

COUNCIL MINUTES

February 17, 2000

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 February 17, 2000 at 7:30 am.

COUNCIL PRESENT

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

COUNCIL ABSENT

John Giles

STAFF PRESENT

C.K. Luster
Kevin Adam
Tom Albright
Don Ayers
Wayne Balmer
Neal Beets
Denise Bleyle
Jamie Brennan
Dorothy Chimel
Linda Crocker
Bob DeLeon
Dennis Donna
Geri Gerber
Mike Hutchinson
Barbara Jones
Ron Krosting
Dorinda Larsen
Jeff Martin
Tom Mattingly
Tracy Mead
Frank Mizner
Keith Nath

STAFF PRESENT (CONT.)

Kate O'Mara
Joe Padilla
Ellen Pence
Bill Petrie
Andrea Rasizer
Tom Remes
Becky Richardson
Regan Robbins
Sharon Seekins
Jenny Sheppard
Doug Tessendorf
Lois Underdah
Bob White
Mindy White
Larry Woolf
Others

OTHERS PRESENT

Betty Beard
Lynn Kusy
Stacy Rush
Bob Saemisch
Michael Trcic
Barrett Marson
Others

Mayor Brown excused Vice Mayor Giles from the meeting and Councilmember Jaffa from the beginning of the meeting. Councilmember Jaffa joined the meeting at 7:35 a.m.

1. Review items on the agenda for the February 22, 2000 Regular Council Meeting.

(Items on the agenda were discussed out of order, but for purposes of clarity will remain as listed on the agenda.)

4. Consider the following contracts:

- *b. Two replacement high volume copiers for the Police Department. These copiers will be used in the Records section of the Police Department.

Councilmember Hawker requested that staff establish a more consistent report-copying policy for both the Mesa Police Department and the Fire Department.

- *e. Two-year Personal Computer (PC) Hardware Maintenance Services Contract as requested by the Information Services Division (ISD). This contract will provide maintenance services for City personal computer hardware devices, (PCs, notebooks, printers, plotters and scanner) installed throughout the City.
- *f. Hardware to support and expand the computer network environment as requested by the Information Services Division. This equipment will be used to extend the existing network to the South Center Street Campus and to create a technology laboratory in the existing Information Services building.

In response to a question from Councilmember Davidson, Purchasing Director Sharon Seekins explained that staff is prepared to perform an audit relative to City use of laptop computers.

- *h. 1999/2000 Fog Seal project. City of Mesa Project No. 00-07.

This project consists of fog sealing existing streets throughout the City.

Councilmember Hawker indicated that he had a potential conflict of interest in connection with the matter now under discussion which he wanted reported in the minutes of the meeting, and because of such conflict of interest, he would refrain from voting upon or otherwise participating in any manner in connection with same.

Mayor Brown stated that this item *h. will be removed from the consent agenda.

2. Update concerning the proposed Village Square at Dana Ranch (555) project.

Planning Director Frank Mizner provided the Council with a brief overview of this agenda item. Mr. Mizner explained that the Village Square at Dana Ranch is a unique mixed-use development project for the City of Mesa and also the first of its kind in the Valley. Mr. Mizner indicated that staff is supportive of the project, although reservations exist because of the project's complexity.

Mr. Mizner stated that no development activity has occurred on the property, but several related actions are underway including: 1) The applicant's request to vacate the public right-of-way for Inverness Avenue; 2) The applicant has submitted a final subdivision plat which has gone through the subdivision technical review process, and 3) No plans have been submitted for the 16

perimeter parcels, although corporate architects have discussed two possibilities with staff including a Walgreen's drugstore and a Cracker Barrel restaurant.

Bob Saemisch, project architect, and Stacy Rush, president of Triple Five, the developer of the project, referred to a video and graphics displayed in Council Chambers and provided a status report on the proposed project. Mr. Saemisch noted that there will be project improvements totaling approximately \$6 million which include a six-acre park, extensive landscaping on Val Vista Drive at Baseline Road, an interior perimeter road, and access to parcels along the perimeter, which will include 12 building sites, reduced from 16. Mr. Saemisch added that the master plan "urban village" concept will allow people to live, dine and shop all in one location.

