

# COUNCIL MINUTES

March 22, 2001

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, 2001 at 7:30 a.m.

## COUNCIL PRESENT

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

## COUNCIL ABSENT

None

## OFFICERS PRESENT

Mike Hutchinson  
Barbara Jones

Development Services Manager Jack Friedline introduced Crystal Pearl, the newly appointed Building Safety Director, to the Council. Mr. Friedline advised that Ms. Pearl comes to Mesa with 16 years of experience in the building safety field and added that she will be a great addition to the City.

### 1. Discuss issues associated with the Williams Gateway Regional Economic Activity Area:

- a. Hear a presentation from representatives of Ernst and Young on existing office and industrial land supply and demand estimates in Mesa and the far East Valley.

Steve Klett, a representative of Ernst & Young, displayed graphics in the Council Chambers and provided a brief overview relative to this agenda item. Mr. Klett explained that Ernst & Young has conducted an office and industrial land supply and demand analysis of the City of Mesa and created a comparison of their results with a study prepared by Elliot Pollack & Company. Mr. Klett summarized the results of both studies relative to office land supply/demand; industrial land supply/demand; support retail land supply/demand, and office and industrial supply/demand in other East Valley cities. Mr. Klett noted that it is the estimation of Ernst & Young that approximately 11,632 acres are available in Mesa for office/industrial land development as compared to 23,500 acres cited in the Pollack study.

Mr. Klett outlined several significant conclusions of the Ernst & Young report including: Pollack significantly overstated the vacant developable land in the City of Mesa by including parcels already developed and parcels not suitable for development; Pollack overestimated the current supply of developable office and industrial land by almost 100% and also failed to account for infrastructure, sidewalks, landscaped entries and water retention by assuming every gross acre of land would include buildings; that the Williams Gateway Airport (WGA) is poised to be an employment center for the far East Valley serving Mesa; Pollack overestimated the supply and underestimated the demand for office

and industrial land over the next 20 to 30 years in Mesa, Gilbert, Apache Junction, Queen Creek and Western Pinal County; planned transportation and infrastructure developments will allow WGA to emerge as a regional employment and transportation center; the WGA area will become a major employment center; a strong office and industrial base will allow Mesa residents to have stable, higher paying jobs closer to home, and as residential growth encroaches on industrial areas and the WGA, such developments will have a negative impact upon employment growth in the region and airport expansion.

Economic Development Director Dick Mulligan spoke regarding the fact that Ernst & Young conferred with the City's Master Plan consultants to ensure that assumptions utilized in the study were consistent and accurate. Mr. Mulligan stressed the fact that Mesa has few remaining tracts of land which are large enough to accommodate prospective businesses locating to the Valley. Mr. Mulligan added that the Pollack study did not address the amount of acreage necessary to protect WGA from residential encroachment and also did not address where infrastructure has already been developed.

In response to a question from Councilmember Jaffa, Planning Director Frank Mizner explained that the Town of Gilbert has commissioned a consultant to conduct a Gilbert Gateway Plan which addresses the area west of Power Road adjacent to WGA, and that the Plan has a significant residential component. Councilmember Jaffa suggested that a joint Council meeting be scheduled between Mesa and the Town of Gilbert to more thoroughly discuss this matter.

Councilmember Jaffa stated the opinion that a residential component should be included within the industrial centers to enable employees to live near their place of employment.

Mayor Hawker emphasized that with increased residential development adjacent to WGA in Mesa, Gilbert, Queen Creek and Pinal County, it is imperative that employment centers be established.

Councilmember Jaffa stressed the importance of establishing a greater balance of residential and industrial development near WGA.

Councilmember Walters thanked Mr. Klett for his presentation and stated that Mesa must be cautious and avoid residential encroachment near WGA.

Vice Mayor Davidson commented that the Pollack study did not take into account the dramatic increase in residential growth in Pinal County and commented that the City must stop viewing WGA as Mesa's boundaries. Vice Mayor Davidson also discussed the importance of considering the increasing residential growth and demand that will emerge from the residential growth to the south and the east in Pinal County. Vice Mayor Davidson added that WGA will not only serve the residents of Mesa, but the entire region.

Mayor Hawker thanked Mr. Klett and Mr. Mulligan for their input.

- b. Hear an update on issues associated with Maricopa County Zoning Case #Z99-86 located at Mountain Road and Warner (east of General Motors).

Planning Director Frank Mizner addressed the Council relative to this agenda item and provided brief historical background regarding the matter. Mr. Mizner advised that in the spring of 2000, a group of property owners (between Mountain Road and Signal Butte) east of the General Motors Proving Grounds (GM) coordinated a proposal for Maricopa County to rezone property for urban-type residential uses. Mr. Mizner stated that the property is located in unincorporated Maricopa County, within Mesa's planning

area and surrounded by the City's strip annexation. Mr. Mizner commented that the City's current General Plan designates the area immediately to the east of GM for non-residential uses.

