



COUNCIL MINUTES

June 17, 2013

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 June 17, 2013 at 4:37 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
Dee Ann Mickelsen

Mayor Smith excused Councilmember Somers from the beginning of the meeting; he arrived at 4:50 p.m.

1. Review items on the agenda for the June 17, 2013 Regular Council meeting.

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

Conflict of interest: None

Items removed from the consent agenda: None

Planning Director John Wesley recommended that agenda item 11-a be continued due to a possible legal protest. **(See Attachment 1)**

Mayor Smith stated that item 11-a will be continued to the July 1, 2013 meeting.

2. Hear a presentation and discuss and provide direction on a proposed future Capital Improvement Program.

Budget Director Candace Cannistraro displayed a PowerPoint presentation **(See Attachment 2)** outlining the Capital Improvement Program (CIP), including completed projects. (See Pages 2

through 14 of Attachment 2) She identified criteria that staff consider when identifying future CIP projects as follows:

- Input from citizens via iMesa
- Mayor and Council's Strategic Plan
- Economic Development in strategic areas
- Completing projects with the initial phases already completed
- Coordinating the timing of streets and utility projects
- Maintenance of existing infrastructure/assets

Ms. Cannistraro noted that in addition, staff also reviews the following items:

- Master Plans for projects which are phased
- Timing of Streets and Utility Projects
- Maintenance of Existing Infrastructure/Assets
- Leverage Regional/Grant Funding

Responding to a question from Mayor Smith, Ms. Cannistraro stated when money is spent on certain infrastructure, it makes other funds available through matching grants or regional, state or federal grants.

Ms. Cannistraro, in addition, outlined the potential programs for which General Obligation (G.O.) Bonds could be issued. She indicated that this information has previously been provided to Council and noted that the list included projects that fall under "Streets," "Public Safety," and "Library." (See Pages 24 through 31 of Attachment 2)

Ms. Cannistraro presented staff's recommendation for critical public safety and streets projects to be included in the next G.O. Bond election (See Pages 32 through 38 of Attachment 2), which total \$105.2 million.

City Manager Christopher Brady explained that to arrive at their recommendation, staff reviewed maintenance costs on older equipment compared to new equipment, as well as a comparison of fuel efficiencies, and a measure of redundancies. He pointed out that staff determined there is a significant savings to the City by replacing older model fire apparatus.

In response to a question from Councilmember Richins, Mr. Brady stated that the development of a Vehicle Replacement Fund for public safety equipment would take several years to build up in order to arrive at the \$15 million cost needed in one year. He noted, however, that staff could evaluate options in order to mitigate the amount needed for G.O. Bonds for future purchases of fire apparatus. He stated that staff will work with the City's financial advisor to ensure the term of the debt will reflect the useful life of the fire apparatus.

Responding to a question from Councilmember Somers, Mr. Brady clarified that he is not aware if staff has considered leasing fire apparatus.

Vice Mayor Finter requested further information on the cost of specific items related to fire apparatus.

In response to a question from Mayor Smith, Ms. Cannistraro clarified that the cost to continue to maintain older equipment outweighs the cost to buy and maintain new equipment, based on projected maintenance costs on a per unit basis. She further stated that the increased maintenance cost also applies to streets, and noted that there is a one-year lead time for new equipment.

Ms. Cannistraro indicated that the "Critical" Public Safety projects were broken down into three separate categories (See Pages 33 through 35 of Attachment 2):

- Communications (\$6.4 Million)
- Police (\$4.4 million)
- Fire and Medical (\$21.6 million)

Responding to a question from Councilwoman Higgins, Mr. Brady explained that the fiber to radio network backbone sites will connect the fire stations with the central system as a hard back-up to the wireless systems.

Councilmember Kavanaugh initiated further discussion on the Public Safety Service Expansion projects and whether these items would be funded from the bond issues or another part of the budget.

Responding to information requested by Councilmember Kavanaugh, Police Chief Frank Milstead discussed the desired priorities, and noted that the police range was constructed in the 1960's and the headquarters in 1970. He noted that the range has an outdated security system, which staff wishes to improve due to issues that have been encountered in the past several months.

In response to a question from Councilmember Kavanaugh, Chief Milstead stated that the local jail upgrades are needed due to the type of services it provides, regardless of whether the regional jail facility is completed.

Mayor Smith expressed appreciation for the fact that upgrades to critical items are necessary, even as the City slowly recovers from the recession. He requested further clarification with respect to whether some of the items listed are critical, or whether there are some items that can be delayed to future years.

Chief Milstead responded that in his opinion, one of the most critical items would be improved security at the range, although he also places high importance on upgrading the headquarters.

Responding to a question from Mayor Smith, Ms. Cannistraro stated that staff has a detailed list of all fire apparatus that are scheduled for replacement.

Mr. Brady clarified that the \$15.3 million (See Page 35 of Attachment 2) covers fire apparatus units and that inflation is considered in the total cost.

Discussion ensued relative to economies of scale in relation to the purchase of new apparatus; that the estimated replacement of seven apparatus would save \$245,000 in incremental maintenance and fuel costs; and that staff also considers the number of repairs and downtime involved when reserve vehicles are utilized as opposed to front line vehicles.

In response to a series of questions from Vice Mayor Finter, Assistant Fire Chief Jim Bloomer stated that there are 20 fire stations and 40 pieces of apparatus. He explained that the proposed project includes six years of purchases over a four-year period.

Vice Mayor Finter expressed the opinion that this is an aggressive proposal and said he looked forward to learning more about the cost savings that can be attributed to more fuel efficient vehicles.

Responding to a question from Mayor Smith, Chief Bloomer stated that the last vehicles purchased were at the end of FY 2011/12. He explained that there are approximately three vehicles per year that need replacement.

Ms. Cannistraro pointed out that the bonds are structured so that the debt payment is matched to the life cycle of the equipment.

Ms. Cannistraro continued with the presentation and discussed the three areas identified under the Critical Street Improvement Projects which total \$72.8 million (See Page 36 of Attachment 2) as follows:

- Arterial Reconstructs
- Economic Development
- Neighborhood/Safety

Ms. Cannistraro referenced a map titled "Proposed Street Reconstruction Projects", which illustrates priorities for overdue projects. (See Page 37 of Attachment 2)

Councilmember Glover commented that in his opinion, the improved security at the police range and the remodel of the jail are top priorities.

Mayor Smith expressed his appreciation to staff for their efforts and hard work.

Responding to a question from Councilwoman Higgins, Transportation Director Dan Cleavenger stated that staff maintains a database on all street conditions and conducts surveys periodically throughout the year. He noted that the Street Reconstruction Projects map represents approximately \$37 million in repairs needed for streets that are in disrepair.

In response to a question from Vice Mayor Finter, Mr. Brady clarified that the cost to reconstruct the intersections of Southern Avenue/Country Club Drive and Southern Avenue/Stapley Drive was prohibitive, and therefore, these intersections were not included on the Critical Street Improvement Projects. He noted that the total amount to reconstruct these intersections would be approximately \$25 million.