Councilmember Davidson spoke in support of the mixed-use aspects of the development.

Mr. Rush informed the Council that the developer has endeavored to meet with the surrounding neighborhood residents in an effort to garner their support and also to acquire their input relative to the project.

Discussion ensued relative to the fact that the architects have been working with staff on the final drawing and groundbreaking is tentatively scheduled to occur in March, the fact that the project will be constructed in phases with the first phase consisting of Dana Park, offsite improvements, the perimeter road and infrastructure grading.

Councilmember Jaffa expressed concerns with regard to development of the perimeter parcels and a lesser commitment to the development of the interior core.

In response to concerns expressed by Councilmembers, Mr. Balmer clarified that the proposed six lots upon which staff is seeking Council approval will be divided into additional parcels; that in conjunction with a prior zoning case, the Council granted approval to the applicant to develop 75% of the outlining parcels prior to development of the interior sites; that the approval of such parcels would be assigned to staff and the Design Review Board; that the first two proposals (the Walgreen's drug store and the Cracker Barrel restaurant) were not compatible with the development concept for this high-profile project and this fact was brought to the applicant's attention, and that in the future, staff would coordinate efforts through the project architect to ensure improved communication with the developer.

Councilmember Hawker expressed appreciation for staff's clarification. Councilmember Hawker also spoke in support of the proposed project and requested that staff provide periodic updates to the Council relative to the development process.

In response to a question from Councilmember Davidson, Mr. Balmer assured the Council that staff will be vigilant in upholding the proposed architectural design standards relative to the outlying parcels prior to approval, and if such standards are not met, staff will apprise the Design Review Board and/or the Council to ensure the continuing integrity of the project.

Mr. Rush emphasized that the developer will continue to obtain neighborhood input and approval prior to the Council and staff presentations.

Mayor Brown thanked everyone for the presentation.

3. Hear and discuss a report showing financial forecasts for Williams Gateway Airport.

Lynn Kusy, Executive Director of Williams Gateway Airport, presented to the Council a 20-year economic impact analysis for Williams Gateway Airport utilizing a recently updated Airport Master Plan and two alternative scenarios, "No Demand for Passenger Service" and "Limited Federal Funds Available" (See Attachment). Mr. Kusy explained that the Airport Master Plan is expected to generate a positive cash flow of \$132 million over a 20-year period, whereas the alternative solutions would not generate sufficient funds to break even. Mr. Kusy indicated that the key areas of development for Williams Gateway Airport include passenger and cargo service, industrial development, general aviation and flight training.

Discussion ensued relative to the fact that the City of Phoenix has released a request for qualifications from consulting firms to identify a new site for a third passenger service airport to supplement both Sky Harbor Airport and Williams Gateway Airport in the long-range future; the fact that Williams Gateway Airport has approximately \$4.1 million in private capital investment under construction; the fact it has been selected as one of the top three sites for a 150-acre aircraft manufacturing facility, one of two sites short-listed for a 300,000 square foot aircraft maintenance facility, and the fact that a regional airline has requested permission to actively negotiate with Williams Gateway Airport to establish passenger service in the fall of 2000.

In response to questions from Councilmember Hawker and Councilmember Pomeroy, Mr. Kusy clarified that in the event passenger service demand did not meet anticipated expectations, the Airport Master Plan could be modified to increase the land usage dedicated to cargo service.

Mayor Brown expressed the opinion that although Williams Gateway Airport is a viable economic project, it will entail an enormous economic investment and sacrifice on the part of the City of Mesa to achieve such goals.

Mayor Brown thanked Mr. Kusy for his input.

