



COUNCIL MINUTES

September 6, 2012

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 September 6, 2012 at 7:33 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

Dina Higgins

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Linda Crocker

Mayor Smith excused Councilwoman Higgins from the entire meeting.

1. Review items on the agenda for the September 10, 2012 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

Items deleted from the agenda: None

2-a. Hear a presentation, discuss and provide direction on the Development Agreement with Pacific Proving LLC.

Development and Sustainability Department Director Christine Zielonka displayed a PowerPoint presentation (**See Attachment 1**) and stated that the purpose of today's presentation was to provide the Council a brief overview of two Development Agreements associated with Pacific Proving LLC.

Ms. Zielonka explained that the first matter relates to item 7a on the September 10, 2012 Council meeting agenda. (A resolution approving and authorizing the City Manager to execute a development agreement with Pacific Proving LLC and Harvard Ventures, Inc. related to the sale and development of a parcel of land (Pacific Proving Grounds North) located at the 5200 to 5300 blocks of South Ellsworth Road (east side) and north of the alignment of Route 24 to approximately one-quarter mile east of Crismon Road alignment.) She noted that agenda items

7b (annexation), 7c (comparable zoning) and 7d (rezoning to Planned Community District) also relate to the Pacific Proving Grounds North (PPGN) project and are included for Council approval. She added that at the June 28, 2012 Study Session, the Council engaged in an extensive discussion regarding the draft Planned Community District (PCD) for the PPGN.

Ms. Zielonka remarked that staff further proposes to include a new item, 8c, on the September 10th Council meeting agenda, which relates to a Development Agreement that has been prepared in conjunction with a request to annex and rezone 105 acres of land located on the southeast corner of Signal Butte and Williams Field Roads.

Ms. Zielonka displayed a map illustrating the location of the PPGN property, which is situated at the southern portion of the former GM Proving Grounds, and also the site of the 105-acre parcel. (See Page 3 of Attachment 1)

Ms. Zielonka further reported that the proposed Development Agreement for PPGN is a three-party agreement between the City of Mesa; Pacific Proving, LLC, the owner; and Harvard Ventures, the developer. She said that staff was seeking Council feedback/comments with respect to the document, so that if it was necessary to make any changes, they could be completed prior to the September 10th Council meeting.

Ms. Zielonka highlighted schematic drawings of the Development Unit Plan Framework and the Community Vision, which conceptually outlines neighborhoods, streets, parks and open space within the project. (See Pages 7 and 8 respectively of Attachment 1)

Ms. Zielonka provided a short synopsis of the terms of the PPGN Development Agreement. (See Pages 9, 10 and 11 of Attachment 1) Her comments included, but were not limited to, the following:

- At the September 10th Council meeting, approval of the PPGN items (7a, 7b, 7c and 7d) will be considered as a single Council action.
- The Community Plan (CP) includes a series of development standards.
- All of the Master Plans have been approved, and other than that, the general development will comply with City Codes.
- The PCD and CP shall become vested upon Council approval of the Development Agreement.
- Developer will convey one well site on the property to the City in exchange for impact fee credits.
- Ray, Crismon and Ellsworth Road alignments are finalized.
- Compliance with public procurement regulations.

Mayor Smith commented that in reviewing the Development Unit Plan Framework, and specifically with respect to DU2 (Development Unit 2), he was “a little bit leery” whenever a particular land use group, such as Community Commercial (CC), is completely precluded from an area. He stated that in considering the Form-Based Code and the City’s goal that the development has “an urban feel,” uses such as barbershops or beauty salons often develop organically and evolve over time. Mayor Smith added that he would like to ensure that the framework did not “accidentally preclude” what would be a normal use in an urban-type setting.

Planning Director John Wesley assured the Council that the only areas in which specific uses have been precluded are the two Development Units south of Williams Field Road where residential development is prohibited.

Ms. Zielonka continued with her presentation and further summarized the terms of the PPGN Development Agreement. She advised that the City will hold building permits until the Engineering Department has determined that the public infrastructure is substantially complete. She stated that as an alternative, the City, at its sole discretion, could issue certificate of occupancy holds, and explained that if Engineering determines that the infrastructure is substantially complete, the City could allow the developer to begin the construction of the homes, but still maintain the occupancy holds until all infrastructure is completed.

