



OFFICE OF CITY CLERK

COUNCIL MINUTES

November 29, 2007

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 29, 2007 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Kyle Jones
Tom Rawles
Darrell Truitt
Claudia Walters
Mike Whalen

COUNCIL ABSENT

Scott Somers

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Linda Crocker

Mayor Hawker excused Councilmember Somers from the entire meeting and Councilmember Whalen from the beginning of the meeting. Councilmember Whalen arrived at 7:31 a.m.

Vice Mayor Walters excused Mayor Hawker from the remainder of the meeting at 9:06 a.m. after the discussion of agenda item 3.

1. Review items on the agenda for the December 3, 2007 regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts of interest declared: 5e (Hawker); 5f (Hawker-Truitt); 7b (Truitt)

Items removed from the consent agenda: None

Items added to the consent agenda: 7a

2. Hear a presentation and discuss alternative land use scenarios for the Southeast Mesa Strategic Development Plan.

Deputy Transportation Director Mike James noted that the name of the plan has been changed to the Mesa Gateway Strategic Development Plan. He advised that the presentation provides an introduction to the three land use scenarios prepared by the consulting team and is intended to familiarize the Council with the information in advance of a future presentation to the Council and the workshop scheduled to be held in two weeks. Mr. James noted that the scenarios are flexible and that various elements of each scenario could be incorporated into another during the workshop session. He added that staff and the consultants would be available during the

next two weeks to answer any questions, and he introduced the City's consultant, Mark McLaren, Vice President of HDR Inc., to continue the presentation.

Mr. McLaren displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide an overview of the continuing technical effort related to transportation, financing, and the fiscal impact of the land use alternatives. He stated that the opportunities presented by the Phoenix-Mesa Gateway Airport serve as the baseline for moving forward.

Mr. McLaren advised that the "Transportation Model" is based on a year 2030 regional planning horizon, anticipates mixed-use trip generation and utilizes the General Plan model roadway network previously adopted by the City. He reported that some of the key performance measures include the roadway level of service, the number of daily vehicle trips, and the ability of people to live and work in the same area. He said that the City would be able to utilize the model created in this process to address other development projects. Mr. McLaren stated that a "Fiscal Impact Analysis Model" is being developed to identify capital and operating costs and estimated revenues. He explained that a "Strategic Market Analysis" would identify key economic development concepts such as focusing on higher wage industries, companies and businesses that add value and recognizing that economic opportunities will vary over time. He identified "airport intensive industries" and indicated those that rank high on a preliminary "industry scorecard" for the Phoenix-Mesa Gateway Airport area. He noted that this is a topic planned for discussion during the workshop.

Mr. McLaren addressed financing strategies and said that various techniques are being considered that could be utilized independently or in a combination, such as community facility districts, special assessment districts, etc. He said that a preliminary approach being considered is the creation of an infrastructure enterprise fund, which would operate independently from the City Council and have the power to impose fees on property owners and end users for the costs of services. He introduced Tim Rood, Principal, Community Design & Architecture.

Mr. Rood continued the PowerPoint presentation by identifying the three proposed land use concepts, which include varied approaches to transportation and open space, and he highlighted the features of each concept (see Attachment 1). He reviewed preliminary comparisons of each concept regarding the amount of developed and open space, the number and types of jobs, and the number and types of housing units. Mr. Rood noted that recent data projects that by 2030, the greatest demand would be for "attached housing" as an aging population wishes to downsize. He also reviewed the various types of transit proposed for each concept.

Responding to a question from Vice Mayor Walters regarding the difference between "high-capacity/regional transit" and "primary local transit" lines, Mr. Rood said that the basic concept was fluid and may include only one type of transit network, but he added that the density of future development might require a localized circulator vehicle.

Mr. Rood reviewed the potential types of streets in the plan, and he noted that connector streets are more pedestrian friendly. He added that smaller pedestrian-friendly intersections with shorter crossings, called "couplet intersections," are being considered.

Mr. McLaren stated that the Land Use Workshop is scheduled for Thursday and Friday, December 13 and 14, 2007, and he provided a brief overview of the agenda. He said that the objective is to arrive at a consensus plan that best represents the interests of the City of Mesa.

In response to concerns expressed by Councilmember Jones that Concept A includes residential development south of the Gateway Freeway, Mr. Rood advised that they attempted to explore all alternatives, and he noted that Concept C does not have residential development south of the freeway. He advised that the alternatives are designed to include opportunities for compatible uses, and he added that although Arizona State University (ASU) Polytechnic has no present plans to construct additional housing south of the campus, a decision to do so could improve the job/housing ratio in that area and benefit the City of Mesa.