4. Discuss and consider the artist selection for the Mesa Southwest Museum public art project.

Mayor Brown thanked staff for the Council's recent tour of the Mesa Southwest Museum.

Kate O'Mara, Public Art Coordinator, and Michael Trcic, an artist from Sedona, Arizona, provided a brief overview of this agenda item. Ms. O'Mara explained that the City received bids from 49 artists in an effort to complete the Mesa Southwest Museum public art project. Ms. O'Mara said that four artists were short-listed, and Michael Trcic was selected as the unanimous choice of the artist selection panel. Ms. O'Mara added that the Museum and Cultural Advisory Board also unanimously recommended Mr. Trcic. Ms. O'Mara indicated that Mr. Trcic is regarded as the most appropriate candidate based on the high caliber of his work, his professionalism and also the fact that his proposal was regarded as the most educational.

Mr. Trcic referred to graphics displayed in the Council Chambers and provided a brief presentation relative to his proposal, a life-size bronze Dilophosaurus.

Mayor Brown spoke in favor of staff's recommendation.

Councilmember Kavanaugh concurred with the opinion of Mayor Brown.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Pomeroy, that the recommendation of staff be approved.

Upon tabulation of votes, it showed:

AYES - Brown-Davidson-Hawker-Jaffa-Kavanaugh-Pomeroy
NAYS - None
ABSENT - Giles

Mayor Brown declared the motion carried unanimously by those present.

Mayor Brown thanked staff and Mr. Treic for their presentation.

5. Hear a legislative update.

Assistant to the City Manager Jeff Martin and Government Liaison Kevin Adam provided the Council with an update concerning several issues being considering by the Legislature and the potential impact of each on the City (See Attachment).

Mr. Martin explained that SB 1439, Air Quality – Dust Control, introduced by Senator Tom Freestone, would provide the County with the authority to impose administrative fines for non-compliance with the County dust control ordinance; however, Senator Rusty Bowers proposed a strike-everything amendment to the bill which would replace the County enforcement language with a preemptive measure which would preclude cities from passing or enforcing municipal dust control ordinances. Mr. Martin added that Senator Bowers chose to hold the bill rather than vote on his amendment or the original bill, which resulted in SB 1439 essentially dying due to its failure to make the deadline for passing its assigned committees.

Discussion ensued with regard to possible repercussions due to Mesa's inability to enforce its own municipal dust ordinance; the lack of support from industry, home builders, contractors and Salt River Project. Councilmember Jaffa requested that City Attorney Neal Beets provide the Council with alternative enforcement solutions relative to the City's dust ordinance.

Mr. Martin and Mr. Adam provided additional legislative updates including: Preemption of Local Sales Tax Authority; Electric Deregulation; Highway Project Advancement Notes; Growth Management; Airport Protection and Development; Group Home Regulation; Vehicle License Tax reductions, Public

Utility Easement and Right of Way regulation; Telecommunications; Local Lobbyist Registration and Ethics Policy; Local Firearms regulation and Secondary Property Tax adjustment.

Mayor thanked staff for their presentation.

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

- a. Design Review Board meeting held February 2, 2000.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Pomeroy, to acknowledge receipt of the minutes of the above-listed boards and committees.

Mayor Brown declared the motion carried unanimously by those present.

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

Due to time constraints, this item will be continued until a future Study Session.

8. Scheduling of meetings and general information.

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

Tuesday, February 22, 2000, 5:45 p.m. – Regular Council Meeting

Thursday, February 24, 2000, 7:30 a.m. – Study Session

Assistant to the City Manager Ellen Pence introduced Diversity Officer Mary Berumen to the Council. Ms. Pence explained that Ms. Berumen's duties will include coordinating Mesa's diversity efforts.

Mayor Brown welcomed Ms. Berumen.

9. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

10. Items from citizens present.

There were no items from citizens present.

