



## COUNCIL MINUTES

December 18, 2006

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on December 18, 2006 at 5:45 p.m.

### COUNCIL PRESENT

Mayor Keno Hawker  
Rex Griswold  
Kyle Jones  
Tom Rawles  
Scott Somers  
Claudia Walters  
Mike Whalen

### COUNCIL ABSENT

None

### STAFF PRESENT

Christopher Brady  
Debbie Spinner  
Barbara Jones

Invocation by Reverend Shelly Moe, Celebration of Life Presbyterian Church.

Pledge of Allegiance was led by William Larkin, Scout Troop # 301.

Mayor's Welcome.

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

### 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 Griswold, seconded by Vice Mayor Walters, that the consent agenda items be approved.

Carried unanimously.

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

Minutes from the November 9 and 30 and December 4 and 14, 2006 Council meetings.

3. Conduct a public hearing and take action on an amendment to the land use map for the following Major General Plan Amendment:

3a. Public Hearing on General Plan Amendment **GPMajor06-01 (District 6) (See Item 3b) (CONTINUED FROM THE DECEMBER 4, 2006 REGULAR COUNCIL MEETING).**

Mayor Hawker announced that this is the time and place for a public hearing regarding General Plan Amendment **GPMajor06-01**.

Paul Gilbert, 4800 North Scottsdale Road, an attorney representing the property owner, reported that in working with City staff, the Council, Williams Gateway Airport Authority, Boeing and various other local organizations, the applicant has made a number of clarifications in the application in the past few months. He highlighted those clarifications as follows: that the Major General Plan Amendment Project Narrative would reflect no residential development south of the proposed freeway alignment; that the roadway alignments depicted on the General Plan as submitted are conceptual and that the details of such alignments would be refined in the future; and that the applicant would continue to work out the details of the Ellsworth Road alignment with City staff and the adjacent property owners.

Mr. Gilbert indicated that regarding concerns expressed by Boeing relative to residential encroachment near Williams Gateway Airport, the applicant has agreed, as an additional clarification of the General Plan Amendment, that approximately 167 acres currently requested for Medium Density residential located east of Crismon Road between Williams Field Road and the future freeway be deleted from the application and that the property remain Light Industrial. He added that the applicant has also requested that he be allowed to transfer the density from the 167-acre parcel to the other Medium Density Residential parcels to the north and west, which remain as part of the General Plan Amendment. Mr. Gilbert said that such action would require the applicant to process a Minor General Plan Amendment at a future time.

Discussion ensued relative to the fact that the State Statute suggests that every five years, the General Plan should be reviewed; that in 2005, the Williams Gateway Freeway alignment was approved by the Maricopa Association of Governments (MAG), but the Arizona Department of Transportation (ADOT) has not yet given final approval of the route; that the Loop 202 Freeway is nearing completion; that Pinal County has experienced an explosion of growth in recent years; that Williams Gateway Airport has positioned itself to become a major reliever airport to Phoenix Sky Harbor; and that the Urban Land Institute recently completed a study underscoring the need for an updated General Plan Amendment in this area of the community.

Mr. Gilbert concluded his presentation by commenting that the General Plan Amendment would create a "clear zone" for the future freeway that does not currently exist and bring an estimated 28,000 jobs to the area. He also stated that the applicant proposes to relocate Ellsworth Road (which currently passes through the "no build zone" of Williams Gateway Airport), to maintain the "no build zone," and requested that the subject property be annexed into the City of Mesa.

Obie Jones, 1035 North New Haven Street, Site Leader and Director of Operations for Boeing, stated that it is just as important to preserve the existing high value jobs at Boeing as it is to create new employment opportunities at the proposed development. He noted that even though Boeing and the applicant have reached a compromise with regard to the General Plan Amendment, such a compromise would still adversely impact Boeing. Mr. Jones cautioned,

however, that any further residential encroachment near Williams Gateway Airport would cause Boeing to shut down its flight-testing operations due to flight safety issues and noise complaints from housing developments.

Mike Metzger, 2065 East Kael Circle, Senior Manager of Flight Operations for Boeing, offered an extensive presentation addressing Boeing's concerns regarding residential encroachment near Williams Gateway Airport and the resulting impact on Boeing's flight operations. He urged the Council to approve the compromise to the General Plan Amendment, but also hold the applicant to its strict compliance.

Further discussion ensued relative to the fact that Boeing currently performs test flights over Pinal County; that State and Pinal County officials should address such testing; and that it would be appropriate for State and local officials to address possible helicopter and light aircraft airspace corridors.

Lynn Kusy, 5835 South Sossaman Road, Executive Director of the Williams Gateway Airport Authority, expressed support for the applicant's proposal, including the clarifications identified by Mr. Gilbert. He added that the proposal, as clarified, does not move residential development closer to the runways than specified in the current General Plan, but does, however, significantly increase the number of residential units that could be built on the property.

The following citizens spoke in support of the Major General Plan Amendment:

Kathy Langdon	119 North Gilbert Road, Gilbert
Ken Halverson	7744 East Velocity Way
Steve Wegener	8267 South Pecan Grove Circle, Tempe
Michael Kirchner	6355 South Sossaman Road

The above-referenced citizens stated the following opinions:

- Williams Gateway Airport is "an economic gem" for the entire region and should be protected from residential encroachment.
- It is disappointing that this matter resulted in a last minute compromise and it is hoped that that would not be the case for future developments located south of Williams Gateway Airport.
- It is important that there is a consistent application regarding what is included in the General Plan in the area of Williams Gateway Airport with respect to buffer zones, a differentiation between industrial and residential zoning and that those items are maintained.
- It is imperative that the Council support small businesses located at Williams Gateway Airport.

