

COUNCIL MINUTES

April 16, 2001

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on April 16, 2001 at 4:00 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

Bill Jaffa

OFFICERS PRESENT

Mike Hutchinson
Neal Beets
Barbara Jones

(Mayor Hawker excused Councilmember Jaffa from the meeting and Vice Mayor Davidson from the beginning of the meeting.)

1. Review items on the agenda for the April 16, 2001 Regular Council Meeting.

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

Mayor Hawker stated that agenda item 8a will be added to the consent agenda for continuance to the May 7, 2001 Regular Council meeting.

2. Hear a presentation from City of Phoenix officials on Sky Harbor Airport development issues.

David Krietor, City of Phoenix Aviation Director, addressed the Council relative to this agenda item and provided a brief update regarding current and future Sky Harbor International Airport (Sky Harbor) development projects. Mr. Krietor explained that the City of Phoenix, Sky Harbor, the City of Mesa, Williams Gateway Airport (WGA) and other public sector entities have a unique opportunity to establish a partnership to meet the long-term aviation needs of the Phoenix metropolitan area.

Mr. Krietor informed the Council that in recent years, there has been a dramatic increase in passenger activity at Sky Harbor and that it currently ranks as the fifth busiest airport in the world. Mr. Krietor stated that prior to October 5, 2000 when the third runway first opened, Sky Harbor was the busiest two-runway airport in the world and added that with the completion of

the third runway, virtually all departure delays have been eliminated. Mr. Krietor added, however, that Sky Harbor continues to experience arrival delays.

Mr. Krietor referred to graphics displayed in the Council Chambers and outlined various Sky Harbor developments including the reconstruction of the north runway; a new parking facility in the east economy lot; the Terminal 4 construction project, which entails additional parking and six new concourses; the planning and multi-phase construction of a terminal on the west side of the airport, and a consolidated car rental facility. Mr. Krietor advised the Council that over the next ten years, the City of Phoenix will be required to expend an estimated \$2 billion to \$3 billion for the expansion of Sky Harbor.

Mr. Krietor emphasized that in an effort to more efficiently accommodate the ever-increasing traffic congestion, Sky Harbor is implementing an automated people mover/train similar to transport systems currently online in Las Vegas and Atlanta. Mr. Krietor said that the carrier will shuttle travelers between remote parking facilities and the terminals and will eventually connect to the light rail system on Washington Street.

In response to a question from Mayor Hawker, Mr. Krietor clarified that Sky Harbor has constructed a new air cargo complex to more efficiently service the cargo integrators (UPS and Federal Express) and also commented that the City of Phoenix has dedicated additional land near the airport for future cargo growth. Mr. Krietor assured the Council, however, that Sky Harbor supports the development of passenger and cargo service at WGA in an effort to expand the regional aviation system.

Mr. Krietor stated that as a means by which to more effectively market WGA, Sky Harbor will provide survey results generated by its staff to WGA; will participate in joint marketing efforts with WGA and City staff relative to air surface development; will share marketing material utilized by Sky Harbor, and will encourage the Federal Aviation Administration (FAA) to give consideration to WGA's request for capital improvement funds to enable the facility to meet the burgeoning demand for aviation services in the region.

Mr. Krietor spoke regarding airline departure/arrival delays and potential conflicts relative to the utilization of airspace between Sky Harbor and WGA.

(Vice Mayor Davidson arrived at the meeting at 4:23 p.m.)

Mayor Hawker expressed appreciation to Mr. Krietor for his letter of April 3, 2001 urging the FAA to consider WGA's requests for capital improvement funds. Mayor Hawker stressed the fact that the Council and WGA look forward to a successful partnership with Sky Harbor to develop WGA into a fully functional reliever airport.

Discussion ensued relative to the fact that the Phoenix City Council has authorized the City of Phoenix Aviation Department to acquire property in the vicinity of the Phoenix Greyhound Park which may eventually be utilized as a fourth runway; the fact that if the property is acquired and not utilized for a fourth runway, it will offer needed access to the airfield, and the fact that based on current analyses, between 2015 and 2020, increased traffic demands will necessitate the construction of a fourth runway at Sky Harbor in addition to WGA's assistance as a reliever facility to meet the region's aviation needs.

