

COUNCIL MINUTES

March 31, 2005

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 31, 2005 at 7:30 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Rex Griswold
Kyle Jones
Tom Rawles
Janie Thom
Claudia Walters
Mike Whalen

COUNCIL ABSENT

None

OFFICERS PRESENT

Mike Hutchinson
Debbie Spinner
Barbara Jones

1. Review items on the agenda for the April 4, 2005 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: 7f, g, i, j, k (Hawker)

Items removed from the consent agenda: 11b, l; 13d, j

Items added to the consent agenda: None

Items removed from agenda: 10

2. Hear an update from representatives of the Salt River Project (SRP) regarding SRP's electric system plan.

Kathie Lee, representing the Salt River Project's Governmental Affairs' Office, introduced Joe Giles and Dan Hawkins of SRP's Transmission System Planning Department, both of whom were present to provide an update on SRP's electric system plan.

Mr. Giles utilized a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide an overview of the electric system, the long-range forecast and plan, and the City of Mesa's six-year Electric System Plan. He stated that SRP's challenge is to reliably meet demand while maintaining low costs.

Mr. Giles advised that the two major problems being faced by SRP are:

- Increasing the amount of energy in the grid.
- Transporting energy within the grid.

Mr. Giles explained that SRP is attempting to meet the requirements of increased demand resulting from explosive growth in the SRP service area in addition to providing adequate infrastructure to ensure reliability. He advised that "build out" for Maricopa and Pinal Counties is expected to occur in the year 2040. Mr. Giles referred to the locations of existing and future distribution stations, and he noted that future project information is available on the following website: www.srpnet.com/power/future.asp.

Mr. Hawkins continued the PowerPoint presentation by noting that the subject being addressed is a 500 kilovolt (kV) transmission line project that is planned to interconnect to the expanded generation capacity (16,000 megawatts of additional energy) that has been sited near the Palo Verde Power Plant located west of the Valley. He advised that Arizona Public Service (APS), the Santa Cruz Water & Power Districts' Association, Tucson Electric Power and the Southwest Transmission Cooperative are participants in this project with SRP serving as the project manager. Mr. Hawkins noted that the project includes a portion of the Central Arizona Transmission System Plan, which was developed in 2000-2001 to address the needs of the Tucson and Phoenix metropolitan areas, the I-10 corridor and the surrounding communities within Pinal County.

Mr. Hawkins reported that the first section of the project has been successfully sited from Palo Verde to the southeast Valley. He noted that efforts continue to site the portion of the project that will connect the Pinal West Substation to the proposed new Southeast Valley Station and then on to the existing Browning Station in the City of Mesa.

Mr. Hawkins referred to maps indicating the preferred transmission line routes, and he noted that public hearings, which began in November, were divided into the three areas: Maricopa Stanfield, Casa Grande, and the Florence/Coolidge/Queen Creek/Apache Junction area. He advised that the committee would formulate a recommendation when the hearings have concluded, which will then be forwarded to the Corporation Commission for final approval. Mr. Hawkins further advised that following Corporation Commission approval, the final design and right-of-way acquisition portions of the program would be addressed.

Responding to a question by Mayor Hawker regarding City property in the Coolidge water farm area, Mr. Hawkins indicated on a map the proximity of City property to the proposed location of the transmission line.

City Manager Mike Hutchinson acknowledged Williams Gateway Regional Economic Activity Area Project Manager Wayne Balmer and Councilmember Whalen for their efforts to ensure that the City has up-to-date information on the project status.

Councilmember Thom advised that a market study of two Mesa subdivisions that she conducted indicated that the presence of lattice towers in the yards did not adversely affect property values. She stated that the study findings were submitted to the line siting committee.

Mr. Hawkins noted that as a general rule future transmission lines will be constructed on tubular poles rather than lattice towers. He reported that SRP is planning to add at least three

230kV/69kV stations in the southeast Valley in anticipation of the development of the large block of contiguous State land.

Councilmember Griswold commended SRP for their foresight in planning for the Valley's power requirements, and he also expressed appreciation for Councilmember Whalen's efforts.