The following citizens spoke in opposition to the Major General Plan Amendment:

Stacy Howard	41695 North Coyote Road, Queen Creek
Rick Fengler	7353 East University Drive
Kent Slater	5803 South Sossaman Road

The above-referenced citizens stated the following opinions:

- Would oppose any changes to the Mesa General Plan that fail to protect Williams Gateway Airport.
- The General Plan currently in place protects the future capacity, efficiency and compatibility of Williams Gateway Airport and such protection is clearly in the public interest.
- Residential density in the area of Williams Gateway Airport should be reduced and not increased.

Mayor Hawker stated that he received speaker cards from the following individuals who did not wish to address the Council: Mike Haenel, 2375 East Camelback, # 300, Phoenix, who supports this item; and Randy Lennox, 5828 East Enrose Street, who opposes any housing located adjacent to Williams Gateway Airport.

There being no further citizens present wishing to speak on this issue, the Mayor declared the public hearing closed.

3b. Take action on the following resolution:

**GPMajor06-01 (District 6)** Proposed General Plan Land Use Amendment: From Medium Density Residential (4-6 du/ac), Community Commercial, Light Industrial, Mixed Use Employment and Mixed Use Residential (30% at 15+ du/ac) to Medium Density Residential (4-6 du/ac), Mixed Use Employment, Regional Commercial, Community Commercial, Business Park and Light Industrial for approximately 1699 ± acres just east of the Williams Gateway Airport generally bounded by Ellsworth Road to the west, Signal Butte Road to the east, Ray Road alignment to the north and Pecos Road to the south. The proposed amendment includes realignment of Ellsworth Road as identified in the exhibits submitted by the applicant. Pacific Proving LLC, (Andrew Cohn) owner; Paul E. Gilbert, Beus Gilbert PLLC, applicant – Resolution No. 8890 (***Notified property owners, registered neighborhood associations and interested parties.***) (CONTINUED FROM THE DECEMBER 4, 2006 REGULAR COUNCIL MEETING.)

P&Z Recommendation: Denial. (Vote: 5-0 with Boardmembers Finter and Salas absent.)

Mr. Gilbert responded to a series of comments and concerns expressed by the various speakers. He acknowledged the vital role that Boeing plays in the community and said he is pleased with Boeing's willingness to reach a compromise with the applicant relative to the General Plan Amendment. Mr. Gilbert also assured everyone that his clients have a vested interest in the success of Williams Gateway Airport and would not jeopardize the long-term success of the facility. He added that a number of major corporations are anxious to relocate to the airport and thereby establish the employment center that has long been envisioned for this area of the community.

Principal Planner Dorothy Chimel reported that the changes made as a result of the recent compromise have been incorporated into a revised Resolution, a revised map, and a revised Major General Plan Amendment Project Narrative. She commented that the 167 acres as defined by Mr. Gilbert as a clarification is, in her opinion, "a little extreme" and noted that the land has been deleted from the request and would remain Light Industrial. Ms. Chimel further

commented that Planning Director John Wesley had the authority to interpret whether or not the deletion of the 167 acres is a substantial change and stated that Mr. Wesley informed staff that it was not substantial and could be considered under this request.

Mayor Hawker noted that prior to the compromise being reached, both the Planning & Zoning Board (P&Z) and staff had recommended denial of the case.

Discussion ensued relative to the process by which a Major General Plan Amendment is considered in the calendar year in which it is submitted.

Councilmember Rawles expressed appreciation to the various parties for the compromise that was achieved in this matter.

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, that **GPMajor06-01**, as revised in the Project Narrative and the Resolution marked "12/18/06 Revised Map Attached," (reflecting the deletion of 167 acres approximately from the requested area of the Amendment) be approved and that Resolution No. 8890 be adopted.

Councilmember Jones commented that although an agreement among the parties was reached late Friday, in his opinion, it should never have gotten to the point of an "11<sup>th</sup> hour compromise." He expressed support for the motion, but with the caveat for any future developer in the area of Williams Gateway Airport not to "push the envelope."

Vice Mayor Walters acknowledged Mayor Hawker for his efforts and hard work with regard to the development of Williams Gateway Airport. She commented that Boeing is "a critical part" of the community and stated that she does not want the facility to leave the area. She also stated that in the future, there might be issues associated with flight paths over State trust land and urged State legislators, the State Land Department and Pinal County officials to protect those pathways.

Councilmember Somers voiced support for the motion and concurred with Vice Mayor Walters' comments that it would require an intergovernmental effort to ensure that Boeing has an adequate flight path corridor in order to test its helicopters. He also commented that it is imperative that the developer's proposed residential component conforms to Boeing's long-term viability to ensure proper buffering. Councilmember Somers further stated that he would like greater Council and P&Z participation/input regarding any future General Plan Amendment process.

Councilmember Griswold stated that this case represents a significant compromise of the various parties and expressed appreciation to all the participants in that regard. He concurred with the comments of his fellow Councilmembers and especially with regard to addressing the issue of flight paths over State trust land.