Ms. Zielonka further reported that the developer intends to submit a Community Facilities District application, but emphasized that such efforts are not part of this action. She said that a final determination in that regard will be at the discretion of the City.

Ms. Zielonka reiterated that the Master Plans for water, wastewater and sewer have been approved and conform to most of the City's Engineering standards. She noted, however, that through the CP process, the developer reserves the right to request other modifications, with approval at the staff level. She added that specific plans have not yet been developed.

Councilmember Richins stated that allowing the developer to request certain development modifications would not be a diminution of quality, but rather implementing a standard that is different from that of the City's traditional standards.

Ms. Zielonka confirmed Councilmember Richins' statement. She advised that over the past few years, staff has determined that if a developer comes forth with a high-quality development that does not necessarily meet the City's "normal requirements," that staff has the ability to consider such modifications as long as they meet the needs of the City and its long-term infrastructure needs.

Mayor Smith commented that examples of enhanced developer standards would include items such as greater street widths and landscaping. He pointed out that as long as the proposed higher standards meet the basic needs to service the area, the City would not be so rigid as to not allow such upgrades to be implemented.

Ms. Zielonka responded that staff wants to ensure that the development is sustainable long term and that they have access to work on the infrastructure and sewer lines.

Mayor Smith said that the Council had no questions or comments relative to the PPGN Development Agreement.

Ms. Zielonka reiterated that staff proposes to add item 8c to the September 10th Council meeting agenda, which consists of a standard residential zoning request and not a PCD. She noted that she was seeking Council input with respect to the terms of the Development Agreement that was prepared in conjunction with this matter. She added that the final Development Agreement and Resolution would be included in the Council's packets this afternoon.

Responding to a question from Vice Mayor Somers, Ms. Zielonka clarified that the proposed project is a more intense residential development as compared to traditional suburban neighborhoods with large homes and backyards.

Ms. Zielonka advised that with respect to agenda item 8, the Council would take action on the Minor General Plan Amendment; the annexation case; the comparable zoning; the rezoning; and with the addition of 8c, the Development Agreement for the 105-acre site.

In response to a question from Mayor Smith, Mr. Wesley explained that the new Zoning Ordinance and the Residential Small Lot (RSL) District created for this site include standards embedded in the ordinance that “go above and beyond” the typical minimum standards utilized for a smaller lot.

Mayor Smith stated that he wanted to ensure that the development did not include 70 acres of “cigar-box garage fronts.” He remarked that he was comfortable with the smaller lots (4,000 to 4,500 square feet) and pointed out that such a use requires greater creativity with respect to the design of the housing products. Mayor Smith added that the reality is that the ultimate homebuilder, as opposed to the developer, would make those decisions in the future.

Ms. Zielonka responded that the Zoning Code contains lists of development standards and said that with respect to the RSL District, the homebuilder must meet at least two of those design standards. She briefly highlighted the terms of the Development Agreement, which would be entered into between the City of Mesa and Harvard Ventures, Inc. (See Pages 16 and 17 of Attachment 1)

Mayor Smith stated that there were no questions or comments from the Council regarding the above-referenced Development Agreement. He thanked staff for the presentation.

2-b. Hear a presentation, discuss and provide direction on procedures for Council review of Job Order Contracting projects.

City Engineer Beth Huning addressed the Council and reported that at the August 23, 2012 Study Session, the Council requested that staff develop a procedure for keeping the Council and the public informed with respect to proposed Job Order Contract (JOC) projects.

Ms. Huning explained that regardless of procurement methods, staff will continue to utilize their current public outreach process. She noted that the use of specific tools (i.e., mailers to residents and businesses; door hanger notifications; press releases) will be tailored to the particular project, depending upon the nature of the work.

Ms. Huning, in addition, stated that prior to issuing Job Orders, staff will present a list of the proposed projects at Council Study Sessions in order to solicit their feedback. She added that the list will include Job Order projects in excess of the current procurement requirements (\$25,000) and non-emergency related items.

