



# COUNCIL MINUTES

March 22, 2007

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 March 22, 2007 at 7:30 a.m.

## COUNCIL PRESENT

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

## COUNCIL ABSENT

Tom Rawles

## OFFICERS PRESENT

Christopher Brady  
Debbie Spinner  
Barbara Jones

(Mayor Hawker excused Councilmember Rawles from the entire meeting.)

1. Hear a presentation, discuss and provide direction regarding the "All Coming Together in Our Neighborhood" (A.C.T.I.O.N) Program.

City Attorney Debbie Spinner introduced Code Compliance Director Ray Villa, Neighborhood Services Director Kari Kent, and City Prosecutor John Pombier, who were prepared to address the Council regarding this agenda item.

Ms. Spinner reported that staff is recommending the establishment of a Citywide team to implement the "All Coming Together in Our Neighborhood" (A.C.T.I.O.N.) Program. She explained that the purpose of the program is to address concerns that the Council has raised including blight and deterioration and also low-level crimes and nuisance in Mesa neighborhoods. Ms. Spinner added that staff from Police, Code Compliance, the City Prosecutor's Office, Fire, Building Safety, Planning, and Tax and Licensing would participate in the program.

Ms. Spinner advised that staff is also recommending the formation of one full-time A.C.T.I.O.N. team to identify and address neighborhood issues on a unified basis. She noted that the goal of the team is to proactively work with property owners and encourage them to bring their properties into compliance before citations are issued. Ms. Spinner also stated that staff's long-range goal would be the establishment of four full-time A.C.T.I.O.N. teams (one in each Police precinct).

Ms. Spinner further commented that due to budget constraints, staff members from several departments would participate on the team on a part-time basis. She stated, however, that in order to make the program as effective as possible, it is essential that staff from the City Prosecutor's Office, Police, and Code Compliance make a full-time commitment to the process.

Ms. Spinner explained that in that regard, staff is requesting additional staffing for the Prosecutor's Office and one full-time Code Compliance Officer, at an estimated cost of \$270,000 annually. (Note: The Police Department will dedicate full-time support to the team.)

Ms. Kent displayed a flowchart depicting the City's current Code Compliance enforcement procedures and briefly reviewed the timeframe within which the proposed Re-inspection fees would be assessed. (See Attachment 1.) She advised that the fees would only be assessed to those property owners who do not work with Code Compliance staff to come into voluntary compliance within designated timeframes. Ms. Kent also noted that based on current data, it is anticipated that the City would recover approximately \$448,000 as a result of the \$200 Re-inspection fees and an additional \$49,300 for the \$100 Re-inspection fees. She added that until a history of the revenue stream is established, staff estimates \$250,000 would be collected in FY 2007/08.

Mr. Pombier referred to a document entitled "Comparison of Penalties for Neighborhood Preservation Ordinance" and highlighted the recommended civil penalties outlined in the document. (See Attachment 2.) He stated that the proposed fee increases would give Mesa "more teeth" with regard to the 10% of Mesa residents whose properties are not in compliance with the City Code.

Discussion ensued relative to the fact that the purpose of a Courtesy Notice is to educate the public and provide the violator with an opportunity to resolve the issue before staff imposes harsher enforcement; that citizens who file complaints must provide staff with their name and phone number; and the efforts of the Red Mountain Community Action Team.

Councilmember Griswold expressed support for staff's recommendations, which, in his opinion, would provide the City with more effective tools to address the most serious Code violators. He also commented that the revised Courtesy Notice is more informative and user friendly.

Councilmember Jones thanked staff for their efforts and hard work with regard to this matter. He stated that he is aware of specific properties in the community that have been negatively impacted by habitual Code offenders in the past and are now experiencing significant improvements due to the new Code Compliance process.

Vice Mayor Walters commented that as a result of this process, staff has learned that there are businesses in the City that are not currently paying sales tax, but are subject to the assessment. She suggested that obtaining such revenues would be one mechanism by which to fund additional staffing in the City Prosecutor's Office. Vice Mayor Walters added that the coordinated effort of multiple City departments to improve Mesa neighborhoods is a valuable resource.

In response to a question from Mayor Hawker, Mr. Pombier clarified that his office does not have sufficient staff to dedicate to four A.C.T.I.O.N. teams. He explained that currently there is only one staff member participating in the program and stated that is the reason why additional funding is requested.

Mayor Hawker expressed support for the proposed fee structure, but said he would prefer to address the issue of funding additional staff during the upcoming budget process.

Further discussion ensued relative to the fact that the fees/civil penalties associated with this item would be presented to the Audit & Finance Committee for its consideration and forwarded on to the full Council for final approval.

City Manager Christopher Brady stated that in order to ensure that the anticipated revenues are forthcoming, he suggested that the hiring of staff to assist with the A.C.T.I.O.N. program be delayed until sometime in the next fiscal year. He added that staff would bring back to the Council measurable results of the program such as crime rate statistics.

Councilmember Whalen stressed the importance of Mesa residents being educated with regard to the A.C.T.I.O.N. Program.