Mayor Hawker expressed support for the motion and offered a series of input regarding this case. His comments included, but were not limited to, the following: that with regard to the issue of flight paths over State trust land, it may be appropriate for the City to consider further annexation in the area; that it is important to "firm up" the southern boundary of the northern departure route; that he looks forward to working with Boeing on a proactive basis to ensure that the arrival and departure routes for commercial aircraft are appropriately "lined up" so that the

facility remains in Mesa; and stressed that the helicopter industry must also be accommodated at Williams Gateway Airport so that the entity grows and associated companies locate to the City.

Councilmember Whalen voiced support for the compromise and thanked Boeing for their efforts in that regard. He noted that there is still a great deal of work that must be accomplished relative to the development and urged the applicant to first address the employment aspects before the residential component. Councilmember Whalen also encouraged the applicant to work with the other major property owner in the area.

Mayor Hawker called for the vote.

Carried unanimously.

4. Conduct a public hearing and take action on an amendment to the land use map for the following Minor General Plan Amendment:

4a. Public Hearing on General Plan Amendment **GPMInor06-05 (District 6) (See item 4b).**

Mayor Hawker announced that this is the time and place for a public hearing regarding General Plan Amendment **GPMInor06-05.**

Councilmember Jones declared potential conflicts on items 4a, 4b, 10d and 11d and said he would refrain from discussion/consideration of those agenda items.

There being no citizens present wishing to speak on this issue, the Mayor declared the public hearing closed.

4b. Take action on the following resolution:

**GPMInor06-05 (District 6)** The 1000 to 1100 block of South Higley Road (east side). Located north of Southern Avenue on the east side of Higley Road (2.44± ac). Minor General Plan Amendment to change the General Plan Land Use Map from Medium Density Residential 4-6 dwelling units per acre (MDR 4-6) to High Density Residential 10-15 dwelling units per acre (HDR 10-15). Ross N. Farnsworth, Jr., RSB Partners LLC, owner; Jeff Welker, Welker Development Resources LLC, applicant – Resolution No. 8891. **COMPANION CASE Z06-79 (Agenda Item 10d).**

P&Z Recommendation: Approval. (Vote: 4-1 with Boardmembers Mizner nay, Finter and Salas absent.)

It was moved by Councilmember Griswold, seconded by Vice Mayor Walters, that Resolution No. 8891 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Rawles-Somers-Walters-Whalen  
ABSTAIN - Jones

Mayor Hawker declared the motion carried unanimously by those voting and Resolution No. 8891 adopted.

5. Conduct a public hearing and take action on a resolution approving the Falcon Field Sub-Area Plan:

5a. **Deleted.**

5b. **Deleted.**

6. Take action on the following liquor license applications:

\*6a. Chevron

New Beer & Wine Store License for Chevron, 1155 South Higley Road, Sandhu & Sons Investment LLC -- Applicant, Gurwail S. Sandhu -- Agent. The Beer & Wine Store license previously held at this location by Toor Facility #206490 LLC, issued 02/20/2004, will revert back to the State. District #6.

\*6b. DJ's Beer & Wine

New Beer & Wine Store License for DJ's Beer & Wine, 7310 East Main Street, DJ's Beer & Wine LLC -- Applicant, James Joseph Mazur -- Agent. This is an existing business with no previous liquor license at this location. District #5.

\*6c. EJ's Steakhouse

New Restaurant License for EJ's Steakhouse, 5609 East McKellips Road, E.J. Holding Company, Inc. -- Applicant, H.J. Lewkowitz -- Agent. This is new construction with no previous liquor license at this location. District #5.

7. Take action on the following contracts:

\*7a. Two (2) One-Ton Cargo Vans for the Regional Rapid Response Team as requested by the Mesa Police Department. (Fully Grant Funded UASI Federal Homeland Security Program)

The Procurement Services Department recommends authorizing purchase from the State of Arizona contract with Five Star Ford at \$89,207.80, including applicable sales tax.

\*7b. One Full-Size SUV for the Hazardous Device Team as requested by the Mesa Police Department. (Fully Grant Funded UASI Federal Homeland Security Program)

The Procurement Services Department recommends authorizing purchase from the State of Arizona contract with Midway Chevrolet at \$46,683.27, including applicable sales tax.

- \*7c. Two Explosive Device Protection Search Suits for the Hazardous Device Team as requested by the Mesa Police Department. (Fully Grant Funded State Homeland Security Grant Program) **(Sole Source)**

The Procurement Services Department recommends accepting the sole source bid from Med-Eng Systems, Inc. at \$27,012.48, including applicable use tax.

- \*7d. Replacement Chemical Protective Suits and Hazardous Materials Boots as requested by the Mesa Fire Department. (Fully Grant Funded UASI Federal Homeland Security Program)

The Procurement Services Department recommends authorizing purchase from the lowest responsive bidder, Lee Bays Supply at \$39,993.32.

- \*7e. Three-year Service Contract for Irrigation Well Inspection, Maintenance and Repair for the Pinal Water Farms as requested by the Real Estate Department. **(Single Proposal Received for Each Group)**

The Procurement Services Department recommends authorizing a three-year contract to Coolidge Engine & Pump, LLC at \$80,000 and John Hoover Well Service at \$20,000. The combined award is \$100,000 annually, based on estimated requirements.

- \*7f. Ratification of the Purchase of Seventeen (17) Transformers as requested by the Utilities Department, Electric Division.

The Procurement Services Department recommends ratifying purchase from Salt River Project (SRP) at \$25,369.09, including applicable sales tax.

- \*7g. Two-year Renewal of the Contract for Landscape Maintenance Services for Parks and Retention Basins, in an Area Designated as Zone 7, as requested by the Parks, Recreation & Commercial Facilities Department.