Mr. Mizner noted that in November 2000, the case went before the Maricopa County Planning Commission, along with correspondence from City staff and Mayor Hawker stating that Mesa utilities would not be provided to the area and also strongly urging denial of the case. Mr. Mizner stated that the Planning Commission voted unanimously to forward the matter to the Board of Supervisors. Mr. Mizner informed the Council that on December 1, 2000, the Board of Supervisors heard the case and agreed to a six-month continuance to give Mesa time to update an economic study (Ernst & Young) and to proceed with the City's General Plan for the area.

Mr. Mizner advised that the City's planning staff has met with the County planning staff to familiarize the parties on various issues. Mr. Mizner added that at this time, the County is not proceeding with a General Plan amendment or altering the basic planning structure of the area. Mr. Mizner said that the City is proceeding with its General Plan update and will unveil alternative land uses not only for this site but for the entire Mesa planning area.

Assistant to the Mayor Tony Malaj provided the Council with a brief update of this agenda item and reviewed the contents of a packet distributed to the Council including a Vicinity Map of Recent Maricopa County Subdivision Cases Adjacent to the GM Proving Grounds; a planned land use ownership map for southeast Mesa in the Regional Economic Activity Location (REAL) (See Attachment); a colored timetable utilized to track what steps the City has taken regarding this case, and a list of the area landowners.

Mayor Hawker provided additional background regarding the REAL timetable and advised that prior to the meeting with the Board of Supervisors in May 2001, staff will conduct a final Williams Gateway meeting on the zoning case, will discuss the Ernst & Young analysis presentation with the County, will meet with the surrounding landowners, will examine the City's bonding capacity, and will also meet with the Council to discuss future strategies.

Vice Mayor Davidson stated the opinion that it is crucial that the Council keep an open mind regarding this case and added that mixed use may be appropriate. Vice Mayor Davidson commented, however, that he is not in support of additional residential development in an area which is slated to become a significant player in Mesa's economic future.

Councilmember Jaffa thanked Mayor Hawker and Mr. Malaj for their presentation. Councilmember Jaffa informed City Manager Mike Hutchinson that he would like to participate in all future meetings and planning sessions regarding this issue. Councilmember Jaffa also suggested that staff request an assessment from the County regarding the City's efforts thus far regarding this zoning case.

Mayor Hawker requested staff to include Councilmember Jaffa's name on a mailing list for a schedule of all meetings relative to this issue.

Councilmember Jaffa spoke regarding a recent meeting he attended two to three months ago with officials from GM.

Vice Mayor Davidson spoke in appreciation of Mayor Hawker and staff's ongoing efforts to apprise the County of Mesa's preferences with regard to this case.

Councilmember Walters concurred with the comments of Vice Mayor Davidson and emphasized the fact that Mayor Hawker implemented steps to bridge the lines of communication between the County and the City in a meaningful and effective manner. Councilmember Walters also praised staff for the inclusion of the surrounding property owners in the negotiations.

Mayor Hawker thanked Maricopa County Supervisor Fulton Brock for his dedication, support and his unlimited accessibility to the City regarding this matter.

Councilmember Kavanaugh commented that the efforts of Mayor Hawker and staff demonstrate the fact that the City has conducted these proceedings in a fair and open manner.

- c. Discuss staffing needs to support the Williams Gateway Regional Economic Activity Area.

City Manager Mike Hutchinson announced that effective April 2, 2001, Neighborhood Services Manager Wayne Balmer will assume the position of Project Manager for the Williams Gateway Regional Economic Activity Area. Mr. Hutchinson explained that Mr. Balmer will be charged with coordinating new development projects between the City and Arizona State University-East, providing assistance to the Williams Gateway Airport Authority on projects involving new private sector development proposals and will also participate in upcoming rezoning and development requests within Maricopa and Pinal counties. Mr. Hutchinson advised that he will make an interim appointment to fill Mr. Balmer's current position.

The Council congratulated Mr. Balmer on his new appointment.

2. Discuss and consider recommending that the Utility Manager be directed to submit an application for up to 40 MW of electric capacity and associated energy from the Arizona Public Power Pool.

Vice Mayor Davidson declared a potential conflict of interest and refrained from discussion/participation in this agenda item.

