

COUNCIL MINUTES

March 8, 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 8, 2007 at 7:32 a.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Barbara Jones

(Councilmember Whalen arrived at the meeting at 7:36 a.m.)

1. Hear a presentation and discuss the Urban Land Institute's report on the Williams Gateway Area.

Roc Arnett, President of the East Valley Partnership, displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and provided a brief overview of the Urban Land Institute's (ULI) "Advisory Services Panel Report" on the Williams Gateway area. He reported that the panel projected a need in the area (over a 25-year planning horizon) for 1,575 acres of industrial land, 400 acres of office space, 500 acres of retail space, 5,200 hotel rooms, and seven golf courses. Mr. Arnett stated that the panel also estimated that the future population of the area could reach 165,000 and that over 68,000 students would attend local institutes of higher learning.

Mr. Arnett highlighted the panel's vision for potential development strategies in the Williams Gateway area including industrial facilities, a passenger terminal, a cargo facility, education facilities, mixed-use development, golf courses and a resort. He explained that the panel further recommended that consideration be given to establishing a rail connection from the Union Pacific rail line to serve Williams Gateway Airport's cargo facility.

Discussion ensued relative to a series of "high-value" occupations that would be attractive to the area such as medical/professional, executive/managerial, academic/research, aviation and high-tech manufacturing; the fact that the panel cautioned an over reliance on biotech and bio-design jobs; that the panel recommended that the General Motors (GM) Proving Ground property be "aggressively marketed" to its fullest potential; and that funding is available (via Proposition 400) for east-west and north-south transportation corridors in the Williams Gateway area.

Mr. Arnett further spoke regarding a consolidated infrastructure plan for the Williams Gateway area, which would address the alignment of future water, sewer, fiber optics and electric service, communication and transportation services, and potential challenges to fund the implementation of such infrastructure. He suggested that possible mechanisms for financing these services might include a Community Facilities District (CFD), tax incremental financing or a tax overlay.

Further discussion ensued relative to various objectives established by the panel; and potential financing mechanisms that would allow "growth to pay for itself."

Mayor Hawker thanked Mr. Arnett for the presentation.

2. Hear a presentation, discuss and provide direction on the Williams Gateway Strategic Development Plan.

- a. Study Overview
- b. Municipal Planning Area Expansion

Interim Project Manager for the Williams Gateway AREA Scott Butler and Deputy Transportation Director of Planning/Transit Mike James addressed the Council relative to this agenda item.

Mr. Butler displayed a PowerPoint presentation (the presentation is available for review in the City Clerk's Office) and reported that one of the most daunting tasks Mesa must confront is the stewardship of Williams Gateway Airport (WGA) and the surrounding area. He explained that it is important for staff to consider the manner in which the airport's basic infrastructure is developed, determine appropriate economic models to facilitate its growth, and foster a working relationship with the surrounding property owners. Mr. Butler stated that in this regard, staff has begun the process of creating the "Williams Gateway Strategic Development Plan."

Mr. Butler commented that the Plan area consists not only of the Williams Gateway project area, but also Mesa's Transportation Planning Study Area (See Attachment 1.). He noted that a critical component to the success of the Plan is stakeholder involvement and coordination with neighboring jurisdictions. Mr. Butler also recommended that various Advisory Committees be established and that the Council receives frequent updates regarding this process.

Mr. Butler provided an extensive review of the goals of the following Plan elements:

Economic Development

- Ten year market analysis to identify development trends/market support.
- Provide "starting point" for study's land use analysis and other plan elements.

Land Use

- Create and preserve the East Valley's economic hub.
- Integrate a new urban center.
- Preserve flight corridors for all activities.
- Guide development of unincorporated land.
- Establish a mix of uses and create a unique urban form and sense of place.

Community Facilities

- Determine the need for and general location of Police, Fire, Parks, Schools and utility infrastructure facilities.

Mr. James highlighted the goals of the following Plan elements:

Transportation

- Address all modes of transportation in order to establish a long-range, sustainable system.
- Various focus areas will demand different transportation strategies.
- Efficiently move people within the area and provide regional travel and airport access.
- Minimize infrastructure costs through the coordination with land use and complement economic development strategies.

Funding and Implementation

- The Request for Proposals (RFP) is being structured to focus on a consultant that brings experience in innovative funding and implementation planning.
- Staff would evaluate alternatives to implement the strategic objectives and recommend an Implementation Plan.
- Staff would work closely with the Council in this regard.