Councilmember Kavanaugh requested additional information related to the proposal for the Spring Training Museum and associated costs, which was mentioned by Mr. Brady last week. Mr. Brady stated that he will provide the information at the next Study Session.

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

3-a. Audit, Finance and Enterprise Committee meeting held May 20, 2013.
It was moved by Councilmember Somers, seconded by Councilmember Richins, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

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

There were no reports on meetings and/or conferences attended.

5. Scheduling of meetings and general information.

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

Thursday, June 20, 2013, 7:30 a.m. – Study Session

Saturday, June 29, 2013, 6:00 p.m. – Southwest Ambulance Arizona Celebration of Freedom

6. Adjournment.

Without objection, the Study Session adjourned at 5:36 p.m.

SCOTT SMITH, MAYOR

ATTEST:

DEE ANN MICKELSEN, 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 17th day of June, 2013. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

vjd/ljm
(Attachments – 2)

DICKINSON WRIGHT
MARISCAL WEEKS

2901 NORTH CENTRAL AVENUE, SUITE 200
PHOENIX, AZ 85012-2705
TELEPHONE: (602) 285-5000
FACSIMILE (602) 285-5100
<http://www.dickinsonwright.com>

ROBERT A. SHULL
RShull@dickinsonwright.com
(602) 285-5010

June 17, 2013

VIA E-MAIL DELIVERY

John Wesley, AICP
Planning Director
City of Mesa
55 N. Center Street
Mesa, Arizona 85201
(John.Wesley@mesaaz.gov)

Re: Bella Victoria Condominiums, Case No: Z13-21
Valle del Oro Resort Legal Protest letter May 20, 2013 ("Protest Letter")

Dear Mr. Wesley:

The law firm of Dickinson Wright/Mariscal Weeks acts as attorneys at law for Norton S. Karno, Trustee of the Norton S. Karno, a Professional Corporation, Amended and Restated Employee's Retirement Plan and Trust ("Owner"), which holds title to the Valle del Oro Resort, which is the subject of the Protest Letter. At the time the Protest Letter was issued and delivered to the City of Mesa, this law firm was the attorney for, and the agent of, Owner in connection with the Protest Letter. The Protest Letter was issued by the lawyers for the Owner, with the authorization of the Owner. The Owner ratifies and adopts all actions of its attorneys taken in connection with Protest Letter.¹

In addition, Cal Am Properties, Inc. ("Cal-Am") is employed by Owner as the manager of Valle del Oro Resort. As such, it is the agent of Owner and was authorized to issue the Protest Letter on the Owner's behalf. Owner, a trust, can only act through its agents. In this case, Owner acted through its property manager and attorneys.

A challenge to Cal-Am's standing to issue the Protest Letter should come from the City, not adjacent property owner. This is because it is the City that must adjudicate the protest. And, the City should err on the side of caution and allow the protest to be considered. Ariz. Rev. Stat.

¹ A lawyer's act is considered to be that of the client in proceedings before a tribunal . . . if the tribunal or third person reasonably assumes that the lawyer is authorized to do the act. Restatement (3d) of the Law Governing Lawyers, § 27. "Common law agency principles hold that an attorney, by virtue of the attorney-client relationship, has implied authority to perform acts incident or necessary to the purpose for which he was retained." *Wyatt v. Wehmuller*, 167 Ariz. 281, 284, 806 P.2d 870, 873 (Ariz. 1991). Where the client expressly so authorizes the attorney, the attorney may enter into an agreement on the client's behalf and his action binds the client. *Hays v. Fischer*, 161 Ariz. 159, 164, 777 P.2d 222, 227 (Ct. App. 1989).

DICKINSON WRIGHT/MARISCAL WEEKS

John Wesley, AICP
June 17, 2013
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§9-462.04 protects concerned owners of land adjacent to property that is being considered for a zoning variance. Ordinances that are passed without substantial compliance with the controlling statute are void. *Manning v. Reilly*, 2 Ariz. App. 310, 408 P.2d 414 (1965). If the City disregards the protest, that action will be susceptible to challenge in the courts and may ultimately be declared void. By addressing the protest, per Section 9-462.04, the City avoids these pitfalls.

Very truly yours,

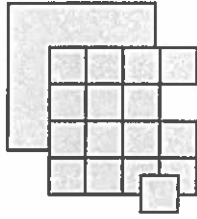
DICKINSON WRIGHT/MARISCAL WEEKS



Robert A. Shull
For The Firm

Cc: Margaret Robertson, Esq., City of Mesa (via email, Margaret.Robertson@MesaAZ.gov)
Debra Skinner, Esq., City of Mesa (via email, Debbie.spinner@mesaaz.gov)
Reese Anderson (via email, Reese.anderson@pewandlake.com)
Marc Franklin (via email, Marcf@cal-am.com)

68403



Pew & Lake, P.L.C.
Real Estate and Land Use Attorneys

W. Ralph Paw
Certified Real Estate Specialist
Sean B. Lake
Reese L. Anderson

June 17, 2013

VIA E-MAIL (john.wesley@mesaaz.gov)

John Wesley, AICP
Planning Director
City of Mesa
55 N. Center Street
Mesa, Arizona 85201

*Re: Bella Victoria Condominiums
Case No. Z13-21
Response to Cal-Am Legal Protest Letter*

Dear John:

I am writing in response to the legal protest letter dated May 13, 2013, and submitted to the City of Mesa by the law firm of Dickinson Wright / Mariscal Weeks ("Dickinson Wright") on behalf of their client, Cal-Am Properties ("Cal-Am"), relative to the above-referenced zoning case (hereinafter the "Legal Protest Letter"). For the various reasons stated below, we believe that the Legal Protest Letter fails to meet the legal requirements to trigger a super majority vote by the City Council.

Legal Protests Must be Signed by the Property Owner, Not their Agent

It is well understood law in Arizona that in order to trigger the ¾-vote requirement, a written protest, signed by the actual property **owner**, not an agent, must be submitted to the City. A.R.S. § 9-462.04(H) provides the following:

If the **owners** of twenty per cent or more either of the area of the lots included in a proposed change, or of those immediately adjacent in the rear or any side thereof extending one hundred fifty feet therefrom, or of those directly opposite thereto extending one hundred fifty feet from the street frontage of the opposite lots, file a protest in writing against a proposed amendment, it shall not become effective except by the favorable vote of three-fourths of all members of the governing body of the municipality. (Emphasis added.)

John Wesley, AICP
June 17, 2013
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Similar language appears in the Mesa Zoning Ordinance in § 11-67-4(E)(1). In this instance, the Legal Protest Letter was signed by Cliff Mattice, an attorney for Dickinson Wright. Based on information and belief, neither Mr. Mattice nor Dickinson Wright owns the Valle del Oro property. Accordingly, the protest fails because it was signed by the owner's attorney and not the actual owner.

