



COUNCIL MINUTES

January 15, 2009

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on January 15, 2009 at 7:33 a.m.

COUNCIL PRESENT

Mayor Scott Smith
Alex Finter
Dina Higgins
Kyle Jones
Dennis Kavanaugh
Dave Richins
Scott Somers

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Linda Crocker

1. Hear a presentation, discuss and provide direction on the proposed acceleration of State Route 802 (Gateway Freeway).

Government Relations Director Scott Butler and Government Relations Coordinator Brent Stoddard addressed the Council relative to this agenda item. Mr. Butler displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and reported that in 2006, the State Legislature allocated \$20.4 million from the Statewide Transportation Acceleration Needs (STAN) account in order to offset the cost of right-of-way acquisition along State Route 802 (Gateway Freeway). He explained that such funding is currently in jeopardy of being "swept" in order to address the State's FY 2009 \$1.9 billion shortfall. Mr. Butler advised that Mesa is attempting to obligate such funding by entering into an acceleration agreement with the Maricopa Association of Governments (MAG) and the Arizona Department of Transportation (ADOT).

Mr. Butler highlighted a map illustrating the location of State Route 802, which extends east from the Loop 202 near the Phoenix-Mesa Gateway Airport to US 60 near Florence Junction in Pinal County. (Note: Phase 1 extends from the Loop 202 to Ellsworth Road and Phase 2 from Ellsworth Road to Meridian Road.) He said that the Maricopa County section of the freeway is fully funded by Prop 400.

Discussion ensued relative to Prop 400; the fact that ADOT is currently scheduled to begin construction of Phase 1 in 2016; that staff proposes to accelerate Phase 1 of State Route 802 to 2012; that such advancement would provide better access to the Mesa Gateway Economic Activity Center, allow for concurrent planning/design with the airport area transportation study, and improve commuter access from Pinal County to Maricopa County; and that the proposed

acceleration requires that Mesa enter into an Intergovernmental Agreement (IGA) with ADOT and MAG.

Mr. Butler reported that the cost for Phase 1 of State Route 802 is estimated at \$217 million and explained that Mesa would issue Highway Project Advancement Notes (HPANs) to pay ADOT for the design, right-of-way and construction costs. He advised that the HPANs would be paid off by using Prop 400 revenue. Mr. Butler stated that by advancing these funds four years, Mesa would incur approximately \$39.6 million in interest expenses. He also noted that \$20.4 million in STAN funds could be used to pay down Mesa's interest costs and said the remaining \$19.2 million would be split between MAG and Mesa.

Mayor Smith clarified that the gross interest cost to the City would be \$9.6 million (one half of \$19.2 million) and indicated that with a \$3.1 million offset in interest earnings on the STAN funds, Mesa's net interest cost would be \$6.5 million. He stated that in 2014, the City would have a cash obligation of \$6.5 million, which would be paid over three years. Mayor Smith further commented that staff would have sufficient time to include such an obligation in the City's budget forecast.

City Manager Christopher Brady stated that staff is seeking Council direction as to whether the City should move forward with acceleration of the entire project (i.e., design, right-of-way acquisition and construction) or, as an alternative, complete the design and right-of-way initially and then evaluate whether to proceed with construction.

Mr. Brady stressed the importance of Mesa accelerating the project not only for the physical development of State Route 802, but also for the sake of various projects that would generate significant economic activity in the area (i.e., Phoenix-Mesa Gateway Airport, DMB property, Gaylord Hotel). Mr. Brady also noted that staff's proposal would also allow Mesa to leverage the \$20.4 million allocation to accomplish more than simply purchase right-of-way along State Route 802.

Further discussion ensued relative to the fact that ADOT is currently conducting an Environmental Assessment (EA) for State Route 802 for the Maricopa and Pinal County sections, which is expected to be completed by 2010; that per Mesa's request, ADOT would allow the design of the first mile to begin (summer of 2009) prior to the completion of the EA; that the acceleration agreement would allow Mesa to terminate such acceleration following design and right-of-way acquisition; that if such an option were exercised, the City would not be responsible for any costs; and that by 2011, Mesa would make a determination as to whether to commit to the construction phase.

Mr. Brady stated that when the HPAN notes are issued, the City would pledge Mesa's excise tax to support such an issuance. He noted, however, that because Mesa would have a commitment from ADOT to receive \$20.4 million in STAN monies, as well as its allotment of Prop 400 funding, Mesa's exposure and liability to the excise tax would be reduced.

Mayor Smith commented that the longer the STAN funds "sit in limbo," the more susceptible they are to being "swept" by the Legislature for another use.

Councilmember Kavanaugh thanked staff for taking a strong leadership role in explaining to the Council and the public the benefits of freeway acceleration in Arizona. He expressed support

for staff's recommendation and commented that the acceleration of State Route 802 is "a wise course" for the City to take.

Councilmember Somers concurred with Councilmember Kavanaugh's comments and added that accelerating Phase 1 of State Route 802 would ensure that "solid" economic development activity occurs in the area.

Mayor Smith stated that it is the consensus of the Council that this item move forward and that ADOT and MAG be advised of that fact.