Utilities Manager Dave Plumb addressed the Council regarding this agenda item and stated that the City of Mesa Utilities Department, Electric Division, has a variety of resources that it uses to provide energy to its customers within its service territory. Mr. Plumb explained that two of the City's current contracts have recently expired or are about to expire. Mr. Plumb indicated that the Electric Division issued a Request for Proposals (RFP) for replacement power and is currently in the process of evaluating those proposals. Mr. Plumb stated that the City is seeking approximately 5 to 10 million KW hours for the months of May through August and from a demand standpoint, in the vicinity of 38 MW of power. Mr. Plumb noted that the City will complete its negotiations next week and that if a satisfactory proposal is reached, the City will be required to make a commitment to the energy provider within 24 hours. Mr. Plumb advised that as a result of such a stipulation, it may be necessary for the City Manager to request that the Mayor call an emergency Council meeting if the Utilities Department receives a proposal which it deems worthwhile to present to the Council.

Mr. Plumb commented that aside from the City's RFP, the Salt River Project (SRP) has offered to all public power entities in Arizona the opportunity to join an Arizona Public Power Pool. Mr. Plumb advised that the Pool will make available, as of September 1, 2001, 100 MW of power at prices which are substantially lower than those received in response to the City's recently issued RFP. Mr. Plumb said that SRP will begin accepting applications at 9:00 a.m. on April 2, 2001. Mr. Plumb added that it is widely believed that the initial offering will be oversubscribed and said that while SRP reserves the right to

allocate the resource, the initial offering is being made on a first-come, first-served basis. Mr. Plumb noted that the Electric Division will need 25 to 40 MW, depending on the outcome of ongoing negotiations relating to the RFP, and stated that contracting with SRP may produce substantial savings for the City's electric customers.

Councilmember Whalen, who serves as Chairman of the Utility Committee, advised that the Committeemembers voted unanimously to forward this matter to the full Council.

It was moved by Councilmember Whalen, seconded by Councilmember Walters, that the Utility Manager be directed to submit an application for up to 40 MW of electric capacity and associated energy from the Arizona Public Power Pool.

In response to questions from Councilmember Pomeroy, Mr. Plumb clarified that there are adequate electric reserves in Arizona at the present time and that it is the intent of the Electric Division to contract for a sufficient supply of electric power to ward off the possibility of potential "blackouts."

Councilmember Pomeroy thanked Mr. Plumb for bringing this matter to the attention of the Council.

In response to a question from Councilmember Jaffa, Mr. Plumb explained that it would be inappropriate for the City to apply for the entire 100 MW of power due to the fact it would exclude the rest of the public power community from participating in the process. Mr. Plumb added that the requested amount will be more than sufficient to handle the needs of the City.

Upon tabulation of votes, it showed:

AYES - Hawker-Jaffa-Kavanaugh-Pomeroy-Walters-Whalen  
NAYS - None  
ABSTAIN - Davidson

Mayor Hawker declared the motion carried unanimously by those voting.

Mayor Hawker thanked Mr. Plumb for his presentation.

3. Discuss and consider the design, materials and revised wording for the Heritage Wall plaques.

Parks and Recreation Director Joe Holmwood and Museum Curator Keith Foster addressed the Council relative to this agenda item and advised that the design, materials and cost for the Heritage Wall plaques have been determined and also that text revisions have been made as a result of Council comments and staff recommendations. Mr. Holmwood displayed a professional mock-up of a typical plaque for Council review.

Councilmember Pomeroy commented that the original idea for the plaques was conceived by Karen and Ron Peters and that the final results are a culmination of the dedication and hard work of many Mesa residents. Councilmember Pomeroy added that the plaques will offer a great opportunity for the City's residents, students and visitors to learn about the history of the community.

It was moved by Councilmember Pomeroy, seconded by Councilmember Jaffa, that the design, materials and revised wording for the Heritage Wall plaques be approved.

Deputy City Manager Debra Dollar requested a revision to the wording on the plaque for 1990, (Fastest-Growing City) and advised that between 1980 and 1990, Mesa was the fastest growing city in the United States as opposed to "one of the fastest-growing cities."

Carried unanimously.

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

- a. Fire Committee meeting held March 7, 2001.
- b. Museum and Cultural Advisory Board meeting held January 24, 2001 and February 28, 2001.
- c. Utility Committee meeting held March 19, 2001.
- d. Judicial Advisory Board meeting held March 7, 2001

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

Carried unanimously.

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

Mayor Hawker advised the audience that the Mesa Chamber of Commerce is currently recruiting individuals for their Mesa Leadership, Training and Development (LTD) course. Mayor Hawker encouraged anyone who wishes to become involved in the community to participate in this worthwhile and educational program.

Councilmember Kavanaugh informed the Council that later this morning he will participate in the dedication of a sculptural seating area at the Dobson Ranch Library. Councilmember Kavanaugh noted that the public art project was created by artist Charles Hilton with participation from Mesa citizens.

Councilmember Jaffa reported on his recent attendance at neighborhood meetings regarding the Recker Road interchange.

Councilmember Walters stated that she attended a meeting with several neighborhood leaders who wish to establish a more effective relationship with the Council and want to discuss concerns regarding community policing.

