

COUNCIL MINUTES

August 14, 2014

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 August 14, 2014 at 7:30 a.m.

COUNCIL PRESENT

Alex Finter
Terry Benelli
Dennis Kavanaugh
David Luna
Dave Richins
Scott Somers

COUNCIL ABSENT

Christopher Glover

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Dee Ann Mickelsen

(Mayor Finter excused Vice Mayor Glover from the entire meeting and Councilmember Richins from the beginning of the meeting; he arrived at 7:31 a.m.)

1. Review items on the agenda for the August 18, 2014 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: None

Items deleted from the consent agenda: None

2-a. Hear a presentation and discuss the Falcon Field Terminal and Master Plan updates.

Falcon Field Airport Director Corrine Nystrom addressed the Council and introduced several staff members from her department who were present in the audience.

Ms. Nystrom displayed a PowerPoint presentation (**See Attachment 1**) and reported that Falcon Field Airport is a financially self-sustaining enterprise for the City of Mesa. She explained that the facility's operating revenues are generated primarily from its ground leases, hangar and tie down rental fees, fuel flowage fees and two rental car concessions. She stated that the airport's net income is used to help fund airport capital improvements.

City Manager Christopher Brady commented that he recently learned of certain misconceptions regarding Falcon Field Airport that have arisen during the meetings of a particular citizen commission. He stated that such misconceptions are related to the airport not being self-

sufficient. He assured everyone that not only has Falcon Field Airport been self-sufficient in funding all of its operating and capital needs, but noted that for the past five to six years, it has also paid for Police and Fire coverage onsite. He remarked that Falcon Field Airport has been very successful in applying for and receiving federal grants in order to fund various projects. He added that the airport was a robust and healthy enterprise at this time.

Ms. Nystrom continued with her presentation and noted that over the last five years, more than \$19.9 million have been invested in capital improvements at Falcon Field Airport. She indicated that the monies are derived from federal and state grant funds, airport dollars and an \$8.7 million investment by the airport tenants to construct improvements and expand their respective operations.

Ms. Nystrom commented that in the next five years, \$22 million in capital improvements are planned for the airport. (See Page 3 of Attachment 1) She pointed out that with respect to the airport's budget, staff forecasts out for eight years and said that per Federal Aviation Administration (FAA) regulations, Falcon Field must forecast out at least five years. She added that such planning includes all of the capital improvement projects.

Ms. Nystrom remarked that in 2011, the Council approved a Planned Area Development (PAD) for Falcon Field Airport. She explained that within the PAD, three distinct areas were identified at the airport in addition to the runway and taxiway areas. She displayed a diagram illustrating the Leading Edge Zone, the Eastside Zone and the Historic Zone. (See Page 4 of Attachment 1) She stated that in addition to the upcoming airfield improvements, the Historic Zone will be the first area addressed.

Ms. Nystrom highlighted several "before" and "after" drawings of the water tower improvements at Falcon Field Airport. (See Pages 5 and 6 of Attachment 1) She stated that it was anticipated that the project would be completed by the end of September 2014.

Ms. Nystrom further spoke regarding the proposed improvements to Falcon Field Airport's Terminal Building, which has not been upgraded since the 1980s. (See Pages 7 through 11 of Attachment 1) She commented that the Terminal Building is often the first impression that visitors receive of the airport and Mesa as they travel into the area. She noted that the existing structure will remain intact, with most of the improvements being focused on the areas that are accessed by the general public. She also indicated that the airport tenants offered suggestions with respect to the design for the building, several of which have been included in the final plans. She added that construction is scheduled to begin in early 2015.

Responding to a question from Mayor Finter, Ms. Nystrom clarified that in 2013, there were 263,000 aircraft operations at Falcon Field. She noted that Falcon Field is the fourth most active general aviation airport in the United States.

Ms. Nystrom reported that pending completion of the Terminal Building improvements, staff will focus on additional upgrades on the landside (outside of the perimeter fence) in the Historic Zone. (See Page 12 of Attachment 1) She explained that such efforts would include replacing the underground utilities, making improvements to the streets, street lighting, landscaping and signage. She also said that her staff was working with the Parks, Recreation and Commercial Facilities (PRCF) Department to make renovations at Falcon Field Park, which will include features with an aviation theme.

Ms. Nystrom acknowledged the Commemorative Air Force Museum for their efforts and hard work in promoting Falcon Field Airport with its display of vintage warbird aircraft. She stated that the national Commemorative Air Force organization recently designated the museum as an air base, making it the second largest commemorative Air Force facility in the country.