Mayor Smith thanked staff for the presentation.

2. Hear a presentation and discuss the construction and timing of Fire projects related to the November 2008 Bond Election.

City Engineer Beth Huning, Deputy City Manager Bryan Raines and Fire Chief Harry Beck addressed the Council relative to this agenda item.

Mr. Raines displayed a PowerPoint presentation (A copy is available for review in the City Clerk's Office) and provided a brief overview of the March 2004 Bond Election, at which time Mesa voters approved \$9.6 million in Fire bonds. He explained that in 2005, 2007 and 2008, \$4.7 million in Fire bonds were sold, leaving a balance of \$4.9 million. Mr. Raines stated that in the November 2008 Bond Election, voters approved \$58.3 million in Police and Fire bonds.

Mr. Raines informed the Council that the Fire bonds have been used to purchase replacement equipment (ladder and pumper trucks), acquire sites for future stations, install Opticom systems, perform the initial planning for the Fire Operations Center, and design a replacement facility for Fire Station 215 as well as the prototype floor plan for Fire Stations 218 and 219.

Chief Beck reported that the City of Mesa has not constructed any new Fire stations for several years and stated that such facilities are important to Fire and Emergency Medical Support in the community. He highlighted various goals and objectives related to the 2008 Fire Station Bond Program as follows: 1.) Strategically locate resources for 24/7 service coverage; 2.) Provide effective response times Citywide; 3.) Establish/improve a sense of security through a public safety presence; 4.) Help define neighborhood identity as part of the City; 5.) Provide facilities consistent with neighborhood aesthetics; and 6.) Address current and future resource needs.

In response to a question from Mayor Smith, Chief Beck advised that the future locations of Fire Stations 220 and 221 have not yet been determined. He noted that such locations would depend upon response times and call patterns. Chief Beck also indicated that there is currently "a hole" in coverage in the area of 56th Street and Main.

Ms. Huning offered a brief overview of Fire Station 218, which is located at Alma School Road and 8th Street. She reported that staff met with the neighbors to address their concerns regarding the fire trucks exiting the facility onto 9th Street and explained that staff determined that it would be more appropriate for the vehicles to exit onto Alma School Road. Ms. Huning stated that two driveways would be added in a cul de sac off of 9th Street in order to minimize traffic in the area. She also noted that the plans for Fire Station 218 are 90% construction ready and currently in Building Code review, after which time staff would go out to bid on the project.

Ms. Huning further advised that the engineering costs for Fire Station 218 are derived from the 2004 and 2008 bond authorizations and added that with the current downturn in the economy, staff anticipates receiving competitive bids on the project.

Councilmember Richins expressed appreciation to staff for responding to the neighbors' concerns regarding the traffic issues on 9th Street.

Ms. Huning indicated that the City is currently constructing the first phase of the South Central Arizona Project (CAP) Water Treatment Plant on the northeast corner of Signal Butte and Elliot Roads and commented that Fire Station 219 would be located to the north of that facility. She explained that the fire station site has a number of challenges, including a major wash that crosses between the fire station and the Water Treatment Plant and an undeveloped arterial street. Ms. Huning stated that staff would use the Fire Station 218 prototype floor plan for the facility, but noted that it would be necessary for the City to coordinate with the Flood Control District to build on the site.

Councilmember Finter stated that with the potential challenges at the proposed site for Fire Station 219, it would seem appropriate that staff would look for future locations with less impacts as far as site development.

Ms. Huning responded that most of the new fire stations would be located in southeast and northeast Mesa and stated that many of these sites do not have the same facilities as in the western areas of the community.

Councilmember Somers stated that the Water Treatment Plant has a significant amount of undeveloped property along the south side of Elliot Road which, for the most part, is an improved road. He questioned the feasibility of relocating Fire Station 219 to Elliot Road without creating undue delays in the opening of the facility.

Ms. Huning responded that the City has programmed much of the frontage along Elliot Road for access to and from the Water Treatment Plant. She said she would have to research whether Councilmember Somers' suggestion would be a possible option.

Further discussion ensued relative to the fact that staff master planned the area in and around the Water Treatment Plant four years ago and determined that the most appropriate space to accommodate a new fire station was the proposed site; and that \$4.5 million in the Fire Bond Program was earmarked for the construction of Fire Station 219 and to begin work on the Signal Butte Street Project.

Ms. Huning further spoke regarding the replacement of Fire Station 215, which is located at Phoenix-Mesa Gateway Airport. She highlighted the site layout, floor plan and building elevations and explained that the facility, which would be shared by Police and Fire, also accommodates airport response crews.

In response to a question from Councilmember Richins, Mr. Brady clarified that the Williams Gateway Airport Authority (WGAA) and Mesa share the costs for the purchase of equipment at Fire Station 215. He also noted that the City is engaged in ongoing discussions with the WGAA relative to offsetting costs for Police and Fire services at the airport.

Discussion ensued relative to the process that would be undertaken to evaluate Police and Fire services when the terminal is eventually moved to the east side of the airport; and that Fire Station 215 would include two dedicated crews that remain onsite and available for aircraft response and four crews that would respond to calls both on and off the airport.