In response to an inquiry from Councilmember Whalen, Mr. Hawkins advised that the timeframe for installation of the additional 230 kV power line from Browning into Rogers would be at least 15 years in the future. He noted that SRP continues to monitor development and density changes in order to make necessary plan adjustments. Mr. Hawkins also advised that SRP has installed double circuit capability on structures in several locations, which will enable the future installation of a second circuit without siting an additional new line. He added that some existing lattice towers would be rebuilt to double circuit steel poles in order to provide additional capacity.

Mayor Hawker thanked Mr. Giles and Mr. Hawkins for the update.

3. Discuss and consider alternative alignments for the Williams Gateway Freeway Project.

Mayor Hawker advised that the Maricopa Area Government (MAG) consultant would be soliciting public comment in the near future relative to the preferred alignments for the Williams Gateway Freeway Project, and he stated the opinion that a recommendation to MAG from the Mesa City Council would be appropriate at this time.

Transportation Director Jeff Kramer displayed maps (copies are available for review in the City Clerk's Office) that indicated alternative freeway alignments. He advised that the original seven alternatives have been reduced to three (Alternatives 3, 5 and 7), all of which originate in the area of the 202 Freeway near Hawes Road, are plotted in a southeasterly direction between Williams Gateway Airport and the General Motors Proving Grounds, and then continue east into Pinal County.

Mr. Kramer advised that staff recommends Alternative 3, which provides the shortest and least expensive route, the least environmental impact, a minimum of economic and social disruptions, and the best access to Williams Gateway Airport via a full interchange at Williams Field Road.

Mr. Kramer added that locating the freeway further to the south would result in additional pressure for residential development to the south, which would eventually impact the airport. He added that Alternatives 5 and 7 require that a choice be made between an interchange on Ellsworth Road and an interchange on Williams Field Road. Mr. Kramer noted that an interchange on Ellsworth Road, the option selected by the Town of Queen Creek, would result in a more circuitous access route into the airport.

Mr. Kramer said that a major concern relative to this project is the access between Ellsworth Road and the Freeway. He added that all three alternatives (3, 5 and 7) easily accommodate a half-diamond interchange with Ellsworth Road. Mr. Kramer advised that the consulting firm is evaluating the possibility of installing a full interchange at Ellsworth Road, and that the possibility exists that an interchange could be installed at both Ellsworth and Williams Field Roads. He added that the three major property owners in the area have expressed considerable interest relative to the interchange access pattern at Ellsworth in all directions as well as access to the freeways.

Mr. Kramer stated that staff recommends Alternative 3 for the Williams Gateway Freeway, and he added that staff would continue to work with the consultant and the property owners regarding the interchange location and the frontage road issues. He further stated that MAG and the study team have been advised that if an Ellsworth Road alignment impacts other area arterials, the City of Mesa would expect the freeway project to fund the cost to relocate the arterials.

Mayor Hawker noted that Paul Gilbert was present, and he asked him to comment on the impact of Alternative 3.

Paul Gilbert, 4800 North Scottsdale Road, representing the major property owners, advised that although his clients prefer an alignment further south than that proposed by Alternative 3, they would enthusiastically support Alternative 3. He advised that his clients were very interested in the realignment of Ellsworth Road, which only impacts the General Motors Proving Ground property. Mr. Gilbert explained that they would prefer to have Ellsworth located further to the east, and he requested additional time to discuss this issue with staff.

Mayor Hawker noted that locating Ellsworth Road further to the east would be advantageous for the Williams Gateway Airport job center.

Councilmember Whalen stated that the City is not aware of the development plans for the General Motors' property, and he noted that the information would impact his decision regarding Ellsworth Road. He also advised that this section of Ellsworth Road would be constructed by Maricopa County, and he questioned how the realignment would impact the costs.

Mr. Kramer advised that the Ellsworth Road project, which is scheduled to move forward this year, extends from Germann Road to an area south of Guadalupe Road, and he added that the project involves the City of Mesa, the Maricopa County Department of Transportation, and the Maricopa County Flood Control District. He stated that the Williams Gateway Freeway project is included in the third phase of the Regional Transportation Plan, which is scheduled to begin in ten or more years.

