



## COUNCIL MINUTES

February 7, 2011

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on February 7, 2011 at 5:53 p.m.

### COUNCIL PRESENT

Scott Smith  
Alex Finter  
Christopher Glover  
Dina Higgins  
Dennis Kavanaugh  
Dave Richins  
Scott Somers

### COUNCIL ABSENT

None

### OFFICERS PRESENT

Christopher Brady  
Debbie Spinner  
Linda Crocker

Invocation by Pastor Rod Layman, First Baptist Church.

Pledge of Allegiance was led by Scott Bennett Brown, Scout Troop No. 255.

Mayor Smith recognized former Chandler Mayor Boyd Dunn, who was present in the audience. He also welcomed the members of Scout Troop Nos. 255, 798, 779 and 795 who were observing tonight's meeting.

Mayor's Welcome.

Mayor Smith welcomed everyone to the meeting. A videotaped presentation was aired that outlined meeting procedures and provided attendees with instructions relative to addressing the Council.

Awards, Recognitions and Announcements.

Traci Gruenberger, Vice President of Program Development and Operations for Lutheran Social Services of the Southwest, stated that she was pleased to announce that Councilwoman Dina Higgins was the recipient of the agency's 2010 "Spirit in Social Ministry" award.

Ms. Gruenberger explained that throughout 2009, Councilwoman Higgins worked with various entities to bring services to homeless women living in Mesa, which resulted in the creation of the Interfaith Homeless Emergency Lodging Program (I-Help). She commented that in March 2010, the program was launched, serving two women two nights a week and said that as of February 2011, the program has expanded and provides shelter to an average of 13 women seven nights a week at ten different church locations throughout Mesa and Gilbert.

Ms. Gruenberger and Don Smith, a representative of Lutheran Social Services of the Southwest, presented Councilwoman Higgins her award.

Former Chandler Mayor Boyd Dunn addressed the Council and stated that he and Mayor Smith made a wager on last year's 5A-1 State Championship football game between Mesa's Desert Ridge High School and Chandler's Hamilton High School. He explained that the wager was that the Mayor of the losing team would wear the winning team's jersey at a future Council meeting. Former Mayor Dunn presented Mayor Smith a Hamilton High School jersey so that Mayor Smith could fulfill the wager.

City Manager Christopher Brady stated that in honor of Mayor Smith's birthday, he was pleased to introduce the "Mesa Kazoo Band," composed of members of the City's Executive Team. City staff and members of the audience, accompanied by the Kazoo Band, sang "Happy Birthday" to the Mayor.

1. Take action on all consent agenda items.

All items listed with an asterisk (\*) will be considered as a group by the City Council and will be enacted with one motion. There will be no separate discussion of these items unless a Councilmember or citizen requests, in which event the item will be removed from the consent agenda and considered as a separate item. If a citizen wants an item removed from the consent agenda, a blue card must be completed and given to the City Clerk prior to the Council's vote on the consent agenda.

Mayor Smith stated that a citizen requested that item 6-a be removed from the consent agenda.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Glover, that the consent agenda items, as amended, be approved.

Carried unanimously.

\*2. Approval of minutes of previous meetings as written.

Minutes from the September 30, 2010 and January 13, 20 and 24, 2011 Council meetings.

3. Take action on the following liquor license application:

\*3-a. Mesa Chamber of Commerce Business in Education Foundation

This is a one-day civic event to be held on Saturday, April 9, 2011 from 6:00 p.m. to 9:00 p.m. at 53 North Macdonald **(District 4)**

4. Take action on the following contracts:

\*4-a. Purchase of a New Intelligent Return and Sorting System for the Red Mountain Library (Fully Funded by Library Bond Funds). **(Citywide)**

The Purchasing Division recommends authorizing purchase from the Maricopa County Cooperative Sole Source Contract with 3M Track and Trace Solutions at \$84,385.63, including applicable use taxes.

- \*4-b. Term Contract for Natural Gas Pipe and Fittings for the Materials and Supply Warehouse. **(Citywide)**

The Purchasing Division recommends awarding the contract to Ferguson Waterworks at \$187,854.46 annually, including applicable sales tax, based on estimated requirements.