Ms. Huning further remarked that pending Council approval of the above-referenced procedures, at the September 13, 2012 Study Session, staff would present a list of proposed Job Order projects for Council consideration.

Councilmember Richins thanked staff for their efforts in this regard.

Mayor Smith stated that it was the consensus of the Council that staff move forward with the proposal as outlined by Ms. Huning.

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

3a. Human Relations Advisory Board meeting held May 23, 2012.

It was moved by Vice Mayor Somers, seconded by Councilmember Glover, that receipt of the above-listed minutes be acknowledged.

Mayor Smith declared the motion carried unanimously by those present.

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

Councilmember Richins: Groundbreaking Ceremony for the Visitors Center at the Mesa Grande Ruins; Arizona League of Cities and Towns Conference

Vice Mayor Somers: Smashburger Grand Opening

5. Scheduling of meetings and general information.

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

Monday, September 10, 2012, 3:30 p.m. – Audit, Finance & Enterprise Committee

Monday, September 10, 2012, 5:15 p.m. – Study Session

Monday, September 10, 2012, 5:45 p.m. – Regular Council Meeting

6. Items from citizens present.

There were no items from citizens present.

7. Convene an Executive Session.

It was moved by Vice Mayor Somers, seconded by Councilmember Glover, that the Council adjourn the Study Session at 7:58 a.m. and enter into Executive Session.

Mayor Smith declared the motion carried unanimously by those present.

7-a. Discussion or consultation with the designated representatives of the City in order to consider the City's position and instruct the City's representative regarding negotiations with employee organizations regarding salaries, salary schedules or compensation paid in the form of fringe benefits of employees of the City. (A.R.S. §38-431.03(A)(5))

1. Meet and Confer – Mesa Police Association

8. Adjournment.

Without objection, the Executive Session adjourned at 8:21 a.m.

SCOTT SMITH, MAYOR

ATTEST:

LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 6th day of September, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

pag
(attachment – 1)