Ms. Nystrom highlighted the Falcon Warbirds, a new addition to Falcon Field Airport, which is comprised of several long-time tenants who have stored their vintage aircraft in the City-owned hangars. She explained that the individuals formed a group and were recently designated as the Falcon Warbirds Chapter of the Experimental Aircraft Association (EAA). She noted that the EAA, which is a national organization, conducts formation flying workshops, performs flyovers at memorial services for veterans, and demonstrates formation flying at various events around the country.

Ms. Nystrom remarked that it was important to remember that Falcon Field Airport is an active and thriving business community, with 82 businesses that employ more than 1,000 individuals. She stated that in her opinion, Falcon Field Airport is a strong economic engine for Mesa.

Ms. Nystrom, in addition, reported that corporate and business traffic at Falcon Field Airport continues to be very strong. She noted that over the past five years, 46% of the total gallons of fuel pumped into aircraft at Falcon Field has been jet fuel, the vast majority of which was pumped into business and corporate aircraft.

In response to a question from Councilmember Benelli, Ms. Nystrom clarified that she would anticipate increased activity at Falcon Field Airport during the Super Bowl in January 2015. She stated that the upgrades to the Terminal Building will most likely be delayed until after the event.

Discussion ensued relative to the fact that a new hangar complex has recently been completed at Falcon Field Airport (See Page 15 of Attachment 1); that with respect to the 403 City-owned hangars, there is an 18-month waiting list for individuals who wish to rent the hangars; that many of the existing tenants at Falcon Field Airport are in an expansion mode and have renegotiated long-term ground leases with the City; that Fire inspections at the City-owned hangars are nearly completed in order to ensure that the structures comply with the Fire and Building Codes; and that the Building Code under which the hangars were constructed does not require that the facilities be retrofitted with fire sprinklers.

Councilmember Somers restated that the new hangars are required to have fire sprinklers installed, but the existing City-owned hangars are not required, per the Building Code, to be retrofitted. He noted, however, that if the City chose to do so, the structures could be retrofitted with fire sprinklers. He suggested that if the City is making aesthetic improvements to Falcon Field Airport, it would be important to protect its investment, including setting aside funds to retrofit the hangars for public safety purposes.

Responding to a question from Councilmember Luna, Ms. Nystrom clarified that Falcon Field Airport's long-term plan does not include building additional City-owned hangars. She stated that in order for such an endeavor to be cost effective, it would be necessary for Falcon Field Airport to charge a substantially higher rental rate for the hangars.

Mr. Brady clarified that the City was not considering building additional hangars, but would encourage private sector developers to take on such an enterprise.

Ms. Nystrom discussed a variety of community outreach events that are sponsored by Falcon Field Airport, such as the annual Open House; check-in meetings with the airport tenants and the surrounding neighborhoods; and tours of the facility. She explained that Falcon Field Airport partners with other City departments and community agencies to benefit not only the airport, but also the entire community. She added that the airport also hosts a number of events for its tenants throughout the year, including a barbeque and holiday open house.

Ms. Nystrom further spoke regarding Falcon Field Airport's Fly Friendly Program, which was established in an effort to respect the surrounding neighborhoods. She pointed out that in 2009, the voluntary Fly Friendly strategies were implemented and stated that such efforts have helped to keep the airport more compatible with the surrounding residential developments. She also remarked that additional strategies have been developed by some of the larger tenants at the airport in an effort to be "a good neighbor."

In response to a question from Councilmember Luna, Ms. Nystrom clarified that the check-in meetings with tenants and neighbors have been quite successful and added that there has been "a civil interchange" between the parties.

Councilmember Somers commented that Falcon Field Airport is a great example of the fact that airports generate noise and are also important economic drivers for a community. He stressed the importance of the Council being careful not to allow more residential encroachment at Falcon Field or Phoenix-Mesa Gateway Airports and to protect job growth opportunities at both sites.

Mayor Finter stated that in the near future, the members of the Falcon Strategic Visioning Commission will address the Council and discuss their recommendations concerning the Falcon Field Economic Activity Area. He noted that he looked forward to the presentation.

Responding to a question from Mayor Finter, Ms. Nystrom clarified that the annual economic impact in the Falcon Field area, including Boeing, was approximately \$2.3 billion.

Mr. Brady also pointed out that the area the Falcon Strategic Visioning Commission is considering has generated approximately 16,000 jobs.