We note that case law from other jurisdictions exists that allows attorneys to sign a legal protest on behalf of a client. However, we are unaware of any such case law from Arizona courts and have not found any court opinions to this end that are binding on Arizona courts. Nevertheless, the protest clearly fails for another, and more salient, reason.

Cal-Am Properties Does Not Own Valle del Oro

In the Legal Protest Letter, Mr. Mattice of Dickinson Wright wrote the following: "This firm represents Cal-Am Properties. Cal-Am owns the Valle del Oro Resort" A review of the public records, however, shows that Cal-Am does not own the Valle del Oro Resort. To the contrary, the Maricopa County Assessor's site shows that the Valle del Oro Resort is owned by "Norton S. Karno, Trustee of the Norton S. Karno, a Professional Corporation, Amended and Restated Employees' Retirement Plan and Trust," hereinafter referred to as the "Karno Trust."

To confirm such ownership, we asked a local title company to review ownership of the Valle del Oro Resort property. As evidence of their research, we have attached the following:

- (1) Email from Carol Rieger, Senior Commercial Escrow Officer, Clear Title of Arizona, dated June 10, 2013, stating that their review showed "the ownership of the RV Park as Norton S. Karno", not Cal-Am Properties, and
- (2) Copy of the vesting deed and affidavit of property value for the Valle del Oro property, recorded on September 26, 2008 as Instrument No. 2008-0833019, again showing the owner as the Karno Trust, not Cal-Am. Such copy being provided to us by Clear Title of Arizona and was attached to the email.

In short, even if Dickinson Wright, as the attorney for Cal-Am, was able to sign a legal protest on behalf of its client, which we strongly dispute, to the best of our knowledge, the current owner is the Karno Trust, not Cal-Am. Accordingly, the legal protest submitted by Dickinson Wright was not signed by the "owner" as required by the statute and City ordinance. We are also attaching a copy of a "Corporate Inquiry" relative to Cal-Am from the Arizona Corporation Commission. In comparing this document to the information found in the deed, the only similarity is that both the Karno Trust and Cal-Am are located in the State of California.

We recognize that Cal-Am will likely counter that some connection exists between Cal-Am and the Karno Trust. Even if this is true, neither the recognition of such by the City nor the reality of such works to correct the improper filing of the current Legal Protest Letter. Additionally, even if such connection does exist, that connection was not stated, recognized,

John Wesley, AICP
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Page 3 of 3

proved, nor is it readily apparent in the Legal Protest Letter. In fact, and as noted previously, a contrary statement was made in the Legal Protest Letter when it named the owner as "Cal-Am Properties."

The Deadline to File a Legal Protest has Passed

Mesa Zoning Code § 11-67-4(E)(3) states that all "written protests [are to] be filed in the office of the Planning Director by no later than 12:00 noon the Monday of the week prior to the City Council meeting at which the proposal is scheduled to be considered" While there is no dispute that the defective Legal Protest Letter was filed prior to the Monday, June 10th deadline, there can also be no dispute that no additional protests have been filed with the City on behalf of the Karno Trust, who, based on the evidence before us, owns the property. Accordingly, the Legal Protest Letter filed with the City fails to trigger the $\frac{3}{4}$ -vote requirement.

Even if Dickinson Wright is the legal representative of the Karno Trust, the Legal Protest Letter still fails for the simple reason that the legal representative of the Karno Trust did not protest the zoning case. Moreover, it would be improper for Dickinson Wright to now try to shoehorn their representation of Cal-Am into being a valid legal protest on behalf of the Karno Trust. In other words, evidence submitted past the deadline should not resurrect a faulty filing. If such has been the case, Dickinson Wright would have stated from the beginning that its client is the Karno Trust and not Cal-Am.

Conclusion

For the foregoing reasons, the Legal Protest Letter should not be accepted as a valid legal protest and the City Council vote on Monday, June 17th should follow traditional majority rules rather than those of a $\frac{3}{4}$ supermajority.

Thank you for your consideration relative to this matter. We hope that you have found the foregoing information helpful in making your determination. If you would like additional information, or would like to discuss these matters further, please contact me. We look forward to hearing from you.

Sincerely,

PEW & LAKE, PLC



Reese L. Anderson

cc: Mr. Hudd Hassell, Ellsworth & US60 (via e-mail)
Jeff McVay, AICP, Project Manager, City of Mesa (via e-mail)
Margaret Robertson, Esq., City of Mesa (via e-mail)
Fredda Bisman, Esq., Dickinson Wright / Mariscal Weeks (via e-mail)

Reese Anderson

From: Hudd Hassell [huddh@cox.net]
Sent: Monday, June 10, 2013 4:58 PM
To: Reese Anderson
Subject: Fwd: Maricopa County Deed and Liens (Property West of US 60 and Ellsworth)
Attachments: image003.jpg; ATT00001.htm; SWD.PDF; ATT00002.htm; APV.PDF; ATT00003.htm

Sent from my iPhone

Begin forwarded message:

From: Carol Rieger <crieger@cleartitleaz.com>
Date: June 10, 2013, 4:28:14 PM MST
To: "huddh@cox.net" <huddh@cox.net>
Subject: FW: Maricopa County Deed and Liens (Property West of US 60 and Ellsworth)

Hi, Hudd,
Attached is the Research from our Customer Service Department showing the ownership of the RV Park as Norton S. Karno.
Thanks!

Carol Rieger
CRieger@cleartitleaz.com
D:480.278.8425 C:602.502.8762 F:866.522.1710

Branch :CLL,User :CL04

Station ID :QHBJ

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20080833019 09/26/2008 11:16
ELECTRONIC RECORDING

WHEN RECORDED, RETURN TO:

Kenneth L. Friedman, Esq.
Karno, Schwartz & Friedman
16255 Ventura Boulevard, Suite 1200
Encino, California 91436-2363

9262008-3-2-1--
fraustoj

SPECIAL WARRANTY DEED

For valuable consideration, receipt of which is hereby acknowledged, VALLE DEL ORO ASSOCIATES, L.P., an Arizona limited partnership (the "Grantor"), does hereby convey to NORTON S. KARNO, Trustee of the NORTON S. KARNO, A PROFESSIONAL CORPORATION, AMENDED AND RESTATED EMPLOYEES' RETIREMENT PLAN AND TRUST (the "Grantee") the following described real property (the "Property") situated in Maricopa County, Arizona.

SEE EXHIBIT "A" ATTACHED HERETO AND
INCORPORATED HEREIN BY THIS REFERENCE

SUBJECT TO all matters presently of record, Grantor binds itself and its successors, legal representatives and assigns, TO WARRANT UNTO AND FOREVER DEFEND Grantee and Grantee's successors, legal representatives and assigns, title to the Property unto Grantee and its successors, legal representatives and assigns, solely against all acts of Grantor and no other.

