



COUNCIL MINUTES

November 4, 2004

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 November 4, 2004 at 7:31 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
Barbara Jones
Debbie Spinner

Mayor Hawker excused Councilmember Whalen from the beginning of the meeting. He arrived at 7:35 a.m.

1. Discuss and consider a policy regarding undergrounding of overhead power lines.

City Manager Mike Hutchinson advised that a number of people have recently requested waivers relative to the requirement to underground power lines. He stated that staff was present to provide background on this topic and seek direction from Council.

City Engineer Keith Nath stated that at the present time the City requires overhead lines of 12 kilovolts (kV) or smaller to be relocated underground when a property is being developed on an arterial reflector street. He noted that the large 69 kV power lines are not required to be underground.

Mr. Nath advised that in the mid 1980's the City of Mesa and other Valley communities became concerned relative to the aesthetics of overhead facilities. He noted that the Salt River Project (SRP) responded by implementing the "Aesthetics Program," which allocates a small percentage of SRP's gross revenues to the City to aesthetically improve facilities. Mr. Nath noted that the annual amount varies, and that the average received during the program's 16 years is approximately \$1.6 million per year.

Deputy Building Safety Director Jeff Welker referred to Exhibit A (see Attachment 1) of the Council Report, which provides information on the requirements of other Valley communities with respect to undergrounding overhead power lines. He noted that Mesa's requirements are generally consistent with other Valley communities. Mr. Welker advised that none of the communities surveyed utilize SRP Aesthetics Program funds to assist developers. He added

that Goodyear is an Arizona Public Service (APS) service area, and therefore SRP funds are not applicable.

Mr. Welker advised that as a result of attempting to fairly address a recent infill project, the City developed a set of criteria that allows exceptions to the undergrounding requirement for power lines. He outlined the criteria for an exemption, which have been in place since July 1, 2004, as follows:

1. If the cost of undergrounding the overhead power lines is at least 30 percent of the valuation of the project (based on the same methodology utilized to calculate permit fees), and if less than 50 percent of the area frontage properties have underground power lines.
2. If the cost to place power lines underground is prohibitive to a single-family residential infill project or a multi-family infill project with a maximum of three dwelling units.

Discussion ensued relative to the fact that SRP owns the power lines; that no city in the Valley requires SRP to pay for the cost of burying the lines; that discussion of requiring SRP to pay these costs was the impetus for SRP to come forward with the Aesthetics Program; and that SRP pays an "in lieu" fee to the City of Mesa due to the fact that Mesa does not have a property tax.

In answer to a question from Councilmember Thom, Mr. Welker explained the process utilized by staff to arrive at the "30 percent of the valuation" exemption standard was based on an evaluation of three similar projects.

Further discussion ensued relative to the fact that in the future the City could bury power lines in those areas that were developed prior to present standards; that cost savings could be realized by undergrounding a large area at one time; that legal opinions obtained by staff indicate that deferrals granted relative to the undergrounding of utility lines are not binding or enforceable; that all new developments not eligible for exemptions are required to bury the power lines; that the City utilizes the SRP Aesthetics Fund dollars to underground power lines only in areas that were developed prior to the present standards; and that developers are responsible for undergrounding power lines for new developments.

Vice Mayor Walters expressed concern regarding the impact of the policy on infill projects, and she requested information regarding the exceptions offered by other communities.

Additional discussion ensued regarding the fact that power lines along some areas of Broadway will never be buried because of the unlikelihood of future street-widening projects; that some properties would remain undeveloped due to the requirement to bury power lines; that a small impact fee could be imposed to offset the expense of burying power lines; and that exempting developers from the expense of burying power lines in an effort to be fair may initiate developer requests for exemptions from other unique issues, such as addressing open irrigation lines or irrigation structures.

Councilmember Rawles expressed the opinion that the cost of the City's effort to provide an aesthetic benefit that is enjoyed by the public should be an expense paid for by the public. He further stated the opinion that requiring individual property owners to bear the cost of burying power lines is unfair and a violation of property rights.

Further discussion ensued relative to the fact that a requirement to bury power lines in new subdivisions is different than a requirement to remove existing power poles and bury the lines underground; that power poles can be subject to storm damage and traffic accidents resulting in costly power outages and repairs; and that traffic accidents involving power poles are costly in terms of injuries and lost lives.

Mayor Hawker requested that staff review the cost of implementing a Citywide aesthetics program funded on a per capita, per household or per permit basis. He also requested information on the improvements accomplished in the past 25 years and the timeframe in which the City could expect the program to be completed.

In response to a request made by Councilmember Whalen, Mr. Hutchinson stated that each Councilmember would be provided with a copy of SRP's policy regarding their Aesthetics Fund.

Mr. Nath advised that SRP calculates the Aesthetics Fund at 0.8 percent of a community's gross revenues.

Mayor Hawker thanked staff for the presentation.

2. Discuss and consider accepting the Falcon Field Employment Center Strategy Plan prepared by ESI Corporation.

Councilmember Griswold declared a potential conflict of interest and said he would refrain from discussion/participation in this agenda item.

Economic Development Director Dick Mulligan advised that in response to a key recommendation of the Mesa 2025 Plan, which is to develop employment in the key centers and particularly in the Falcon Field area, the City requested assistance from the ESI Corporation and Coffman Associates in preparing the Falcon Field Employment Center Strategy Plan (a copy is available for review in the City Clerk's Office). He advised that Judy Scalise, Principal of ESI, and Jim Harris of Coffman Associates were present to address the Council.