Discussion ensued relative to the fact that the Plan would incorporate data obtained from previous Williams Gateway area studies (i.e., ULI's "Advisory Services Panel Report," the Morrison Institute's analysis with regard to Superstition Vistas, and various Maricopa Association of Governments (MAG) population estimates); that in order to achieve the Transportation elements of the Plan, staff must define, among other things, the existing conditions in the area, verify the recommendations from previous studies and evaluate land use alternatives; and that staff would also initiate "mini-studies" designed to address urban center mobility, freeway corridors and an express corridor (North/South corridor).

Mr. Butler indicated that it is staff's recommendation that Mesa expand its Municipal Planning Area to Pinal County (as part of the Williams Gateway Strategic Development Plan) in order to protect existing flight corridors as Superstition Vistas begins to develop (See Attachment 2.). He explained that the proposed 10.57 square mile expansion area is bounded by Ray Road to the north, Germann Road to the south, Meridian Road to the west, and the Central Arizona Project (CAP) canal to the east.

Mr. Butler stated that major airport employers and tenants have stressed the importance of protecting the corridors for flight operations/training and also commented that Boeing has expressed concern that residential encroachment into helicopter flight corridors could disrupt its flight operations and lead to the company's relocation from Mesa. He added that a Municipal Planning Area is a non-binding term (derived by MAG) and said it would not obligate the City to take any future action.

Mayor Hawker said that although he supports the expansion of Mesa's Municipal Planning Area, he is reluctant to extend the area beyond Meridian Road into Pinal County. He commented that the area surrounding Williams Gateway is far too important to jeopardize its development and noted that until the passage of State Trust land reform (which would allow for master planning and cooperative efforts between various State agencies), it is imperative that Mesa continues to be "a player" in protecting the area.

Councilmember Griswold concurred with Mayor Hawker's comments. He remarked that currently, Pinal County has the ability to issue a permit for the construction of a 15-story apartment complex at Mesa's exit or entrance route into WGA and said that the City would have "no say" concerning the project. Councilmember Griswold also suggested that staff meet with military officials in Tucson to address their airspace needs.

Councilmember Somers commented that it might be appropriate for Mesa and Apache Junction to "cooperatively plan" the property included in the expanded Municipal Planning Area. He added that because there are many "partners" involved in the Strategic Development Plan, perhaps the Council could serve as the "common link" in the process.

Vice Mayor Walters stated the opinion that Mesa would be "derelict in its duties" to not address an expanded Municipal Planning Area. She explained that although Council approval of staff's recommendation would protect the City's future rights and ensure a flight corridor, it does not necessarily mean that Mesa would annex into that area. Vice Mayor Walters also suggested that the Federal Aviation Administration (FAA) participate in discussions with the City and airport employers regarding the protection of flight corridors around Williams Gateway.

Councilmember Whalen said that if the property situated in the expanded Municipal Planning Area is State Trust land, then hypothetically, the Council "has fired a preemptive shot" if it adopts staff's recommendation. He questioned what would prevent Apache Junction from immediately starting annexation proceedings in the area.

Responding to Councilmember Whalen's inquiry, Mr. Butler clarified that Apache Junction's planning area extends to Ray Road and said that staff did not want to encroach upon that community to the north. He added that the State Land Department would make the ultimate decision with regard to which municipality it would choose to annex into.

Further discussion ensued relative to the fact that if Apache Junction objected to Mesa's proposal to expand its Municipal Planning Area, such expansion would not be reflected in MAG's "Municipal Planning Area" map; and that the expansion of a community's Municipal Planning Area has been a precursor to annexation throughout the Valley.

Councilmember Griswold said that his biggest concern with regard to the area in question is "uncontrolled sprawl" and stressed the importance of maintaining reasonable growth along the corridor that would not negatively impact Mesa or Apache Junction.

Councilmember Somers commented that he does not believe there is a commitment on the part of the Council to annex the expanded Municipal Planning Area. He said, however, that Council approval of staff's recommendation is "a measured and prudent step" toward preventing future planning problems in the area.

City Manager Christopher Brady reiterated Mr. Butler's previous comments that Mesa is attempting to expand its Municipal Planning Area in order to protect the flight corridors

surrounding Williams Gateway Airport. He assured the Council that there would be many opportunities to discuss which community would ultimately annex the land in question.

Councilmember Rawles expressed concern that the City would be unable to enforce any planning decisions it made with regard to the expanded Municipal Planning Area unless it annexed the land. He questioned whether there was an alternative mechanism available by which the City could convey its concerns with regard to protecting the flight corridors and preserving this area, but not move toward "the precursor of annexation."

Additional discussion ensued relative to the fact that there is currently residential development east of Meridian Road at Pecos Road and that it is necessary for staff to define "that swath of land that is not State land."