Councilmember Luna expressed appreciation to Ms. Nystrom and her entire staff for their efforts and hard work in balancing the needs of the Falcon Field Airport tenants, the pilots and the surrounding neighbors.

Mayor Finter thanked Ms. Nystrom for the presentation.

2-b. Hear a presentation, discuss and provide direction on the zoning ordinance relating to portable storage containers.

Zoning/Civil Hearing Administrator Gordon Sheffield displayed a PowerPoint presentation (**See Attachment 2**) and reported that portable storage containers (PSCs), which are often constructed overseas, are used to transport items from one country to another. He explained the fact that it is more cost effective to build new PSCs, as opposed to shipping the used ones back overseas, has resulted in a surplus of the containers in the United States. He added that a market has been created in which the PSCs are redesigned and repurposed for other uses.

Mr. Sheffield stated that the containers are often used as the base structure for a variety of different uses, such as homes, office buildings, drive-thru coffee shops and multi-family dwelling units. He displayed a series of photographs illustrating such uses. (See Pages 4 through 7 of Attachment 2)

Mr. Sheffield pointed out that in Mesa, staff would propose to allow the temporary placement of the PSCs on residential lots up to seven calendar days per year. He noted that the first use would be when people store household goods in the containers in preparation for moving from one home to another. He indicated that such usage is currently addressed through an interpretation of the Zoning Code and said that staff would like to authorize it expressly under the Code for a seven-day period. He added that the containers would be standard sizes, such as 8 by 40 and 8 by 20.

Mr. Sheffield commented that regarding Single Residence Districts, the PSCs would be treated in the same manner that Detached Accessory Buildings are addressed at the present time per the Zoning Code. (See Page 9 of Attachment 2) He explained that the concept behind the Detached Accessory Buildings was to move the containers away from the property lines; allow certain encroachments to the rear of the property; and impose certain height restrictions to ensure that the site is not "over built."

In response to a question from Mayor Finter, Mr. Sheffield clarified that the Detached Accessory Buildings would include items such as Tuff-Sheds, pool houses, backyard studios and detached garages. He stated that it was an "umbrella term" that encompasses those types of uses.

Responding to a question from Councilmember Somers, Mr. Sheffield explained that staff would propose to use the same setbacks and rules for the PSCs as are used for stick-built projects.

Mr. Sheffield further remarked that when staff presented this item to the Planning & Zoning (P&Z) Board, the members recommended that the PSCs have a limited applicability in Single Residence Districts. He explained that P&Z recommended that the containers be limited to Agriculture (AG), RS-90 and RS-43 zoning districts. He also reviewed additional requirements related to the usage of the PSCs. (See Page 10 of Attachment 2) He added that if the primary support structure for the PSCs was not compromised, staff would propose that the draft ordinance allow for added windows and doorways.

Mr. Sheffield displayed several photographs illustrating a variety of aesthetic treatments that could be implemented on the PSCs. (See Pages 11 and 12 of Attachment 2)

Mr. Sheffield further spoke relative to the manner in which the PSCs could be used in Commercial districts. (See Page 13 of Attachment 2)

Councilmember Somers commented that if an individual intended to use a PSC for a living space, as opposed to temporary storage, it would be important to ensure that the structure was aesthetically pleasing to the surrounding neighborhood and the community as a whole.

In response to a question from Councilmember Richins, Mr. Sheffield clarified that if an individual wanted to use a PSC as a residential structure, such usage would be regulated under the Building Code.

Mayor Finter remarked that Councilmember Somers was addressing the issue of using the PSCs as residential structures, but clarified that staff's presentation was intended to address their usage as auxiliary storage buildings.

Mr. Sheffield confirmed Mayor Finter's statement.

Councilmember Somers expressed support for staff's proposal, but suggested that he would also like to see the PSCs used for residential or business uses as well.

In response to a comment from Mayor Finter, Mr. Sheffield reiterated that the P&Z Board recommended approval of this item; that staff would recommend that the Council introduce the proposed ordinance; and that if it were the direction of the Council that the proposed uses and requirements, as outlined, are sufficient, staff was prepared to move forward with the ordinance.

Councilmember Richins remarked that he has worked on this issue for a long period of time. He recognized Lehi resident Mark Freeman, who was present in the audience, for his hard work and leadership in moving the item forward.

