

COUNCIL MINUTES

January 15, 2004

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 15, 2004 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Janie Thom
Claudia Walters

COUNCIL ABSENT

Dennis Kavanaugh
Mike Whalen

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

(Mayor Hawker excused Vice Mayor Kavanaugh and Councilmember Whalen from the entire meeting.)

1. Review items on the agenda for the January 20, 2004 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflicts of interest declared: 5g (Hawker)

The following items were placed on the consent agenda: None

The following items were removed from the consent agenda: None

2. Discuss and consider a Legislative update.

Assistant to the City Manager Jim Huling and Council Assistant Saul Larsen provided the Council with an update concerning several issues being considered by the Legislature and the potential impact of each on the City of Mesa. Mr. Huling reported that the session convened on Monday, January 12, 2004 and that for the fourth consecutive year, the Legislature is facing a significant budget shortfall of \$300 to \$600 million.

Mr. Huling discussed State Shared Revenues and advised that in 2002, Arizona cities and towns agreed to a temporary reduction (from 15% to 14.8%) in their allotment of State income tax revenue sharing (a \$1.45 million loss to Mesa during that period of time). He advised that the rate is scheduled to return to 15% this year, although some legislators may be inclined to

lower it to 14.8% to assist in balancing the State's budget. Mr. Huling added that it is staff's recommendation that the Council continue to oppose legislation that would cut State shared revenue.

Mayor Hawker stated that the Council concurred with staff's recommendation.

Mr. Huling updated the Council on the proposed legislation by the Williams Gateway Airport Authority to amend the Joint Powers Airport Authority statute. He explained that the bill, which is primarily technical in nature and updates various financing provisions, would not make any changes to current law relating to the admission, withdrawal or relationship among members of a Joint Powers Airport Authority. Mr. Huling stated that it is staff's recommendation that the Council support legislation to amend the Joint Powers Airport Authority statute.

Mayor Hawker advised that the Council concurred with staff's recommendation.

Mr. Huling reported that the Arizona Citizens for Tax Reform Committee has proposed to cap local sales tax rates and require any increases beyond the cap to go to a vote of the people. He explained that Governor Napolitano has also appointed the Arizona Citizen Finance Review Committee to develop recommendations for her regarding long-term strategies to stimulate the State's economy. Mr. Huling noted that the Governor has decided not to pursue any tax changes for 2004. He added that it is staff's recommendation that the recommendations of both groups be monitored, as well as subsequent legislation that may arise.

Mayor Hawker stated that the Council concurred with staff's recommendation.

Mr. Larsen addressed the Council on the Statewide Smoking Ban and provided a brief overview of the major components of the draft legislation. He noted that Mesa's smoking ordinance is more detailed and specific, while the State bill in its original form is very general. Mr. Larsen also stated that the proposed legislation allows cities to adopt more restrictive, but not less restrictive, regulations.

Mr. Huling advised that staff is seeking Council input regarding this issue and commented that if the bill became draft legislation, it would impact Mesa's existing ordinance, wherein those portions of the ordinance that are broader than the State's bill would no longer be effective.

Discussion ensued relative to the City Attorney's Office conducting research to determine if the State bill was adopted, whether various restrictions (i.e. common areas, hardship exemptions) in the City's smoking ordinance would remain in effect.

Councilmembers Jones and Walters expressed support for a statewide smoking ban.

Councilmember Thom voiced opposition to the legislation and stated that it is not the role of government to tell businesses where and when their patrons can smoke. She added that she is not supportive of the City of Mesa weighing in on the issue.

Councilmember Griswold indicated that as a member of the Arizona Restaurant Association, he and his fellow board members have yet to reach consensus whether a statewide smoking ban would be appropriate. He commented that the City of Mesa's ordinance is one of the better

models and suggested that staff limit their involvement to monitoring the status of the draft legislation.