The Procurement Services Department recommends exercising the two-year renewal option with Artistic Land Management, Inc. at \$299,704.41 annually, based on estimated requirements.

- \*7h. Two-year Renewal of Supply Contract for Water Meters for the Utilities Department, Water Division.

The Procurement Services Department recommends authorizing a two-year renewal to Dana Kepner Company, Inc. at \$725,701.79, based on estimated annual requirements.

- \*7i. Purchase and Installation of Furniture for the Transportation Building Expansion Project as requested by the Transportation Department. (HURF Funded).

The Procurement Services Department recommends authorizing purchase from the State of Arizona contract with Goodmans at \$68,837.99, including design, installation, delivery and applicable sales tax.

\*7j. **Deleted.**

8. Introduction of the following ordinances and setting January 8, 2007 as the date of the public hearing on these ordinances:

- \*8a. Amending Title 7, Chapter 2 of the Mesa City Code adding a Fire Safety Operational Permit to collect the fees associated with the Fire Department's Inspection Program.
- \*8b. Amending Title 10, Chapter 3 of the Mesa City Code to establish a thirty-day vehicle impound administrative fee of \$150.00 as recommended by the Audit and Finance Committee.

9. Take action on the following resolutions:

\*9a. Approving and authorizing the City Manager to execute an agreement with the City of Phoenix for Mesa's portion of the Motorola 7.x upgrade of the 800 MHz radio system – Resolution No. 8883.

\*9b. **GPMInor06-08 (District 5)** Request amendment of the General Plan Land Use Map from Low Density Residential (0-1) to High Density Residential (10-15) for 9.3 acres ± of land identified as parcel 10 in the proposed Stone Bridge Mountain DMP. Jeff Blandford, Pinnacle Ridge Holdings LLC, owner; Paul Dugas, applicant – Resolution No. 8884. **COMPANION CASES Z06-86 and GPMInor06-09. (Public hearing held November 20, 2006)**

P&Z Recommendation: Approval. (Vote: 3-1 with Boardmembers Carpenter nay, Esparza, Finter and Salas absent.)

\*9c. **GPMInor06-09 (District 5).** Request amendment of the General Plan Land Use Map from Low Density Residential (1-2) to High Density Residential (10-15) for 9.4 acres ± of land identified as parcel 14 in the proposed Stone Bridge Mountain DMP. Jeff Blandford, Pinnacle Ridge Holdings LLC, owner; Paul Dugas, applicant – Resolution No. 8885. **COMPANION CASES Z06-86 and GPMInor06-08. (Public hearing held November 20, 2006)**

P&Z Recommendation: Approval. (Vote: 3-1 with Boardmembers Carpenter nay, Esparza, Finter and Salas absent.)

\*9d. Amending the previous request to the Federal Aviation Administration (FAA) to change the land use designation from aeronautical to non-aeronautical for the Falcon Field Airport property "Citrus Groves" located west of Greenfield Road. This resolution requests that the FAA change the land use designation to non-aeronautical use for the property located north of McKellips Road only – Resolution No. 8886.

\*9e. Approving and authorizing the City Manager to execute an agreement between the Governor's Office of Highway Safety and the City of Mesa to accept \$60,000 in grant funds for the DUI Task Force – Resolution No. 8887.

- 9f. Authorize the use of eminent domain to acquire property and property rights for the Power Road Improvement Project – Resolution No. 8892.

In order to meet construction schedule, immediate possession is necessary for the remaining 18 properties.

Councilmember Rawles voiced opposition to this item due to the fact that two of the parcels are being taken solely for the purpose of constructing bus shelters. He stated that in his opinion, the use of eminent domain for such purposes is inappropriate.

It was moved by Vice Mayor Walters, seconded by Councilmember Somers, that Resolution No. 8892 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Somers-Walters-Whalen  
NAYS - Rawles

Mayor Hawker declared the motion carried by majority vote and Resolution No. 8892 adopted.

- 9g. Approving and authorizing the City Manager to execute an agreement with the Governor’s Office of Children, Youth & Families to secure grant funds in the amount of \$19,326 for program services offered to at-risk youth and families residing in the City of Mesa – Resolution No. 8893.

Councilmember Whalen declared a potential conflict of interest and said he would refrain from discussion/consideration of this agenda item.

It was moved by Councilmember Somers, seconded by Councilmember Griswold, that Resolution No. 8893 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Rawles-Somers-Walters  
ABSTAIN - Whalen

Mayor Hawker declared the motion carried unanimously by those voting and Resolution No. 8893 adopted.

- \*9h. Approving and authorizing the City Manager to execute an agreement between the City of Mesa and the Arizona Criminal Justice Commission for grant funds in the amount of \$26,211 to provide training for the Forensic Service Section of the Police Department – Resolution No. 8888.
- \*9i. Approving and authorizing the City Manager to execute an agreement between the City of Mesa and Mesa Public Schools to administer a grant of \$115,000 to provide services to at-risk youth – Resolution No. 8889.

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

\*10a. **A06-19 (District 5)** Annexing land located at the northwest corner of Ellsworth Road and Southern Avenue (3.17 ± ac.). Initiated by Lisa Luther, representing the property owner – Ordinance No. 4647.

\*10b. Amending the fee structure in Section 11-18-8 of the Mesa City Code to provide separate fees for rezoning, rezoning with site plan review, site plan review or modification – Ordinance No. 4648.