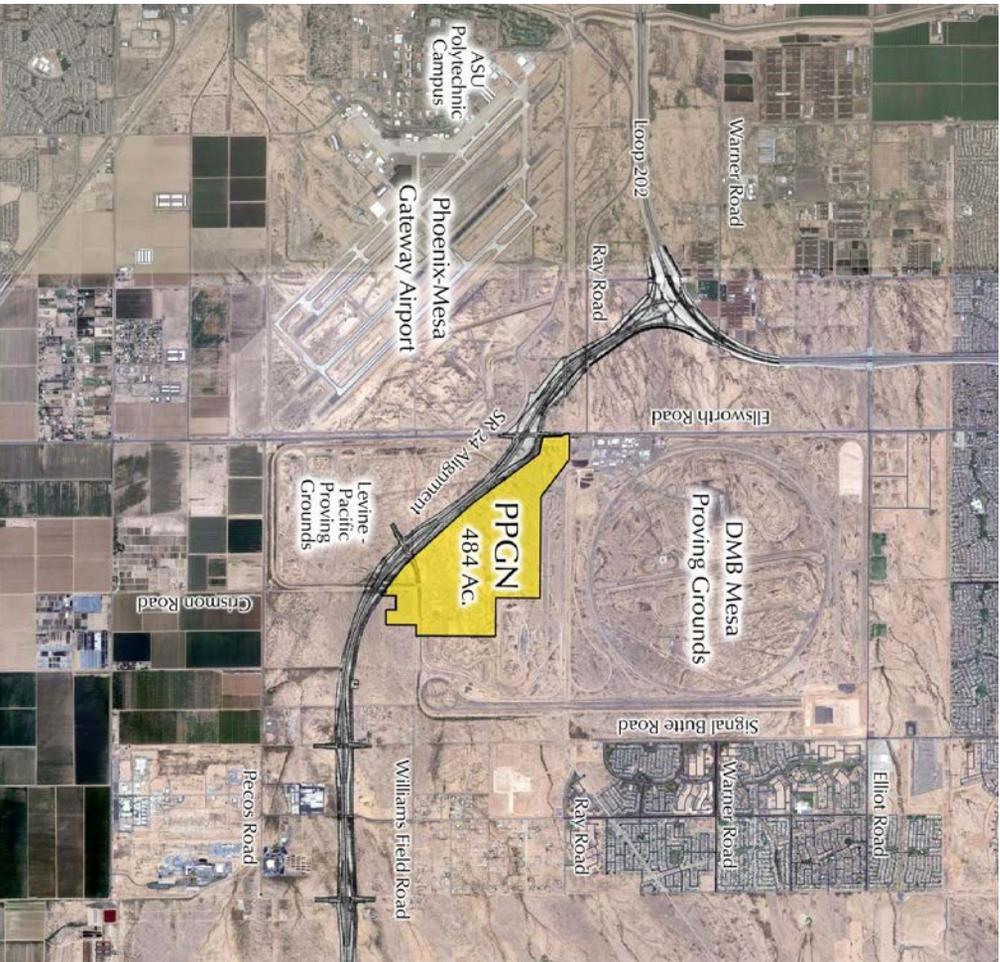


September 10 Agenda Items 7, 8 Overview and Discussion

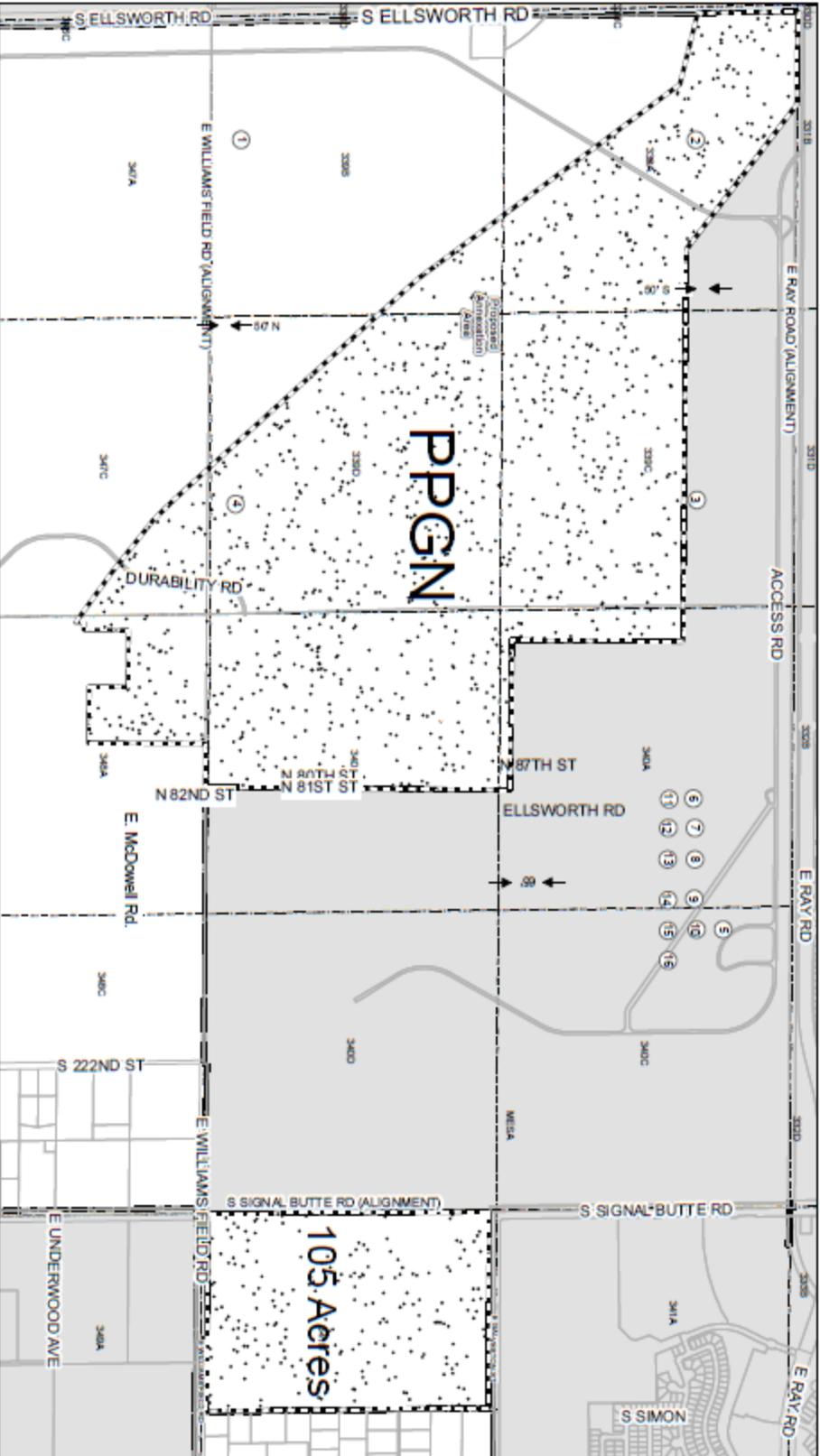
**Item 7: Pacific Proving Ground North (PPGN)
Planned Community District**

