

COUNCIL MINUTES

September 2, 1999

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 September 2, 1999 at 7:30 a.m.

COUNCIL PRESENT

Mayor Wayne Brown
Jim Davidson
John Giles
Keno Hawker
Bill Jaffa
Dennis Kavanaugh
Pat Pomeroy

COUNCIL ABSENT

None

STAFF PRESENT

C.K. Luster
Shelly Allen
Wayne Balmer
Jamie Brennan
Candace Cannistraro
Tanya Collins
Dennis Compton
Linda Crocker
Jerry Dillahey
Jack Friedline
Geri Gerber
Joe Holmwood
Barbara Jones
Karen Kille
Dorinda Larsen
Greg Marek
Jeff Martin
Frank Mizner
Joe Padilla
Bill Petrie
David Plumb

STAFF PRESENT (CONT.)

Bryan Raines
Andrea Rasizer
Tom Remes
Regan Robbins
Jenny Sheppard
John Smoyer
Jan Strauss
Lois Underdah
Kim West
Debbie Yukolis
Mindy White
Others

OTHERS PRESENT

Barrett Marson
Jason Morris
Ralph Pew
Rick Pfanestiel
Mary Jo Whalen
Steven Wolff
Others

Vice Mayor Giles excused Mayor Brown and Councilman Jaffa from the beginning of the meeting. Councilmember Jaffa joined the meeting at 7:36 a.m. and Mayor Brown joined the meeting at 7:57 a.m.

1. Review items on the agenda for the September 7, 1999 Regular Council Meeting.

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

4. Consider the following contracts:

- a. Notebook Computers for the Police Department as requested by the Information Services Division.

Councilmember Pomeroy requested that staff provide a brief presentation on this agenda item at the September 7, 1999 Regular Council Meeting.

- b. Gas System Replacement at Conquistador Village – 2554 McKellips Road. City of Mesa Project No. 97-66.
- c. 1999-2000 Crack Seal Project, Phase 1, City of Mesa Project No. 00-06.

Councilmember Hawker indicated that he had potential conflicts of interest in connection with agenda items 4b and 4c which he wanted recorded in the minutes of the meeting and because of such conflicts, he would refrain from discussing and/or participating in any manner in connection with same.

- d. Robson and Fraser Substation Upgrades.

Councilmember Davidson indicated that he had a potential conflict of interest in connection with the matter currently under discussion which he wanted recorded in the minutes of the meeting and because of such conflict, he would refrain from discussing and/or participating in any manner in connection with same.

(Councilmember Jaffa joined the meeting at 7:36 a.m.)

- 5. Introduction of the following ordinances and setting September 21, 1999 as the date of the public hearing on these ordinances:
 - *a. **A98-5** – Annexing the property on the south side of east McDowell Road from north Waterbury Road east to north 90th Street.

Councilmember Jaffa commented that he will not vote in support of this case if the proposed lot sizes are less than 35,000 square feet. Councilmember Jaffa noted that the site is located in the center of the Desert Uplands area.

Community Development Manager Wayne Balmer advised that should the City of Mesa not annex the property as proposed, the parcel will be developed in accordance with County standards.

Councilmember Jaffa requested that he be provided additional information regarding the proposed annexation and the developer's options relative to sewer systems.

- 7. Consider the following ordinances:
 - *b. Relating to Public Health, Safety and Transportation; amending Section 10-1-1 and adding a new Section 10-1-18, to the Mesa City Code; and providing penalties for violations.

In response to a request from Councilmember Davidson, Vice Mayor Giles stated that this item will be removed from the consent agenda.

- 8. Consider the following case from the Design Review Board:
 - a. Appeal of the Design Review Board's case number DR99-65 for an Osco store at 415 South Signal Butte.

Vice Mayor Giles requested that City Attorney Neal Beets provide a brief overview of this agenda item at the upcoming Regular Council Meeting.

(Mayor Brown joined the meeting at 7:57 a.m.)

- c. Amending Section 11-17-6 pertaining to the parking or storage of recreational vehicles in parks and subdivisions and Section 8-6-3 pertaining to the storage of watercraft, utility trailers, camper shells, and truck campers on residential lots.

In response to a request from Councilmember Pomeroy, Community Development Manager Wayne Balmer provided a brief overview of the proposed ordinance. Mr. Balmer stated that staff will highlight a brief presentation on this agenda item at the September 7, 1999 Regular Council Meeting.