P&Z Recommendation: Approval of Fee Structure. (Vote: 6-0 with Boardmember Adams absent.)

DDC Recommendation: Approval (Vote: 6-0 with Boardmembers Jarvis, Close and Riekema absent.)

\*10c. **Z06-78 (District 1)** The 2300 block of North Harris Drive (east side) and the 1600 block of East Hermosa Vista Drive (south side). Located north of McKellips Road and west of Gilbert Road (6.2± acres). Rezone from R1-43 to R1-43-PAD and Site Plan Review. This request will allow the development of a single-residential subdivision. Gary Stapley, NGB Development LLC, owner; Jeff Welker, Welker Development Resources LLC, applicant – Ordinance No. 4649. (***Held three neighborhood meetings, notified property owners, interested parties, registered neighborhoods, homeowners' associations and Mesa Public Schools.***)

P&Z Recommendation: Approval with conditions. (Vote: 6-0 with Boardmember Adams absent.)

10d. **Z06-79 (District 6)** The 1000 to 1100 block of South Higley Road (east side). Located north of Southern Avenue on the east side of Higley Road (2.44± acres). Rezone from R1-7 (conceptual C-2) to R-2-BIZ and Site Plan Review. This request will allow the development of a townhome subdivision. Ross N. Farnsworth, Jr., RSB Partners LLC, owner; Jeff Welker, Welker Development Resources LLC, applicant – Ordinance No. 4655. (***Held two neighborhood meetings, notified property owners, interested parties, registered neighborhoods and homeowners' associations.***) **COMPANION CASE GPMINOR06-05 (Agenda Items 4a and 4b).**

P&Z Recommendation: Approval with conditions. (Vote: 6-0 with Boardmember Adams absent.)

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, that Ordinance No. 4655 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Rawles-Somers-Walters-Whalen  
ABSTAIN - Jones

Mayor Hawker declared the motion carried unanimously by those voting and Ordinance No. 4655 adopted.

- \*10e. **Z06-84 (District 5)** The 2500 to 3400 blocks of East Lehi Road (south side, south to the canal, except for 150 feet west of the mid-section line) and the 3100 to 3400 blocks of East Thomas Road (south side, south to 150 feet north of the quarter section line). Located west of Val Vista Drive and south of Thomas Road (283± acres). Rezone from R1-43 to R1-9 PAD, R1-15 PAD and C-2 and the establishment of the Lehi Crossing Development Master Plan. This case will allow for the development of a residential master planned community. Rob Ryan, William Lyon Homes and others (Kristen, Robert, Robert Jr. and Jeffrey Clark; Walton Shreeve, Richard Winslow, Marjorie Winslow, Rodney Engle, Janelle Yancey), owners; Paul Gilbert, Beus Gilbert PLLC, applicant – Ordinance No. 4650. (**Notified property owners, interested parties, registered neighborhoods and homeowners' associations.**)

P&Z Recommendation: Approval with conditions. (Vote: 3-1 with Boardmember Langkilde nay and Boardmembers Esparza, Finter and Salas absent.)

- 10f. **Z06-86 (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 ac.±). Amend a part of the original Development Master Plan (ordinance conditions and conceptual districts), rezone from R1-35 DMP (conceptual R1-6, R1-9, R-2, R-3, C-2, and O-S) to R1-15 PAD, and establish the Stone Bridge Development Master Plan. Allow development of the Stone Bridge Mountain DMP. Jeff Blandford, Pinnacle Ridge Holdings LLC, owner; Paul Dugas, applicant – Ordinance No. 4656. (**Held 13 neighborhood meetings, notified property owners, interested parties, registered neighborhoods and homeowners' associations.**) **COMPANION CASES GPMInor06-08 and GPMInor06-09. (Agenda Items 9b and 9c) CONTINUED FROM THE NOVEMBER 20, 2006 MEETING.**

Two Ordinances have been introduced:

- i. Applicant Requested Ordinance introduced on December 4, 2006. This ordinance responds to continued input the applicant has received from the surrounding community and contains the DMP proposal as the applicant would like to have it approved. If this ordinance is approved, Item 9f(ii) is not approved and requires no action.
- ii. P & Z Board version introduced on November 6, 2006.

P&Z Recommendation: Approval with conditions. (Vote: 4-0 with Boardmembers Finter, Salas and Esparza absent)

Paul Gilbert, 4800 North Scottsdale Road, an attorney representing the applicant, stated that the proposed Master Plan is one of the best he has ever had the privilege of being associated with in the City of Mesa. He commented that there were numerous neighborhood meetings regarding the case and said that the applicant received overwhelming neighborhood support. Mr. Gilbert also stated that staff and the Planning & Zoning Board (P&Z) have also recommended their support for the project. He added that the applicant would prefer Council approval of Ordinance i.

Dennis Naiberg, 8646 East Hannibal Street, stated the opinion that Ordinance i (the Applicant Requested Ordinance) is inferior to the original plan approved by P&Z at the Board's October 16<sup>th</sup> meeting. He encouraged the Council to reject Ordinance i and adopt P&Z's version.

Tom Mickel, 8735 East Hannibal Street, concurred with the comments of the previous speaker. He also voiced opposition to the location of the school and advised that the residents requested that it be moved further north into the development because of traffic congestion that would occur on North 86<sup>th</sup> Street if the school was located at the proposed site.