In response to a question from Councilmember Whalen, Mr. Kramer advised that the Federal Aviation Administration (FAA) has approved the current Ellsworth roadway alignment. He explained that at some point in the future, the FAA could determine that increased levels of aircraft and vehicle traffic requires the relocation of Ellsworth Road beyond the runway protection zone. Mr. Kramer added that an agreement with all parties regarding the relocation of Ellsworth Road might be possible in advance of the FAA requiring that action.

Responding to a question from Vice Mayor Walters, Mr. Kramer noted that Alternative 3 is located midway between Pecos and Williams Field Roads, and that the location would duplicate the traffic benefits that Baseline and Southern provide to the Superstition Freeway.

Councilmember Thom stated that Alternatives 4 and 5 would impact TRW. She noted that Russell Brandt and John Fry were present, and she requested that they comment on the proposal.

Mr. Brandt referred to future road alignments, and he noted the importance of developing the south portion of the airport and providing access to that area. He expressed support for Alternative 3.

Mayor Hawker noted that the recommendation before the Council is to approve Alternative 3 and to continue working with the area property owners on the Ellsworth alignment in order to maximize access into the freeway corridor.

John Fry, representing TRW in Queen Creek, advised that his firm continues to meet with the consultants in order to determine the best alternative, and he stated that at the present time, his firm has no objection to Alternative 3.

It was moved by Councilmember Rawles, seconded by Vice Mayor Walters, that staff's recommendation for Alternative 3 for the Williams Gateway Freeway alignment be approved.

Carried unanimously.

Mayor Hawker requested that staff prepare a letter on behalf of the Council indicating that the City of Mesa recommends Alternative 3, and that the letter also indicate that the Mesa City Council is interested in continuing discussion regarding the Ellsworth Road alignment in order to allow input by the property owners and maximize access to the freeway.

In response to a question from Councilmember Whalen, Mayor Hawker confirmed that the Proposition 400 funding for the freeway does not extend beyond Meridian.

Mr. Kramer advised that both MAG and the Arizona Department of Transportation (ADOT) are conducting studies regarding the possibility of extending the U.S. 60 highway into Pinal County, and he noted that ADOT and MAG are considering similar alignments.

Mayor Hawker thanked staff for the presentation.

4. Discuss and consider implementation of a Municipal Sponsoring Program.

Community Services Manager Joe Holmwood reported that an employee team was formed to explore ways of generating new revenues through the marketing of municipal programs and venues. He advised that many municipalities throughout the country are targeting corporate America in order to obtain funding assistance for their operations.

Commercial Facilities Director Rhett Evans, who served as team leader, addressed the Council and highlighted a PowerPoint presentation (a copy is available for review in the City Clerk's Office). He advised that the team defined a Municipal Sponsoring Program as "a business relationship in which two entities exchange things of value, including a public display of support. This value could be financial, in-kind, or benefits related to visibility/exposure, publicity or market reach."

Mr. Evans stated that research indicates that sponsorships currently generate approximately \$272 million annually, and that the amount is projected to increase by 49 percent over the next three years to an estimated \$531 million in revenues. He advised that municipal sponsorships could provide the following benefits to the City of Mesa:

- New sources of revenue.
- Stronger public/private partnerships.
- Expansion of existing events and programs without increasing the City's budget.
- An improved quality of life for Mesa's residents.

Mr. Evans cited examples of sponsorships that exist throughout the country, and he also provided information on the status of similar programs in other Valley communities.

Mr. Evans advised that the employee team recommended formalizing the process for seeking sponsorships in order to provide a consistent and coordinated approach that provides specific guidance and procedures, protects the City from over-commercialization and from being associated with inappropriate products; ensures that all City divisions comply with the competitive process, and ensures that the agreements comply with other City regulations.

