



## COUNCIL MINUTES

January 9, 2012

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on January 9, 2012 at 5:45 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 Rev. Mark Rowden, Immanuel Presbyterian Church.

Pledge of Allegiance was led by Vice Mayor Somers.

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.

Mayor Smith reported that the City has entered into exclusive negotiations with Benedictine University regarding the placement of a campus in downtown Mesa. He introduced William Bartlett, Benedictine University Trustee, and Charles Gregory, Executive Vice President of Benedictine University and thanked them for attending the meeting.

Mr. Gregory addressed the Council and said that it was an honor and a privilege for Benedictine University to have been selected by the City. He recognized some of Benedictine University's partners who were in the audience and advised that people in Mesa as well as Chicago were excited with the news that Benedictine University would be coming to Mesa. He stated that it was his hope that Benedictine would serve as a catalyst that will "make things happen" in Mesa. He added that Benedictine University looked forward to including the City of Mesa in its 125<sup>th</sup> anniversary celebration.

Mayor Smith also recognized the following representatives from Crescent Crown Distributing: Mr. Joe Cotroneo, Executive Vice President and General Manager of Crescent Crown Distributing; Mr. Rich Marchant, Vice President of Operations; and Neil Baier, Vice President of Finance. Mayor Smith advised that Crescent Crown Distributing has been active in the community for some time and that its facility will be a great addition to the City of Mesa.

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.

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

Councilwoman Higgins recognized the "cutting-edge" efforts made by staff with regards to item 5-a. She explained that the Water Resources and Utilities Department is converting methane gas from the wastewater treatment plant into energy that is used to power the plant.

Mayor Smith called for the vote and the motion carried unanimously.

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

Minutes from the November 7, December 1 and December 5, 2011 Council meetings.

3. Take action on the following liquor license application:

\*3-a. Commemorative Air Force Arizona Wing Museum

This is a one day charitable event to be held on Saturday, March 17, 2012 from 4:30 p.m. to 11:30 p.m. at 2017 N. Greenfield Road. **(District 5)**

\*3-b. Save Our Boy Foundation

This is a two day charitable event to be held on Friday, January 20, 2012 from 6:00 p.m. to 10:00 p.m. and Saturday, January 21, 2012 from 11:00 a.m. to 6:00 p.m. at 6555 E. Southern Avenue. **(District 6)**

\*3-c. Soccer Village Foundation

This is a two day charitable event to be held on Saturday, January 14, 2012 from 7:00 a.m. to 7:00 p.m. and Sunday, January 15, 2012 from 10:00 a.m. to 7:00 p.m. at 13303 S. Ellsworth Road. **(District 6)**

\*3-d. Crescent Crown Distributing

New Wholesaler License for Crescent Crown Distributing, 1640 W. Broadway Road, Crescent Crown Distributing LLC – Joseph Anthony Cotroneo, Agent. This is a new construction. **(District 3)**

\*3-e. McDuffy's 2

New Restaurant License for McDuffy's 2, 155 S. Power Road, Conti Enterprise Inc. – Randy D Nations, Agent. This location had a Restaurant License held by Sun Pacific Management LLC that reverted back to the State on 7/25/07. **(District 6)**

4. Take action on the following contracts:

\*4-a. Purchase of a Replacement Inductively Coupled/Plasma Spectrometer for the Water Resources Compliance Laboratory for the purpose of analyzing compliance and discretionary water samples for metals content **(Citywide)**

The Purchasing Division recommends utilizing the Strategic Alliance for Volume Expenditures (S.A.V.E.) cooperative through the City of Tucson contract with Perkin Elmer at \$142,433.59, including applicable use tax.

\*4-b. Purchase of a New Low Level Mercury Analyzer for the Water Resources Compliance Laboratory **(Citywide)**

The Purchasing Division recommends utilizing the Strategic Alliance for Volume Expenditures (S.A.V.E.)/Pima County cooperative contract with Teledyne Leeman Labs at \$30,652.83, including applicable use tax.

\*4-c. Purchase of a Replacement Total Organic Carbon Analyzer for the Water Resources Compliance Laboratory **(Citywide)**

The Purchasing Division recommends awarding the contract to the highest scored proposal with the lowest overall pricing, Teledyne Tekmar Company at \$36,379.43, including applicable use tax.