Mayor Hawker concurred with Councilmember Griswold's comments. He stated that Mesa's ordinance is working effectively and he would be disinclined to modify it at this time.

Mr. Huling reported that since 1997, the State Aviation Fund has lost funding through legislative action and noted that Arizona airports, including Falcon Field and Williams Gateway Airport, have been subjected to the deferral of grant reimbursement payments. He stated that staff is recommending that the issue be monitored to ensure that the funding remains intact.

Mayor Hawker stated that the Council concurred with staff's recommendation.

Mr. Larsen reported that the Heritage Fund, which provides grants for historic preservation, parks and trails, has provided Mesa with over \$1.7 million in grants since 1992. He urged the Council to oppose any efforts to "raid" the Heritage Fund.

Mayor Hawker stated that the Council concurred with staff's recommendation.

Mr. Huling discussed the Transportation Sales Tax Election and provided an overview of House Bill 2456 and Senate Bill 1074. He reported that the half-cent transportation sales tax would expire in December 2005 and that the Maricopa Association of Government's (MAG) Transportation Policy Committee has developed a comprehensive 20-year Regional Transportation Plan to address future transportation needs for Maricopa County. Mr. Huling noted that both bills call for a May 18, 2004 election.

Discussion ensued relative to the major elements of the Plan (freeways, 56%; transit, 33%; arterial streets; 10%); the manner in which the funding would be distributed throughout the region; the accountability factor built into the Plan, including independent performance audits of regional transportation projects by the Auditor General's Office; the review process for major amendment recommendations to the Plan; the appointment of a business representative to the Transportation Policy Committee; and the reimbursement of costs incurred by utilities for the relocation of utility facilities directly resulting from the construction/operation of the light rail project.

Mr. Huling advised that in addition to HB 2456 and SB 1074, there are two other House bills that have been introduced: one calling for a bifurcated vote in November with the light rail issue voted on as a separate item; and one that would require the light rail element to be eliminated from the Plan. He stated that it is the recommendation of staff that the Council support the half-cent sales tax extension legislation (HB 2456 and SB 1074), subject to final review, and to oppose any attempts to modify the prior agreements made during the Transportation Policy Committee process.

Mayor Hawker expressed appreciation to Mr. Huling for his efforts and hard work as a participant on a drafting/negotiating committee to develop appropriate legislation. He stated that the Plan will benefit the City and he looks forward to Mesa residents having the opportunity to vote on this important issue.

Councilmember Thom stated that she would prefer that staff support the bills of the other legislators and commented that it is important for County and State voters to decide the question of light rail. She also noted that Phoenix had light rail in the past (trolley cars) and requested that staff provide the Council with Phoenix's performance figures regarding that issue.

It was moved by Mayor Hawker, seconded by Councilmember Walters, that the recommendation of staff that the Council support the half-cent sales tax extension legislation (HB 2456 and SB 1074), subject to final review, and oppose any attempts to modify the prior agreements made during the Transportation Policy Committee process, be approved.

Councilmember Walters commended Mayor Hawker, as a member of the MAG Transportation Policy Committee, for ensuring that Mesa will obtain its fair share of the funding as a result of the half-cent sales tax extension.

Councilmember Griswold advised that he would hesitantly support the motion because it is crucial that a regional transportation system be implemented.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Walters
NAYS - Thom
ABSENT - Kavanaugh-Whalen

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

3. Hear a presentation on the Housing Master Plan.

Community Revitalization Director Kit Kelly, Hershel Lipow, a consultant team member, and Linda Flick, a member of the Community Housing Task Force (CHTF), addressed the Council relative to this agenda item. Ms. Kelly expressed appreciation to the members of the CHTF, staff and representatives from the U.S. Department of Housing and Urban Development (HUD) for their efforts and hard work relative to the creation of the draft Housing Master Plan Report. She also acknowledged the presence in the audience of Teresa Brice-Heames, a member of the CHTF.