William Puffer, 8330 East Thomas Road, representing the Spook Hill Neighborhood Action Association, noted that although the Association can accept the proposal, he is concerned that the maximum number of dwelling units would increase from 1050 to 2010. He also urged the developer to comply with the 2001 General Plan update, which requires that 30% (210 acres) of the 717 acres be set aside as natural undisturbed desert open space. Mr. Puffer said that in this case, the applicant was only able to achieve 170 acres of undisturbed desert, but has agreed to perform extensive re-vegetation on additional acreage in order to meet the 210-acre requirement.

Mr. Gilbert reported that the applicant has responded to the concerns of the neighbors in order to create a well-designed development. He explained that there was overwhelming support for the proposed location of the school and said the applicant has addressed the residents' concerns regarding traffic congestion adjacent to the school. Mr. Gilbert added that the applicant "wrapped" the location of the school with additional residential in order to provide a buffer for neighborhoods to the south.

Principal Planner Dorothy Chimel addressed the Council and offered a brief overview of the case. She reported that although staff would recommend either ordinance, they are satisfied with the most recent changes and would prefer to see the school site centrally located, which is detailed in Ordinance i. Ms. Chimel acknowledged the comprehensive citizen participation process related to this case and assured the residents that with future rezoning cases, which are anticipated to be numerous relative to this development master plan, there would be similar notification.

Councilmember Griswold commented that with a development of this size, there is a significant range of issues that must be resolved in each of the surrounding residential communities. He noted that the input and suggestions solicited at the many neighborhood meetings resulted in a more refined development plan. Councilmember Griswold also suggested that it may be appropriate to install a crosswalk near the school, implement a 15 miles per hour speed limit, and utilize a crossing guard to ensure the safety of the students and decrease traffic in the area.

It was moved by Councilmember Griswold, seconded by Councilmember Jones, that Ordinance No. 4656 (Ordinance i) be adopted.

Carried unanimously.

- \*10g. **Z06-89 (District 6)** The 4400 to 4500 blocks of South Mountain Road (east side). Located south of Warner Road and west of Meridian Road (5.27± ac). Rezone from R1-43 to C-2 and Site Plan Review. This request will allow for the development of a commercial development. Heritage Development, Inc., Brad Weekes, President, owner; Ralph Pew, Pew & Lake, PLC, applicant – Ordinance No. 4651. ***(Held a neighborhood meeting, notified property owners, registered neighborhoods and homeowners' associations.)***

P&Z Recommendation: Approval with conditions. (Vote: 6-0 with Boardmember Adams absent.)

- 10h. **Z06-90 (District 5)** The 1400 to 1500 blocks of North Alta Mesa Drive (west side). Located north of Brown Road and east of Higley Road (7.06± ac.). Rezone from R-4 DMP and a portion of the C-2 DMP to R-2 PAD DMP and Site Plan Modification. This request will allow for the development of a residential townhome subdivision and modify the site plan for an existing clubhouse. Steve Dallas, Alta Mesa Clubhouse President, John W. Perkinson, Perkinson Investment Corporation, owner; Randolph L. Carter, Dreamcatchers Planning and Design, applicant – Ordinance No. 4657. ***(Held a neighborhood meeting, notified property owners, registered neighborhoods and homeowners' associations.)***

P&Z Recommendation: Approval with conditions. (Vote: 5-0-1 with Boardmember Salas abstaining due to a potential conflict of interest and Boardmember Adams absent.)

Councilmember Whalen declared a potential conflict of interest and said he would refrain from discussion/consideration of this agenda item.

It was moved by Councilmember Rawles, seconded by Councilmember Griswold, that Ordinance No. 4657 be adopted.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Rawles-Somers-Walters  
ABSTAIN - Whalen

Mayor Hawker declared the motion carried unanimously by those voting and Ordinance No. 4657 adopted.

- \*10i. **Z06-91 (District 3)** The 2000-2400 block of West Broadway Road (north side). Located north of Broadway Road and west of Dobson Road (52.62 ac. ±). Site Plan Modification, PAD modification and a Council Use Permit. This request will allow modification to an existing Business Park and will allow an increase in the allowable retail square footage. Broadway 101 Venture, LLC, David Krumwiede, owner; Manjula Vaz, Gammage &

Burnam, applicant – Ordinance No. 4652. ***(Held a neighborhood meeting, notified property owners.)***

P&Z Recommendation: Approval with conditions. (Vote: 6-0 with Boardmember Adams absent.)

- \*10j. **Z06-92 (District 6)** The 5500 to 5600 blocks of East Inverness Avenue (north side). Located east of Higley Road and north of Baseline Road (17.2 ac.). Site Plan Review and Modification. This request will allow for the expansion of an existing UPS Distribution Facility. United Parcel Service, owner; Keith Green, applicant – Ordinance No. 4653. ***(Held a neighborhood meeting, notified property owners, registered neighborhoods and homeowners' associations.)***

P&Z Recommendation: Approval with conditions. (Vote: 6-0 with Boardmember Adams absent.)

- \*10k. **Z06-93 (District 6)** 8924 East Germann Road. Located west of Ellsworth Road and north of Germann Road (48.69 acres). Amendment of Ordinance #4470. This case will amend the conditions of approval of an existing ordinance for the site. Brent Payne, Gateway Airport Property Investors LP, owner; Ralph Pew, Pew & Lake PLC, applicant. – Ordinance No. 4654. ***(Held a neighborhood meeting, notified property owners, and registered neighborhoods.)***

P&Z Recommendation: Approval with conditions. (Vote: 6-0 with Boardmember Adams absent.)

