

# COUNCIL MINUTES

January 24, 2002

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 January 24, 2002 at 7:40 a.m.

## COUNCIL PRESENT

Mayor Hawker  
Jim Davidson  
Bill Jaffa  
Dennis Kavanaugh  
Pat Pomeroy  
Claudia Walters  
Mike Whalen

## COUNCIL ABSENT

None

## OFFICERS PRESENT

Mike Hutchinson  
Debbie Spinner  
Barbara Jones

### 1. Review items on the agenda for the January 28, 2002 Regular Council Meeting.

All the items on the agenda were reviewed among Council and staff with no formal action taken. There was specific discussion relative to the following items:

Vice Mayor Davidson declared potential conflicts of interest regarding agenda items 7a (Granting an Irrigation Easement to Salt River Project along the 1300 block of East Baseline Road) and 7f (Granting an Underground Power Distribution Easement to Salt River Project at 10940 East Pecos Road) and said he would refrain from discussion/participation in these items.

Mayor Hawker stated that items 9a, 9b, and 9c would be removed from the consent agenda.

### 2. Discuss and consider "Big Box" retail regulations.

Planning Director Frank Mizner addressed the Council regarding this agenda item and provided a brief historical overview concerning the issue of "Big Box" retail regulations and Council's previous direction to staff relative to drafting a Big Box Ordinance, including a Council Use Permit requirement and conducting a public comment process.

Mr. Mizner reported that on November 15, 2001, the Planning and Zoning (P & Z) Board considered the draft Ordinance and voted 4-1 in opposition to the proposed regulations. Mr. Mizner stated that a majority of the P & Z Board members believe that the proposed regulations are unnecessary, negatively impact the development community and are counterproductive to the City's reliance on sales tax revenue. He added that the members also believe that the

community's concerns relative to big box retailers are being adequately addressed through the updated Design Guidelines and General Plan.

Mr. Mizner reported that although the P & Z Board opposed the proposed Ordinance, they did provide recommendations on improving the regulations. Mr. Mizner outlined and commented on seven recommendations that were provided by the P & Z Board, the development community or the public comment process, including: 1) delete "single story" from the definition of "Large Retail Store;" 2) change the gross floor area from 100,000 to 200,000 square feet; 3) clarify that the required distance separation from a similar big box use or from a school or residential use only include such uses located within the corporate limits of Mesa; 4) consider the method of measurement to be from the building wall of the large retail store rather than from the property line of the development site; 5) delete the one-mile spacing between similar stores, thereby allowing them to "cluster" at arterial intersections; 6) include an additional exemption from the location restrictions for significant redevelopment projects; and 7) provide a "delayed implementation" for projects that have been approved by the Design Review Board or the Council, or for projects currently in the review process.

Mr. Mizner stated that staff is seeking Council's direction concerning proceeding with the proposed Big Box Ordinance.

Councilmember Kavanaugh said that he supports moving forward with a Big Box Ordinance in addition to and in conjunction with the updated Design Guidelines and voiced the opinion that it is the combination of appropriate design and location that minimizes impacts on neighborhoods, schools and traffic. He stated support for five of the seven proposed modifications and indicated opposition to recommendations 4 and 5. He voiced the opinion that the clustering of large retail stores may result in negative impacts on traffic and infrastructure.

Vice Mayor Davidson concurred with Councilmember Kavanaugh's comments.

Discussion ensued concerning the recommendation to increase the minimum applicable gross floor area from 100,000 to 200,000 square feet.

Vice Mayor Davidson voiced opposition to increasing the applicable gross floor area to 200,000 square feet. He stated the opinion that the proposed regulations will not result in reduced sales tax revenue and commented on retail growth in Valley cities with rigorous big box regulations.

Discussion ensued regarding the proposed exemption granted by the Council relative to redevelopment projects, and Council's previous direction concerning the Council Use Permit requirement.