\*4-d. Renewal of the Term Contract for Automatic Transmission Repairs and Services for the Fleet Services and Fire Departments **(Citywide)**

The Purchasing Division recommends authorizing renewal using the Mesa Public Schools (MPS) contract with Sun Devil Auto at \$45,000 annually, based on estimated requirements.

\*4-e. Water Meter Assembly Rehabilitation **(Citywide)**

City Project 01-603-009. This project will replace 35 commercial water meters that do not have backflow prevention devices and are located in underground concrete vaults. This project will install new water meter assemblies above ground to allow a more cost-effective and safe maintenance program. The new meters will also be more accurate at measuring water consumption.

Recommend award to the lowest bidder, Southwest Pipeline Contractors, Inc., in the amount of \$493,874.00 plus an additional \$49,387.40 (10% allowance for change orders) for a total award of \$543,261.40. Funding is available in the FY 11/12 Water Bond Capital Program.

\*4-f. City of Mesa Natural Gas Gate Station 3, 6940 S. Power Road **(District 6)**

City Project 01-553-003. This project is part of the second phase of a 2-phase project to bring a new gas supply to the City of Mesa's gas system. This project will install a new pressure regulating station, also referred to as a gate station, about 375 feet north of Pecos Road. This station will connect to and feed a new 8-inch pipeline that will be installed during the Power Road Improvements project.

Recommend award to the lowest bidder, Paul R. Peterson Construction, in the amount of \$273,287 plus an additional \$27,328.70 (10% allowance for change orders) for a total award of \$300,615.70. Funding is available in the FY 11/12 Gas Bond Capital Program.

\*4-g. Mesa Drive and Southern Avenue Improvements **(District 4)**

City Project 01-817-001. This project will include widening Mesa Drive to two lanes northbound and three lanes southbound between Southern Avenue and US 60. With the exception of northbound Mesa Drive, each leg of the Mesa Drive and Southern Avenue intersection will be widened to include three through lanes, two left turn lanes and a raised median. Northbound Mesa Drive will have two through lanes, two left turn lanes, and a right turn lane. The additional third lanes will extend approximately 1200 feet in each direction from the intersection after which the roadway will transition to the existing two lanes in each direction. New asphalt pavement, sidewalk improvements, and upgraded street lighting will extend west on Southern Avenue to Center Street, east on Southern Avenue to Horne, and north on Mesa Drive to 8<sup>th</sup> Avenue. Other improvements include new traffic signals, lighting, landscaping, bus pullouts and shelters, water and gas lines, improved storm drains and the relocation of SRP electric and irrigation facilities.

Recommend award of this project to the CMAR, Hunter Contracting Company, in the amount of \$24,538,238.92 plus an additional \$1,226,911.95 (5% allowance for City requested change orders) for the total amount of \$25,765,150.87. Funding is available in the FY 11/12 Streets Capital, Streets Bond, Water Bond, Electric bond, Gas bond, and Maricopa Regional Transportation Plan (RTP) funds.

5. Take action on the following resolutions:

- \*5-a. Approving and supporting the submittal of a grant application by the Water Resources Department to the United States Bureau of Reclamation in the amount of \$750,000 by the Partnership of Mesa, Gilbert and Queen Creek for the installation of a Combined Heat and Power (CHP) Cogeneration System at the Greenfield Water Reclamation Plant – Resolution No. 9961.

- \*5-b. Approving and authorizing the City Manager to execute a Grant Agreement with the Arizona Sports and Tourism Authority to accept grant funds in the amount of \$200,000 plus a City match of \$100,000 for playground shade structures. **(Districts 2, 5 & 6)** – Resolution No. 9962.
- \*5-c. Approving and authorizing the City Manager to execute a Memorandum of Understanding with a university regarding the lease of a City-owned building. **(District 4)** – Resolution No. 9963.
- \*5-d. Approving and authorizing the City Manager to execute agreements for the purchase of supplied of electric power and energy. **(Districts 1, 2, 3 & 4)** – Resolution No. 9964.
- \*5-e. Vacating the alley south of Brown Road, east of Mesa Drive, between March and April Roads. **(District 1)** – Resolution No. 9965.