11. Adjournment.

Without objection, the Study Session adjourned at 9:51 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 17th day of February, 2000. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____ 2000

BARBARA JONES, CITY CLERK

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Memo

WILLIAMS
GATEWAY
AIRPORT

TO: Mayor Wayne Brown
Members of City Council

FROM: Lynn F. Kusy
Executive Director

DATE: February 11, 2000

RE: Airport Financial Forecasts

This memo and its attachments replace my January 24, 2000 memo to you, which should be disregarded. With the kind assistance of Mesa Finance Director, Larry Woolf, we have simplified the information and removed several apparent inconsistencies. The projections for FY2000 and FY2001 have been updated to be more in line with our current budget and our draft FY2001 budget. The names of the three scenarios have been changed to reflect the major assumptions shaping each of them.

At your study session scheduled for February 17, 2000, we will be presenting these three scenarios, which Williams Gateway Airport may encounter over the next 20 years. During the last few months, we have completed an extensive analysis on these scenarios. With this letter, I am providing the summary information on each of them.

I want to give you a little background on the information presented and the basis for our current thinking about WGA's future. Williams Gateway Airport is a very large facility. It is larger in acreage than Sky Harbor and has more linear feet of runway than Sky Harbor. In order to support this infrastructure, maximum use of the facility is required. As you know, Williams Gateway Airport holds enormous potential for the East Valley.

Arizona State University has prepared an economic impact analysis that shows that the total economic impact of the Airport in 1998 was already \$115 million per year, including \$2.5 million in sales taxes, \$900,000 in property taxes, and \$6.3 million in business taxes generated by the Airport. By 2020, the Airport is forecast to generate over 13,000 jobs and have an annual economic impact of more than \$965 million per year.

In 1997 the Airport Authority commissioned the Kiehl-Hendrickson Group to analyze the commercial passenger market in the Phoenix-Mesa metropolitan area and to comment on the ability of Williams Gateway to attract passenger traffic. The study showed that the Valley can

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support both Sky Harbor and Williams Gateway Airport as commercial passenger airports. It points out that many cities successfully support more than one commercial airport and gives several examples. The consulting team conducted surveys indicating that our potential customers expect a blend of access, convenience, and service and found that they have a strong willingness to support Williams Gateway as a commercial service airport.

Recently, the Board adopted the updated Airport Master Plan, developed by Coffman and Associates. Coffman expanded on the Kiehl-Hendrickson study, providing numerical demand forecasts in the Airport Master Plan. According to Coffman, Williams Gateway Airport will attract just over 8% of the Phoenix area traffic by 2020. (This is still below percentages attracted to secondary commercial airports in similar metropolitan areas.) Coffman's forecast was that by the year 2020, 2.0 million passengers would be enplaned at Williams Gateway Airport.

Starting with these and other projections of market demand for passenger, cargo and other airport services, the Airport Master Plan identifies the facilities and staffing required to meet that forecast demand. It also indicates the timing and magnitude of investments necessary to service that demand. The report then presents a financial analysis showing the forecast income and expenses based on that demand.

Frankly, our first thoughts were that the Airport Master Plan was rather aggressive. What happens if those forecasts are not met and what would the financial impact be on our member governments? We set out to find out for ourselves.

We started with the Airport Master Plan projections. Then, using a myriad of detailed assumptions, we also developed two alternative scenarios.

- | | |
|---------------------------------|--|
| No Demand for Passenger Service | -- assumes demand for passenger service does not materialize. |
| Limited Federal Funds Available | -- assumes we provide passenger service, but federal funds available to us are severely limited, thus restricting our capital plans. |

Let's start with the situation if we attracted no commercial passenger service. That scenario is represented in your packet by the spreadsheet titled, "No Demand for Passenger Service." This scenario assumes that industrial development continues on schedule and that air cargo and general aviation growth is as forecast in the Airport Master Plan. However, no passenger traffic materializes and no expenditures are made on capital projects to accommodate passenger traffic. Analysis of this scenario shows that revenues are limited and local contributions would be needed at levels from \$4.5 million to \$8.1 million annually through the planning period. No return of investment would be possible to the member governments within the planning period. At the end of the 20-year period, interest accruing on member government contributions would actually exceed that year's member government contributions.