Councilmember Hawker commented on the fact that a significant number of residents have expended funds in order to comply with previous ordinances relating to this issue. Councilmember Hawker stated the opinion that residents should not be further penalized and required to spend additional monies to comply with revised regulations. Councilmember Hawker spoke in support of allowing such residents to be "exempt" from the proposed revisions to the ordinance. Councilmember Hawker also recommended that the Council consider allowing residents to obtain their neighbors' permission to continue to store their vehicles as they have in the past and said that the lack of neighbors' opposition would exempt the residents from the revised requirements.

Councilmember Jaffa concurred with Councilmember Hawker's remarks and added that he would prefer that the ordinance include a "grandfather provision."

Councilmember Davidson commented that although he supports the proposed ordinance, certain provisions require additional clarification.

Councilmember Kavanaugh stated that he supports the proposed ordinance and spoke in opposition to the addition of a "grandfather provision" and/or granting exemptions based on the lack of neighborhood opposition. Councilmember Kavanaugh noted that neighbors change, often frequently, and said that problems will occur if the Council does not adopt specific, consistent requirements that must be met in order to address the appearance of our neighborhoods.

9. Consider the following cases from the Planning and Zoning Board and possible adoption of the corresponding ordinances:
 - a. **Z99-50** The 1200 to 300 blocks of North 72nd Street (west side). Rezone from R1-35 to R1-15-PAD.

In response to a question from Councilmember Pomeroy, Mr. Balmer advised that staff's recommendation remains that the case be denied.

2. Hear and consider report from AMS Planning and Research regarding the Arts and Entertainment Center operating plan.

Assistant City Manager Mike Hutchinson introduced Steven Wolff, representing AMS Planning & Research Corporation (AMS) to the members of the Council. Mr. Hutchinson stated that Mr. Wolff will provide a brief overview of a Mesa Arts and Entertainment Center operating plan, which has been prepared by AMS, and will then respond to questions from the Council.

Mr. Wolff commented that in January 1999, the City of Mesa executed a professional service agreement with AMS to study and provide recommendations relative to determining the most efficient and effective management model for the planned Mesa Arts and Entertainment Center.

Discussion ensued relative to the fact that AMS conducted over 85 interviews, hosted a series of presentations and prepared informational analyses; evaluation criteria, the recommended structure of the Arts and Entertainment Center, (i.e. should be operated as a unit of the City of Mesa), and the consultant's recommendation that the City encourage the development of a new community-based, not-for-profit "presenter" to provide professional performing arts programming for the Center.

Mr. Wolff presented a brief overview of the two City-based governance models that were explored (1) a new division within the Community Services Department; and (2) a new department reporting directly to the City Manager. Mr. Wolff recommended that all arts and cultural functions be consolidated within the new division and highlighted a proposed organizational chart and division staffing plan.

Additional discussion ensued relative to a financial forecast based on a series of assumptions and base-year expenses, revenue sources, staffing requirements, proposed job descriptions for the new Arts and Culture Division Director and other key professional positions, a recommendation to restructure the existing Museum and Cultural Advisory Board into a Council appointed Arts and Culture Advisory Board, the fact that the "base" year is anticipated to be the third year of the Center's operation, and a proposed budget breakdown for the base year of operations.

Mr. Wolff responded to questions from Councilmember Hawker relative to the development of the evaluation criteria and the importance of generating on-going private revenues to support and maintain the project.

Assistant to the City Manager Bryan Raines discussed current and future operational costs of the Mesa Art Center and stated that the City will continue to fund the Center. Mr. Raines added that any costs above and beyond the current funding levels will be funded by the Quality of Life tax revenues.

Councilmember Jaffa commented on the fact that the consultant's report contains a recommendation that the not-for-profit promoter be someone other than a City employee and stated that he would prefer to explore this recommendation further. Councilmember Jaffa noted that the Quality of Life tax will expire in the future and stressed the importance of working towards a private partnership. Councilmember Jaffa added that endowments should be explored as soon as possible.

Councilmember Kavanaugh stated that he appreciates the work that the consultants have expended and added that he supports the recommendations.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Davidson, that the recommendations relative to the Arts and Entertainment Center's operating plan be approved as presented.

Mayor Brown concurred with Councilmember Kavanaugh's remarks and commented on the complexity of this issue.

Councilmember Hawker stated that although he posed a variety of financial questions, he supports the recommendations contained in the report.

Carried unanimously.

3. Consider authorization for unmarked vehicles for the Police Department.

City Manager Charles Luster advised that State law requires Council authorization for unmarked Police Department vehicles on an annual basis.

It was moved by Vice Mayor Giles, seconded by Councilmember Kavanaugh, that the recommendations of staff be approved.

Carried unanimously.