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, that staff be directed to move forward with the Study Overview of the Williams Gateway Strategic Development Plan and the expansion of Mesa's Municipal Planning Area, and also to work on "other avenues" to address the area in Pinal County.

Upon tabulation of votes, it showed:

AYES - Hawker-Griswold-Jones-Somers-Walters-Whalen
NAYS - Rawles

Mayor Hawker declared the motion carried by majority vote.

Mayor Hawker thanked staff for the presentation.

3. Hear a presentation, discuss and provide direction on future capital needs and potential funding sources.

Deputy City Manager Bryan Raines reported that this item is an update of staff's presentation at the February 22, 2007 Study Session with regard to funding capital needs for Streets, Fire and Public Safety from FY 2008 to FY 2012.

Police Chief George Gascon displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and offered an extensive overview of various Public Safety capital needs. He reported that the Public Safety communications infrastructure needs total \$27,121,000 and include items such as a 700 MHz Trunked data/radio system, 800 MHz building treatment and Communications Network Lifecycle Planning. Chief Gascon also explained that a Helicopter Lifecycle Program would replace two Police aircraft (in FY 2007/08 and FY 2010/11), at a cost of \$4,300,000. He noted that staff would explore the creation of a Hybrid Aviation Unit (which would place greater emphasis on fixed-wing aircraft) and pursue regional agreements with the surrounding communities to share in the cost of such aircraft. Chief Gascon also spoke regarding a number of Public Safety Facility improvements, which total \$3,556,000.

Chief Gascon highlighted a series of Police projects (at a cost of \$34,613,000) that would be presented to the Public Safety Committee for consideration. He also reviewed a variety of long-range projects that include a second floor addition to the Superstition substation, and the feasibility of constructing a City jail.

Discussion ensued relative to the possibility of converting the old Court Building into a central arraignment center.

Fire Chief Harry Beck addressed the Council and reported that the items that would be reviewed by Assistant Fire Chief Gary Bradbury were not included in the Fire Department's presentation at the February 22, 2007 Study Session. He explained that the items contain little, if any, operation and maintenance (O&M) costs and were previously presented to the Mesa 2025: Financing the Future Citizen Committee and the 2005 Citizen Bond Committee.

Chief Bradbury highlighted a variety of projects for the Public Safety Committee's consideration. He stated that the items, which are estimated to cost \$21,685,000, include improvements to the Public Safety Training facility; Command Training Classrooms; Fire Station Emergency Alert System; aircraft rescue firefighter (ARFF) vehicle for Station 215 (WGA); Falcon Public Safety Facility Expansion; the remodel of Fire Stations 205, 209, 210, 213 and 214; and firefighter breathing air replenishment system.

Transportation Department Director Jeff Martin displayed a PowerPoint presentation and reviewed 11 Mesa street projects contained in the Regional Transportation Plan (RTP) that staff proposes to advance (FY 2008-2012) by an average of 10.8 years.

Interim Budget Director Chuck Odom provided a statistical analysis relative to how accelerating needed street projects would "maximize the City's match" from the RTP. (See Attachments 3. and 4.) He cited, for instance, advancing Hawes Road from the Santan Freeway to Ray Road and commented that if the City financed the portion of the future RTP reimbursement, the estimated savings from acceleration would be \$2.8 million.

Further discussion ensued relative to the Streets Capital Cash Flow (revenue and sales tax), for a five-year total of \$35.9 million available for capital projects; staff's concerns with regard to the City's ability to fund various CIP and RTP capital projects in future years; that Mesa must be cautious with regard to the manner in which it utilizes the \$35 million in available resources; that a proposed RTP project at the intersection of Gilbert Road and University Drive is estimated to cost \$18 million; and that if the City moves forward with the project, it would deplete more than half of the \$35 million in available resources and severely limit the completion of other CIP or RTP projects.

City Manager Christopher Brady commented that although the voter-approved local sales tax increase of .3% helps to provide a leverage against future capital and regional transportation programs, it is insufficient to cover the entire cost. He stated that bond funding is necessary in order to make up the shortfall. Mr. Brady added that in light of this situation, he recommends that all CIP and RTP projects not move forward to the Council until such time as a funding source for transportation projects has been identified.

Mr. Raines summarized the capital needs for Streets, Fire and Public Safety for FY 2008-2012, which total \$273,515,486. He stated that in addition, O&M costs for Fire Stations 219 and 220 would range between \$2.6 million and \$3 million combined.