- \*4-c. Renewal of the Term Contract for Wood Poles for the Materials and Supply Warehouse. **(Citywide)**

The Purchasing Division recommends authorizing a two (2)-year renewal with Nevada Wood Preserving at \$124,116.51 annually, including applicable use tax, based on estimated requirements.

- \*4-d. Renewal of the Term Contract for Residual Refuse and Recycling Containers for the Solid Waste Management Department. **(Citywide)**

The Purchasing Division recommends authorizing a two (2)-year renewal with Rehrig Pacific Co. at \$766,032.93, including applicable use tax, based on estimated requirements.

- \*4-e. Purchase of a New Rough Terrain Piggyback Forklift, Accessories and a 45 foot Flatbed Trailer for the Fire Department **(Forklift-Sole Source) (Fully Funded by 2010 Federal Homeland Security Grant Program, Urban Area Security Initiative [UASI] Grant). (Citywide)**

The Purchasing Division recommends awarding the contract to the sole source vendor, Atmax Equipment Co., at \$93,332.56 for the forklift, and Utility Trailer Sales Co. of Arizona, at \$27,325.00 for the trailer. The combined total award is \$120,657.56, including applicable taxes.

- \*4-f. Pressure Reducing Valve Stations, 2762 North Waterbury Road and 3040 North Hawes Road. **(District 5)**

City Project 09-055-001. This project will replace Pressure Reducing Valve 13 and Pressure Reducing Valve 14, which were installed in 1989. The existing pressure reducing valves will be removed from underground vaults, which are in poor condition and need to be rehabilitated, and new ones installed above ground.

Recommend award to the low bidder, WGC, Inc., in the amount of \$132,514.00 plus an additional \$13,251.40 (10% allowance for change orders) for a total award of \$145,765.40. This project will be funded with the FY 10/11 Water Bond Capital Program.

- \*4-g. 69kV Electric Transmission Lines Upgrade Phases II and III, Citywide. **(Districts 1, 2, 3, 4)**

City Project 09-021-002 and 09-021-003. This project includes the replacement of 76 wood poles with 44 concrete poles and 32 steel poles. Nine of the new steel poles, as well as five existing steel poles, will act as the stopper poles.

Recommend award to the low bidder, Sturgeon Electric Company, Inc., in the amount of \$1,835,295.63 plus an additional \$183,529.56 (10% allowance for change orders) for a total award of \$2,018,825.19. This project will be funded with the FY 10/11 Electric Bond Capital Program.

\*4-h. Power Road Improvements, Pecos Road to Santan Freeway. **(District 6)**

City Project 07-066-001. This project is approximately 2.7 miles, beginning on the south side of the interchange at the Santan Freeway, and ending at the north side of the Pecos Road Intersection. Proposed improvements include widening the road to three lanes in each direction, with a raised median and full intersection improvements at Ray Road and Williams Field Road.

Recommend award of the design phase services contract to the Contract Manager at Risk (CMAR), Haydon Building Corporation, in the amount of \$266,847. This project will be funded with the FY 10/11 Streets Bond Program.

5. Introduction of the following ordinances and setting February 28, 2011, as the date of the public hearing on these ordinances:

\*5-a. **A10-04 (District 4)** Annexing land located east of Country Club Drive and south of the US 60 Superstition Freeway, 112 West Iron Avenue (6.24± ac). Initiated by the property owner, P&H Mining Inc.

\*5-b. **Z10-35 (District 4)** 112 West Iron Avenue. Located south of the US 60 Superstition Freeway and east of Country Club Drive (6.3 +/- acres). Rezone from Maricopa County I-2 to City of Mesa M-1. This request will establish City zoning on recently annexed property. P&H Mining Equipment, owner; City of Mesa, applicant. (PLN2010-00403)

P&Z Recommendation: Approval with conditions. (Vote 7-0)

\*5-c. **Z11-01 (District 4)** 112 West Iron Avenue. Located south of the US 60 Superstition Freeway and east of Country Club Drive (6.3 +/- acres). Rezone from M-1 to M-1PAD and site plan review. This request will allow the expansion of an existing heavy equipment facility. P&H Mining Equipment, owner; Tim Rasnake, applicant. (PLN2010-00389)