11. Take action on the following subdivision plats:

- \*11a. "SUNLAND SPRINGS VILLAGE GOLF CONDOMINIUMS UNIT THREE" **(District 6)** 2400 block of South Wattlewood extending east and south to the approximate alignment of East Nell Avenue, then east to South Copperwood. Located north and west of Guadalupe Road and Meridian Drive. 176 R-2 PAD DMP condominium units (23.16 ac) Transnation Title Insurance Company, Henry D. Ledema, assistant secretary, trustee.
- \*11b. "COLTS NECK MEDICAL OFFICE BUILDING" **(District 5)** 3500 block of East McDowell Road (south side) located south and west of McDowell Road and Val Vista Drive. 5 O-S PAD office condominium units (1.17 ac) Colts Neck Holdings, LLP, Raymond Nitti, manager, owner.
- \*11c. "TESORO AT GREENFIELD, A CONDOMINIUM" **(District 6)** 4300 block of East Southern Avenue (south side) and the 1300 block of South Greenfield Road (west side) located south and west of Southern Avenue and Greenfield Road. 336 R-3 PAD condominium units (24.28 ac.) D.R. Horton, Inc., John A. Mariconda, Vice President, owner.
- 11d. "SANCTUARY ON CENTER" **(District 1)** 100 block of West McKellips Road (south side) located south and west of McKellips Road and Center Street. 50 R-3 PAD townhome lots (3.75 ac.) Ross Farnsworth, Jr., developer/owner.

It was moved by Councilmember Rawles, seconded by Councilmember Griswold, that the "Sanctuary On Center" subdivision plat be approved.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Rawles-Somers-Walters-Whalen  
ABSTAIN - Jones

Mayor Hawker declared the motion carried unanimously by those voting and the "Sanctuary on Center" subdivision plat approved.

- \*11e. "BAYWOOD MEDICAL CENTER" (**District 5**) 130 South 63<sup>rd</sup> Street (west side) located south and east of Main Street and Recker Road. 5 C-2 PAD office condominium units (0.28 ac.) Baywood Medical Center, LLC, Rencor Development, LLC, Marshall C. Reynolds, manager, owner.
- \*11f. "BASELINE CROSSING OFFICE" (**District 6**) 8400 block of East Baseline Road (south side) located south and east of Baseline Road and Hawes Road. 18 O-S PAD office condominium units (4.86 ac.) Castelain Development Group, LLC, J. Chris Arnold, manager, owner.

11.1 Hear a presentation, discuss and provide direction on whether to move forward in negotiating a Development Agreement with Waveyard Development, LLC and obtaining a third party financial analysis.

Vice Mayor Walters declared a potential conflict of interest and said she would refrain from discussion/consideration of this agenda item.

(Mayor Hawker excused Vice Mayor Walters from the remainder of the meeting at 8:00 p.m.)

Management Assistant II Scot Rigby displayed a PowerPoint presentation and provided a brief overview of the Waveyard Project Proposal. (The presentation is available for review in the City Clerk's Office.) He reported that it is staff's recommendation to proceed with Development Agreement negotiations with Waveyard Development, LLC and obtain a third party financial analysis. Mr. Rigby displayed a map and highlighted the location of the proposed site location for the Waveyard Project and also reviewed an estimated project performance schedule.

Mr. Rigby cited a series of key elements regarding this matter including, but not limited to, the following: the City would sell approximately 125 acres of land at the Riverview site to Waveyard Development, LLC for an appraised value of \$30 million; Waveyard would make an initial down payment to the City of \$10 million; the balance of the purchase price (\$20 million) would bear interest from the close of escrow at a rate equal to the current City of Mesa General Obligation (G.O.) bond rate; payments of interest would commence at the beginning of the fifth year after the close of escrow and would be amortized over 20 years; the City would have a first lien on the Riverview site for the remaining balance of the purchase price; upon completion of minimum improvements, the City would annually credit as an offset to the remaining balance and interest 50% of the 1.5% of the sales and lease tax rates; all Quality of Life tax generated within the project is to be paid to and retained by the City; and Mesa would contribute an amount not to

exceed a mutually agreed upon cap toward the construction of offsite public transportation improvements by Waveyard Development.

Mr. Rigby further indicated that the City would construct new ball fields and additional park site improvements prior to beginning construction of the Waveyard project. He also stated that Riverview Lake and the surrounding area would remain a City park, that the City and the developer would work with neighbors to plan additional improvements to the remaining Riverview Park area, and that the ball fields and golf course would remain open until the start of construction.

Matt Salmon, 2375 East Camelback Road, Phoenix, a representative of Waveyard Development, LLC, explained that the Waveyard project is proposed to be a world-class facility with an estimated 40% of the guests coming from outside of Arizona. He advised that such an attraction would bring a significant revenue stream to the City and provide an abundance of employment opportunities for Mesa residents.

Richard Mladick, 8912 East Pinnacle Peak Road, Scottsdale, co-founder of Waveyard Development, LLC, provided a brief overview of the project. He reported that Waveyard is not a water park or theme park, but rather an integrated resort, adventure sports, entertainment, residential, retail and educational destination. He advised that the facility would offer recreational opportunities that promote many current trends in outdoor sports/recreation in an affordable format. Mr. Mladick noted that the resort components would include activities such as a surfing reef and beach, surfing academy, whitewater rafting, kayaking, canoeing, snorkeling and scuba lagoon, tropical river swim, fly fishing waters, climbing center and challenge course, a resort hotel and conference center, spa and wellness center, resort villas, entertainment retail village, and office complex. He added that it would also host international surfing, whitewater rafting and kayaking competitions.