The alley is being vacated and will become private property at the request of the adjacent property owners in order to reduce unwanted activity in the alley.

6. Introduction of the following ordinances and setting January 23, 2012 as the date of the public hearing on these ordinances:

- \*6-a. **Z11-26 (District 1)** 2100 West 8<sup>th</sup> Street. Located west of Dobson Road and south of the Loop 202 Red Mountain Freeway (170± acres). Rezone from PS and GC BIZ CUP to GC PAD. This request will allow the development of a stadium, team training facility, City recreation fields, and commercial development on the site. City of Mesa owner; Scot Rigby, applicant. (PLN2011-00276)

P&Z Recommendation: Approval with conditions. (Vote: 4-0, Boardmembers DiBella, Arnett and Hudson absent)

- \*6-b. **Z11-30 (District 5)** The 8400 to 9200 blocks of East McKellips Road (north to Hermosa Vista Drive) and the 8200 to 9200 blocks of East McKellips Road (south to McLellan Road) (717± acres). Modifications to the existing PAD overlay for the Mountain Bridge (formerly Stonebridge Mountain) Planned Area Development. This request will guide the future development of the Mountain Bridge Planned Area Development. Pinnacle Ridge Holdings, L.L.C. owner; Paul Dugas, applicant. (PLN2011-00295)

P&Z Recommendation: Approval with Conditions. (Vote: 4-0, Boardmembers DiBella, Arnett and Hudson absent)

- \*6-c. **Z11-31 (District 5)** Parcel 7 at Mountain Bridge. Located north of McKellips Road and west of Ellsworth Road (39.77± acres). Rezone from RS-15-PAD to RS-15-PAD-PAD and Site Plan Review. This request will allow the development of a single residential subdivision. Pinnacle Ridge Holdings, L.L.C. owner; Paul Dugas, applicant. (PLN2001-00295)

P&Z Recommendation: Approval with Conditions. (Vote: 4-0, Boardmembers DiBella, Arnett and Hudson absent)

- \*6-d. **Z11-32 (District 5)** Parcel 14/15 at Mountain Bridge. Located south of McKellips Road and west of Ellsworth Road (32.1± acres). Rezone from RS-15-PAD to RS-9-PAD-PAD and Site Plan Review. This request will allow the development of a single-residential subdivision. Pinnacle Ridge Holdings L.L.C. owner; Paul Dugas, applicant. (PLN2011-00295)

P&Z Recommendation: Approval with conditions. (Vote: 4-0, Boardmembers DiBella, Arnett and Hudson absent)

- \*6-e. **Z11-29 (District 6)** 6560 South Mountain Road. Located north of Pecos Road on the west side of Mountain Road (2.7± acres). Rezone from AG and LI CUP to HI and Site Plan Review. This request will allow the expansion of an existing industrial facility. MCG Pure Chemicals American, owner; Aaron Goodmansen, applicant. (PLN2001-00290)

P&Z Recommendation: Approval with Conditions. (Vote: 4-0, Boardmembers DiBella, Arnett and Hudson absent)

### **Items not on the Consent Agenda**

#### **7. Take action on the following resolution:**

- 7-a. Approving and authorizing the City Manager to negotiate and execute a Development Agreement consistent with the Term Sheet attached to the Resolution for a proposed development at 120 W. First Avenue. **(District 4)** – Resolution No. 9966.

Stephen Earl, an attorney representing Harrison Properties, addressed the Council and advised that the proposal is for a reuse of the Mesa Tribune building. He displayed a photograph **(See Page 2 of Attachment 1)** of the building which has been vacant since the spring of last year. He explained that the Mesa Tribune building is a special-use building that will be difficult to reuse or repurpose.

Mr. Earl advised that Jim Harrison and his company have stepped forward to purchase the property for use by the State of Arizona. He said that the State of Arizona intends to consolidate governmental offices in the East Valley to one central location. He reported that Harrison Properties has a long history with the State of Arizona and not only owns 6.5 million square feet of industrial space around the Valley, but is the number one lessor of governmental satellite offices for the State of Arizona.

Mr. Earl reported that it will cost approximately \$1.5 million to refurbish the building in order for it to be used as governmental offices. He said that the State intends to not only consolidate existing personnel to this location but also add up to 100 new positions, which would mean as many as 300 to 400 people could be employed at this location. He added that while different properties have been explored this particular building is the preferred location.