Councilmember Pomeroy voiced opposition to the proposed regulations and stated the opinion that the updated Design Guidelines will address most of the Council's concerns regarding big box retail development. He also voiced concerns relative to potential sales tax leakage and deterring redevelopment projects.

Councilmember Whalen said that although he supports a number of provisions in the proposed regulations, due to the pending referendum action concerning a big box store that will be decided by the voters in March 2002, he is opposed to moving forward with the proposed

Ordinance until after the March election. He added that he is opposed to the one-mile separation provision and supports the proposed clustering concept.

Councilmember Walters stated support for moving forward with further consideration of this matter at this time unless the Council's action has the potential to negate or jeopardize the voters' decision concerning the referendum action on the March ballot. She added that the Council should support the voters' decision. Councilmember Walters also said that she is in favor of ensuring that a public comment process occurs in conjunction with all big box retail development.

Discussion ensued concerning the proposed "delayed implementation" provision, numerous development projects that would be impacted by newly enacted big box regulations, and the possibility of including the provision requiring minimum separation between big box retail stores while providing Council the option of approving the clustering of stores when appropriate.

Councilmember Jaffa stated opposition to increasing the minimum applicable gross floor area to 200,000 square feet and suggested that a compromise between 100,000 and 200,000 square feet would be appropriate. He concurred with Councilmember Kavanaugh's comments concerning opposition to changing the method of measuring appropriate distances from the property line to the building wall. Councilmember Jaffa commented on the similarities associated with the concept of clustering big box retail stores and the placement of shopping malls in the City and stated the opinion that big box retail stores should be located near freeways. He voiced concerns relative to providing the Council discretion to grant exemptions from location restrictions and stated the opinion that excessive Council discretion provides an opportunity to subvert the entire intent of the regulations.

Mayor Hawker said that the concerns he has relative to large retail development, including appropriate landscaping and setbacks, are more appropriately addressed through the updated Design Guidelines. He indicated support for continuing Council consideration of this issue until after the March election. He also stated the opinion that traffic concerns relative to big box retail development could be addressed by requiring that a traffic study be conducted in conjunction with the P & Z process.

(Mayor Hawker excused Vice Mayor Davidson from the remainder of the meeting at 9:05 a.m.)

It was moved by Councilmember Walters, seconded by Councilmember Whalen, that Council consideration of this matter be continued to a Study Session in the latter half of March 2002.

Councilmember Pomeroy stated that although he is not in favor of the regulations, he supports the motion.

Mayor Hawker recommended that because of the differences of opinion that exist concerning the seven proposed modifications to the regulations, when Council reconsiders this issue in the future, each proposed modification should be considered separately.

Councilmember Jaffa stated opposition to delaying further consideration of this matter until after the March election. He commented on the lengthy process surrounding the proposed regulations and said that because of the additional time required to address the unresolved

issues, it is unlikely that the final draft of the Ordinance will come before the Council prior to the March election.

Upon tabulation of votes, it showed:

AYES - Hawker-Kavanaugh-Pomeroy-Walters-Whalen  
NAYS - Jaffa  
ABSENT - Davidson

Mayor Hawker declared the motion carried by majority vote of those present.

3. Hear and consider an update on the 2001-2002 City Council Work Plans.

City Manager Mike Hutchinson addressed the Council and commented on the progress made concerning the short and long-term goals identified by the Council during the September 2001 Planning Session and referred to status reports provided to the Councilmembers.

Mayor Hawker commented on the numerous difficult issues that the Council will be addressing this year.

Councilmember Whalen stated the opinion that the most pressing issue is future bond authorizations.

Discussion ensued relative to establishing a target election date concerning future bond authorizations and staff's efforts concerning the budget ramifications of this issue.

Mayor Hawker said that one of his goals is to consider a future "build-out" budget and he stated the opinion that it is not too early to consider the future sustainability of the City in conjunction with long-term bond authorizations.

Discussion ensued regarding the importance of improving relationships with other regional government groups and neighboring communities, and successful meetings that have occurred with a number of neighboring communities.