Jerry Hug, 20347 North 83<sup>rd</sup> Place, Scottsdale, co-founder of Waveyard Development, LLC, concurred with the comments of the previous speaker. He also stated that his company intends to avail all of the above-mentioned water sports and amenities to individuals on a large scale and to do so in a safe, controlled and educationally driven environment.

Alan Maguire, 4745 North 7<sup>th</sup> Street, Phoenix, an economist, indicated that because the project is heavily reliant on out-of-state participants, it would be a "net importer" of revenue for Mesa. He briefly referred to the results of a fiscal and economic impact analysis prepared by Elliot D. Pollack and Company for Waveyard and highlighted the following findings: an estimated 9300 construction jobs would be created as a result of the project; approximately 8000 jobs would be generated on an ongoing basis as a result of the project; that out-of-state tourists would spend approximately \$4000-\$7000 at the venue; that the City would receive \$7.3 million as a result of the construction activity; and that the long-term impact to the City over ten years (construction and ten years of operation) would be \$55 million.

Mayor Hawker stated that Ryan Duncan, 6710 North Scottsdale Road, Scottsdale, submitted a speaker card indicating his support for the project, but did not wish to address the Council.

The following citizens spoke in support of the Waveyard Project:

Earnie Johnson	1414 North Hibbert
Bob Parker	534 West 1 <sup>st</sup> Street

Charles Miller, 1213 West 9<sup>th</sup> Street, voiced opposition to the “give away” of City-owned property for \$10 million. He also commented that the remaining Riverview Park would be dwarfed by the Waveyard project and added that northwest Mesa residents’ quality of life would be diminished as well.

Marilynn Wennerstrom, 1112 North Center Street, questioned whether the Council was aware of Section 613 of the City Charter (which requires voter approval for certain public expenditures greater than \$1.5 million) and if this provision would apply to the Waveyard project. She also commented that she read a story in “Phoenix Magazine” that quoted Mr. Salmon as saying that Waveyard already had 200 acres in escrow and inquired whether that was, in fact, an accurate statement.

There being no further citizens wishing to speak on this issue, the Mayor declared the public hearing closed.

City Manager Christopher Brady reiterated that staff is seeking Council approval to move forward in negotiations with Waveyard Development on the elements previously outlined by Mr. Rigby. He stated that staff would continue to update the Council on the progress of those deliberations, with the ultimate goal of seeking Council approval of a Development Agreement.

Councilmember Whalen expressed support for staff moving forward in the negotiations with Waveyard Development and stated that in his opinion, the project “fits the character of Mesa.” He also requested that Mr. Salmon respond to Ms. Wennerstrom’s inquiry concerning the accuracy of his quote in “Phoenix Magazine.”

Mr. Salmon explained that Waveyard Development was previously prepared to consummate a deal with the Town of Surprise with regard to the project when he suggested that Mesa be considered as an alternate site. He advised that Waveyard representatives met with Mesa officials and interest in the project developed. Mr. Salmon stated that Waveyard had, in fact, negotiated a deal on land in Surprise, but the property is not in escrow currently and has been taken off the market.

Mayor Hawker commented that while he generally does not support the City offering incentives to developers, it is important that Mesa remain competitive and seek out business opportunities that bring in revenue sources from outside the community. He also stated, among other things, that he would oppose freeway monument signs at the project; that he does not believe a municipality should maintain and support a golf course, such as the one at Riverview, with taxpayer funds; that he looks forward to the ball fields at Riverview being relocated to other west Mesa locations; and that he supports staff and the Waveyard representatives working together to negotiate a Development Agreement, including various safeguard for the City, and bringing back the document to the Council for further discussion and consideration.

Councilmember Somers noted that the project is worth exploring further and said that the sales tax revenues generated from the site would provide the community with a significant economic boost.

Councilmember Griswold concurred with his fellow Councilmembers and urged staff to proceed forward with the negotiations with Waveyard Development.

Councilmember Jones stated that the Waveyard project would be “a big plus” for west Mesa and the City in general. He also voiced appreciation that the Council was provided an opportunity to discuss the matter.

Councilmember Rawles indicated that although the project would economically benefit the community, region and State, he does not believe it is government’s role to “maximize its own revenue.” He acknowledged, however, that Mesa is in competition with other communities for sales tax revenues and said that if Waveyard does not receive a development package from Mesa, it most certainly will from another municipality. Councilmember Rawles voiced support for staff proceeding with the negotiations, but stressed that this does not mean that he would ultimately support the project.

City Attorney Debbie Spinner stated that per Council direction, staff would commence negotiations with Waveyard Development relative to a Development Agreement and also obtain a third party financial analysis. She added that staff would also review the City Charter provision referenced by Ms. Wennerstrom.

Mayor Hawker thanked everyone for the presentation.

12. Items from citizens present.

Mark Phipps, 424 West Madero Avenue, expressed a series of concerns regarding a proposal by Lowe’s Home Improvement to build a new store in the area of Country Club Drive and Kiowa Avenue.

13. Adjournment.

Without objection, the Regular Council Meeting adjourned at 9:15 p.m.

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KENO HAWKER, MAYOR

ATTEST:

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BARBARA JONES, 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 18<sup>th</sup> day of December 2006. I further certify that the meeting was duly called and held and that a quorum was present.

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BARBARA JONES, CITY CLERK

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