Mayor Hawker thanked staff for the presentation.

2. Hear a presentation, discuss and provide direction on development impact fees.

Building Safety Director Terry Williams displayed a PowerPoint presentation and reported that the purpose of this agenda item is to follow up on various issues raised by the Council in the past few months regarding Mesa's development impact fees. (The presentation is available for review in the City Clerk's Office.) He acknowledged Deputy City Manager Bryan Raines, Acting Budget and Research Director Chuck Odom, Fiscal Analyst Stacy Cheaney-Thompson and Duncan-Associates, the City's consultant, for their efforts and hard work with regard to this matter.

Mr. Williams offered an extensive statistical analysis of the methodology used to calculate basic Parks impact fees, the proposed fees in a single district, and the potential of dividing Mesa into multiple impact fee districts with separate Parks impact fees for each (using Higley Road as the dividing line). He reported that dividing the City into multiple impact fee districts would lower impact fees in east Mesa where a greater number of facilities are needed. Mr. Williams explained that spending would be restricted to projects in each district and most importantly, Parks impact fee revenues would be less than with a single Citywide approach because there would be greater future development in the east than in the west.

Mr. Williams indicated that a second methodology would be to again divide Mesa into two separate Parks districts (Higley as the dividing line) with fees based upon the Level of Service (LOS) in west Mesa. He stated that this scenario would require an additional funding source (other than impact fees) to raise all of the existing residential units in east Mesa to the desired level of service.

Discussion ensued relative to a plan-based approach and Community Facilities Districts (CFD).

In response to an inquiry from Councilmember Somers, Mr. Williams stated that staff would research his suggestion that Guadalupe Road be the dividing line (as opposed to Higley Road) for a plan-based approach.

Mr. Williams further spoke regarding a methodology that would combine Cultural Facilities assets with Parks assets. He explained that the calculations would not change and the total fund amount would be the addition of the two respective fees. Mr. Williams added that the monies could be used for either Parks or Cultural projects as established through the City's Capital Improvement Projects (CIP) process. He added that staff is requesting direction from the

Council with regard to changing the name of the Parks Impact Fee fund to Parks and Cultural Impact Fees fund.

Discussion ensued relative to a comparison of Mesa's impact fees with those of other Valley cities; the fact that impact fees are only a portion of the total cost to development; that Mesa requires development to provide streets and other infrastructure elements; that in order to perform a direct comparison of Mesa with other communities, it would be necessary to eliminate street/road impact fees; and that the proposed impact fees would place Mesa in the middle range of Valley cities for single-family homes (\$8,634).

Mr. Williams reported that at a recent Developer's Advisory Forum, staff was asked to phase the implementation of the increased impact fees over a 6 to 12-month period. He explained that the City has never phased impact fee updates and advised that the City is providing the industry and the public over six months advance notice of the proposed changes. Mr. Williams added that the Council could delay the effective date for some or all of the updated fees, but noted that such action would result in reduced revenues and subsidizing new development.

Further discussion ensued relative to the fact that it would be possible to create a mechanism for annual updates using a recognized audit; that full consultant study updates would be completed every three or four years to maintain fee reliability; that Duncan recommended that staff utilize "Engineering News Record" as the indexing mechanism; and the proposed timeline with regard to the implementation of the new fees.

Mayor Hawker expressed support that the name of the Parks Impact Fee fund be changed to Parks and Cultural Impact Fees fund and also that the City utilize an index mechanism to update impact fees between consultant study updates. He voiced opposition to phasing the implementation of the fee increases. Mayor Hawker also directed staff to research whether there are any "blank slate areas" in the City in which there would be the potential to divide the area into multiple fee districts with separate Parks impact fees for each.

Vice Mayor Walters suggested that if staff is going to research a plan-based system for the "blank slate" land, it might be appropriate to include numerous industrial/business users in the area. She commented that the City could implement a "low level" Parks and Open Space impact fee that would provide a benefit to all of the businesses. She also concurred with Mayor Hawker's previous comments.

In response to a question from Councilmember Griswold, Mr. Williams clarified that there are currently two separate categories for Parks and Cultural Impact fees and that the monies in those respective categories would continue to be spent. He noted, however, that if the Council directed that the two categories be combined, it would become more difficult to separate those funds.

Councilmember Griswold voiced support for staff implementing the proposed impact fee increases in phases.

Additional discussion ensued relative to the fact that Cultural impact fees are utilized to pay for the Mesa Southwest Museum (land, buildings, the collection in the museum, and vehicles); the Serrine House (land and building); the Arizona Museum for Youth (furniture, equipment and vehicles); the Mesa Grande Ruins; and public art owned by the City that is non-donated.

Councilmember Somers expressed opposition to implementing the proposed impact fee increases in phases, but did support creating a mechanism for annual fee updates using a recognized index. He also voiced concern regarding Parks and Rec and the Arts and Cultural Departments competing for impact fee monies.

Vice Mayor Walters thanked Arts and Cultural Director Gerry Fathauer for her many years of service and leadership to the City of Mesa. She invited Ms. Fathauer to offer her thoughts with regard to this issue.

