



COUNCIL MINUTES

February 12, 2004

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 February 12, 2004 at 7:33 a.m.

COUNCIL PRESENT	COUNCIL ABSENT	OFFICERS PRESENT
Mayor Keno Hawker Rex Griswold Kyle Jones Dennis Kavanaugh Janie Thom Claudia Walters Mike Whalen	None	Mike Hutchinson Debbie Spinner Barbara Jones

Vice Mayor Kavanaugh excused Councilmember Jones and Mayor Hawker from the beginning of the meeting. Councilmember Jones arrived at 7:34, and Mayor Hawker arrived at 7:38.

1. Review items on the agenda for the February 17, 2004 Regular Council meeting.

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

Conflicts of interest declared: 3a, 3b (Whalen); 3d (Griswold)

Items removed from the consent agenda: None

Items deleted from the consent agenda: 5a

2. Discuss and consider approving goals and measures for NEDCO's business planning and development services in the Mesa Grande area, and direct staff to enter into a CDBG sub recipient agreement with NEDCO for the services.

Community Revitalization Director Kit Kelly addressed the Council and stated that staff was present to provide information on the Community Development Block Grant (CDBG) Sub Recipient Agreement with the Neighborhood Economic Development Corporation (NEDCO) for Mesa Grande business development services.

Community Revitalization Specialist Lisa Hembree provided background information on the Mesa Grande contract, which resulted from the "Focus Future" study funded by Arizona Public Service (APS) for the Mesa Grande neighborhood. Ms. Hembree noted that the CDBG contract

pays for a portion of NEDCO's operation, and that CDBG funds also underwrite the loan program.

Karen LaFrance, Executive Director of NEDCO, used a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide the following background information on NEDCO:

- Organization is certified by the United States Treasury Department as a Community Development Financial Institution (CDFI), and their mission is to finance business expansions and investment.
- Staff is shared with the Mesa Community Action Network.
- Lending capital is 100 percent from private funds.
- Operating funds are 50 percent from private sources and 50 percent from public sources (City of Mesa).
- Objectives include technical assistance to businesses, planning assistance for commercial revitalization and development of innovative financing programs.

Ms. LaFrance reported that the deliverables to be provided by NEDCO in the 2004 Commercial Revitalization CDBG contract included:

- Conduct 50 interviews of existing Mesa Grande businesses.
- Recruit four to six business leaders to participate in the Mesa Grande Commercial Revitalization Committee.
- Conduct a commercial revitalization workshop.
- Develop a marketing outreach regarding "community image."
- Prepare a written business recruitment strategy.
- Develop a plan for sustaining commercial revitalization in West Mesa, and a work plan for Comite de Familias en Accion.

In response to a series of questions from Mayor Hawker, Ms. LaFrance advised that development of the Hurley property would not be included in NEDCO's report regarding business expansion; that NEDCO staff considered the proposed timeframe for completing 50 interviews of Mesa businesses to be realistic; that the contract amount for this program was \$62,600; and that the process utilized by NEDCO would include contacting property owners.

Councilmember Walters noted that when the subject application was presented to Council in the spring of 2003, the Council requested additional detailed information and established goals. She expressed the opinion that the current proposal provides the requested information. Councilmember Walters noted that the approach for the Mesa Royale mobile home community addresses the issue of substandard housing conditions and provides a process for residents to help themselves. She stated the opinion that the proposal could have included more information on partnership and what the residents will learn from the process, but she expressed support for the program and for the use of CDBG dollars to leverage other funds. Councilmember Walters suggested that interim reports be provided to the Council rather than a single year-end report.

In response to a series of questions from Councilmember Thom, Ms. LaFrance advised that the Mesa Royale mobile home community includes units that are privately owned and some that are owned by the mobile home park; that a new start-up business would receive assistance in writing a business plan; that a start-up business would not receive a loan, but NEDCO would assist the business in identifying assets that could be utilized for financing purposes; that the

prospective business owner would be responsible for communicating with the neighbors regarding the new business; and that the list of acceptable businesses would not be created by NEDCO, but would be the result of community input in the revitalization process.

Ms. LaFrance clarified that two of the goals referred to by Councilmember Thom were "Focus Future" goals of the Mesa Grande Community Alliance. She noted that the "Focus Future" planning process in West Mesa was organized by NEDCO with APS support, but the community formulated the goals.

Mayor Hawker requested that Dave Richins, Vice Chairman of the Mesa Grande Community Alliance, come forward to explain the process utilized to determine the goals and objectives.