6. Scheduling of meetings and general information.

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

Thursday, March 29, 2001, 7:30 a.m. – Study Session

Thursday, March 29, 2001, 9:00 a.m. – Police Committee

Monday, April 2, 2001, TBA – Study Session

Monday, April 2, 2001, 5:45 p.m. – Regular Council Meeting

Thursday, April 5, 2001, 7:30 a.m. – Study Session

Thursday, April, 12, 2001, 7:30 a.m. – Study Session

Thursday, April 12, 2001 – Transportation Committee (Immediately following the Study Session)

Tuesday, April 24, 2001 – Joint Meeting with Mesa School Board. (Time and place to be announced.)

Wednesday, May 2, 2001, 5:30 p.m. – Joint Dinner Meeting with SRP at the Mesa Country Club

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Adjournment.

Without objection, the Study Session adjourned at 9:00 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, 2001. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2001.

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BARBARA JONES, CITY CLERK

## Regional Economic Activity Location Timetable (REAL)

Nov-00	Dec-00	Jan – 01
Joint Master Planning SubCommittee	Williams Gateway Meeting with Hillwood Development Corporation	Meet with Fulton Brock Pending Consultant Report Strategy on release
Seek Absorption Analysis Consultant	Dec. 6 <sup>th</sup>	Mtg. Sen. Blanchard Mtg. Sen. Bowers
MAG-RASP Focus Study on WG Area	Joint Master Planning Committee Meeting Dec. 14 <sup>th</sup>	Mtg. Sen. McCain Staff Mtg. Federal Lobbyists Information Gathering for Absorption Analysis
Legal Research Initiation Infrastructure to Influence Area	Proceed with contract award for Absorption Analysis Ernst & Young Dec. 4 <sup>th</sup>	Mtg. Sup. Stapley Jan. 11
Williams Gateway Board Meeting Nov 16 <sup>th</sup>	Scope of work defined Ernst & Young Dec. 4 <sup>th</sup>	Mtg. Rep. Flake Jan. 19
Tracking County P/Z Board Activities Frank Mizner & Joy Rich-Mail+Phone	David Robson of General Motors Appointed to Vision 2025 Committee in Lieu of Jack Sellers	Focus Group Meeting
General Motors Meeting Detroit/Mesa Nov. 14 <sup>th</sup>	Meeting with East Valley Legis. Delegation Dec. 19 & 20 Williams Gateway Airport Authority Meeting Regional Economic Activity Area Dec. 11 <sup>th</sup>	Vision 2025-District 6 Work shop, Brimhall Jr. High
Meeting Don Stapley Nov. 15 <sup>th</sup>	Meet with Fulton Brock-Dec 19 <sup>th</sup> -3:00	Ernst & Young Draft to City for review
	Sandie Smith & Mayor Hawker Meet on REAA Issues	Alliance, Tx Site Visit County & City Elected Officials Jan. 25 & 26
Meeting with Supervisor Brock November 15 <sup>th</sup>	Mayor Hawker & Mayor Feldman-Kerr Meeting on Dec. 14 <sup>th</sup> Lunch Mayor Hawker & Mayor Dunham meeting on Dec. 18 <sup>th</sup> at 1:30	Mtg. With Sen. Petersen Jan. 31

Feb-01	Mar-01	Apr-01	May-01
Joint Master Planning Committee Meeting Mtg. Rep. Marilyn Jarrett Feb. 1 East Valley Mayor's + Don Stapley & Fulton Brock Mtg. Rep. Cooley Feb. 2 East Valley Partnership Meeting	East Valley Mayor's Meeting QC- Public Information Activities Acceleration of Infrastructure for Influence Area Dedication of Full Time Staff for REAA-Initiatives Mtg. Charlie Minshell GM-Master Planner Mar. 7 <sup>th</sup> Coordinate: Economic Sub-Cmt Land Use Sub-cmt, & property Owners at a Development Charrette with Fulton Brock & Keno Hawker	Focus Group Meeting Final Williams Gateway Meeting on Z99-86 Discussion Review Ernst & Young Analysis Presentation to County Meeting with Property Owners WGA-Terminal 4/5/01-3:30 p.m. Draft Revision on Consultant Report East Valley Mayor's Meeting with Fulton Brock & Don Stapley East Valley Mayor's + Sup's Staff-April 12 <sup>th</sup> -WGA Terminal	1 <sup>st</sup> County Board of Supervisors Meeting in May
	Retrieve County Information Landowners Map Mar. 16 <sup>th</sup> Mtg. Sen. McCain, Sen. Kyl March 12 <sup>th</sup> ; Rep. Pastor 13 <sup>th</sup>	City of Mesa Staff to Finalize the acceleration of Infrastructure timeline & funding for area	

\* Once the Absorption Analysis is completed, Keno to meet with Fulton Brock.

\* Strategize release of consultant report release with Fulton Brock