Ms. Kelly referred to graphics in the Council Chambers and provided a brief overview of the purpose, scope and background of the Housing Master Plan for the City of Mesa. She reported that Mesa's General Plan, which was approved by voters in November 2002, included a housing element that prescribed the creation of a Housing Master Plan based on current data. Ms. Kelly explained that in January 2003, the CHTF began a process to create a Housing Master Plan for Mesa; that the CHTF was composed of representatives from the community and also included housing professionals who could offer insight into a dynamic and thoughtful planning process; that it met monthly to develop a vision for Mesa's housing, learn about community needs, ascertain tools for the development of new housing and to improve the City's existing housing stock, and set measurable goals through 2025. She added that of major importance to the CHTF was the necessity to balance infill, revitalization and affordable housing needs with the overall economic development goals for Mesa.

Ms. Kelly outlined the CHTF's target housing goals for Mesa as follows:

- Increase housing production to meet the projected population growth for all income groups.
- Reduce the housing gaps in the upper and lower-income levels by 50%.
- Replace at least 50% of mobile homes aged 25 years and older.
- Determine and reduce the number of homes in substandard or deteriorated condition by at least 50%.

Mr. Lipow praised Mayor Hawker and the Council for their leadership and insightfulness in appointing the CHTF to begin the arduous process of creating a Housing Master Plan for the City. He stated that the Plan is a balanced report that provides direction and expresses a vision for the community with regard to bringing jobs and economic opportunity to Mesa by improving not only the housing opportunities, but also the quality of life for current and future residents.

Ms. Flick expressed appreciation to the Council for being afforded the opportunity to serve as a member of the CHTF.

Discussion ensued relative to the fact that the CHTF reached a consensus to create a Housing Board (appointed by the Council), consisting of a balanced representation of housing interests, to implement the Housing Master Plan; that the CHTF would encourage the Council to become involved in the development of a Regional Housing Plan, particularly focusing on the areas of affordable housing and creating more of a housing balance in the East Valley; that as part of the Housing Master Plan data, maps were created to demonstrate indicators of housing stress in Mesa and that the 2000 Census data was outdated, thereby making some of the maps inaccurate; that one of the goals of the Plan was to create a housing data system; and that the cost of the study was an estimated \$125,000 (\$25,000 contributed by the City and \$100,000 contributed by the Federal government).

In response to a question from Councilmember Griswold, Ms. Kelly clarified that the Housing Master Plan is intended to provide guidance and direction for policies that will affect residential development in Mesa through 2025.

In response to a question from Councilmember Thom relative to the target housing goal to replace at least 50% of the mobile homes aged 25 years and older, Ms. Kelly explained that at the present time, staff has not identified a program for the removal or replacement of the aged mobile homes. She stated that the reason the "25 years and older" number was selected was because in 1979, there were new standards instituted for the development of mobile homes. She noted that if there were a Housing Body formed, staff could forward recommendations to them regarding a possible replacement program which would ultimately be forwarded on to the Council for consideration.

Mayor Hawker expressed a series of concerns regarding the Housing Master Plan Draft Report. He commented, among other things, that the document has included an opportunity for him to express his views in a "Message from the Mayor," but questioned whether he should proceed with his message because he does not agree with all of the CHTF's target housing goals; that there is a modified date (per data obtained by MAG) of 2037 to increase housing production to meet the projected population growth for all income groups as opposed to 2025 (which is reflected in the report); that he is in disagreement with the housing goal to reduce the housing

gaps in the upper and lower-income levels by 50%; that he would encourage the City to maintain its current housing stock from deterioration; and that he is opposed to a higher concentration of lower and affordable housing in Mesa to reduce the perceived “gaps” and suggested that the surrounding communities address this issue and build similar types of housing.