Councilmember Walters requested that staff pursue scheduling a joint meeting between the Council and the Maricopa County Board of Supervisors.

Councilmember Jaffa indicated support for conducting a joint meeting with the Phoenix City Council relative to Sky Harbor Airport and Williams Gateway Airport issues and for pursuing a partnership with the Salt River Pima-Maricopa Indian Community concerning the Multipurpose Facility. He voiced concerns relative to unresolved Williams Gateway Airport flight path issues pertaining to the General Plan update and stated support for the continued development of canal paths.

4. Discuss and consider various Maricopa Association of Governments (MAG) governance issues.

Mayor Hawker referred to a handout provided to the Councilmembers concerning numerous issues that were discussed during the Maricopa Association of Governments (MAG) Regional Council retreat held on January 11, 2002. He indicated that the MAG Regional Council

identified nine proposed enhancements aimed at improving the governance structure and processes of MAG and he stated the opinion that the two most significant enhancements are items 6 (That there be a compilation and report of the impact of proposed significant developments on the regional facilities for transportation, open space, wastewater and water, prior to the jurisdiction taking action on the development) and 7 (That data compiled on developments of significance would be integrated into the TIP and Long Range Transportation Plan, and 208 approval processes, where there is an action going forward to the Regional Council).

Mayor Hawker commented on a recent meeting of the MAG Transportation sub-committee and stated that there appears to be consensus to extend the ½ cent sales tax to provide for transportation needs in Maricopa County and possibly the entire State. He noted that there are substantial transportation shortfalls projected over the next 20 to 40 years.

Councilmember Kavanaugh spoke in support of MAG's planning efforts and voiced appreciation to Mayor Hawker for his work in this regard.

Councilmember Jaffa requested that issues related to the expiration and possible extension of the ½ cent transportation sales tax and a possible future mass transit sales tax be placed on the agenda of an upcoming Study Session.

Mayor Hawker concurred with Councilmember Jaffa's request and commented on regional transportation studies in progress and the importance of identifying and prioritizing future local and regional transportation projects.

5. Hear an update and consider issues associated with the proposed site for the Multipurpose Facility.

City Manager Mike Hutchinson commented on recent meetings with the Tourism and Sports Authority (TSA) and the Salt River Pima-Maricopa Indian Community (SRPMIC) concerning this project. He noted that there are currently eight Valley sites competing for the facility and that the SRPMIC is actively working on an independent site proposal.

Mr. Hutchinson referred to a map on display in the Council Chambers that depicted the Mesa site under consideration for submission to the TSA. He said that the proposal includes acquiring the Hurley family property for the stadium (33 acres north of 8<sup>th</sup> Street and west of Dobson); to relocate the existing softball/baseball complex to the west end of the site near 8<sup>th</sup> Street and the freeway; to replace the existing Riverview Golf Course with a parking facility, and to acquire the ASU property located south of 8<sup>th</sup> Street for an additional parking facility.

Mr. Hutchinson reported that staff is still in the process of analyzing parking costs and revenues and commented on options for additional mass parking including the possibility of constructing a facility near Arizona State University or constructing a facility on the SRPMIC reservation north of the Salt River, which would entail construction of a bridge or a low-flow crossing structure.

Mr. Hutchinson also commented on the SRPMIC's proposed site and infrastructure needs for their site including a bridge or low-flow crossing structure at Dobson Road.

Discussion ensued regarding the placement of the stadium.

Mr. Hutchinson referred to a handout provided to the Councilmembers and commented on projected costs associated with the project. He noted that the numbers continue to fluctuate as various factors arise. Mr. Hutchinson outlined current projected costs, including: 1) \$3.2 million for utility improvements; 2) \$2.7 million for street improvements; 3) \$2.5 million to relocate the softball/baseball facility; 4) \$8 million for plaza costs; 5) \$3 million for plans review, testing and legal fees; 6) \$4 million to replace the Riverview Golf Course; 7) \$1.5 million for a contingency fund required by the TSA; and 8) \$16.5 million for property acquisition. He said that approximately 78 acres must be acquired for the project and noted that exact land costs are still in question and he also discussed costs associated with developing the various parking facilities. He said that total costs of the current proposal are projected at \$61 million.