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Our second spreadsheet is entitled "Limited Federal Funds Available." Under this scenario, our existing Building 15 is remodeled to accommodate passenger traffic and customer demand is adequate, but FAA funds are limited to about \$3.2 million (in 1999 dollars) annually. This constrains capital development, resulting in a delay in the construction of the east terminal beyond the planning period. Passenger traffic would be capped at 250,000 boarding passengers per year, the maximum capacity of the existing building. General aviation, cargo, and industrial development would continue as projected. Modest staff increases would accompany passenger traffic growth, however, staffing additions would be virtually eliminated after the terminal reached its capacity and passenger traffic was constrained. Under this scenario, local contributions would eventually decline from a high of \$5 million to about \$2.5 million annually during the planning period. The Airport would produce a net operating profit beginning in about 2017, but capital spending requirements would result in overall deficits throughout the period. During this time, the Airport would accumulate a total debt to member governments of \$144 million.

The financial picture is much brighter when we use the demand-based passenger forecasts in the Airport Master Plan and assume that the FAA will fund the eligible projects. Under this scenario, local contributions to the Airport Authority could end in 2010 and local governments could be fully reimbursed, including interest, in 2018. This scenario might require increased support of the operating budget in the early years. There is a large need for capital to support the terminal construction in 2006. We have assumed that \$28,000,000 would be funded by private revenue bonds, to be repaid at 6% interest over 20 years. (Terminal facilities are not eligible for FAA grants.) Debt service payments of \$2.4 million per year have been included in our analysis.

We know that forecasting this far out is unlikely to be accurate, but we have been careful to organize our approach and to make reasonable assumptions at every step along the way. We do not expect to land right on our projections, but we do feel that we have been able to provide a reasonable basis for concluding that our Master Plan is the appropriate direction to proceed.

Based on this analysis, we are convinced that the future self-sufficiency of the Airport lies in passenger traffic. Passenger traffic generates revenues through a variety of sources including landing fees, fuel flowage fees, passenger facility charges, parking fees, and terminal concessions, all of which help the Airport break even and return the investment to the member governments.

If we are to achieve the economic impact benefit forecast by ASU of nearly \$1 billion per year in 2020, and if we are to return the investment of our local governments, an aggressive program of commercial passenger service must move forward. Local government support of the interim passenger terminal is the first major step in this direction. As passenger traffic develops in this facility and as demand warrants construction of the new terminal on the east side of the field, Williams Gateway Airport can meet the demand of the East Valley and will become the major economic force anticipated by all of us.

C: C.K. Luster
Wayne Balmer

February 17, 2000

TO: MAYOR AND CITY COUNCIL

FROM: KEVIN ADAM
JEFF MARTIN

SUBJECT: Update for 2000 Legislative Session

The purpose of this report is to provide the Mayor and Council with an update on various legislative issues impacting the City. Legislative leadership continues to commit to completing the session by early April. However, 1280 bills have been introduced to date.

ITEMS PREVIOUSLY HEARD

Preemption of Local Sales Tax Authority

HB2108 has been introduced by Representative Lori Daniels and would transfer authority over the local sales tax from the cities to the state. In the future, changes to the city tax code, including exemptions, would be determined by the state legislature. The bill has passed the House Ways and Means Committee and is awaiting action on the House floor. Members of the Mesa delegation have indicated that they oppose the legislation.

SB 1513 has been introduced as an alternative to HB2108 and would provide for the continued oversight of local sales tax codes by the Municipal Tax Code Commission. The Commission has formally agreed to address many of the concerns raised by Representative Daniels including more uniform auditing and licensing procedures, and to implement more uniform filing dates for all municipalities. SB1513 has passed committee and is awaiting floor action in the Senate.