Councilmember Walters stated that the creation of the Housing Master Plan has become an extremely important project for the City. She commented that in terms of a regional approach, the Plan is a tool which can be shown to surrounding communities to illustrate the fact that Mesa has “done its share” with regard to the issue of providing low-income housing and that it is now time for those communities to “step up” and do the same. Councilmember Walters noted that housing issues of concern to her which must be addressed include families with annual incomes in the \$40,000-\$50,000 range, the areas of the community with an aging population, and Mesa’s older housing stock. She also expressed concerns regarding the issue of mobile home replacement and noted that past attempts by the City to remove aging mobile homes has resulted in lawsuits. Councilmember Walters voiced support for Mayor Hawker expressing whatever views he may have concerning the Housing Master Plan in the “Message from the Mayor.”

Councilmember Griswold commented that not only would an increase in the percentage of high-end housing be a boost for Mesa, it could also possibly bring businesses to the City that are owned/operated by those individuals seeking that type of housing. He also concurred with Councilmember Walters’ comments regarding Mayor Hawker expressing his views in the “Message from the Mayor” section of the report.

Councilmember Jones concurred with his fellow Councilmembers that while it is necessary to ensure that the low-end housing stock in Mesa is upgraded and maintained, it is also important to place greater emphasis on high-end housing as well. He stated that hopefully, this would result in more economic development opportunities for the City. Councilmember Jones also voiced concerns regarding the proliferation of halfway houses in areas of affordable housing and the negative impact on the surrounding residents.

Mayor Hawker expressed appreciation to the members of the CHTF, representatives from HUD and City staff for their efforts and hard work in the creation of an outstanding and comprehensive document. He added that he looks forward to further Council discussions to determine the next step in the process to accomplish the goals that have been targeted by the task force.

4. Appointments to boards and committees.

Mayor Hawker recommended the following appointments to Boards and Committees:

MESA 2025: FINANCING FOR THE FUTURE AD HOC COMMITTEE

Councilmember Kyle Jones

Vice Mayor Dennis Kavanaugh

Councilmember Rex Griswold

Kirk Adams

Jill Benza

Rosa Cantor

Pat Esparza

Don Grant

Greg Holtz

Aaron Huber

Eric Jackson

Mark Killian

Robert M. McNichols

Scott Rhodes

Patricia Schroeder

Robin White

Keno Hawker Ex-Officio (non-voting) Member

It was moved by Councilmember Jones, seconded by Councilmember Walters, that the Council concur with the Mayor's recommendations and the appointments be confirmed.

Mayor Hawker declared the motion carried unanimously by those present.

5. Acknowledge receipt of minutes of boards and committees.

- a. Ad Hoc Committee to Study Police Oversight meeting held December 2, 2003.
- b. Economic Development Advisory Board meeting held December 9, 2003.
- c. Historic Preservation Committee meeting held December 11, 2003.

It was moved by Councilmember Walters, seconded by Councilmember Jones, that receipt of the above-listed minutes be acknowledged.

Mayor Hawker declared the motion carried unanimously by those present.

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

The following members of the Council provided brief updates on various meetings/conferences they attended as follows:

Councilmember Griswold	Meeting with U.S. Representative Jeff Flake; Arizona Supreme Court Meeting
Councilmember Walters	Mesa Grande Meeting
Councilmember Thom	Arizona Supreme Court Meeting; Opening Session of the Arizona State Legislature

7. Scheduling of meetings and general information.

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

Thursday, January 15, 2004, 9:30 a.m. – Escobedo Apartment Council Tour Cancelled

Tuesday, January 20, 2004, TBA – Study Session

Tuesday, January 20, 2004, 5:45 p.m. – Regular Council Meeting

Thursday, January 22, 2004, 7:30 a.m. – Study Session

Thursday, January 22, 2004, 9:30 a.m. – General Development Committee Meeting

8. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

9. Items from citizens present.

There were no items from citizens present.

10. Adjournment.

Without objection, the Study Session adjourned at 9:43 a.m.

KENO HAWKER, 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 15th day of January 2004. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

pag