Ms. Fathauer explained that because there are more demands in the Parks area for capital projects, there is always the concern that such priorities might overshadow the priorities in the Arts and Cultural Department.

Mayor Hawker thanked staff for the presentation and suggested that staff bring back the issue regarding a preferred name for the combined Parks and Cultural Impact fees.

3. Hear a presentation, discuss and provide direction on transit services.

Deputy Transportation Director Mike James reported that the City recently received a mid-year update from the Regional Public Transit Authority (RPTA) concerning Dial-a-Ride (DAR) costs. He explained that because such costs are significantly higher than anticipated, City staff and the RTPA are reviewing various service reduction alternatives to address budget issues.

Mr. James advised that in August 2006, the City eliminated Senior DAR service in order to cut approximately \$1.4 million from the annual transit budget. He stated that since that time, a majority of Senior DAR users have migrated to ADA (Americans with Disabilities Act) DAR service. Mr. James commented that for this fiscal year, staff projected a budget shortfall of \$540,000 for the DAR program and an additional shortfall of \$1 million in FY 2007/08.

Mr. James offered a brief analysis of various Transit Reduction Alternatives. (See Attachment 3.) He stated that it is staff's recommendation that the following services be eliminated: 1.) All Saturday service on local bus routes (effective 7/1/07 to 7/1/08); and 2.) Saturday ADA service (effective 7/1/07 to 7/1/08), for a total cost savings of \$1,707,049. He added that the City would continue to operate Sunday and holiday DAR service in FY 2007/08.

Vice Mayor Walters commented that this occurrence is not a matter of Mesa experiencing a decline in revenue, but rather an increase in service costs. She noted that per Federal law, if Mesa operates a fixed bus route system, the City is required to provide ADA DAR service within three-quarters of a mile on either side of the route. Vice Mayor Walters also voiced frustration that the Federal government's allocation of transportation dollars is not based on whether an individual "needs to be some place," but rather whether they qualify to "be wherever they would like to be" and added that it is not an issue that can be addressed by the Council.

Mayor Hawker stated that as long as Mesa adheres to Federal mandates to provide ADA DAR service within three-quarters of a mile from fixed bus routes, he predicted that the fixed route systems would eventually be eliminated. He said that staff's recommendations may be "a stopgap measure," but suggested that there may be a point in time when the Council would consider funding regional bus routes and providing DAR service outside Federally mandated areas.

Discussion ensued relative to the fact that the Civil Rights Act protects all Mesa bus routes (except Gilbert Road); that the region would eventually fund eight of Mesa's routes in the near future, including Saturday and Sunday service; and that it is possible that DAR would also become a regional service.

Vice Mayor Walters commented that an important component of this issue that has yet to be addressed is the fact that the City funds DAR services not only for those residents who live within three-quarters of a mile on either side of a fixed bus route. She suggested that at some point in the future, only services for those individuals who live along such routes would be funded. She added that in particular, citizens who reside in southeast Mesa where there are no bus routes would be significantly impacted by such a policy.

Mr. Brady stated that staff would move forward to advertise a public meeting before the Transportation & Infrastructure Committee regarding this issue and bring back the matter to the Council for action.

Mayor Hawker thanked staff for the presentation.

4. Appointments to boards and committees.

Mayor Hawker recommended the following appointments to Boards and Committees:

HOUSING GOVERNING BOARD

William Egan, Sr. – Term Expires December 31, 2007

It was moved by Councilmember Griswold, seconded by Councilmember Somers, that the Council concur with the Mayor's recommendation and the appointment be confirmed.

Mayor Hawker declared the motion carried unanimously by those present.

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

Vice Mayor Walters:	Fort McDowell Indian Community Meeting
Councilmember Griswold:	Arizona Association of Industries Meeting; G.T. Fowler's Retirement Party

6. Scheduling of meetings and general information.

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

Thursday, March 29, 2007, 7:30 a.m. – Study Session

Monday, April 2, 2007, 3:00 p.m. – Community & Neighborhood Services Committee Meeting

Monday, April 2, 2007, TBA – Study Session

Monday, April 2, 2007, 5:45 p.m. – Regular Council Meeting

Mr. Brady announced the following retirement celebrations: Sheryl Currell, Tuesday, March 27, 2007, 1:00 p.m.; Chris Albright, March 29, 2007, 11:00 a.m.; and Gerry Fathauer, March 29, 2007, 3:00 p.m.

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Items from citizens present.

Lauren C. Barnett, 3200 East Camelback Road, #180, Phoenix, a representative of the Home Builders Association, expressed a series of concerns regarding Cultural impact fees. She commented that A.R.S. 9-463.05 states that impact fees must be used to fund necessary public services (i.e., water, wastewater and capital costs to construct fire stations) but should not, in her opinion, be used to fund Cultural amenities.

9. Adjournment.

Without objection, the Study Session adjourned at 9:35 a.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 Study Session of the City Council of Mesa, Arizona, held on the 22<sup>nd</sup> day of March 2007. 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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attachments (3)