Electric Deregulation

SB1056 has been introduced by Senator John Wettaw and Speaker Jeff Groscost and would amend various provisions of current electric deregulation law to include language that would enable Mesa to enter electric competition. This bill was vetoed last year due to language unrelated to the Mesa provisions. The private power companies were concerned that "buy-through" language in the bill would usurp the Arizona Corporation Commission's authority to regulate the rate setting of private companies. The language in question has been removed from this year's bill. If enacted, Mesa would enter electric competition on January 1, 2002. The bill has passed the Senate Commerce, Agriculture, and Natural Resources Committee and is awaiting passage from the Senate Rules Committee.

Highway Project Advancement Notes

HB2100 and SB1440 have been introduced and would provide municipalities with another tool to further accelerate the construction of freeways. Representative Dean Cooley sponsored HB2100 and Senator Tom Freestone sponsored SB1440. The bills would allow cities to issue project advancement notes per an agreement with ADOT. The notes could not exceed \$100 million and repayment would be required within five years. Repayment of principal would be from revenues pledged for the project in the highway construction program. Interest costs would be the responsibility of the City and could be paid with a variety of revenue options. HB2100 has passed the House and is currently awaiting action in the Senate Transportation and Finance Committees

Growth Management

The Governor called a Special Session on Monday to consider Growing Smarter Plus, the latest version of recommendations stemming from the work of the Growing Smarter Commission. While many of the specifics are still being worked out between the Governor and legislators, the reform package has two main elements. First, provisions that would amend the mission of the State Land Department and the purpose of state trust lands by including the preservation of state lands with extraordinary conservation values.

The second element deals with land-use planning reforms. Planning use issues include increased citizen participation, service area limit authority, increased lot split regulation authority for counties, property right protections, growth elements in general plans, and infill incentives.

As with earlier versions of Growing Smarter, the specific provisions provide a mixed bag of recommendations, some of which support better growth management and others that would impede better management.

Air Quality - Dust Control

Senator Tom Freestone introduced SB1439 to provide the County with the authority to impose administrative fines for non-compliance with the County dust control ordinance. Currently, the County can only impose fines through the use of the Courts. Senator Rusty Bowers proposed a strike everything amendment to the bill that would have replaced the county enforcement language with a preemptive measure that would preclude cities from passing or enforcing municipal dust control ordinances. In subcommittee action, Senator Bowers' decided to hold the bill rather than vote on his amendment or the original bill. SB1439 essentially died since it failed to make the deadline for passing its assigned committees. The Legislature failed to act on this bill despite the region's air pollution problems, the County's track record of inadequate dust control prevention measures, and EPA initiated sanctions that will start in March for failure to have an approved attainment plan for particulate matter air quality standards.

Airport Protection and Development

Several bills related to airports have been introduced this year. HB2523 would change the requirements for public airport disclosure. The sponsor of the bill, Representative Jim Carruthers, has indicated that he will amend the bill to require airport notification on

the resale of existing homes near airports. Last year's law required notification for the sale of new homes only. HB2523 is awaiting floor action in the House.

SB1373 would also expand the notification requirements of airports near homes. The bill would require the home seller to disclose aviation easements or other similar documents involving the property to the potential purchaser. If the document is not disclosed, the purchase agreement is unenforceable. SB1373 is awaiting floor action in the Senate.

SB1374 would repeal a 1997 law that requires the state treasurer to split the flight property tax revenue 50-50 between the state general fund and the aviation fund. The bill in its original form would have restored 100% of the revenue back to the aviation fund. It has been amended to scale back the aviation fund portion to 64% and is awaiting action in the Senate Rules Committee. HB2461 would have also restored 100% of the flight property tax revenue to the aviation fund but failed to make it out of committee in time to be considered on the House floor.