Councilmember Jones stated that he could not support a plan that included residential development south of the Gateway Freeway.

Responding to a request from Councilmember Rawles, Mr. Rood stated that the number of acres allotted to office, light industrial, etc. would be identified for each land use concept.

Mayor Hawker noted that the Council adopted a plan similar to Concept C, and he asked what the City would gain by adopting Concept A or B.

Mr. Rood said that more complete information would be available at the Land Use Workshop. He explained that Concept C attempts to restrict residential development in the area of the flight path, which leaves a large area for industrial use that will take a long time to develop. Mr. Rood stated that research indicates that mixed-use centers are more valuable than large tracts of industrial development.

Mayor Hawker expressed concern that increasing residential development would negatively affect the airport.

Mr. McLaren advised that that research is an ongoing process, and that additional information would be provided on the airport flight patterns at the Land Use Workshop.

City Manager Christopher Brady advised that the actual flight paths are being mapped, and he reported that the initial data indicates that arrivals utilize a narrower, more predictable path than departures. He said that City staff is working with the Phoenix control tower staff to identify the flight paths and the heights at which the planes are flying. Mr. Brady added that it could be valuable to identify the areas and uses that exist around other airports, such as the John Wayne Airport in California. He noted that the planning area in southeast Mesa is extremely large, and he suggested that the eventual plan could include some aspects of all the concepts. Mr. Brady proposed that a future presentation address the numbers and types of jobs.

Mayor Hawker stated that he would rather err on the side of protecting the airport than to make a decision that results in the closure of the airport. He thanked staff and the consultants for the presentation, and he noted that the Council would receive an update on December 13, 2007.

3. Hear a presentation and discuss the West Main Street Area Plan.

Senior Planner Wahid Alam said that staff would provide an update to the November 1st presentation to Council regarding the West Main Street Area Plan. He displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and advised that both the Planning and Zoning (P&Z) Board and the Downtown Development Committee (DDC) voted unanimously in support of the Plan.

Mr. Alam reported on the following three areas of concern that were noted by the Council during the November 1st presentation:

- Building Height

Mr. Alam recalled that Council questioned the minimum building height requirements of three stories in the area of the station and two stories in the corridors. He advised that a height variance could be approved by the Council through the Council Use Permit. Mr. Alam explained that the community, P&Z and the DDC support a minimum building height requirement, and he added that minimum building heights are effective in creating the density required for Transit-Oriented Development (TOD).

- Land Assembly

Mr. Alam noted that land assembly is a redevelopment tool, and he explained that staff's role in the effort would be that of an advisor. He added that during the pre-submittal process, property owners would be encouraged to work together.

- Transit Station Location

Deputy Transportation Director Mike James said that preliminary plans locate the high-capacity rapid transit (light rail or bus) stations in proximity to Alma School Road and Main Street and Country Club Drive and Main Street in order to provide a regional connection to the north/south bus routes. He noted that a study of other cities indicates that the most valuable retail, commercial and residential development occurs within a quarter mile of each transit station. Mr. James stated that the computerized, predictive-priority signal system and the Geographic Information System (GIS) would identify the location of each train and adjust traffic signals to efficiently move the cars along the route. He explained that locating a transit station at a signalized intersection provides an opportunity for passengers to efficiently board or disembark. Mr. James reported that although the light rail system will navigate many signalized intersections along the route, the travel time between the Sycamore station and downtown Phoenix is estimated to be 33 minutes. He noted that as the study of high-capacity transit continues, the proposed transit station locations could change because of other factors.

Mr. Alam summarized the presentation by listing the following key action items:

- Amend the Mesa 2025 General Plan.
- Create a Transit-Oriented Development (TOD) ordinance.
- Plan for Capital Improvements.
- Create a West Mesa board or committee, as suggested by the community.
- Encourage public-private partnerships.

Mayor Hawker noted that because several car dealerships are relocating to sites in proximity to freeways, large tracts of land might be available in that area for use as future transit stations. He suggested that the north/south bus routes could be directed a short distance from the arterial street to such a location to facilitate the regional connections.

Mr. James stated that although a direct transit route is desirable, he concurred that the north/south bus routes could be diverted to a transit station that is not located at an intersection.

He reported that the Alma School Road bus route would be diverted to the Sycamore Station to enable the connection to the Light Rail Transit system.

Mayor Hawker stated the opinion that fewer stops on the light rail line would ensure timely service. He added that installing “turn-outs” could facilitate “express” service, which would increase ridership.