In response to a question from Councilmember Pomeroy, Mr. Krietor advised that Sky Harbor has not yet reached cargo capacity, but said that within ten years, the increased volume will afford WGA the opportunity to provide a venue for cargo service.

Councilmember Kavanaugh thanked Mr. Krietor for his comprehensive presentation and stated that he looks forward to the development and expansion of a partnership between Mesa and Phoenix that will benefit not only those communities but the entire East Valley.

In response to a question from Councilmember Whalen, Mr. Krietor explained that an overabundance of commuter airline traffic creates difficulties for commercial air carriers with regard to acquiring gate space. Mr. Krietor said that in the future, it will be necessary to create a regional jet facility to accommodate such aircraft. Mr. Krietor also stressed the fact that he has encouraged Lynn Kusy, Williams Gateway Airport Executive Director, to market WGA as a venue for commuter air carrier service and charter air service.

Councilmember Walters spoke in appreciation of the presentation.

Mr. Kreitor also discussed Sky Harbor's anticipated cargo service capabilities and quieter aircraft engines.

Councilmember Pomeroy stressed the fact that WGA is an important economic asset to Mesa's future and added that any assistance which Sky Harbor can provide to WGA will be greatly appreciated.

Mayor Hawker thanked Mr. Krietor for the presentation.

Lynn Kusy, Williams Gateway Airport Executive Director, addressed the Council relative to this agenda item and commended Mr. Kreitor and his staff for their assistance. Mr. Kusy advised that WGA is currently in the process of acquiring funds to construct a large cargo ramp, has recently completed the passenger terminal building and also reported that staff is continuing to pursue industrial development at WGA.

3. Discuss and consider a Legislative update.

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

Mr. Adam discussed the Group Homes Oversight Bill (SB 1235), which will place a statutory requirement on the Department of Health Services to provide information to all cities on group homes that are operating within their jurisdiction. Mr. Adam advised that the bill has passed the Senate and the House and was returned back to the Senate for consideration of a House amendment.

Mr. Adam also commented on the Telecommunications Bill (SB1561) that was introduced at the request of telecom industry representatives to narrow the ability of municipalities to recover costs associated with the industry's use of the public right-of-way. Mr. Adam explained that the bill was never heard in the House Counties and Municipalities Committee and that Representative John Nelson has been requested by the Speaker of the House to meet with

telecom and City representatives over the summer to develop a model ordinance for cost recovery related to the telecom industry's use of the public rights-of-way.

Discussion ensued relative to legislation on Retiree Benefits; State Aviation Fund; Firearms Regulatory Preemption; Earlier Availability of Election Publicity Pamphlets, and Natural Gas Service Fee Preemption Repeal.

Mr. Adam commented on the Williams Gateway Airport Development Bill (HB 2421), which would provide funding assistance for capital improvements at Williams Gateway Airport and Luke Air Force Base. Mr. Adam advised that the bill passed the House and Senate Transportation Committee and is currently awaiting action in the Senate Appropriations Committee. Mr. Adam noted that the downward trend in available funding has placed this bill on hold and it is unlikely to pass during this Legislative session.

In response to a question from Mayor Hawker relative to an earlier bill signed by Governor Hull, Mr. Martin clarified that the Luke preservation bill provides for additional protection and notice requirements regarding residential development that would encroach on Luke Air Force.

Additional discussion ensued relative to legislation on Traffic Safety; County Roadway Abandonment; Air Quality, Brown Cloud Study; Enhanced 911 Service; Transportation Projects, Utility Relocations, and Community Facilities District.

Mr. Adam discussed the Sewage Connection Requirements (SB1375), a bill introduced by Senator Rusty Bowers, which would have preempted local governments from requiring a property owner to connect to a public sewer system or to charge a fee for such service if the property owner has an existing alternative sewage system in place. Mr. Adam commented that the bill was later amended to prohibit cities from discontinuing a utility service as a means of requiring the property owner to receive another service or committing to annexation. Mr. Adam advised the bill was defeated in committee and staff believes that a striker may be offered. Mr. Adam added that the fact it was defeated in committee is significant, but the issue is far from being over.

In response to a question from Mayor Hawker, City Attorney Neal Beets advised that an ordinance has been adopted by the City which mandates that homeowners who tap into sewer mains located adjacent to their property will be charged for sewer service whether or not they choose to continue utilizing a private septic system.