**Item 8: Pacific Proving Ground (PPG)
105 Acre Residential Project**

PPGN Location



PPGN and PPG 105 Acre Locations



Pacific Proving Grounds North Development Agreement Terms



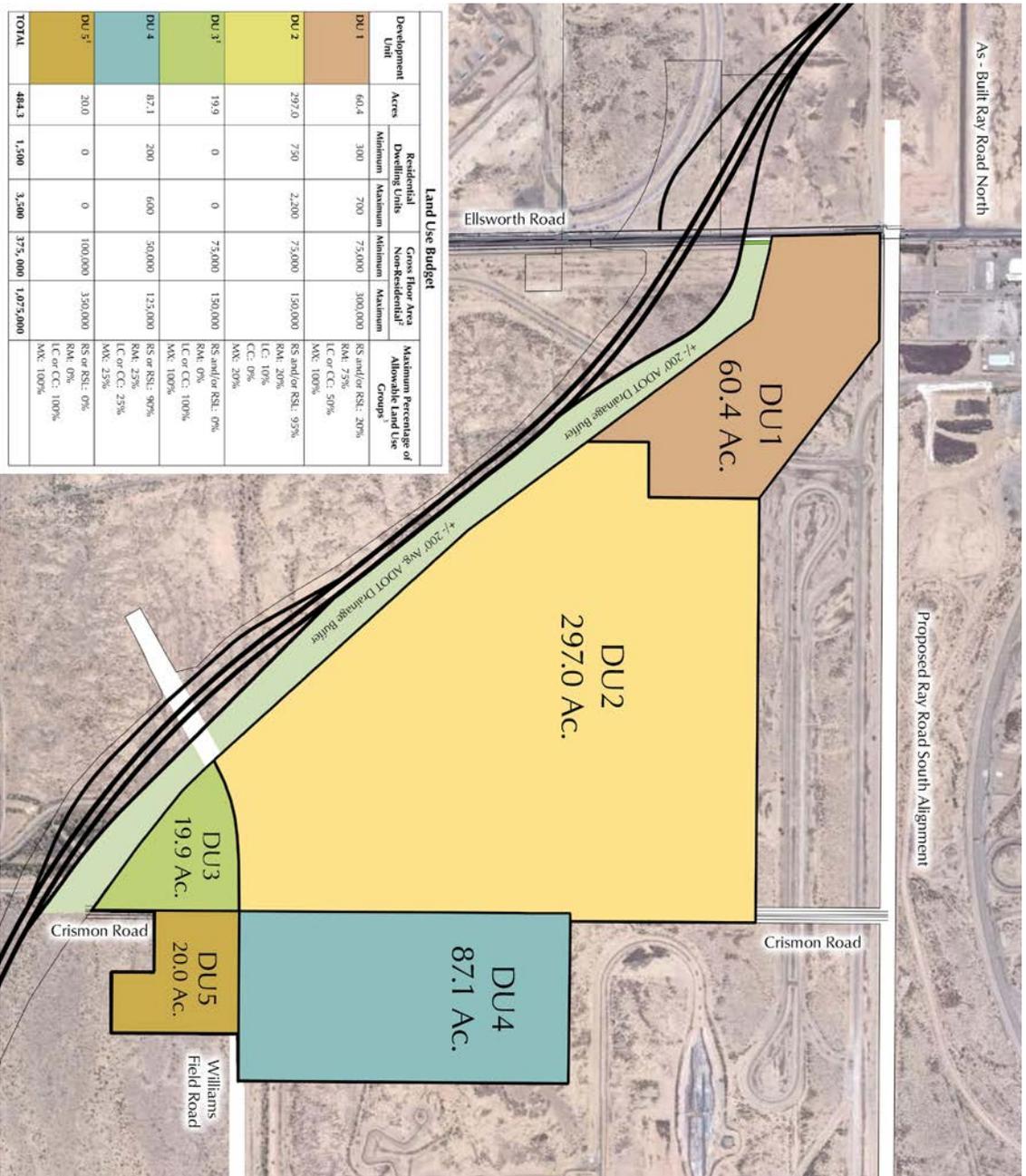
Agenda Item 7: PPGN

- Development Agreement (7a)
- Annexation (7b)
- Comparable Zoning (7c)
- Rezoning to Planned Community District (7d)