Mr. Earl reported that governmental offices are an approved and permitted use in the downtown core area and complies with the City's vision for downtown Mesa. He said that the initial term of the lease is for 12 years with two 5 year options for a total of 22 years. He noted that the State would begin occupying space in the building by June of next year with the full complement of employees relocating to this site within the next two years.

Mr. Earl remarked that bringing that many jobs to the downtown area would be consistent with the City's goals. He stated that concerns have been raised that social service types of uses, such as homeless shelters, charity dining rooms, drug treatment centers, halfway houses and emergency shelters, would be brought to this location. Mr. Earl assured that this location would be used for government offices that would be open Monday through Friday from 8:00 a.m. to 5:00 p.m. to serve residents who need assistance.

Mr. Earl briefly outlined the number of employees from some of the departments that will be relocating to this facility as follows:

- 55 employees from the Attorney General's Office
- 100 employees from the Department of Developmental Disabilities
- 80 employees from Family Assistance Administration
- 55 employees from Employment Services

Mr. Earl explained that the jobs that will be brought to this location will have annual salaries ranging from \$22,000 to \$90,000 per year including full State benefits. He added that this would be an opportunity to repurpose a building that could otherwise become a blighted condition over time.

Mr. Earl advised that the State requested that Harrison Properties work with the City to locate an additional 100 parking spaces in order for employees to park off-site leaving the on-site parking for customers. He noted that an arrangement has been negotiated with the City for additional parking. Mr. Earl also said that the two loading docks attached to the building will be removed in order to make a new entryway into the facility.

Councilmember Glover stated that he thoroughly analyzes every project that comes into District 4 and supports this project moving forward as proposed. He said that like Benedictine University it is a great reuse or repurposing of a building that would otherwise remain vacant and unproductive.

Councilmember Glover pointed out that the developer has a proven track record with the State and will be investing a substantial amount of money to remodel both the inside and outside of the building. He stated that this project will bring 300 to 400 high paying jobs to the area which will assist in revitalizing downtown Mesa. In addition, he said that a State government building would complement the City of Mesa's office buildings and will encourage future development in the downtown area.

Councilmember Glover indicated that he supported the parking arrangement that the City has made with the developer. He stated that parking is an issue that he was willing to negotiate in order to bring development into the downtown area. In addition, he said that businesses, as well as residents, have requested some type of solar energy rebate that would match Salt River Project's (SRP) rebates; however, he believed that this was an issue that should be "Council driven instead of staff driven."

In response to a series of questions from Vice Mayor Somers, Mr. Earl explained that the building does have sufficient parking and meets the City Code. He said that the State of Arizona has had experience regarding the number of spaces that will be necessary to accommodate the number of departments that will be consolidated at this location. He advised that during the lease negotiations, the State requested an additional 100 parking spaces located on the street and an adjacent parking lot for employee use. He added that the 100 parking spaces requested are a contingency of the lease.

Responding to a question from Vice Mayor Somers, City Manager Christopher Brady explained that the agreement states that if the additional parking spaces are needed by the City in the future, the City will provide other parking spaces within a block of the area.

Mr. Earl advised that a study was conducted and it was determined that there are over 200 on-street parking spaces located within a block of this site. He said that 54 spaces have been set aside immediately adjacent to the property; however, the agreement states that if the City needs those spaces in the future nearby spaces will be utilized.

It was moved by Councilmember Glover, seconded by Councilmember Richins, that item 7-a be approved.

Councilmember Finter commented that the City has been presented with some great opportunities for the reuse of abandoned buildings, such as the old South Side Hospital and the Mesa Tribune building. He said the work done by City staff, along with the Mayor's leadership, have helped to create some positive changes in the community.

Councilwoman Higgins expressed concern regarding the 100 additional parking spaces that have been requested. She reported that she had done a cost analysis of the parking spaces using a modest inflation of 3.2% and said that the approximate total cost of the spaces would be \$1.76 million over the course of 22 years. She noted that the City would be giving away a large parking concession by leasing the spaces at \$4.17. She indicated that she would support an agreement that offered a 50% discount on the parking spaces for the first year, a 25% discount for the second year and full market price by the fifth year.