Assistant Development Services Manager Jeff Martin noted that Falcon Field is a part of the Development Services Department, and he reported that staff has noticed a substantial increase in interest relative to the possible location of businesses at Falcon Field. He advised that staff requested the report from ESI in order to obtain guidance regarding which business proposals to consider for specific locations. Mr. Martin stated that several businesses are interested in the same location, and he added that the report includes a land use plan to enable the best utilization of the 48 acres at Falcon Field that have taxiway access.

Ms. Scalise advised that the study process addressed many issues, and she noted that the Falcon Field area could become a regional market center due to the fact that the Red Mountain Freeway provides improved accessibility. She displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) that outlined the following:

- Objectives
- The Study Process
- The Employment Center Overview
- Key Findings

- Strengths and Weaknesses
- Development Opportunities
- Industry Targets
- Guidelines for Creating the Falcon Field Land Plan

Mr. Harris continued the presentation by addressing the following issues related to the land use at Falcon Field. He noted that 275 acres are devoted to airport operations, and he outlined the identified uses for other areas of the property.

Ms. Scalise concluded the presentation by summarizing the following aspects of the plan:

- Potential Uses for Key Falcon Field Parcels
- Orchard Property and Potential Uses
- Key Recommendations

Mr. Mulligan advised that when the Economic Development Specialist position is filled, the responsibilities of that position would be dedicated to the development of the Falcon Field Airport and the surrounding area and interfacing with private developers. He expressed the opinion that the City should be prepared to take advantage of the current development opportunities.

Mr. Hutchinson stated that key recommendations are included in the report. He advised that a challenge to development at Falcon Field is the Federal requirement that the property be leased rather than sold. He noted that the lease process must be consistent and fair to a variety of potential users. Mr. Hutchinson explained that Federal regulations are based on the fact that a lease provides a revenue stream that supports airport operations. He added that financial institutions are reluctant to consider 25-year leases, and he stated that the City is willing to consider leases of a longer duration.

Discussion ensued relative to the fact the Williams Gateway Airport Board of Directors concentrates attention on airport activities; that Falcon Field does not have a group that provides similar oversight; that focus groups were conducted primarily with area homeowners' associations; and that one-on-one interviews were conducted with representatives of aviation related industries, including Boeing, Talley, and McDonnell Douglas.

In response to a question from Councilmember Whalen regarding the possibility of lengthening the runway, Mr. Hutchinson noted that a similar proposal eight years ago resulted in substantial opposition from neighborhood residents. He stated that the decision of the Council at the time was not to lengthen the runway because of the negative impact on the neighborhoods.

Airport Director Mark Meyers expressed the opinion that the City may be able to sell some of the "orchard" property because the property has no potential for future use as a runway, but he added that the FAA can be very unpredictable.

Mr. Hutchinson noted that the City has attempted for several years to attract a full-service hotel to the area.

Mayor Hawker requested that staff prepare an implementation action plan that includes timeframes. He also suggested that another Council Study Session address potential non-aviation uses for some of the parcels.

Additional discussion ensued regarding the need for additional T-hangers; and that the City should encourage the participation of private industry in this area.

Mayor Hawker thanked Ms. Scalise, Mr. Harris and staff for the presentation.

3. Discuss and consider the proposed ordinance amendment regarding consumption of spirituous liquor in public parks.

It was moved by Councilmember Rawles, seconded by Mayor Hawker, that the proposed ordinance amendment regarding the consumption of spirituous liquor in public parks be moved forward for consideration at a future Council meeting with a recommendation for approval.

Councilmember Rawles expressed appreciation to staff and the Parks and Recreation Board for their efforts relative to amending the ordinance.

Mayor Hawker called for the vote.

Carried unanimously.

Mayor Hawker stated that the proposed ordinance amendment would be considered at a Regular Council meeting.

4. Appointments to boards and committees.

Discussion ensued relative to the fact that Friends of the Mesa Arts Center (FOMAC) is a non-profit board, separate from the Museum and Cultural Advisory Board, that works to support the activities of the Mesa Arts Center; that FOMAC requested the appointment of a Council liaison; and that the Council liaison serves as a non-voting member.

It was moved by Councilmember Rawles, seconded by Councilmember Griswold, that the Council concur with the Mayor's recommendation for Councilmember Whalen to serve as the Council liaison to the "Friends of the Mesa Arts Center" and that the appointment be confirmed.

Carried unanimously.

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

Vice Mayor Walters: Salt River Pima-Maricopa Indian Community luncheon meeting at which a donation was presented to the City of Mesa.

Councilmember Whalen: Invited to the Grand Opening of Bass Pro Shop in Las Vegas, Nevada

Councilmember Griswold: Citrus Neighborhood Association Meeting.

6. Scheduling of meetings and general information.

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

Wednesday, November 10, 2004, 7:30 a.m. – Study Session

Wednesday, November 10, 2004, 4:00 p.m. – Police Committee

Monday, November 15, 2004, TBA – Study Session

Monday, November 15, 2004, 5:45 p.m. – Regular Council Meeting

Thursday, November 18, 2004, 7:30 a.m. – Study Session

Thursday, November 18, 2004, TBA – Fire Committee

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Items from citizens present.

There were no items from citizens present.

9. Adjournment.

Without objection, the Study Session adjourned at 9:17 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 4th day of November 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

baa

Attachment

UNDERGROUNDING OF EXISTING OVERHEAD UTILITY LINES

	<u>Chandler</u>	<u>Gilbert</u>	<u>Goodyear</u>	<u>Peoria</u>	<u>Phoenix</u>	<u>Tempe</u>
Require developers to underground overhead utilities ?	YES	YES	YES	YES	Only if pole is being moved	YES
Use SRP Esthetics Funds to assist Developers ?	NO	NO	-- (APS Service area)	NO	NO	NO