- Prior Council Zoning Discussion: 6/24/12

Today's Objective:

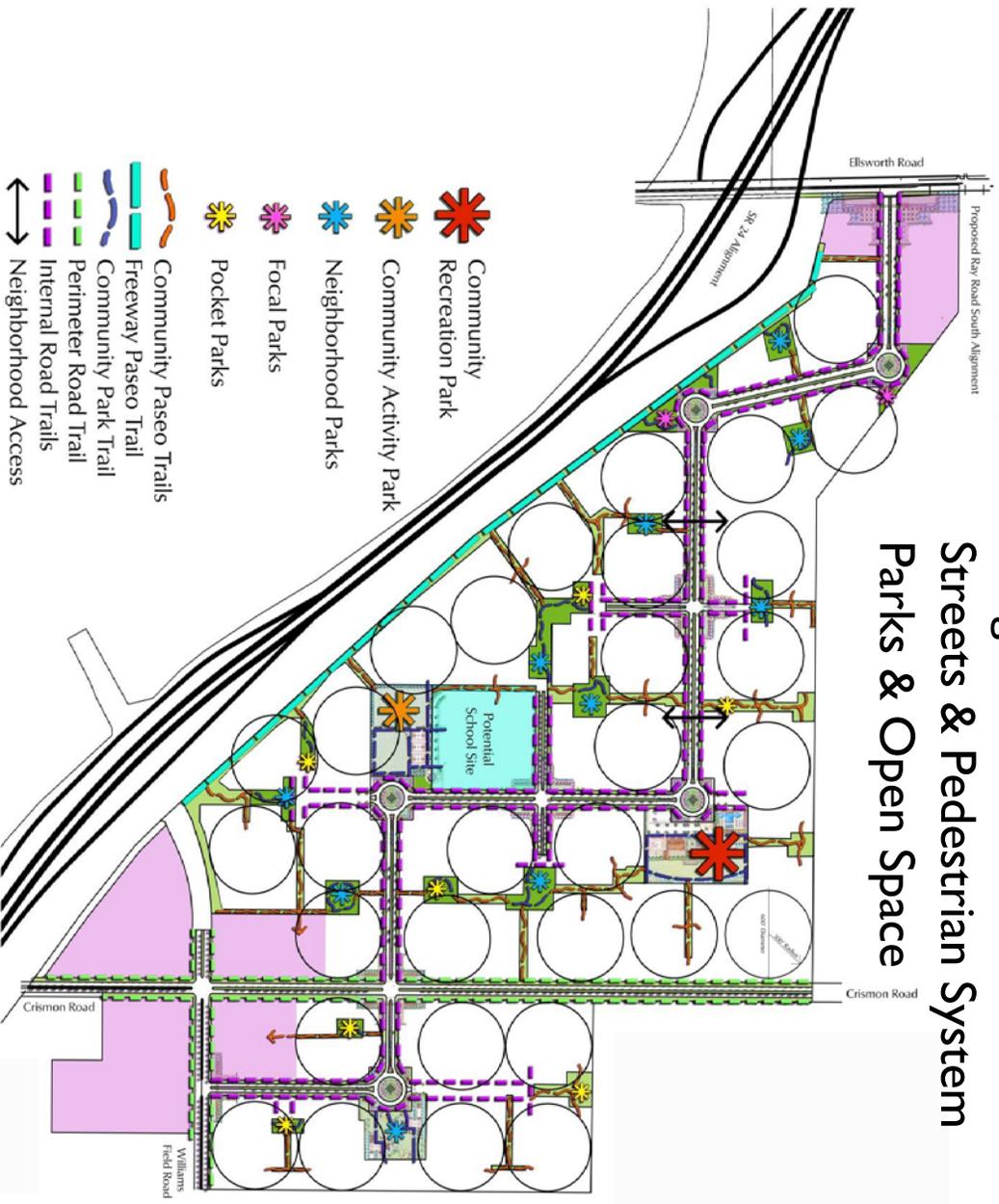
- Overview of the proposed Development Agreement (DA) Terms for Pacific Proving Grounds North (PPGN)
- Three Party Agreement: City, Pacific Proving LLC (Owner); Harvard Ventures Inc. (Developer)
- Obtain comments or feedback for the DA: Resolution on Sept. 10, 2012