In response to a question from Mayor Hawker, Mr. Adam acknowledged that the City is currently reviewing its policy with regard to City utility services that are requested by homeowners who reside outside Mesa's corporate limits, but said that due to the current language contained in the bill, its passage is doubtful and it should not impact the City's decision-making policies.

Additional discussion ensued relative to legislation on Eminent Domain, National Pollutant Discharge Elimination System (NPDES) Primacy and ASU-East funding issues.

Mr. Martin responded to questions posed by the Council regarding expansion of the nonattainment area boundaries (Air Quality, Brown Cloud Study - HB 2538) and Eminent Domain (SB 1452).

Mayor Hawker expressed appreciation to staff for their presentation.

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

- a. Design Review Board meeting held April 4, 2001.
- b. General Development Committee meeting held April 9, 2001.
- c. Housing and Human Services Advisory Board meetings held February 27, 2001 and March 27, 2001.
- d. Museum and Cultural Advisory Board meeting held March 28, 2001.

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

Councilmember Walters advised the Council that in reference to the General Development Committee meeting held on April 9, 2001, agenda item 1, "Discuss and consider final concept design of the downtown Pedestrian Connection (north-south phase) and staff's recommendations regarding site preparation, construction and funding issues" confusion arose relative to the Committee's recommendation. Councilmember Walters explained that in the staff report, there were three alternatives listed, but no reference was made relative to staff's recommendation.

Councilmember Walters clarified that the motion was to approve the concept and to proceed with the consideration of all three alternatives, one of which related to the utilization of TEA-21 grant funds. Councilmember Walters added that no specific recommendation was approved and the issue continues to be reviewed.

Upon tabulation of votes, it showed:

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

Mayor Hawker declared the motion carried unanimously by those present.

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

Councilmember Whalen announced that on Wednesday, April 18, 2001, the Arizona Corporation Commission will conduct a public hearing regarding the proposed Salt River Project electrical power transmission plant to be located in Gilbert.

6. Scheduling of meetings and general information.

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

Thursday, April 19, 2001, 7:30 a.m. – Study Session (Cancelled)

Thursday, April 19, 2001, 8:00 a.m. – Finance Committee

Tuesday, April 24, 2001, 7:30 a.m. – Joint Meeting with the Mesa School Board

Thursday, April 26, 2001, 7:30 a.m. – Study Session

Wednesday, May 2, 2001, 5:30 p.m. – Joint Meeting with Salt River Project

Thursday, May 3, 2001, 7:30 a.m. – Study Session

Monday, May 7, 2001, TBA – Study Session

Monday, May 7, 2001, 5:45 p.m. – Regular Council Meeting

7. Prescheduled public opinion appearances.

There were no prescheduled public opinion appearances.

8. Adjournment.

Without objection, the Study Session adjourned at 5:20 p.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 16th day of April, 2001. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2001.

BARBARA JONES, CITY CLERK

April 12, 2001

TO: MAYOR AND CITY COUNCIL
THROUGH: MIKE HUTCHINSON
FROM: KEVIN ADAM
JEFF MARTIN
SUBJECT: Update for 2001 Legislative Session.

OVERVIEW

The purpose of this report is to provide the Mayor and Council with an update on this year's legislative session. Committee hearings are completed in the House and are scheduled to be completed in the Senate this week. The final outstanding issue for the Legislature is to pass the State budget. Major disagreement between the Governor and the Legislature on revenue forecasts and needed budget cuts remain unresolved. With the exception of the State budget, the session is winding down as conference committees and the final passage of bills are essentially the only remaining activities.

Of particular interest to cities in the State budget are the proposed cuts in State highway funding. The proposed budget would reduce the State Highway Fund by \$25 million per year for the next two years by shifting the revenue to pay for reductions to the Vehicle License Tax (VLT). When the VLT reductions were adopted, the Legislature promised that none of the cuts would impact state highway projects. The cumulative impact of these cuts to the State Five-Year Highway Construction Program is \$125 million. Such a cut may delay the completion of the Red Mountain and Santan Freeways and the future widening of the Superstition Freeway.

ITEMS PREVIOUSLY DISCUSSED

Group Homes Oversight (SB1235)

Senator David Petersen introduced SB 1235 to provide cities with additional tools to help address some of the problems that group home neighbors have experienced with group home residents. As amended, the bill will place a statutory requirement on the Department of Health Services to release updated background information to municipalities on all of the group homes operating within their jurisdiction. The bill has passed the Senate and House and has been transmitted back to the Senate for consideration of the House amendment.