P&Z Recommendation: Approval with Conditions. (Vote: 7-0)

\*5-d. **Z11-02 (District 4)** 740 West Broadway Road. Located west of Country Club Drive on the north side of Broadway Road (4.82 +/- acres). Council Use Permit. This request will allow the expansion of an existing recycling center in an M-2 zoning district. Jjadar Mamlechet, owner; Pew and Lake, applicant. (PLN2010-00352)

P&Z Recommendation: Approval with Conditions. (Vote: 7-0)

\*5-e. Amending Title 8, Chapter 6 of the Mesa City Code to update the Public Nuisance, Property Maintenance and Neighborhood Preservation Code language to enhance enforcement efforts.

7. Take action on the following ordinance and resolution:

- \*7-a. Amending Title 10, "Traffic," of the Mesa City Code to streamline the implementation of traffic regulations. This ordinance will place authority for implementing traffic control regulations except speed limits with the City Traffic Engineer. This ordinance will also make the following housekeeping updates: change references to the "Building Inspector" to "City Manager or Designee;" revise requirements for house movers to make the permit holder responsible for the cost of relocating and damage to any City facilities related to the house move; and update the Schedule of Sanctions for parking violations to match the current Code section numbers and eliminate duplicate entries – Ordinance No. 5024.
- \*7-b. Declaring that certain document filed with the City Clerk and entitled "Revision to Title 10 of Mesa City Code -- January 2011" a public record – Resolution No. 9802.

8. Take action on the following subdivision plat:

- \*8-a. Replat of Final Plat Lindsay Park Townhomes – **(District 2)** – The 2400 to 2800 blocks of East Southern Avenue (south side) located south and west of Southern Avenue and Lindsay Road. 151 R-2 PAD lots. (18.9 ± acres). Woodside Trails North at Horsemen's Park LLC, owner; James A. Brucci, V3 Companies of Arizona, surveyor.

9. Conduct a public hearing prior to the release of the petition for signatures for the following proposed annexation:

- \*9-a. **A08-16 (District 5)** Annexing land located west of Crismon Road on the north side of Main Street, 9822 East Main Street (7.55 ± ac). Initiated by property owner, William Woods. **(CONTINUED TO THE MARCH 7, 2011 COUNCIL MEETING.)**

**Items not on the Consent Agenda**

6. Discuss, receive public comment, and take action on the ordinance introduced at a prior Council meeting. Any citizen that wants to provide comment should submit a blue card to the City Clerk before the item is voted on. If a citizen wants to comment on an item listed with an asterisk (\*), a blue card must be given to the City Clerk before Council votes on the Consent Agenda.

- 6-a. Amending Title 11 of the Mesa City Code regarding the locations of medical marijuana dispensaries and related facilities – Ordinance No. 5025.

Robert Kennelly, a Mesa resident, stated that he and his wife were interested in opening a medical marijuana dispensary in the City of Mesa. He inquired if the Council had considered using C-1 and C-2 zoned properties, in addition to M-1 and M-2, for those facilities that would not be cultivating marijuana onsite. Mr. Kennelly suggested that the patients utilizing such services do not generally go into industrial zones and often depend on public transportation. He further questioned whether the Council would consider allowing additional Community Health Analysis Areas (CHAAs), such as along the Mesa Drive/Broadway Road corridor.

It was moved by Vice Mayor Somers, seconded by Councilmember Richins, that Ordinance No. 5025 be adopted.

Carried unanimously.

Mayor Smith stated, in response to Mr. Kennelly's comments, that the new ordinance was "a work in progress." He noted that as the law was implemented, the Council might reconsider certain elements of it in the future.