DATED, September 24, 2008

GRANTOR: VALLE DEL ORO ASSOCIATES, L.P., an Arizona limited partnership

By: VALLE DEL ORO, INC., an Arizona corporation, its sole General Partner

By: 
Norton S. Karno, President

K:\NSK\Valle Del Oro\Dissolution\SpecialWarrantyDeed-v1.wpd

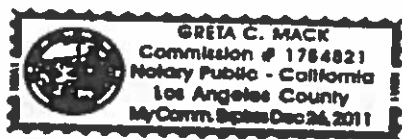
STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On September 24, 2008, before me, Greta C. Mack, Notary Public, personally appeared NORTON S. KARNO, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(SEAL)



Greta C. Mack
Notary Public In and for said County and State
My Commission Expires: 12/26/2011

EXHIBIT "A"

Lots 1 through 1802, Inclusive and Tracts A through M, Inclusive, VALLE DEL ORO AMENDED, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, In Book 477 of Maps, page 5, and Certificate of Correction recorded In Document No. 2001-0894911;

EXCEPTING therefrom any portion of said lots lying within the following two exceptions:

EXCEPT BEGINNING at the Northwest corner of said Valle Del Oro Amended; THENCE South 89 degrees 50 minutes 26 seconds East, along the North line thereof, 316.83 feet;
THENCE South 00 degrees 30 minutes 46 seconds West, 55.00 feet to a point on the South right-of-way line of Southern Avenue;
THENCE South 00 degrees 07 minutes 33 seconds West, 64.54 feet;
THENCE North 89 degrees 52 minutes 27 seconds West, 139.90 feet;
THENCE South 15 degrees 11 minutes 42 seconds West, 672.42 feet to a point on the West line of said Valle Del Oro Amended;
THENCE North 00 degrees 02 minutes 06 seconds East, along said West line, 770.96 feet to the POINT OF BEGINNING; and

EXCEPT BEGINNING at the Southwest corner of Tract "G" of said Valle Del Oro Amended, said Southwest corner also being the Northwest corner of the Southerly 600.00 feet of the East half of the Southeast quarter of the Northwest quarter of Section 33;
THENCE North 00 degrees 02 minutes 43 seconds West, along the west line of said Tract "G", 39.05 feet;
THENCE South 80 degrees 11 minutes 50 seconds East, 232.50 feet to a point on the South line of said Tract "G";
THENCE North 89 degrees 51 minutes 57 seconds West, along the South line, 229.14 feet to the POINT OF BEGINNING.

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
AFFIDAVIT OF PROPERTY VALU

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(s)
 Primary Parcel: 218 - 74 - 017 - _____
 BOOK MAP PARCEL SPLIT LETTER
 Does this sale include any parcels that are being split / divided?
 Check one: Yes No
 How many parcels, other than the Primary Parcel, are included in this sale? 1,788
 Please list the additional parcels below (no more than four):
 (1) 218-74-213 (3) 218-74-829
 (2) 218-73-482 (4) 218-73-002

9. FOR OFFICIAL RECORDS 20080833019 09/26/2008 11:16
 (a) County of Rec ELECTRONIC RECORDING
 SALES AFFIDAVIT
 (b) Docket & Page: 9262008-4-2-2-Y-
 (c) Date of Recon fraustoj
 (d) Fee / Recording number: _____
 Validation Codes:
 (e) ASSESSOR _____ (f) DOR _____
 ASSESSOR'S USE ONLY
 Verify Primary Parcel in Item 1: _____
 Use Code: Full Cash Value: \$

2. SELLER'S NAME AND ADDRESS:
Valle Del Oro Associates, L.P.
16255 Ventura Boulevard, Suite 1200
Encino, CA 91436
 3. (a) BUYER'S NAME AND ADDRESS:
Norton S. Karno, Trustee of the Norton S. Karno, A Professional
Corporation, Amended & Restated Employees' Retirement Plan
and Trust, 16255 Ventura Blvd., #1200, Encino, CA 91436
 (b) Are the Buyer and Seller related? Yes No
 If Yes, state relationship: See Attachment

10. TYPE OF DEED OR INSTRUMENT (Check Only One Box):
 a. Warranty Deed d. Contract or Agreement
 b. Special Warranty Deed e. Quit Claim Deed
 c. Joint Tenancy Deed f. Other:
 11. SALE PRICE: \$ 43,008,000 00
 12. DATE OF SALE (Numeric Digits): 09/08
 Month Year
 (For example: 03 / 05 for March 2005)

4. ADDRESS OF PROPERTY:
1452 S. Ellsworth Road, Mesa, AZ 85208
 5. MAIL TAX BILL TO:
Karno, Schwartz & Friedman
16255 Ventura Boulevard, Suite 1200
Encino, CA 91436

13. DOWN PAYMENT: \$ N/A 00
 14. METHOD OF FINANCING:
 a. Cash (100% of Sale Price)
 b. Exchange or trade
 c. Assumption of existing loan(s)
 d. Seller Loan (Carryback)
 e. New loan(s) from financial institution:
 (1) Conventional (2) VA (3) FHA
 f. Other financing; Specify: N/A

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box
 a. Vacant Land f. Commercial or Industrial Use
 b. Single Family Residence g. Agricultural
 c. Condo or Townhouse h. Mobile or Manufactured Home
 d. 2-4 Plex i. Other Use; Specify: RV Park
 e. Apartment Building
 7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:
 To be occupied by owner or "family member." To be rented to someone other than "family member."
 See reverse side for definition of a "family member."

15. PERSONAL PROPERTY (see reverse side for definition):
 (a) Did the Sale Price in Item #11 include Personal Property that impacted the Sale Price by 5% or more? Yes No
 (b) If Yes, provide the dollar amount of the Personal Property:
 \$ 00 AND
 briefly describe the Personal Property:

8. NUMBER OF UNITS: 1,781
 For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, briefly describe the partial interest: N/A
 17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):
Norton S. Karno, Trustee
16255 Ventura Boulevard, Suite 1200
Encino, CA 91436 Phone (818) 981-3400
 18. LEGAL DESCRIPTION (attach copy if necessary):
See Legal Description attached hereto as Exhibit "A"

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.
Norton S. Karno, Trustee Signature of Seller/Agent
Norton S. Karno, Trustee Signature of Buyer/Agent
 State of _____, County of _____
 State of _____, County of _____
 Subscribed and sworn to before me on this _____ day of _____ 20____
 Subscribed and sworn to before me on this _____ day of _____ 20____
 Notary Public _____
 Notary Public _____
 Notary Expiration Date _____
 Notary Expiration Date _____

**Attachment to
Affidavit of Property Value
(DOR Form 82162)**

4. **Buyer is the holder of all of the partner interests in Seller and the Property is being deeded to Buyer by Seller in connection with the dissolution, liquidation and winding up of the Seller. No consideration is being paid. The "Sales Price" reflected in item 11 is the present fair market value of the Property.**

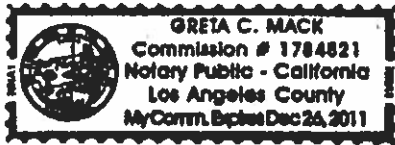
20080833019

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

Subscribed and sworn to (or affirmed) before me this 25th day of September,
2008, by NORTON S. KARNO, proved to me on the basis of satisfactory
evidence to be the person(s) who appeared before me.