Councilmember Rawles requested an update on the current status and the future of the Light Rail Transit system with regard to Proposition 400 funding. He also expressed opposition to requiring a minimum building height as a part of the Plan.

Mayor Hawker said that he participated in the regional planning process to establish the funding formulas, and he advised that sufficient funding is available in Proposition 400 for high-capacity transit, which can be utilized for light rail or bus service.

In response to comments by Vice Mayor Walters, Mr. Alam confirmed that if the TOD ordinance is approved, developers in West Mesa have the option to develop under the existing zoning standards or under the TOD standards.

Responding to questions from Councilmember Truitt, Planning Director John Wesley said that adoption of the proposed plan does not change the current zoning. He said that the zoning would change to TOD standards only upon request of the property owner.

Mr. Brady concurred that a property owner has the option to develop under the existing zoning regulations. He noted that although the staff report for such a case would indicate that the zoning is not consistent with the Plan, staff would facilitate approval of the development under the existing zoning. Mr. Brady stated that the West Mesa community and property owners adopted the Plan as their vision for the area, and he added that the community’s desire to create an oversight committee or board to “keep the vision” is an indication of their commitment to the Plan.

Mr. Wesley responded to questions from Councilmember Rawles by advising that a site plan for a one-story building would be approved if the site plan complied with the existing zoning regulations.

In response to comments by Councilmember Truitt, Mr. Wesley explained that a West Mesa oversight committee or board would operate in a manner similar to a homeowner’s association. He stated that the group would not have the power to approve or disapprove a project, but would provide input through the citizen participation process.

Mayor Hawker said that although citizen groups may attempt to influence a Council decision regarding a zoning case, a property owner’s rights cannot be denied under existing zoning regulations.

City Attorney Debbie Spinner confirmed that the City cannot deny a zoning case for a project that complies with the existing regulations. She added that adoption by the Council of a TOD ordinance would not change existing zoning regulations.

Councilmember Truitt suggested that future applicants may wish to utilize certain sections of the TOD ordinance without complying with all of the ordinance requirements. He noted that the Council Use Permit would provide flexibility regarding these issues.

Mayor Hawker thanked staff for the presentation.

(Mayor Hawker left the meeting following the discussion of agenda item 3.)

4. Hear a presentation, discuss and provide direction on the 2008 State Legislative agenda.

Government Relations Director Scott Butler displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide an overview of the 2008 State Legislative Session, and he noted that the projection of the State budget deficit is changing daily.

Government Relations Coordinator Brent Stoddard outlined the City's "Legislative Guiding Principles," as listed below:

- Fiscal Sustainability
 - Protection of State-shared revenue.
 - Full funding of existing revenue streams.

Vice Mayor Walters requested that staff explain the methodology for calculating State-shared revenue.

Mr. Butler noted that the League of Arizona Cities and Towns would be recommending that "State-shared" revenues be referred to in the future as "city-shared" revenues because these revenues are generated by the cities and towns. He said that the current budget shows a projected deficit of \$800 million to \$1 billion. Mr. Butler stated that voters in the 1970's approved the methodology, which streamlined tax collection and created a revenue sharing agreement, which typically returns 15 percent to the cities and towns. He noted that a University of Arizona study indicated that 92 percent of the State's economic activity is generated by the incorporated areas.

Mr. Stoddard advised that there is a lag in the distribution of revenues to cities and towns, and he said the distribution in this fiscal year was collected two fiscal years ago. He noted that in 2006 the State appropriated \$727 million to the Urban Revenue Sharing Fund as an offset to the income tax reduction in that fiscal year. Mr. Stoddard noted that the "city share" of 15 percent was reduced to 12.8 percent in the fiscal years 1993 through 1997 and in 2003/2004.

Vice Mayor Walters referenced comments made by some Legislators that the cities and towns "would have to share in the pain." She stated the opinion that the cities and towns always "share in the pain" because a downturn in the economy reduces the revenues received by both the State and the cities and towns. She explained that the City would receive 15 percent of a smaller amount of revenue, and that a smaller percentage further reduces the revenues returned to the cities and towns.

Mr. Butler advised that the East Valley legislators understand the situation. He added that at the time the funds were collected two years ago, the State had a budget surplus.

In response to a question from Councilmember Rawles, Mr. Butler stated that the State's discretionary budget is approximately \$10 billion.

Responding to a question from Councilmember Jones, Mr. Butler noted that the *Voter Protection Act* enables the Legislature to adjust the percentage of funds returned to the cities and towns.