Councilwoman Higgins remarked that City government buildings already occupy a large portion of the downtown area and that more university and housing types of development should be encouraged. She stated that a vision exists for the downtown area and that the City should have the "intestinal fortitude" to hold on to that vision. She added that for these reasons, she would not support the proposal.

Councilmember Kavanaugh stated that over the years, he has had the opportunity to work with the Department of Economic Security (DES) and is familiar with their operations. He expressed his opposition to the project, which he believes could potentially have a negative effect on surrounding development. He said while he realized that repurposing the building will be a challenge, he believed that this type of use was inconsistent with the vision of the downtown area and, therefore, he would not support the proposal.

Vice Mayor Somers thanked Mr. Earl for the presentation and said that while DES does play a vital role in helping people get back to work, he had concerns with providing them with any type of economic incentive. He remarked that he did not feel that DES rose to same economic development level as companies who were actively being recruited by other areas, such as Able Engineering, First Solar and the Cubs. He also pointed out that at one time DES was located in downtown Mesa and moved out of the building that will now be reused by Benedictine University.

Vice Mayor Somers further remarked that if DES is going to have 300 to 400 employees at this location and only 278 parking spaces, it must be anticipated that some of those employees would be using the light rail. He said the fact that there is interest in the building is great, however, providing a subsidy for this particular use does not rise to the level of a "strong economic development decision" and for that reason he would not support the project.



Councilmember Richins commented that this type of use may not be the ideal type of development desired for downtown Mesa, but it will fill an empty building. He remarked that there is lost revenue in "dark buildings" and that the City should take advantage of the opportunity to make \$4.00 off of parking spaces that are not being used. He also said that moving away from a Euclidean type of zoning that regulates use instead of form will be difficult and added that he would be "sticking" to the principles of the Form-Based Code.

Councilmember Richins further remarked that having an additional 400 employees in downtown Mesa will bring economic activity to the area. He said these employees will have the opportunity to take advantage of Benedictine University and spend money in the restaurants.

Councilmember Richins described a situation that occurred in downtown Flagstaff 20 years ago when the City wanted to "kill" a proposal to put in a restaurant because there was not adequate parking. He stated that the Flagstaff City Council was advised to "solve a parking problem when they have a parking problem." He added that if a parking and traffic problem exists, then that means the City has been successful.

Councilmember Richins concluded his remarks by stating that to turn away a deal for something small like parking, or the type of employees and clientele that it might bring, is offensive. He noted that the employees that will be working at this facility already live in our neighborhoods and would appreciate a quick commute to downtown. He expressed his support for this item and said that he looked forward to welcoming the new tenants to downtown Mesa.

Mayor Smith stated that he was surprised by the discussion since the applicant did not need the City's approval to use the building and the on-site parking already meets City Code. He also pointed out that micromanaging downtown has proven to be a failed approach.

Mayor Smith explained that high-cost housing will not be built at Robson and 1<sup>st</sup> Avenue anytime soon. He concurred with Councilmember Richins' comments regarding the City having an opportunity to collect revenue on parking spaces that are not currently being used. He noted that the parking request could be fulfilled with on-street parking for which the City charges nothing. He said that he did not feel the City was providing a great incentive or discount on parking.

Mayor Smith expressed his appreciation for the work that Councilmember Glover has done and stated that what can "kill a downtown" is not a marginal type of use, but emptiness, lack of activity and boarded-up buildings. He remarked that people will not invest where there is failure, they invest where there is success. He said that people do not ask what the average wage is in a building, but look at the cars on the street and the 300 to 400 people spilling out into the downtown area utilizing the light rail.

Mayor Smith concluded his comments by stating that it was his desire to maintain jobs in Mesa and not have DES move those jobs elsewhere. He said that drawing that many people into a building that would otherwise not be used for many years will be good for downtown Mesa and therefore, he would be supporting this proposal.

Mayor Smith called for the vote.

Upon tabulation of votes, it showed:

AYES - Smith-Finter-Glover-Richins

NAYS - Higgins-Kavanaugh-Somers

Mayor Smith declared the motion carried by majority vote.

8. Items from citizens present.

There were no items from citizens present.