WITNESS my hand and official seal.

(SEAL)



Greta C. Mack

Notary Public in and for said County and State
Print Name: GRETA C. MACK

My Commission Expires: 12/26/2011

20080833019

EXHIBIT "A"
(Legal Description)

Lots 1 through 1802, Inclusive and Tracts A through M, inclusive, VALLE DEL ORO AMENDED, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in Book 477 of Maps, page 5, and Certificate of Correction recorded in Document No. 2001-0894911;

EXCEPTING therefrom any portion of said lots lying within the following two exceptions:

EXCEPT BEGINNING at the Northwest corner of said Valle Del Oro Amended;
THENCE South 89 degrees 50 minutes 26 seconds East, along the North line thereof, 316.83 feet;
THENCE South 00 degrees 30 minutes 46 seconds West, 55.00 feet to a point on the South right-of-way line of Southern Avenue;
THENCE South 00 degrees 07 minutes 33 seconds West, 64.54 feet;
THENCE North 89 degrees 52 minutes 27 seconds West, 139.90 feet;
THENCE South 15 degrees 11 minutes 42 seconds West, 672.42 feet to a point on the West line of said Valle Del Oro Amended;
THENCE North 00 degrees 02 minutes 06 seconds East, along said West line, 770.96 feet to the POINT OF BEGINNING; and

EXCEPT BEGINNING at the Southwest corner of Tract "G" of said Valle Del Oro Amended, said Southwest corner also being the Northwest corner of the Southerly 600.00 feet of the East half of the Southeast quarter of the Northwest quarter of Section 33;
THENCE North 00 degrees 02 minutes 43 seconds West, along the west line of said Tract "G", 39.05 feet;
THENCE South 80 degrees 11 minutes 50 seconds East, 232.50 feet to a point on the South line of said Tract "G";
THENCE North 89 degrees 51 minutes 57 seconds West, along the South line, 229.14 feet to the POINT OF BEGINNING.

06/04/2013

Arizona Corporation Commission
State of Arizona Public Access System

10:46 AM

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Corporate Inquiry

File Number: F-0972065-4

[Check Corporate Status](#)

Corp. Name: CAL-AM PROPERTIES, INC.

Domestic Address

385 CLINTON STREET
COSTA MESA, CA 92626

Foreign Address

233 N VAL VISTA DR
MESA, AZ 85213

Statutory Agent Information

Agent Name: C T CORPORATION SYSTEM

Agent Mailing/Physical Address:

2390 E CAMELBACK RD
PHOENIX, AZ 85016

Agent Status: APPOINTED 12/12/2000

Agent Last Updated: 04/02/2012

Additional Corporate Information

Corporation Type: BUSINESS

Business Type: REAL ESTATE

Incorporation Date: 12/12/2000

Corporate Life Period: PERPETUAL

Domicile: CALIFORNIA

County: MARICOPA

Approval Date: 12/12/2000	Original Publish Date: 06/03/2002
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Officer Information

CORY S SUKERT PRESIDENT/CEO 385 CLINTON STREET COSTA MESA, CA 92626 Date of Taking Office: 12/12/2000 Last Updated: 10/24/2012	CORY S SUKERT PRESIDENT/CEO 385 CLINTON STREET COSTA MESA, CA 92626 Date of Taking Office: 12/12/2000 Last Updated: 10/24/2012
STEPHANIE L SUKERT SECRETARY 385 CLINTON STREET COSTA MESA, CA 92626 Date of Taking Office: 12/12/2000 Last Updated: 10/24/2012	

Director Information

CORY SUKERT DIRECTOR 385 CLINTON STREET COSTA MESA, CA 92626 Date of Taking Office: 12/12/2000 Last Updated: 10/24/2012	
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Annual Reports

Next Annual Report Due: 12/12/2013	E-FILE An Annual Report Online << Click Here
FORMS For Annual Reports To Be Printed And Mailed << Click Here	

File Year	File Month	Date Received	Reason Returned	Date Returned	Extension
2012	12	09/24/2012			
2011	12	02/07/2012			
2010	12	03/08/2011			
2009	12	12/15/2009			
2008	12	01/12/2009			
2007	12	12/12/2007			
2006	12	12/04/2006			
2005	12	04/14/2006			
2004	12	12/10/2004			

2003	12	07/01/2004			
2002	12	01/29/2003			
2001	12	12/12/2001			

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Scanned Documents

(Click on gray button to view document - will open in a new window)

Document Number	Description	Date Received
00415170	01 ANNUAL REPORT	12/12/2001
00638265	02 ANNUAL REPORT	01/29/2003
00974962	03 ANNUAL REPORT	07/01/2004
01071458	04 ANNUAL REPORT	12/10/2004
01545989	05 ANNUAL REPORT	04/14/2006
01640754	AGENT ADDRESS CHANGE	05/26/2006
01825868	06 ANNUAL REPORT	12/04/2006
02253463	07 ANNUAL REPORT	12/12/2007
02664986	08 ANNUAL REPORT	01/12/2009
02997776	09 ANNUAL REPORT	12/15/2009
03424420	10 ANNUAL REPORT	03/08/2011
03766076	11 ANNUAL REPORT	02/07/2012
03800462	GLOBAL AGENT ADDRESS CHANGE	03/06/2012
04035154	12 ANNUAL REPORT	09/24/2012

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Microfilm

Location	Date Received	Description
11432003010	12/12/2000	APPLICATION FOR AUTHORITY
31644001767	12/12/2001	01 ANNUAL REPORT
31668006180	04/11/2002	NOTICE OF PENDING REVOCATION
20305065004	06/03/2002	PUB OF APPL FOR AUTHORITY
31705001802	01/29/2003	02 ANNUAL REPORT

Capital Improvement Program Funding Plan

City Council Study Session

June 17, 2013

Presented by the Office of Management and Budget

General Obligation (G.O.) Bond Program

Recent General Obligation Bond Authorizations

Program	Mar 2004	Nov 2008	Nov 2012
Streets	23.6M	110.9M	
Public Safety	56.0M	58.3M	
Library			
Parks and Rec	9.8M		70.0M
Storm Sewer	6.8M		
Total	96.1M	169.2M	70.0M

2008 General Obligation Bond Package

Selected Public Safety and Streets Projects



Public Safety Training Facility

- New 23,300 square foot building, and the remodel and addition to an existing building to create needed office space



Fire Station 219

- 12,000 square-feet of living space, with 3 bays
- Partially funded by a \$4.02 million grant from FEMA
- Obtained LEED Gold Certification