Mr. Richins advised that the Mesa Grande "Focus Future" plan was the result of numerous community meetings held during a one-year period to identify activities and projects that would improve West Mesa. He compared the "Focus Future" plan to a business plan in that areas requiring improvement were identified, but stated that at the present time the projects might not be feasible.

In response to Councilmember Thom's question regarding the Hurley property, Mr. Richins stated that the Mesa Grande organization was involved in discussions and plans for the property. He noted that the Hurley property involved new development, and the subject of the discussion at this meeting was commercial revitalization. Mr. Richins noted that with the development of the Hurley property and the planned revitalization of Fiesta Mall, strategies are required to retain the center core businesses located in West Mesa along Main Street and University Drive.

Vice Mayor Kavanaugh expressed support for the proposed plan and noted that the Mesa Grande community spent many hours developing the vision for their neighborhood. He stated that strong, small businesses were key to good neighborhoods, and that NEDCO's mission was to provide technical assistance.

Councilmember Jones also expressed support for the program, and he emphasized the importance of understanding that NEDCO is authorized to leverage Federal dollars by working with banks to provide loans to individuals who would not normally be eligible. He added that NEDCO does not have the capital to make loans and only acts as a facilitator.

Councilmember Griswold commended NEDCO for their focus on small businesses and noted that capital for start-up businesses is often difficult to obtain.

Councilmember Whalen congratulated the Mesa Grande Community Alliance for their organization and diligence.

Discussion ensued relative to the fact that the geographical boundaries of the Mesa Grande Community Alliance include the Motorola Plant; that Motorola is one of the major stakeholders; that the boundaries for the revitalization area could encompass additional areas; and that the NEDCO proposal before the Council did not intend to address the entire Mesa Grande action plan.

Additional discussion ensued relative to the efforts of the Comite de Familias en Accion; that the owner of the Mesa Royale Mobile Home Park has expressed support for the efforts of the

Comite; that co-housing is a communal housing approach where residents assist in the construction and then own and manage the community; that co-housing describes the organizational approach rather than the type of housing; and that representatives of the Comite plan to tour two co-housing developments in Tucson.

In response to a question from Mayor Hawker, Mr. Richins confirmed that this expenditure was a top priority and an appropriate first step for commercial revitalization in the area.

Further discussion ensued relative to the fact twenty percent of CDBG funds can be allocated to administrative and planning activities; that presently NEDCO utilizes approximately nine percent of CDBG funds for administration; and that the twenty percent cap presently exists due to the fact that the program originally focused on "bricks and mortar" types of projects.

In response to Mayor Hawker's concern relative to creating unrealistic expectations for the Comite de Familias en Accion, Ms. LaFrance acknowledged that such a concern exists when initiating a planning process. She stated that the Comite could determine that plans are not feasible or funds are not available, which could result in redirection of the planning process.

Ms. Hembree explained that the approach to be utilized by staff and NEDCO relative to the planning effort with the Comite is to assist in the preparation of a feasibility study.

Mayor Hawker noted that neighborhoods have choices regarding the expenditure of CDBG funds. He indicated his support for the proposal due to the fact that the Mesa Grande neighborhood established the projects as priority activities.

Councilmember Thom expressed the opinion that the funding should not be approved due to the fact that the Council has not been provided sufficient information.

It was moved by Vice Mayor Kavanaugh, seconded by Councilmember Walters, to recommend to the full Council that the CDBG sub recipient agreement with NEDCO be approved.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Walters-Kavanaugh-Whalen
NAYS - Thom

Mayor Hawker declared the motion carried by majority vote.

3. Hear, discuss and consider an update on noise mitigation along freeway corridors in Mesa.

Assistant Development Services Manager Jeff Martin addressed the Council and noted that due to the current volume of freeway construction in Mesa, staff has a significant amount of interaction with the Arizona Department of Transportation (ADOT). He advised that Assistant Traffic Engineer Dan Cleavenger is the City's new point person with ADOT in terms of coordination and Senior Civil Engineer Ross Renner is the primary contact on technical issues. Mr. Martin stated that partnering meetings with ADOT staff addressed the issues of public input regarding freeway noise mitigation, the height of noise walls and freeway artwork. He noted that the effectiveness of rubberized asphalt has resulted in consideration being given to lowering the height of noise walls.