Councilmember Somers commented that the Federal Aviation Administration (FAA) regulates response times at airports and explained that Fire crews must be capable of reaching all areas of the airport and runways within three minutes. He stated that he anticipates in the not too distant future that it would be necessary for Phoenix-Mesa Gateway Airport to be serviced by two fire stations, one on the east side to accommodate the runways, ASU Polytechnic and other aviation entities and a smaller facility on the west side of the airport that would provide fire protection for potentially a third runway and off airport fire services for the Mesa Proving Grounds.

Chief Beck concurred with Councilmember Somers' assessment and added that as Phoenix-Mesa Gateway Airport becomes a full service airport, it will become necessary for the Fire Department to increase staffing levels and resources at that location in order to adequately respond to calls for service.

Ms. Huning further summarized the cost estimates for Fire Station 215 and said that the engineering costs would be derived from the 2004 Bond Program, with the remainder of the costs associated with the project coming from the 2008 Bond Program. She also briefly reviewed the bid/award and construction timelines for Stations 215, 218 and 219.

Mayor Smith thanked everyone for the presentation.

3. Hear a presentation, discuss and provide direction on the sale of City-owned property located at the southeast corner of Higley Road and the Red Mountain Freeway Loop 202.

Property Acquisition Supervisor Craig Crocker provided an extensive historical overview of the above-referenced property. He reported that the prospective buyer of the property intends to construct a "big boy toy storage facility" and sell indoor storage units for items such as recreational vehicles (RVs) and boats. Mr. Crocker stated that the City Attorney's Office has reviewed the sales contract and agreement, both of which have been signed by the purchaser. He also noted that once escrow is opened, the purchaser would have 180 days to research the feasibility of the development and said that if he continued with the sale, he would have an additional 180 days to close escrow.

Mr. Crocker further remarked that the property directly to the northwest of the City's land is owned by ADOT and stated that Sunshine Acres owns the property to the south and east. He displayed a series of photographs depicting the location of the City property in relationship to the surrounding properties and its visibility from the Red Mountain Freeway Loop 202.

Mr. Brady stated that this item was continued to the January 26, 2009 Council meeting due to concerns raised by Councilmember Higgins relative to the property's exposure to the freeway.

Councilmember Higgins commented that the photographs that have been provided to the Council are somewhat misleading. She noted that when she visited the site and stood in the middle of the property there was, in fact, visibility to the east and west on the Loop 202.

In response to a question from Mayor Smith, Planning Director John Wesley clarified that the General Plan designation for the property is Business Park and said that it is currently zoned R1-90.

Mr. Brady informed the Council that the property is located under a direct flight path for Falcon Field Airport.

Mayor Smith commented that it would be inappropriate for the Council to “mix zoning and land use with land sales” and stated that those are two separate processes. He suggested that Mesa should sell land based on financial needs and land use needs.

In response to a question from Mayor Smith, Mr. Wesley explained that although an indoor storage facility is not a typical use for a Business Park designation, such a use would “fit” within the General Plan.

Discussion ensued relative to the fact that currently no sewer service is available to the City property; that staff is considering the need for this site and the property across the street to be served by a lift station; that the purchaser, in the meantime, intends to install a septic tank with a dry sewer and would eventually connect to the lift station when it is installed by the City.

Councilmember Richins stated that the proposed storage unit is an appropriate use for the property due to its location under a flight path and its lack of sewer service.

Councilmember Higgins expressed the following concerns regarding this item: 1.) The “For Sale” signs for the property were not placed in visible locations; 2.) The City did not “fully disclose” the fact that the property was for sale; 3.) There is no direct access off the freeway to the property for RVs and boats and it would be necessary for the vehicles to make U-turns in front of Sunshine Acres.

Vice Mayor Jones stated that the property has been on the market for several years and is not, in his opinion, conducive to retail or business office uses. He expressed support for moving forward with the sale of the property and its proposed use.

Councilmember Finter also voiced support for the sale of the property and thanked Councilmember Higgins for bringing her concerns to the Council’s attention.

Councilmember Higgins reiterated that the “For Sale” signs for the property should be placed in more visible locations and suggested that the property remain on the market for an additional six to eight months.

Mayor Smith stated that with the exception of Councilmember Higgins, the Council is in agreement that this item should be added to the January 26, 2009 Council meeting agenda.

4. Appointments to boards and committees.

Mayor Smith recommended the following appointment to boards and committees:

HOUSING GOVERNING BOARD

William Egan – Term Expires December 31, 2009

It was moved by Councilmember Kavanaugh, seconded by Councilmember Somers, that the Council concur with the Mayor's recommendation and the appointment be confirmed.

Carried unanimously.

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

Due to time constraints, this item was continued.

6. Scheduling of meetings and general information.

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

Thursday, January 22, 2009, 7:30 a.m. – Study Session

Thursday, January 22, 2009, 9:00 a.m. – Public Safety Committee

7. Items from citizens present.

There were no items from citizens present.

8. Adjournment.

Without objection, the Study Session adjourned at 9:15 a.m.

SCOTT SMITH, MAYOR

ATTEST:

LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 15th day of January, 2009. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

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