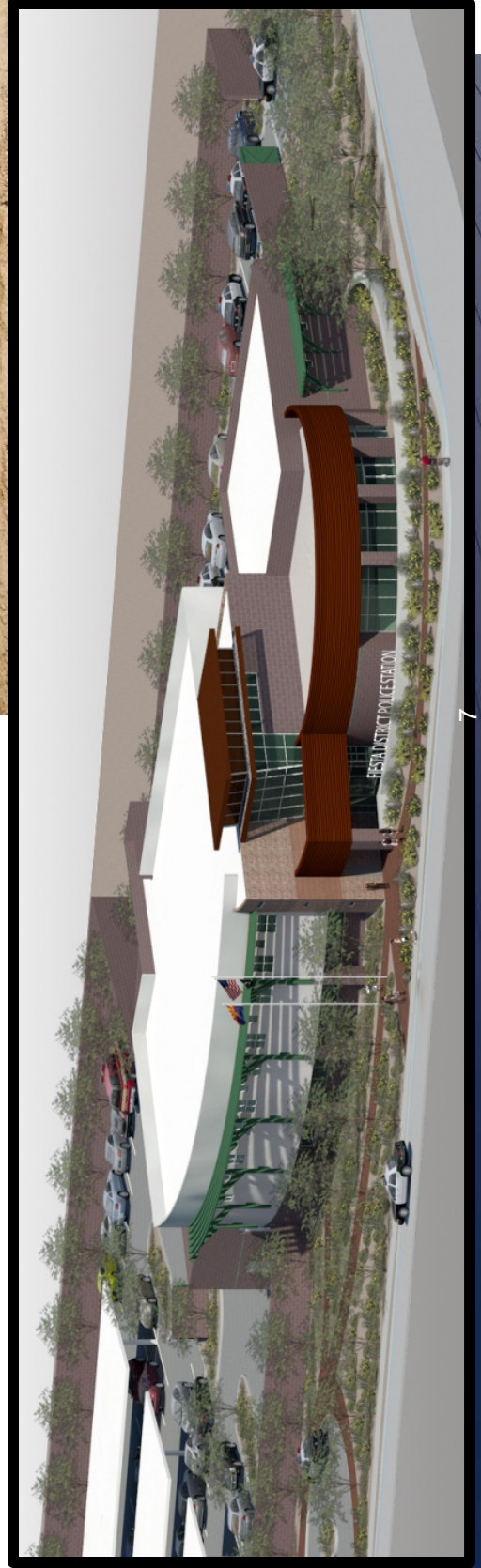
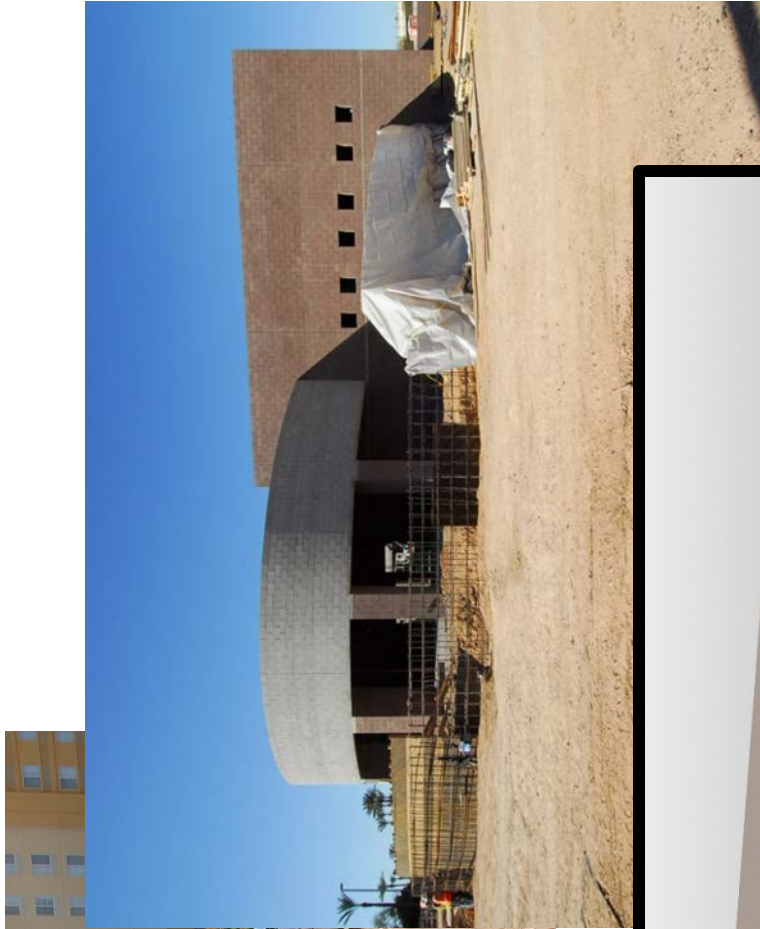


Fire Station 220

- 13,900 square-foot facility with 4 bays
- Partially funded by \$4.02 million grant from FEMA

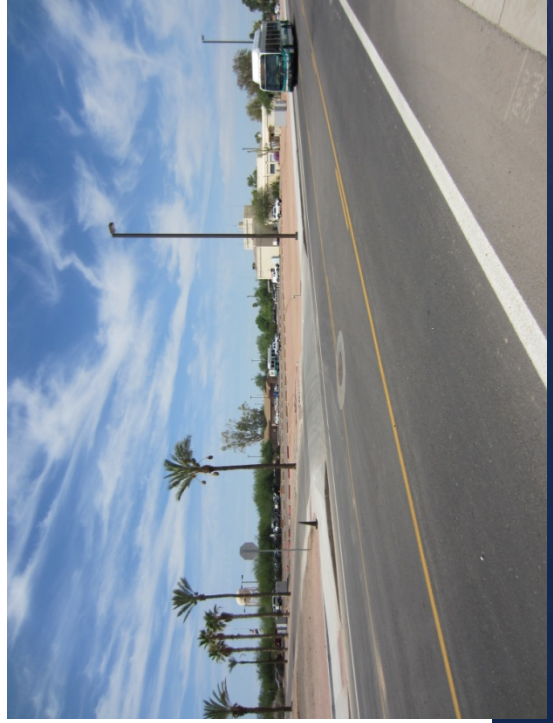


Fiesta District Police Station



ASU Ring Road

- New two lane ring road around ASU Polytechnic Campus
- Installed new water and sewer mains
- Constructed new storms drains and retention basins for the new roadway
- Repaved the existing roundabout and main entrance off of Williams Field Rd.