Development Unit Plan Framework



Community Vision

Neighborhoods
 Streets & Pedestrian System
 Parks & Open Space



Summary of PPGN DA Terms

- Single Action for Related PPGN Agenda Items
- Development Standards: Community Plan (CP), Master Plans, City Code
- Vesting Upon Approval of DA
- Conveyance of One Well Site
 - Impact Fee Credits
- Ray, Crismon and Ellsworth Road Alignments Final
- Compliance with Public Procurement Regulations

Summary of Terms

- Residential Building Permit Holds
 - Excludes Model Homes
 - Public Infrastructure Substantially Complete
- Alternative: City's Sole Discretion
 - Occupancy Holds
 - Sole Discretion of City – Infrastructure systems complete
- Process for City to Use Infrastructure Plans if Necessary

Summary of DA Terms

- **Developer Intends to Submit Community Facilities District Application**
 - City's sole discretion as to approval
 - Funding Assessments at City's Sole Discretion

Infrastructure

- Master Plans approved
- Conforming to most Engineering standards
- Reserving the right to ask for other specific modifications
- Specific Plans Not Yet Developed

Pacific Proving Grounds North Development Agreement Terms

- Questions or comments?

PPG 105 Acre Project

- Standard Residential Zoning, Not Planned Community District
- Obtain comments or feedback for the Development Agreement (DA):
Resolution on Sept. 10, 2012

New Agenda Topic 8.c: 105 Acre Pacific Proving Project DA

- Applicant has requested DA
- Located East of Signal Butte, North of Williams Field Rd
- Item 8 on 9/10/12 Agenda
 - Minor General Plan Amendment
 - Annexation
 - Comparable Zoning
 - Rezoning
- Proposed Addition of 8.c DA

Pacific Proving 105 Acres

- Standard Residential Zoning
 - Residential Small Lot: 35 acres
 - 4,000 – 4,500 sq. ft. lot sizes
 - Residential – 6: 70 acres
 - Minimum 6,000 sq. ft. lots
- No Development Plans Yet Submitted
- DA parties: City of Mesa and Harvard Ventures, Inc. (Developer)

Pacific Proving 105 Acres

DA Terms

- **Concurrent Annexation and Zoning Action**
- **Sets Forth Expectations That This Project Will Follow Normal Development Process**
 - Compliance with all standard development regulations,
 - Standard vesting,
 - Compliance with public procurement

PPG 105 Acre DA

- Questions or Comments?