Mr. Cleavenger reported that representatives of ADOT and City staff participated in a team approach to resolve the height issue, and that agreement was reached on two height options and plans to hold three public meetings for the San Tan corridor and two public meetings for residents along the Red Mountain Freeway. He introduced the representatives from ADOT: Steve Jimenez, Assistant State Engineer, and two Senior Project Managers, Jim Romero and Floyd Roehrich.

Mr. Roehrich provided the following information relative to freeway noise mitigation: that the noise mitigation guidelines and practices, established by ADOT in 2000, are in the process of being updated; that the 64 decibel State standard is lower than the Federal standard of 67 decibels; that ADOT was reluctant to install noise walls higher than twenty feet due to the challenge of constructing a structure of that height and the associated long-term maintenance requirements; that the use of rubberized asphalt for noise mitigation could result in walls of a lower height or an earthen berm or a combination of both; that as new freeways are constructed, the rubberized surface will be added, and older freeways will also be brought up to that standard over the next few years; that paving with rubberized asphalt requires certain favorable weather conditions that usually exist only during the spring and the fall; that the City of Mesa paid funds in advance to enable segments of the freeway scheduled for paving with rubberized asphalt in 2005 to be completed in 2004; and that sections of the freeway are prioritized relative to the noise mitigation benefit provided to residents in the area.

Mr. Romero advised that neighborhood outreach was the key component in the evolution of the process to mitigate freeway noise. He explained that residents are provided with two wall height options: the higher option for areas that would not be paved with rubberized asphalt, and a lower option for areas with rubberized asphalt.

Discussion ensued relative to the fact that residents in areas with rubberized asphalt could choose the higher wall height option; that ADOT will replace the existing walls for 17 homes on the south side of the freeway with a noise wall at a height to be determined through public outreach with the residents; that walls constructed at a lower height will have footings to accommodate for additional height that might be required as a result of future freeway widening; that residents electing a lower wall height could not request additional height added to the wall until the freeway is widened; that ADOT continues to monitor noise levels on completed freeways; that ADOT and City staff are developing a system that would place greater weight on the input of residents most directly impacted by the wall height and freeway noise; that ADOT and City staff should have written documentation regarding the requests of residents; that a mass mailing to the affected residents is planned in addition to public outreach meetings; that freeway artwork should also be a topic at public outreach meetings; and that ADOT and City staff should ensure that Councilmembers Griswold and Thom are kept informed regarding the activities in their respective districts.

It was moved by Councilmember Walters, seconded by Councilmember Jones, that City and ADOT staff proceed with public meetings and utilize a weighted measurement, determined by proximity to the freeway, to evaluate resident requests relative to the height of freeway sound walls.

Carried unanimously.

Mayor Hawker thanked ADOT and City staff for the presentation.

4. Acknowledge receipt of minutes of boards and committees.

- a. Downtown Development Committee meeting held January 15, 2004.
- b. Economic Development Advisory Board meeting held January 6, 2004.

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

Carried unanimously.

5. Hear reports on meetings and general information.

The following members of the Council provided brief updates on various meetings/conferences they attended as follows:

- Councilmember Jones: Financing the Future Citizen Committee meeting.
- Councilmember Griswold: Roosevelt Water Conservation District meetings regarding flooding and irrigation.
Bureau of Land Management meeting regarding acreage north of Red Mountain.
- Vice Mayor Kavanaugh: Ad Hoc Committee on Police Oversight meeting.
- Councilmember Whalen: Val Vista Village Homeowners meeting.
Corporation Commission hearings regarding power lines.
- Councilmember Walters: Ceremony honoring Mesa's firefighters for assistance provided during the California fires.

In response to a request by Mayor Hawker, City Manager Mike Hutchinson reported that a subcommittee of the Tourism and Sports Authority (TSA) has forwarded a recommendation to the TSA Board to provide Mesa with an initial grant of \$500,000 for the downtown Aquatic Center.

6. Scheduling of meetings and general information.

City Manager Mike Hutchinson stated that the meeting schedule is as follows:

Tuesday, February 17, 2004, TBA – Study Session

Tuesday, February 17, 2004, 5:45 p.m. – Regular Council Meeting

Wednesday, February 18, 2004, 7:30 a.m. – Annual Joint Meeting with Mesa Public Schools

Thursday, February 19, 2004, 7:30 a.m. – Study Session

Thursday, February 26, 2004, 7:30 a.m. – Study Session

6. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

7. Items from citizens present.

There were no items from citizens present.

8. Adjournment.

Without objection, the Study Session adjourned at 9:36 a.m.

KENO HAWKER, MAYOR

ATTEST:

BARBARA JONES, 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 12th day of February 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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