Broadway Road Improvements (Sossaman to Hawes)

- Two through lanes with a bike lane in each direction and a striped median added
- Sossaman Road/Broadway Road intersection widened



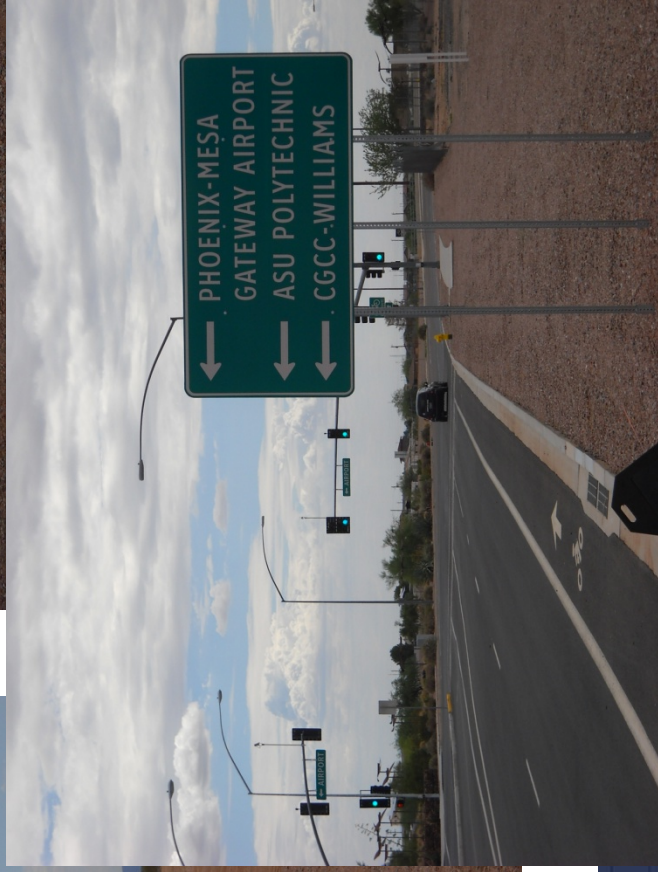
Signal Butte Street Improvements

- Roadway widened
- Improvements to the drainage
- Several large diameter water lines extended
- New fiber-optic cables installed



Ray Road Improvements (Sossaman to Ellsworth)

- Provide local arterial street access connecting Sossaman Road to Ellsworth Road



Hawes Road Improvements (Santan Freeway to Ray Road)

- Raised median with one travel lane in each direction
- Design and right of way dedications allow for the ultimate widening to a 6-lane arterial street
- Intelligent Transportation Systems (ITS) facilities, bicycle and pedestrian facilities, and other improvements



Greenfield Road (Baseline to Southern)

- Widening roadway
- New pavement, curb & gutter, sidewalk, a raised landscaped median, traffic signals, roadway lighting and landscaping
- Widened bridge over the Salt River Project (SRP) Eastern Canal



Gilbert Road and University Drive Intersection

- Widening intersection
- New pavement, curb & gutter, sidewalk, raised landscaped median, traffic signals, roadway lighting and landscaping.
- Relocated overhead electric and underground irrigation facilities



CIP Planning Process

- The City's Capital Improvement Program is presented and approved by the Council for a five-year period (staff plans over a 10-year period).
- Projects are moved forward or backward in the CIP based on the priorities set by Council, input from the public, and the urgency of the need to maintain existing infrastructure.
- Essential projects have been identified by:
 1. Input from citizens via iMesa
 2. Mayor and Council's Strategic Plan
 3. Economic Development in Strategic Areas
 4. Completing Projects with the Initial Phases Already Completed
 5. Coordinating the Timing of Streets and Utility Projects
 6. Maintenance of Existing Infrastructure/Assets

Input from Citizens Via iMesa

iMesa gives residents the opportunity to share ideas and solutions to improve and transform the community.

The iMesa idea with the most votes and three of the top five iMesa ideas are all regarding improvement of the Fiesta District.

“I live in west Mesa and I am TIRED of driving to Chandler, Gilbert, Tempe and Scottsdale to shop . . . PLEASE give me a good mall in west Mesa!!” (-Amy Campbell)

“Thankfully the city has taken some action . . .” (-David Yauch)

Mayor and Council's Strategic Plan

Economic Development – Pursue Healthcare, Education, Aerospace, Tourism/Technology (HEAT) and other industry partnerships and tools to propel Mesa's economic growth.

Quality of Life – Offer safe and clean neighborhoods and invest in recreation, community space, and culture.

Community Engagement – Encourage civic leadership, fosters a diverse community, and maximizes communication with residents.

Financial Stability – Provide proactive leadership to diversify revenue, attract jobs, budget responsibly, and operate efficiently.

Regional Leadership – Work with regional partners to find innovative solutions to regional challenges.

Mayor and Council's Strategic Plan

Mayor and Council Priorities

On February 21, 2013, the Mayor and Council met to review its strategic plan. Various long-range ideas were prioritized by vote. The highest ranking ideas were:

1. Phoenix/Mesa Gateway Airport
2. The Educational Community
3. Neighborhoods as the Place to Be
4. Advanced Transportation Infrastructure

Economic Development in Strategic Areas

HEAT Initiative

Healthcare

Education

Aerospace

Tourism/Technology

Examples of areas of the City with projects supporting economic development:

1. Phoenix/Mesa Gateway Airport
2. Downtown Mesa
3. Riverview Complex
4. Fiesta District

Complete Projects with Initial Phases Already Completed

In areas of the City with master plans, improvements are phased in over time. Street improvements in the Fiesta District, on Mesa Drive, and on Broadway Road have been completed in sections. Extension of the Light Rail through Mesa is proceeding in two distinct phases.

Coordinate the Timing of Streets and Utility Projects

The timing of streets and utility work are coordinated to minimize cost and to reduce the impact to residents. When utility projects are needed, it is efficient to perform needed street maintenance at the same time. Similarly, when street work needs to be performed, utility work is often planned as part of the same project.

Maintenance of Existing Infrastructure/Assets

Existing facilities, fleets, streets, and equipment must be properly maintained over time in order to extend the useful life of the infrastructure or asset. Without proper maintenance, infrastructure deteriorates more rapidly and requires more frequent replacement at a higher cost.

Leverage Regional/Grant Funding

Regional funding is available to improve City roadways. Regional Transportation Plan funding partially reimburses the cost of selected street improvements. The Highway Safety Improvement Program provides grant funding for certain street safety improvements.

The Eastmark development has sent the City \$1.8M to assist with the cost of providing Fire and Medical services.

Staff recommends including the following critical public safety and streets projects in the next General Obligation bond election.



Bond Election – Critical Public Safety Support Projects

Communications (*Total Cost = \$6.4M*)

Communications Building Electrical/Mechanical - Power and cooling equipment at Communications facilities needs to be replaced in order to ensure uninterrupted public safety communication capabilities. (*Cost = \$1.8M*)

Fiber to Radio Network Backbone Sites - Fiber-optic connections to the radio network and other critical data systems would improve reliability and provide system redundancy. Installing fiber-optic voice and data service to fire stations would allow for improved public safety training and communication capabilities. (*Cost = \$4.6M*)

Bond Election – Critical Public Safety Support Projects

Police (Total Cost = \$4.4M)

Aircraft Replacement (Helicopter) - In order to maintain the current level of aviation support for law enforcement activity at the lowest cost, an aging helicopter needs to be replaced. It is estimated that delaying replacement of the helicopter by one year would result in increased maintenance costs of \$340K. Estimated lead time (to receive an order) on a helicopter is one year. (Cost = \$3.2M)

Aviation Unit Hanger Remodel - The aircraft hanger is need of additional mechanic and aircraft space, as well as a security gate. (Cost = \$0.3M)