Additional discussion ensued relative to the Tentative Expenditure Plan for FY 2008-2012; that secondary property tax rates are limited to the annual debt service expenses for voter-approved General Obligation (G.O.) bonds; annual debt service costs with offsetting secondary rates (if all three questions - Public Safety, Fire and Transportation - were approved); that secondary rates would pay additional debt to provide offset for Fire station operations; various secondary

property tax rates and revenues; and that of the \$108,271,000 in unsold G.O. authorization, staff intends to sell \$50,434,000 in a Spring 2007 bond sale.

Mr. Brady clarified that a secondary property tax rate would relieve the general operations of the City from paying that portion of existing debt service. He added that Mesa's existing debt service consumes \$26 million annually, which could be used for operating revenues.

Councilmember Rawles stated that funding the City's capital needs with G.O. bonds, which are supported by a secondary property tax, is "Government 101." He commented that the fact the Council is discussing this issue "reflects the absurdity" of the issuance of the bonds without such an understanding. Councilmember Rawles also questioned the feasibility of seeking voter approval that the projects associated with the \$50,434,000 in unsold G.O. authorization be funded with a secondary property tax and not reimbursed with general funds.

Extensive discussion ensued relative to the anticipated Spring 2007 bond sale; and possible dates for a bond election (November 2007 or November 2008).

Mayor Hawker suggested that the Council review which, if any, transportation projects are of critical concern due to the City's limited funding resources. He also commented that it might be appropriate for certain Public Safety and Fire projects to be undertaken sooner rather than later.

Councilmember Rawles concurred with Mayor Hawker's comments and stated that he would prefer to not take the Multi-Use Path project to the voters. He requested that the proposed \$273 million in capital needs be further refined and added that it might be necessary to include additional Police and Fire projects.

Councilmember Whalen questioned how the rebuilding of the Riverview softball complex, which would be moved as a result of the Waveyard project, would fit into the list of capital needs. He also expressed concern relative to the City entering into "a controversial property tax ballot question" when there are currently candidates seeking elected office who oppose the issue.

Vice Mayor Walters voiced concern that staff has "zeroed out" any existing bond authorization for parks for the next five years. She stated that as southeast Mesa continues to develop, the opportunities to purchase land for future parks would diminish. Vice Mayor Walters suggested that the appropriate Council Committee discuss and consider in which areas of the community it might be appropriate for the City to make such purchases.

Mayor Hawker expressed appreciation to staff for the presentation.

4. Discuss and provide direction on the Council Committee Guidelines.

Mayor Hawker thanked the Ad-Hoc Committee on Council Committees for their efforts and hard work relative to the newly created "Guidelines for Conducting Council Committee Meetings."

Vice Mayor Walters stated that City Attorney Debbie Spinner made several changes to the Guidelines that were suggested by the Council at the February 8, 2007 Study Session.

Ms. Spinner reported that at the March 5, 2007 Regular Council Meeting, the Council approved an ordinance establishing new Council Committees. She explained that the Ad-Hoc Committee on Council Committees had requested staff to draft guidelines with regard to the manner in which those Committees conduct business. Ms. Spinner inquired whether the Council had

additional suggestions/recommendations or if they were ready to approve the Guidelines as drafted.

Vice Mayor Walters questioned whether the language under Section 5, "Items from Citizens Present," should be modified to reflect the flexibility that a Committee Chairperson would have with regard to accepting public comment.

In response to Vice Mayor Walters' inquiry, Ms. Spinner suggested that the second sentence in Section 5 read as follows: "**Public comment under this item will be at the discretion of the Chairperson. Typically**, each Council Committee will accept up to 15 minutes of public comment and each speaker will be limited to a maximum of three minutes."

Discussion ensued relative to various components of the Guidelines.

It was moved by Vice Mayor Walters, seconded by Councilmember Griswold, that the "Guidelines for Conducting Council Committee Meetings," as modified by Ms. Spinner, be approved.

Carried unanimously.

5. Appointments to Council Committees.

It was moved by Councilmember Rawles, seconded by Councilmember Griswold, that the Mayor's appointments to the Council Committees be approved.

Carried unanimously.

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

Councilmember Somers: Phoenix Children's Hospital East Valley Specialty and Urgency Care Grand Opening

7. Scheduling of meetings and general information.

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

Thursday, March 15, 2007, 7:30 a.m. – Study Session

Monday, March 19, 2007, 3:30 p.m. – Transportation and Infrastructure Committee Meeting

Monday, March 19, 2007, TBA – Study Session

Monday, March 19, 2007, 5:45 p.m. – Regular Council Meeting

Thursday, March 22, 2007, 7:30 a.m. – Study Session

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 10:39 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 8th day of March 2007. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

pag
attachments (4)