9. Adjournment.

Without objection, the meeting adjourned at 6:45 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 9<sup>th</sup> day of January 2012. I further certify that the meeting was duly called and held and that a quorum was present.

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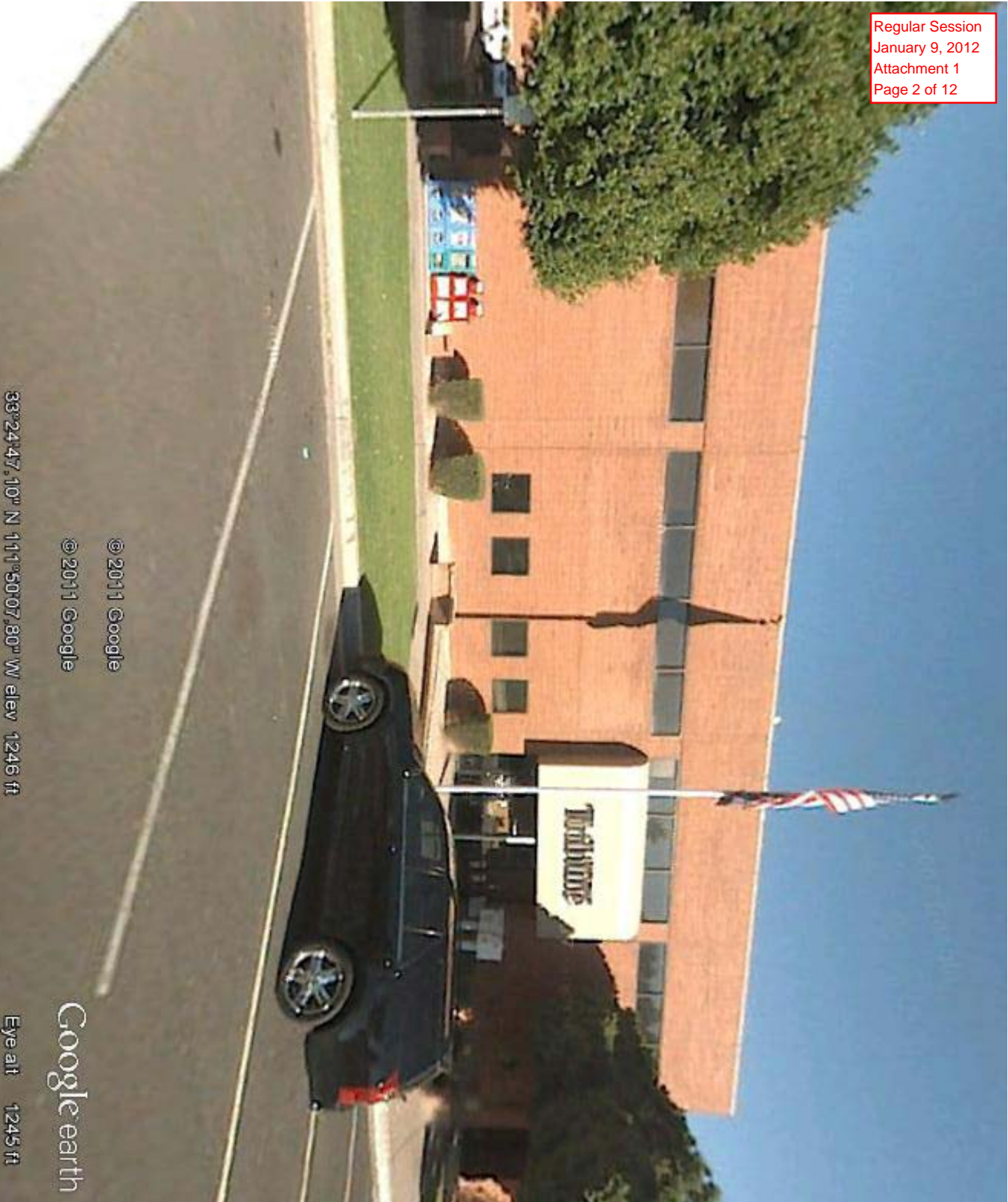
LINDA CROCKER, CITY CLERK

bdw  
(attachments -1)