10. Take action on the following resolutions:

10-a. Approving and finding the existence of blight and creating the Crescent Crown Redevelopment Area – Resolution No. 9803. **(2/3 vote required, 5 votes)**

Thomas C. Schuelke, a Mesa resident, commented that his remarks were directed toward item 10-b. He questioned whether the relocation of Crescent Crown Distributing from Phoenix to Mesa would create few, if any, new permanent jobs in the Valley as a whole or Mesa in particular. Mr. Schuelke remarked that the use of the Governmental Property Lease Excise Tax (GPLET) shifts the tax burden to existing residents and businesses and should be used sparingly, if at all. He also inquired why the City of Mesa offered to use of the GPLET in this case when, in his opinion, it appeared not to be needed. Mr. Schuelke further questioned what streets radiating from the distribution center would be used on a daily basis for Crescent Crown's truck traffic and whether the City had a mechanism in place to recover the costs to repair those streets that would be impacted by such use.

Sean Lake, 1744 South Val Vista Drive, an attorney representing Crescent Crown Distributing, LLC., stated that the relocation of Crescent Crown's beer-distribution center and corporate headquarters to Mesa was "an outstanding opportunity" for the City. He remarked that having the Development Agreement in place, which would allow Crescent Crown to take advantage of the GPLET, was a critical element in completing the negotiations between Crescent Crown and the City of Mesa. Mr. Lake also noted that the 20-year lease agreement for Crescent Crown to operate in an area that "needs a shot in the arm" would not only benefit the surrounding neighborhood, but the community as a whole. He added that the economic analysis that was prepared with respect to the Mesa-Crescent Crown Redevelopment Area indicated that the proposed project would produce economic and fiscal benefits to the community in excess of the benefits received by the project as a result of the GPLET lease, with a benefit-to-incentive ratio of 4.1 to 1.

Councilmember Kavanaugh expressed support for the application and noted that in the past 13 years, this was only the third time that the City of Mesa had considered using the GPLET statute for an economic development project. He explained that the GPLET statute is very clear relative to the rigorous analysis that a community must undergo in order to approve such a project and meet the terms of the statute. Councilmember Kavanaugh noted that although other communities have used the GPLET much more extensively than the City and received criticism for it, Mesa met all of the terms of the statute "and then some." He further remarked that the Crescent Crown project was "truly a quality development" for the community and "makes sense" for the area and the City. Councilmember Kavanaugh added that the property as it currently exists offers very little in the way of taxes to the taxing entities in Mesa.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Glover, that Resolution No. 9803 be adopted.

Mayor Smith noted that the City of Mesa had been “very judicious” in its use of GPLETs. He explained that the State Legislature created the GPLET statute to “fix a problem” with Arizona’s overall taxing system and said GPLETs act more as “a leveler” as opposed to “a true incentive” with respect to business property taxes that disincentivize companies to invest in older areas of the community. Mayor Smith further commented that Mesa followed both the spirit and the letter of the law relative to this proposal. He also said that the project was an investment in an area of Mesa that has struggled for quite some time and added that the community would be “paid back many times over” because of such an investment.

Mayor Smith called for the vote.

Carried unanimously.

10-b. Approving and authorizing the City Manager to execute the Development Agreement and Governmental Property Lease Excise Tax (GPLET) Lease between Crescent Crown Distributing, LLC, and the City of Mesa for the development of property located at the northwest corner of Broadway Road and Brooks Circle in Mesa – Resolution No. 9804. **(4 votes required)**

It was moved by Councilmember Kavanaugh, seconded by Councilmember Glover, that Resolution No. 9804 be adopted.

Carried unanimously.

11. Items from citizens present.

Thomas Schuelke, a Mesa resident, expressed a series of concerns regarding the new iMesa page on the City’s website which, in his opinion, was “a wish list” for the visitors viewing the site. He suggested that individuals using the site be asked to indicate a dollar value they would be willing to pay to see the projects they suggest come to fruition. Mr. Schuelke added that he had no doubt that special interest groups would suggest funding new projects with broad-based taxes.

12. Adjournment.

Without objection, the meeting adjourned at 6:30 p.m.

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SCOTT SMITH, MAYOR

ATTEST:

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LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Council Meeting of the City Council of Mesa, Arizona, held on the 7<sup>th</sup> day of February 2011. I further certify that the meeting was duly called and held and that a quorum was present.

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LINDA CROCKER, CITY CLERK

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