Telecommunications (SB1561)

SB1561 was introduced at the request of telecom industry representatives to narrow the ability of municipalities to recover costs associated with the industry's use of the public rights-of-way. The bill sought to change recovery from "reasonable" to "actual" costs and would have made it easier for the industry to legally challenge any costs assessed to them for damages done to city streets. The bill was never heard in the House Counties & Municipalities Committee essentially killing the bill. Representative John Nelson, the former Vice Mayor of Phoenix, has been tasked by the Speaker of the House to meet with telecom and city representatives over the summer to develop a model ordinance for cost recovery related to the telecom industry's use of the public rights-of-way.

Retiree Benefits (SB1100)

SB1100 would establish a voluntary supplementary program for members of the Arizona State Retirement System, the Public Safety Personnel Retirement System, and the Elected Official Retirement Program. Employers would be authorized to match contributions. The bill has passed the Senate and its assigned House committees and is awaiting final action by the full House.

State Aviation Fund (SB1251, HB2369, HB2374)

Several bills have been introduced that would restore varying levels of the State flight property tax revenue back into the State Aviation Fund. The City of Mesa supports a 100% restoration into the State Aviation Fund. Legislation passed in 1997 diverted 50% of the revenue to the State General Fund. The shift has resulted in an approximate loss of \$7.5 million annually to the State Aviation Fund. As currently amended, SB1251 and HB2369 would restore the fund to 100% in Fiscal Year 2003. The bills would continue to divert 50% of the flight property tax revenue to the general fund for the next two years.

Firearms Regulatory Preemption (HB 2347, SB1268)

Representative Karen Johnson has introduced legislation that would preempt local governments from passing any ordinance, rule or tax related to the manufacture, transportation, possession, carrying, sale or use of firearms or ammunition. Neither bill passed out of committee by the hearing deadlines so they were essentially defeated.

Earlier Availability of Election Publicity Pamphlets (HB2419)

Representative Marilyn Jarrett has introduced legislation that would increase the length of time that cities would have to publish election publicity pamphlets. Due to the amount of time provided to submit arguments for and against ballot initiatives and referendums, many election departments, including the Mesa City Clerk's Office, are unable to publish and distribute publicity pamphlets prior to the start of early voting. Since early voting continues to grow in popularity and more issues continue to appear on the ballot, it is important to make these pamphlets available in time for early voting. Adjusting the due

date for arguments from 60 days prior to the election to 90 days would provide election departments with additional time to provide voters with the pamphlets prior to early voting. Also, the City and League are working on language that would require election offices to attach a notice to early voting ballots indicating when the publicity pamphlets will be available if the pamphlets are not ready at the time of mailing the ballots.

Natural Gas Service Fee Preemption Repeal (SB1430)

Senator Jay Blanchard has sponsored legislation that would repeal a preemption on public power entities from charging a service fee for natural gas provided for the refueling of alternative fuel vehicles. The City Council should have the authority to set the City's rate structure. In addition to overriding local control, the law also only applies to the City of Mesa Gas Utility. Private utility companies continue to charge such a fee. Senators Rusty Bowers and Dave Petersen have also signed on as cosponsors of the bill. The bill passed the Senate and the House Energy, Utilities & Technology Committee. Representative Eddie Farnsworth opposed the bill in Committee, indicating the preemption was an effort to encourage increased use of alternative fuel vehicles. Representative Farnsworth also does not support public utilities competing with private power companies.

Williams Gateway Airport Development (HB2421)

In cooperation with Glendale, HB2421 has been drafted to provide funding assistance for capital improvements at Williams Gateway Airport and encroachment protection at Luke Air Force Base. The bill would appropriate \$2.4 million a year for the next two years for capital improvements to enhance airport cargo operations at Williams Gateway Airport. The development of an air cargo apron with an associated taxiway and access road is being sought at a cost of \$15 million. Federal assistance is also being sought for the projects and \$6.1 million in federal assistance has been tentatively approved. The bill has passed the House and the Senate Transportation Committee and is awaiting action in the Senate Appropriations Committee. The Appropriations Committee has proven to be a major obstacle as a relatively large number of money related bills are vying for a relatively small level of available funding.