4. Further discussion and consideration concerning the redevelopment of the former Bank-One Building.

Redevelopment Director Greg Marek and Ralph Pew, an attorney representing the Voit Development Company (Voit), addressed the Council relative to this agenda item.

Community Development Manager Wayne Balmer commented that in August an amended agreement was signed between the City of Mesa and Voit regarding the redevelopment of the former Bank-One Building. Mr. Balmer noted that one of the items contained in the revised agreement was a stipulation requiring the development of retail and/or restaurant facilities on the main floor of the building. Mr. Balmer stated that Voit has thirty (30) days to sign the agreement, which will expire on September 8, 1999. Mr. Balmer discussed a recent newspaper article which discussed Voit's concerns regarding the main floor stipulation. Mr. Balmer distributed a copy of a letter from Wells Fargo Bank advising that the Bank has decided not to finance the project as it is currently described in the City's Redevelopment Agreement. Mr. Balmer requested Council direction relative to this matter.

Mayor Brown stated the opinion that Voit has continually raised issues that have resulted in extensive postponements and delays, including Voit's position that unless the City of Mesa developed a parking garage behind the building, the project would not proceed. Mayor Brown noted that the Council finally issued an ultimatum to the developer and stated the opinion that unless Voit signs the revised agreement by the September 8, 1999 expiration date, and agrees to retail and/or restaurant facilities on the first floor of the building, the project should be rebid.

Councilmember Kavanaugh concurred with the Mayor's remarks and emphasized that the developer has been aware of the City's position regarding the development of retail and/or restaurant facilities on the main floor of the building from the onset of discussions.

Councilmember Hawker stated that he is unwilling to compromise on the proposed stipulations contained in the revised agreement.

In response to a question from Councilmember Davidson, Mr. Marek reported that the Downtown Development Committee (DDC) also supports the development of retail and/or restaurant facilities on the main floor of the former Bank-One Building.

Councilmember Davidson said that he concurs with Mayor Brown's remarks.

Councilmember Jaffa also agreed with the Mayor's comments and said that he is willing to entertain additional suggestions from other bidders for this site should the agreement not be executed by the September 8th deadline.

Councilmember Pomeroy advised that he strongly supports Voit's plans for the redevelopment of the building and expressed concerns that the project will not be developed if the Council continues to require retail and/or restaurant facilities on the main floor. Councilmember Pomeroy added that although he will support the majority of the Council on this issue, he is not certain that this is the appropriate manner in which to proceed.

Vice Mayor Giles commented that he has never supported the development of the parking garage and said that Council should remain firm in their decision. Vice Mayor Giles commented that although he would prefer that Voit continue with the project, he is willing to rebid and begin once again should the agreement not be signed.

Mr. Pew informed the Council that he will relay their comments to Mr. Voit and Mr. Kirchner. Mr. Pew reported that Wells Fargo Bank declined financing based on their determination that no proven successful retail history on the main floor of similar projects exists in Mesa. Mr. Pew said that although his clients would prefer the establishment of retail and/or restaurant on the main floor, adequate financing cannot be obtained if this stipulation remains in the agreement.

Mr. Pew requested that the Council consider allowing his clients to aggressively market the space and provide the Council with a quarterly status report regarding their efforts.

Discussion ensued relative to the fact that successful main floor retail establishments do exist in Mesa and Mr. Pew's comments regarding the fact that the project cannot be developed without a financial commitment from the bank.

Mayor Brown thanked Mr. Pew for his attendance and comments and requested that he inform his clients of the Council's decision on this matter.

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

Mayor Brown stated that there were no reports on meetings and/or conferences to report on at this time.

6. Scheduling of meetings and general information.

City Manager Charles Luster advised that the meeting schedule is as follows:

Tuesday, September 7, 1999, 7:30 a.m. – Fire Committee Meeting

Mr. Luster advised that the Thursday, September 9, 1999 Council Study Session has been canceled.

Mr. Luster also stated that in response to the fact that a number of Councilmembers have indicated that their schedule conflicts with the proposed October 4, 1999 Regular Council Meeting, that meeting has been changed to Wednesday, October 6, 1999 at 5:45 p.m.

7. Prescheduled public opinion appearances. (Maximum of three speakers for three minutes per speaker).

Mayor Brown stated that there were no prescheduled public opinion appearances.

8. Items from citizens present. (Maximum of three speakers for three minutes per speaker).

Mayor Brown stated that there were no items from citizens present.

9. Adjournment.

Without objection, the Study Session adjourned at 9:02 a.m.

WAYNE BROWN, MAYOR

ATTEST:

BARBARA JONES, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 2nd day of September, 1999. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 1999

BARBARA JONES, CITY CLERK