Mr. Evans reported that the team's recommendation for Phase I is that a Request for Proposals (RFP) be issued to hire an outside agency, which will operate primarily on a commission basis, to assist in the planning and developing of a Municipal Marketing Program:

- Create Effective Procedures.
- Develop a Strategic Marketing Plan.
- Identify Inventory.
- Package Assets.
- Solicit Potential Partners.
- Negotiate Contracts.

Mr. Evans noted that the City would assume full responsibility for the program in Phase II, including executing agreements with sponsors and maintaining the existing programs. He added that the team recognized that the added revenues generated by the proposed program would not solve the City's budget problems.

Councilmember Rawles expressed concern that the Council Report lists "gun companies" as an example of a negative type of sponsor. He stated the opinion that a firearms manufacturer would be an appropriate sponsor for a venue such as the Mesa Southwest Museum.

Discussion ensued relative to the fact that the program would focus on City-wide issues and major events; that staff would continue to address the small, specialty events; that sponsors currently underwrite the meetings of the Arizona League of Cities and Towns; that staff would bring policy issues before the Council for consideration; that the initial \$5,000 is budgeted to cover incidental expenses; and that the agency would be paid on a commission basis, which is normally approximately twenty percent.

Councilmember Griswold expressed support for the program.

In response to a question from Vice Mayor Walters, City Attorney Debbie Spinner advised that clear guidelines would be drafted for Council approval.

Mr. Evans noted that each contract would be a separate negotiation and could involve a different time period and commission arrangement.

Mayor Hawker stated the opinion that the policy guidelines should be established prior to entering into an agreement with an agency.

Councilmember Rawles recommended that the policy guidelines include wording to the effect that no contractual obligation exists on the part of the City unless the Council approves the contract. He concurred that a draft policy for the program should be prepared.

Mayor Hawker thanked staff for the presentation, and he directed staff to prepare a policy guideline for Council consideration.

5. Acknowledge receipt of minutes of boards and committees.

- a. Human Relations advisory Board meeting held February 23, 2005..
- b. Parks and Recreation Board meeting held March 8, 2005.

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

Carried unanimously.

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

Councilmember Whalen: Meeting regarding the School Resource Officer Program.

Councilmember Thom: Arizona Republic Forum regarding upcoming ballot issues.

7. Scheduling of meetings and general information.

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

Monday, April 4, 2005, TBA – Study Session

Monday, April 4, 2005, 5:45 p.m. – Regular Council Meeting

Thursday, April 7, 2005, 7:30 a.m. – Study Session

Monday, April 11, 2005, 3:30 p.m. – Police Committee

Thursday, April 14, 2005, 7:30 a.m. – Study Session

Thursday, April 14, 2005, 9:30 a.m. – Finance Committee

Monday, April 18, 2005, 3:30 p.m. – Fire Committee

Monday, April 18, 2005, TBA – Study Session

Monday, April 18, 2005, 5:45 p.m. – Regular Council Meeting

8. Prescheduled public opinion appearances.

City Clerk Barbara Jones advised that Sheila Mitton was present to address the Council.

Mayor Hawker noted that Ms. Mitton's attire indicated a position on the upcoming ballot issue, and he requested clarification by the City Attorney regarding the legality of utilizing a Council meeting to promote a pro or con viewpoint.

Ms. Spinner advised that the Ethics Code, which prohibits the use of City resources and buildings or the wearing of attire or buttons by individuals in order to express an opinion on an issue or a candidate, applies only to elected officials, advisory board members and candidates for office. She noted that the Ethics Code does not apply to private citizens. Ms. Spinner added that the Mayor has the authority to control the manner in which the meeting is conducted.

Mayor Hawker noted that public forums have been held regarding the ballot issue, and that he would prefer that Council meetings not be utilized to express pro or con viewpoints. He suggested that a future Study Session be utilized to address the legality of this issue.

(Ms. Mitton did not address the Council at this time.)

9. Adjournment.

Without objection, the Study Session adjourned at 9:27 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 31st day of March 2005. I further certify that the meeting was duly called and held and that a quorum was present.

BARBARA JONES, CITY CLERK

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