Traffic Safety (HB2277, HB2473, SB1089)

Several bills related to traffic safety and law enforcement were considered this session. HB2277 would toughen penalties for red light violators including minimum fines, mandatory points, and mandatory traffic survival school attendance. The bill also amends the deadline for law enforcement departments to file a civil traffic citation from thirty to sixty days. The bill has passed the House and its assigned committees in the Senate and is pending a final vote in the Senate. Several DUI related bills have already passed the legislature and have been signed into law. SB 1089 lowers the legal blood alcohol concentration limit defined as driving under the influence from 0.10 to 0.08

effective August 31, 2001. The Joint Legislative Budget Committee estimates that the bill will result in 2,100 additional DUI arrests statewide. HB2473 lowers the extreme DUI limit from 0.18 to 0.15 effective immediately. The shift will not result in any additional DUI arrests but would rather subject a greater number of DUI offenders to increased sanctions.

County Roadway Abandonment (HB 2358)

Legislation was introduced that would allow counties to make a unilateral decision to abandon roads within or adjacent to an incorporated area. The affected municipality would have no guarantee that the abandoned road would meet its street standards. The impact to the City of Mesa would have been substantial, since the City has continuously annexed property up to County roads per County policy. The bill failed to pass out of its assigned committees. Instead, there will be a study committee, which will look at the distribution of HURF between cities and counties.

Air Quality, Brown Cloud Study (HB2538)

HB2538 would place measures in effect to reduce pollutants associated with the region's brown cloud problem. Major provisions include additional regulations over the use of diesel-fueled vehicles, expansion of the nonattainment area boundaries and a requirement for ADEQ to establish a daily visibility index to be implemented by 2004. The bill is pending in the Senate Appropriations Committee.

Enhanced 911 Service (HB2625)

HB2625 would increase excise taxes on telecommunications services in order to make needed enhancements to 911 services. Of particular interest is implementing available new technology enabling dispatchers to determine the phone number and location of cellular phone calls. The current excise tax is insufficient to implement the new technology. The bill passed the House and the Senate Finance Committee and is pending final votes by the Senate Rules Committee to be followed by the full Senate.

Transportation Projects, Utility Relocations (SB1273)

The legislation would have required utility relocation costs associated with interstate highway or 80% of the relocation costs associated with mass transit projects to be paid for with federal funding. Such a use of federal dollars would have diminished the federal funding levels available for the construction of new transportation projects. The bill was essentially defeated and has been amended with a strike everything amendment that is not relevant to utility relocation costs.

Community Facilities District (SB1355)

The legislation would have expanded the counties' authority to use Community Facilities Districts to finance the development of public infrastructure. Existing county authority is limited to the development of school facilities. Enhancing the ability to develop outside of incorporated areas encourages leapfrog development and urban sprawl. The bill was defeated in the House Counties & Municipalities Committee.

Sewage Connection Requirements (SB1375)

Senator Rusty Bowers introduced legislation that would have preempted local governments from requiring a property owner to connect to a public sewer system or to charge them a fee for such service if the property owner has an existing alternative sewage system in place. Such a preemption would limit the ability of the City to maximize the use of its public sewer system and minimize the risk of groundwater contamination. The bill was later amended to prohibit cities from discontinuing a utility service as a means of requiring the property owner to receive another service or committing to annexation. The bill was defeated in the House Counties & Municipalities Committee.

Eminent Domain (SB1452, SB1332)

SB1452 would have revised condemnation laws including awarding the costs of litigation to a property owner if the proceeding is dismissed by the acquiring entity and a requirement for the acquiring entity to make a reasonable offer to purchase property prior to filing a condemnation action. The bill was never heard in its assigned committees and is essentially dead. However, SB1332 was amended to form an eminent domain study committee to develop recommendations for eminent domain reform. The bill passed the Senate and the House Rules Committee and is awaiting a final vote in the House.

NPDES Primacy (HB2426)

The legislation would provide the Arizona Department of Environmental Quality (ADEQ) with the funding and authority to assume the primary permitting and enforcement responsibility for the federal National Pollutant Discharge Elimination System (NPDES) permit program for discharges into surface water. The Arizona Municipal Water Users Association (AMWUA) had previously expressed concerns regarding the bill but is now supportive. The bill passed the House and is pending in the Senate Appropriations Committee.