Evidence Freezer - A second evidence freezer is needed for additional capacity to comply with statutory requirements for the storage of evidence in law enforcement cases. Current freezer capacity is expected to be exhausted by 2015. (Cost = \$0.9M)

Bond Election – Critical Public Safety Support Projects

Fire and Medical (Total Cost = \$21.6M)

Fire Apparatus Replacements - The timeframe for replacement of fire apparatus (vehicles) has been extended in recent years. Older apparatus incur higher maintenance costs and achieve lower fuel efficiency. It is estimated that the replacement of seven apparatus would save \$245K in maintenance and fuel costs in the first year. Estimated lead time on apparatus is one year. (Cost = \$15.3M)

Fire Station 203 Replacement - The station was built in 1957 and no longer serves the needs of current fire operations (bays are not large enough for the apparatus). Land acquisition for the new station was funded in the 2008 G.O. bond package. (Cost - \$4.4M)

Public Safety Training Facility: Burn Room - The existing burn room is in need of repair due to safety concerns. A second burn room needs to be constructed to separate training on ordinary combustibles from training on natural gas. (Cost - \$1.9M)

Bond Election – Critical Street Improvement Projects

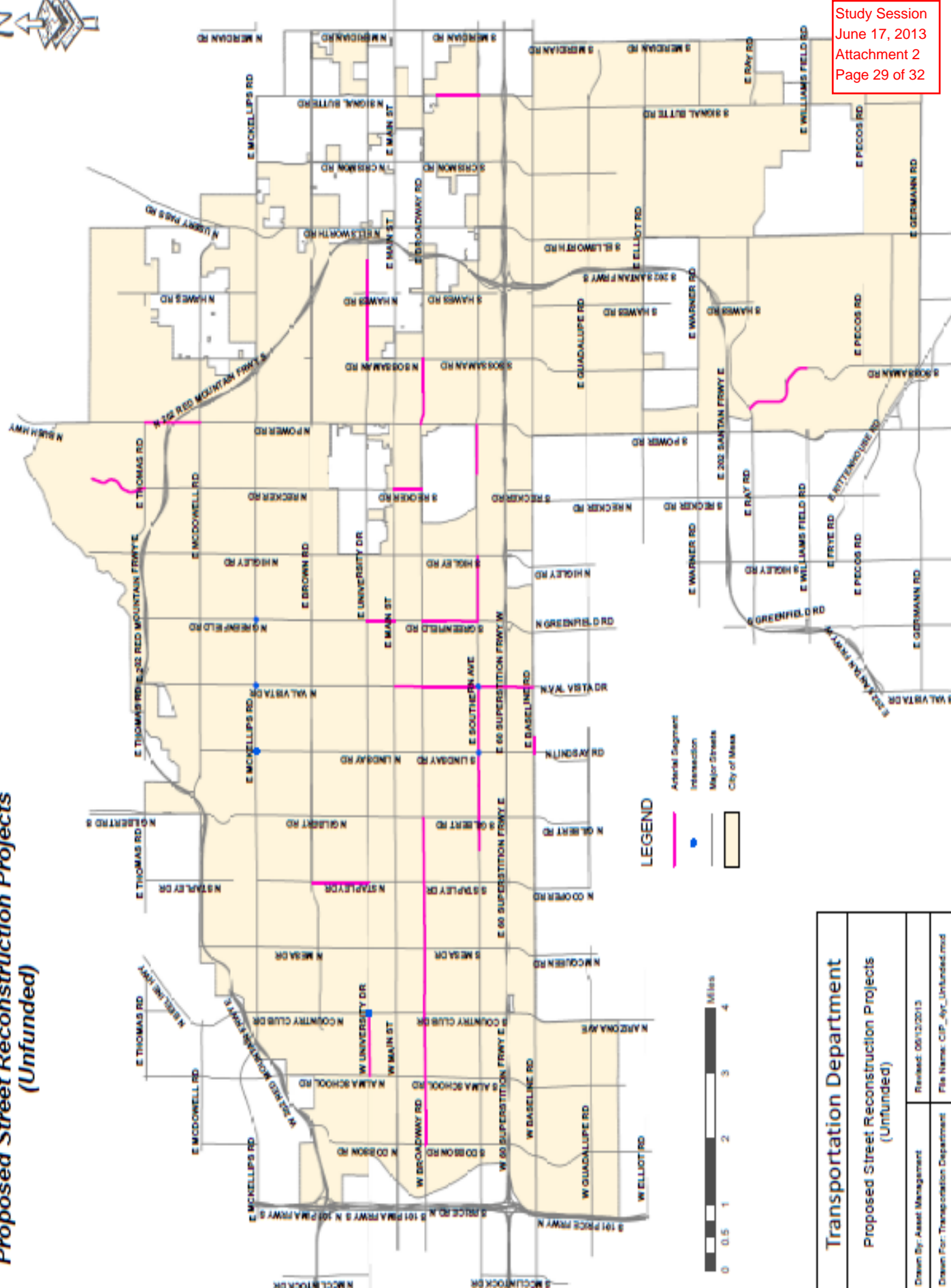
Streets (*Total Cost = \$72.8M*)

Arterial Reconstructs - Arterial street segments that are below acceptable condition levels need to be reconstructed and new street segments need to be constructed in developing areas. If this project is delayed by one year, the estimated additional maintenance cost is \$2.1M. (*Cost = \$25.0M*)

Economic Development - Leveraging economic development through investment in the Fiesta District, Phoenix/Mesa Gateway, and other similar projects. (*Cost = \$29.0M*)

Neighborhood/Safety - Investing in neighborhoods through multi-modal transportation projects such as traffic calming, street improvements, and bicycle and pedestrian enhancements. Enhancing safety by installing additional streetlights and replacing rusted streetlight poles. (*Cost = \$18.8M*)

Proposed Street Reconstruction Projects (Unfunded)



Transportation Department	
Proposed Street Reconstruction Projects (Unfunded)	
Drawn By: Asset Management	Revised: 06/12/2013
Drawn For: Transportation Department	File Name: CP_Arc_Unfunded.mxd

Bond Election – Critical Projects Summary

Public Safety – Communications	\$6.4M
Public Safety – Police	\$4.4M
Public Safety – Fire and Medical	<u>\$21.6M</u>
Public Safety Subtotal	\$32.4M
Streets	<u>\$72.8M</u>
<u>Critical Projects – Total</u>	<u>\$105.2M</u>



Proposed Bond Election – Street Projects

Project	Cost
Arterial Reconstructs	\$25.0M
Economic Development	\$29.0M
CityShare	\$4.0M
Economic Development	\$10.0M
Fiesta District - Phase II	\$10.0M
Gateway Airport - Eastside	\$5.0M
Neighborhood/Safety	\$18.8M
Mesa Drive - Phase II	\$10.0M
Right-of-Way Improvements/1st Ave	\$3.5M
10th Street (Multi-modal)	\$1.2M
Rusted Streetlight Poles	\$2.1M
Streetlight Spot Improvements	\$2.0M
Streets - Total	\$72.8M

