; the historic designation evaluation process; the importance of the Buckhorn Baths as a designated historic resource, and the ongoing efforts of the Historic Preservation Committee to determine the feasibility of retaining the Southside Hospital as a component of a proposed design concept in the Town Center Redevelopment area which was recommended by Hunter Interests, Inc.

Councilmember Walters expressed support for the creation of a City Rehabilitation Code and stressed that such a document would impact not only historic preservation properties, but also any property that has deteriorated to a level that it necessitates upgrades and maintenance.

In response to a question from Councilmember Walters, Mr. Marek advised that the Historic Preservation and Building Safety staffs have worked together in a collaborative effort to create a City Rehabilitation Code, which is based on North Carolina's Rehabilitation Code. He stated that the Town Center Corporation has provided input relative to the document and added that staff anticipates soliciting feedback from various stakeholders who would utilize the Code. Mr. Marek added that it is staff's intention to make a presentation to the General Development Committee in the near future and to ultimately seek Council direction relative to the matter.

In response to a series of question from Mayor Hawker, Mr. Marek explained that in 1997, a Citywide Reconnaissance Survey addressed properties built prior to 1955 exclusively as part of the evaluation process for historic districts and individual properties. He advised that as the City continues to age, and in an effort to prevent every property built after 1955 from being designated as historical, staff has applied for a grant from the State Historic Preservation Office to identify how the City will address this issue. Mr. Linhoff added that there seems to be somewhat of a national trend toward preserving post-1955 era neighborhoods, which include not only the homes, but the streets and landscaping as well.

Further discussion ensued relative to the fact that the Federal Rehabilitation Tax Credit offers a 20% credit for buildings listed or eligible for listing on the National Register and a 10% tax credit

(applied to Federal income tax) for nonresidential, non-historic buildings built prior to 1936; that the New Markets Tax Credit allows a 30% credit over seven years for companies and individuals who invest in commercial projects in qualifying commercial districts, and that the Historic Tax Reduction Program allows the owner of a non-commercial property that is listed in the National Register of Historic Places to apply to have the assessment ratio for the property reduced from 10% to 5% for 15 years if the historic integrity of the property is maintained.

Mayor Hawker commented that the Historic Preservation Plan has been an effective tool in the creation of Historic Districts within the City, but questioned whether an area must be historic in order to achieve neighborhood preservation.

Additional discussion ensued relative to the criteria to designate a City landmark.

In response to a series of questions from Mayor Hawker regarding moving the Pomeroy House from its original location, Mr. Marek clarified that because of its architectural significance, it was the recommendation of the Historic Preservation Committee (subsequently approved by the Council), that the home be relocated to make room for the Mesa Arts Center. He added that in discussions with the Council relative to the acquisition of properties for the Center, a February 2001 Council Report was prepared which outlined the associated costs of moving the Mitten and Pomeroy Houses.

Mayor Hawker stated the opinion that there could be an inherent conflict with the same staff manning both the Historic Preservation and the Redevelopment Offices. He noted that there could be instances where greater emphasis is placed on historic preservation and less focus on the cost to effectively redevelop areas in the downtown area.

Councilmember Thom expressed a series of concerns regarding the submission of redevelopment proposals for the Mitten House and Pomeroy House including the fact that the City incurred considerable costs associated with the purchase and relocation of the homes; that the City will not be reimbursed for the costs; that the recipients of the properties will be entitled to numerous tax credits (as previously outlined by Mr. Marek), and that the City is favoring these individuals at the detriment of Mesa taxpayers.

In response to Councilmember Thom's comments, Mr. Linhoff emphasized that the previously discussed tax credits are allowed for a limited time only, and that they are based on the cost of the rehabilitation of a property and not an individual's income.

In response to a question from Councilmember Thom, Mr. Marek clarified that with regard to the designation process, property owners generally contact the Historic Preservation Office to express interest in applying for Local Historic District status. He commented that staff does not proactively contact individuals to inquire whether they desire such a designation.

Councilmember Thom concurred with Mayor Hawker's remarks relative to the fact that historic preservation is important, but that it is not necessary to save every aging property in the community.

Vice Mayor Kavanaugh expressed appreciation for the informative and insightful presentation and stated that he hopes the community is cognizant of the fact that the Council places great importance on historic preservation and the resources which are dedicated to the process. He

noted that Mesa has been recognized as having the most comprehensive Historic Preservation Program in the State and commented that it is due, in large part, to the melding of the Redevelopment and Historic Preservation Offices.

Mayor Hawker encouraged staff to continue to maintain its selective process in determining which Mesa neighborhoods qualify for the historic district designation.

Mayor Hawker thanked everyone for the presentation.

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

The following members of the Council provided brief updates on various meetings/conferences they attended as follows:

Councilmember Griswold	Neighborhood meeting regarding the Red Mountain Freeway between Recker and Power Roads.
------------------------	---

4. Scheduling of meetings and general information.

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

Monday, January 6, 2003, 2:30 p.m. – General Development Committee Meeting

Monday, January 6, 2003, TBA – Study Session

Monday, January 6, 2003, 5:45 p.m. – Regular Council Meeting

Thursday, January 9, 2003, 7:30 a.m. – Study Session

Thursday, January 16, 2003, 7:30 a.m. – Study Session

5. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

6. Items from citizens present.

There were no items from citizens present.

7. 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 2nd day of January 2003. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

pag