Discussion ensued regarding ongoing maintenance costs for the parking facilities, the procedures associated with submitting a proposal and negotiating various factors with the TSA, the fact that the TSA capped plaza costs at \$8 million, and the ongoing expenses associated with providing police and fire services.

Mr. Hutchinson discussed the preliminary costs associated with submitting the City's proposal to the TSA, including \$25,000 for the soil/environmental tests, \$10,000 for a traffic analysis study, and a new requirement for a development analysis concerning vacant property surrounding the site, which is estimated at \$10,000. Mr. Hutchinson stated that with Council's approval to proceed at this point, at the January 28, 2002 Council Meeting, staff will request approval for funding not to exceed \$50,000 to cover the initial costs associated with this project.

Discussion ensued regarding the fact that the deadline for submitting proposals to the TSA is February 15, 2002, the time frames associated with the testing and analysis work that must be completed prior to the submittal date, the new TSA requirement to provide fiber/cable to the stadium, the various levels of improvements planned for the various parking facilities, and the fact that the SRPMIC has expressed an interest in partnering with the City with respect to providing utilities to their site.

Councilmember Jaffa voiced concerns regarding the \$21 million gap between projected costs and revenues and the amount of land required for parking and stated support for pursuing a more in-depth partnership with the SRPMIC that would provide extensive parking facilities on reservation land and the stadium within the corporate limits of Mesa.

Mr. Hutchinson reported that a meeting is scheduled with the Arizona Cardinals to discuss the possibility of partnering with the organization to help bridge the gap that exists between costs and revenues.

In response to a question from Councilmember Jaffa concerning additional related revenues, Mr. Hutchinson explained that staff has taken a conservative approach concerning projected revenues and has not included speculative revenues in the projections.

Councilmember Walters voiced concerns regarding the inclusion of adequate landscaping and buffering in connection with the proposed parking facilities, particularly the facility that would replace Riverview Golf Course. She also voiced concerns regarding spending \$10,000 on a development analysis that is speculative in nature.

Finance Director Larry Woolf referred to a handout provided to the Councilmembers and outlined the projected revenues associated with the project, including: 1) sales taxes on the construction of the facility collected over a three-year construction period; 2) bond interest income earned over a three-year period; 3) sales taxes on stadium activity; and 4) parking revenue. He reported that the present value of the total projected revenues is approximately \$40 million.

Discussion ensued regarding the possibility of imposing a ticket surcharge as a means of bridging the \$21 million gap between costs and revenues and staff's plans to explore this issue with the Arizona Cardinals and the Fiesta Bowl; the fact that the City's proposed debt associated with this project would be based on current excise taxes, which would provide the lowest possible borrowing rate, and the fact that excise tax revenue bonds would not require voter approval.

Councilmember Jaffa voiced concerns regarding additional revenue sources not included in the projections and indicated support for considering related revenue sources. He reiterated his opinion concerning the importance of partnering with the SRPMIC to provide parking on reservation land.

Discussion ensued regarding the difficulties associated with busing a large number of attendees to the stadium.

Councilmember Walters stated the opinion that the costs associated with building a bridge over the Salt River negates the benefits of reduced costs for parking facilities. She stated support for considering projected revenues in a conservative manner and for pursuing a partnership with the City of Tempe.

Discussion ensued regarding the fact that reduced City-owned parking facilities will result in reduced parking revenue, the TSA's requirement that Indian communities submitting a proposal must have a municipal or county partner, and the fact that the SRPMIC requested that Mesa act as their partner in this regard.

Councilmember Whalen indicated support for partnering with the SRPMIC in connection with their proposal.

Councilmember Jaffa commented on the possibility of securing Federal funds to subsidize the construction of a bridge over the Salt River.