# **1<sup>st</sup> Avenue Partners Project Examples**

Mesa Mayor and City Council

January 9, 2012



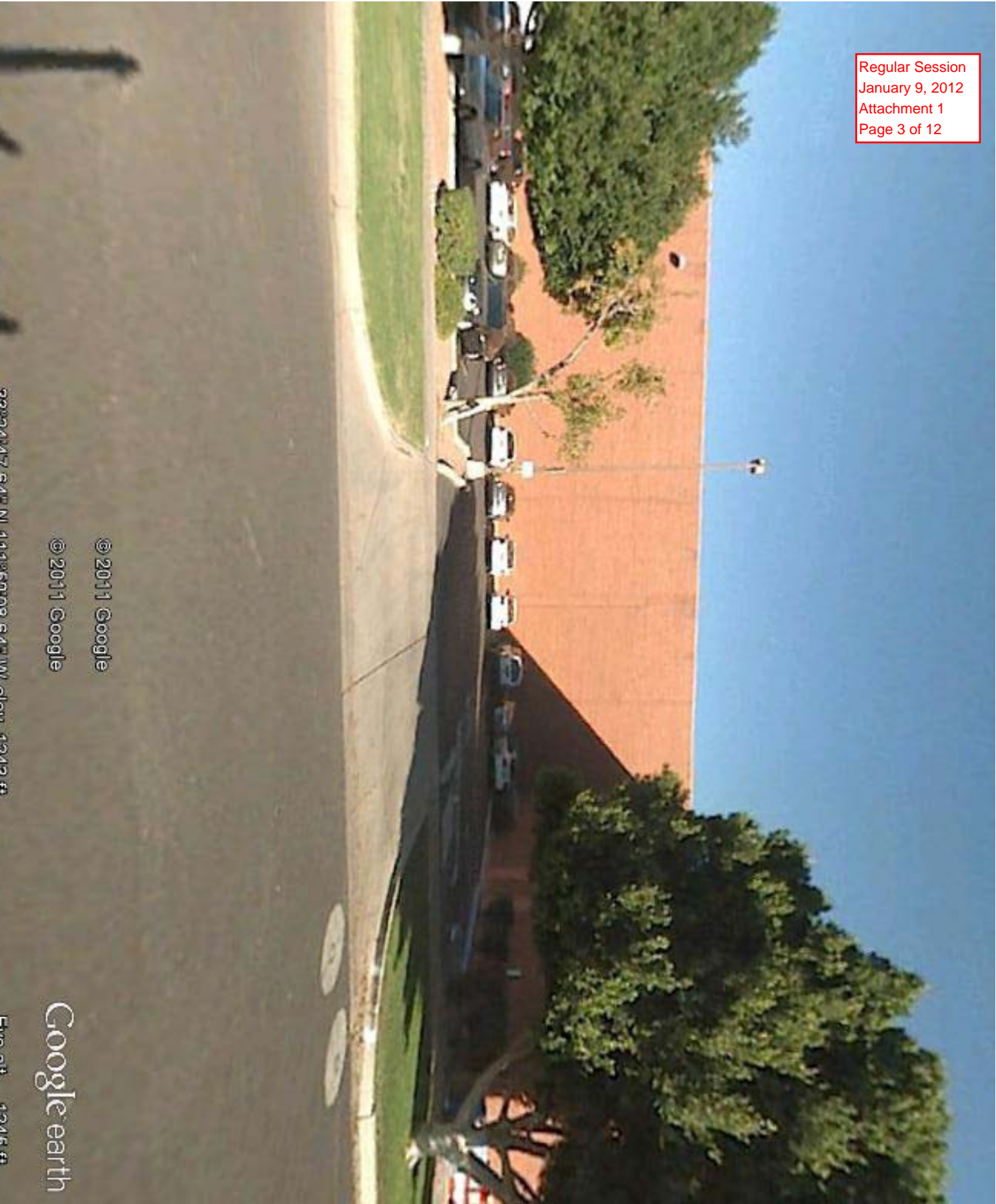
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Google earth

33°24'47.10" N 111°50'07.80" W elev 1246 ft

Eye at 1245 ft



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47th Ave.

Indian School Rd.

Santa Fe Center

45th Ave.











51st Ave

Interstate 10

Van Buren St

Downtown  
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RESEARCH CENTER  
AIB OFFICE  
AIB EMPLOYEES



879