Group Home Regulation

Representative Lori Daniels has introduced HB2113 to modify and expand state agency oversight of juvenile group homes operating under state contracts. The provisions of the bill include the addition of minimum operating requirements stipulated in group home contracts, additional state licensing requirements, equating a license violation to a contract violation, and the authority to remove residents from a group home until violations are corrected. Mesa is working with Glendale and Phoenix to amend the bill and place further requirements on group homes. The proposed amendments include spacing requirements between homes, limits on the number of residents per home, required neighborhood meetings prior to locating a new home, and a required zoning review prior to any license renewals. HB2113 has passed the House and is awaiting action in the Senate Family Services Committee.

Vehicle License Tax (VLT) reductions

Several bills and resolutions have been considered regarding reductions to the Vehicle License Tax (VLT). Representative Marilyn Jarrett's proposal, HCR2037, would have placed an initiative on the November ballot to reduce the VLT to a \$25 annual renewal fee and an \$8 plate fee. A relatively small portion of the lost revenue would be offset by a three-cent gas tax increase. The resolution failed to pass committee and has essentially been defeated. However, HB2524 is still alive and would reduce the VLT, although not as severely as HCR2037. HB2524 includes a \$50 annual VLT fee and a quarter-cent increase in the state sales tax. The bill would reduce the city general fund portion of the VLT by 60% rather than the 80% impact of HCR2037. Mesa is projected to receive \$13.1 million in VLT general fund revenue next year.

NEW ISSUES

Public Utility Easement (PUE) and Right-of-Way (ROW) regulation

HB2701 and HB2702 both address local government's ability to manage utilities in PUEs and ROWs. Both bills eliminate the ability of cities to recover costs associated with managing, inspecting, and administering PUEs. HB2702 would equalize the use of ROWs between utility and telecommunications companies granting utilities the same rights as telecommunication companies. HB2702 would also define cable television companies as utilities. Neither bill has passed committee but represent continued pressure from utility companies to limit the authority of cities to manage PUEs and ROWs.

It is recommended that the City continue to defend its ability to adequately manage PUEs and ROWS for the benefit of the public and to collect adequate fees to cover the staff costs of managing these facilities.

Telecommunications

HB2423 would revise local telecommunications licensing, application, and fee processes. The bill would repeal the ability of the City to receive reasonable costs from telecom providers for damage to pavement. When companies cut and trench a street to install lines, cities would not be able to recoup reasonable costs associated with damaging and reducing the life of the pavement. The legislation would also eliminate the ability of cities to collect compensation for use of the right-of-way such as in-kind services. It is recommended that the City oppose efforts to take away reasonable compensation for damaging local streets and in-kind services currently provided by telecom companies.

Local Lobbyist Registration & Ethics Policy

SB1436 and HB2554 would require the City to have a public vote on adopting a gift ban for city elected officials and employees and to establish a local lobbyist registration program to be administered by the City Clerk. This would be a uniform requirement of all municipalities regardless of any locally enacted gift policies or ethics code. Both bills have cleared their committees and are awaiting floor action. HB2207, sponsored by Representative Marilyn Jarrett, would create an ethics board in each local government to review complaints against elected officials. If the board finds merit to a complaint, the findings are forwarded to the proper law enforcement entity. The bill passed in committee and is awaiting House floor action. It is recommended that the City oppose state preemption over local policies and process regarding ethics, gifts to City officials, and local lobbying activity.

Local Firearms regulation

HB2095 would preempt cities from enacting any ordinance, rule, or tax relating to firearms or ammunition. Among many restrictions, this bill would preclude cities from regulating the carrying of guns in parks. HB2095 passed the House and has been sent to the Senate for consideration. It is recommended that the city oppose efforts to preempt local authority over firearms and ammunition.

Secondary Property Tax adjustment

HB2112 would shift the burden of paying off bonds from commercial and industrial property to residential property. It sets the assessment ratio for the secondary property tax at 10% for all properties. Commercial and industrial are currently assessed at 25%. HB2112 passed the House and is awaiting action in the Senate.

It is recommended that the City oppose shifting a greater tax burden from commercial and industrial to residential property.