Mayor Hawker requested that staff explore partnerships in connection with building a bridge over the Salt River; determine the legal ramifications associated with committing to act as the SRPMIC's partner with respect to satisfying the proposal requirements; and also further explore partnerships with other entities including Scottsdale, Tempe, the SRPMIC and Mesa's Convention and Visitor's Bureau.

It was moved by Councilmember Whalen, seconded by Councilmember Pomeroy, that the Council discuss (at the January 28, 2002 Regular Council Meeting) and consider the expenditure of \$50,000 for soil/environmental tests, traffic analysis and development analysis associated with submitting a Multipurpose Facility site proposal to the TSA.

Mayor Hawker declared the motion carried unanimously by those present.

6. Acknowledge receipt of minutes of boards and committees.

- a. Board of Adjustment meeting held January 8, 2002.
- b. Downtown Redevelopment Committee Retreat held January 8, 2002.
- c. Economic Development Advisory Board meeting held December 4, 2001.
- d. General Development Committee meeting held January 10, 2002. (DELETED)
- e. Parks and Recreation Board meeting held January 10, 2002.

Councilmember Walters outlined two corrections to the General Development Committee meeting minutes of January 10, 2002.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Walters, that receipt of the above-listed minutes, excluding 6d (General Development Committee meeting held January 10, 2002), be acknowledged.

Mayor Hawker declared the motion carried unanimously by those present.

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

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

8. Scheduling of meetings and general information.

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

- Monday, January 28, 2002 – TBA – Executive Session
- Monday, January 28, 2002 – TBA – Study Session
- Monday, January 28, 2002 – 5:45 p.m. – Regular Council Meeting
- Tuesday, January 29, 2002 – 7:00 a.m. – Breakfast Meeting with Dobson Ranch Board of Directors
- Thursday, January 31, 2002 – 7:30 a.m. – Study Session
- Thursday, January 31, 2002 – Finance Committee Meeting immediately following Study Session
- Monday, February 4, 2002 – TBA – Study Session
- Monday, February 4, 2002 – 5:45 p.m. – Regular Council Meeting
- Monday, February 7, 2002 – 7:30 a.m. – Study Session

9. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

10. Items from citizens present.

Marilynn Wennerstrom, 1112 N. Center, addressed the Council regarding agenda item 9b (Approving a Letter of Agreement with Hunter Interests, Inc. for the Mesa Town Center redevelopment economic analysis) on the January 28, 2002 Regular Council Meeting. She stated the opinion that because the Regular Council Meeting agenda is incorporated into this

Study Session, the Council is not precluded from answering questions she has concerning this issue. She commented on the inclusion of the southwest corner of Main Street and Mesa Drive in the proposed analysis to be conducted by Hunter Interests, Inc. and said that her recollection concerning this corner is that by virtue of a Court action in the mid 1980's involving the late Pete Grant and the City, this corner must remain an open grassy area. Ms. Wennerstrom commented on the area to be included in the study and the fact that the area includes private property and also voiced concern and confusion regarding the term "land bank."

Mr. Hutchinson explained that there is no intent for the proposed study to consider the corner of Main Street and Mesa Drive, only the publicly held properties within the boundaries identified. Mr. Hutchinson stated that although he recalls that the City developed the grassy area with the sculpture on this corner and moved the Pete's Fish and Chips restaurant, he does not recall the specific conditions related to this occurrence.

Mrs. Wennerstrom also posed questions relative to Minute corrections previously discussed by Councilmember Walters.

Mayor Hawker requested that staff ensure that the sites considered in connection with the proposed study are appropriate.

11. Adjournment.

It was moved by Councilmember Jaffa, seconded by Councilmember Kavanaugh, that the Study Session adjourn at 10:40 a.m.

Carried unanimously.

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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 Study Session of the City Council of Mesa, Arizona, held on the 24<sup>th</sup> day of January 2002. I further certify that the meeting was duly called and held and that a quorum was present.

\_\_\_\_\_  
BARBARA JONES, CITY CLERK