Mr. Stoddard continued the PowerPoint presentation that outlined the “Legislative Guiding Principles:”

- Local Control
 - Local self-governance.
 - Oppose mandates and preemptions.
- Economic Development
 - Future economic sustainability.
 - Maintain and enhance current economic development tools.
- Neighborhoods
 - Preserve and enhance quality of life.
 - Safety and security.
- Public Safety
 - Ability to plan and respond to public safety needs.
- Transportation
 - Regional transportation planning.
 - Continued funding needs.
- Water
 - Ensure the sustainability of water resources and sustainable development.

In response to comments from Councilmember Jones regarding water issues, Mr. Butler noted that a “stakeholder process” has been developed through the Arizona Municipal Water Users Association (AMWUA) in order to bring communities together on this issue. He agreed that issues related to aquifers have not been properly addressed by the Legislature.

Vice Mayor Walters said that recharging in the appropriate aquifer is very important, and she noted that Mayor Hawker is presenting information to AMWUA on that subject today.

Mr. Butler stated that because the Legislature’s primary focus this year will be the budget, staff intends to concentrate their efforts in specific areas that are important to the City of Mesa, such as the Gateway Freeway. He advised that staff is proposing that the Legislature increase the \$100 million limit on Highway Project Advancement Notes (HPANs) to \$300 million in order to utilize this tool to accelerate the Gateway Freeway construction project.

Councilmember Rawles suggested that staff approach the issue of shared revenues in a realistic manner. He stated the opinion that the City should share equally in any necessary reductions of shared revenue.

Mr. Brady stated that the City is attempting to protect the revenue sharing formula, and he noted that the funds distributed in a current year were collected by the State two years ago. He said

that when collections decrease and the amount of revenue available to return to the cities and towns decreases, the percentage of that amount should remain unchanged.

Responding to a question from Councilmember Truitt, Mr. Butler advised that the revenues collected by the State two years ago are deposited in an interest-bearing account. He reported that an option proposed by the State is to reduce the amount of revenue shared with the cities and towns by \$17 million.

Discussion ensued relative to the fact that State revenues are increasing each year; that the population continues to increase; and that a larger population increases the demand for services.

Mr. Butler noted the importance of the State Aviation Fund to both the Phoenix-Mesa Gateway Airport and Falcon Field, and he said that the City would urge the Legislature to maintain that fund.

Councilmember Whalen addressed the issue of 287(g) training for officers in the Mesa detention facility. He asked if the State could join with the Federal government to provide funds for 287(g) training that would enable detention officers to enforce immigration laws.

Mr. Butler advised that staff, the City Manager and Police Chief Gascon have focused their efforts at the Federal level. He noted that the U.S. Senate has set aside funds for 287(g) training, and he added that efforts would continue on the State level to seek funding.

Vice Mayor Walters expressed support for staff to pursue both Federal and State funding sources for 287(g) training for detention officers.

Councilmember Rawles said that he supports both the 287(g) funding for detention personnel and the legislative agenda as presented, with the caveat that staff employ a public relations approach regarding budget issues.

Vice Mayor Walters requested the opinion of the remaining Councilmembers and noted that there was a consensus to support the legislative agenda and to secure funding for 287(g) training of detention officers.

Mr. Butler advised that staff would update the Council in mid to late January regarding the proposed Federal legislative agenda.

Vice Mayor Walters thanked staff for the presentation.

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

- a. Intergovernmental Affairs Committee meeting held on November 19, 2007.
- b. General and Economic Development Committee meeting held on November 19, 2007.

It was moved by Councilmember Rawles, seconded by Councilmember Truitt, that receipt of the above-listed minutes be acknowledged.

Vice Mayor Walters declared the motion carried unanimously by those present.

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

Councilmember Jones: Graduation of Citizen Police Academy.

Vice Mayor Walters: Grand Opening of Phoenix Children's Hospital facility in Mesa.

7. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Monday, December 3, 2007. 3:00 p.m. – Audit & Finance Committee

Monday, December 3, 2007, TBA – Study Session

Monday, December 3, 2007, 5:45 p.m. – Regular Council meeting

Thursday, December 6, 2007, 7:30 a.m. – Study Session

Thursday, December 13, 2007, 7:30 a.m. – Study Session

8. Items from citizens present.

There were no items from citizens present.

9. Adjournment.

Without objection, the Study Session adjourned at 9:52 a.m.

KENO HAWKER, MAYOR

ATTEST:

LINDA CROCKER, 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 29th day of November 2007. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

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Attachment (1)