Councilmember Richins stated that in his opinion, the focus of the ordinance is to address the PSCs issue in general and not necessarily innovative or residential uses. He suggested that it would be appropriate to conduct a pilot program of staff's recommendations and determine if the ordinance is successful. He noted that if that proves to be the case, staff can make additional refinements to the ordinance and the Council can revisit the concept of allowing the PSCs on smaller lots at a future time.

Mayor Finter voiced support for staff's proposal and thanked Councilmember Richins for his efforts and hard work in this regard.

Mayor Finter stated that it was the consensus of the Council that staff move forward with the proposed ordinance. He also suggested that staff meet with Councilmember Somers to address his questions and concerns.

Mayor Finter thanked Mr. Sheffield for the presentation.

2-c. Appointments to Boards and Committees.

BOARD OF ADJUSTMENT

Anthony Siebers – Term Expires June 30, 2017

PARKS AND RECREATION ADVISORY BOARD

Josh Todd – Term Expires June 30, 2017

POLICE AND FIRE DEPARTMENT PENSION BOARDS

Bryan Raines – Term Expires June 30, 2018

Pat Gilbert – Terms Expires June 30, 2016

It was moved by Councilmember Kavanaugh, seconded by Councilmember Luna, that the Council concur with the Mayor's recommendations and the appointments be confirmed.

Mayor Finter declared the motion carried unanimously by those present.

3. Information pertaining to the current Job Order Contracting projects.

(This item was not discussed by the Council.)

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

- 4-a. Economic Development Committee meeting held May 29, 2014.
- 4-b. Community and Cultural Development Committee meeting held June 5, 2014.
- 4-c. Economic Development Advisory Board meetings held June 3 and July 9, 2014.
- 4-d. Public Safety Committee meeting held June 12, 2014.
- 4-e. Falcon Strategic Visioning Commission meetings held May 13, June 4, June 11 and July 1, 2014.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Luna, that the above-listed minutes be acknowledged.

Mayor Finter declared the motion carried unanimously by those present.

5. Convene an Executive Session.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Luna, that the Council adjourn the Study Session at 8:34 a.m. and enter into Executive Session.

Mayor Finter declared the motion carried unanimously by those present.

- 5-a. Discussion or consultation for legal advice with the City Attorney. (A.R.S. §38-431.03A (3)) Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding the City's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §38-431.03A(4))

- 1. Municipal Tax Hearing Office Case Numbers 798, 799, 800, 801, 802 and 803 involving the taxation of certain online travel companies.

Discussion or consultation for legal advice with the City Attorney. (A.R.S. §38-431.03A (3)) Discussion or consultation with designated representatives of the City in order to consider the City's position and instruct the City's representatives regarding negotiations for the purchase, sale or lease of real property. (A.R.S. §38-431.03A (7)) Discussion or consultation with the City Attorney in order to consider the City's position and instruct the City Attorney regarding the City's position regarding contracts that are the subject of

negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §38-431.03A(4))

2. Properties located at 145 East Main Street, 156 East Main Street and the 100 block of East 1st Avenue.

(The Council adjourned the Executive Session at 9:07 a.m. and reconvened the Study Session.)

6. Discuss and provide direction to the City Attorney regarding the possible appeal of Municipal Tax Hearing Office Case Numbers 798, 799, 800, 801, 802 and 803 involving the taxation of certain online travel companies.

It was moved by Councilmember Kavanaugh, seconded by Councilmember Somers, that the City Attorney be authorized to move forward to join the appeal of Municipal Tax Hearing Office Case Numbers 798, 799, 800, 801, 802 and 803 involving the taxation of certain online travel companies.

Mayor Finter declared the motion carried unanimously by those present.

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

Councilmember Richins:	Attended Environmental Protection Agency (EPA) public hearings regarding the Waters of the United States Proposed Rule
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8. Scheduling of meetings and general information.

Deputy City Manager Kari Kent stated that the meeting schedule is as follows:

Monday, August 18, 2014, TBA – Study Session

Monday, August 18, 2014, 5:45 p.m. – Regular Council Meeting

Thursday, August 21, 2014 – Study Session – CANCELLED

Friday, August 22, 2014, 6:00 p.m. – FlowRider Challenge and Fundraiser

9. Adjournment.

Without objection, the Study Session adjourned at 9:13 a.m.

ALEX FINTER, MAYOR

ATTEST:

DEE ANN MICKELSEN, 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 14th day of August, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

pag
(attachments – 2)



Mesa - Falcon Field Airport



Falcon Field Airport

Where Business Takes Flight

August 14, 2014





Airport Capital Improvements

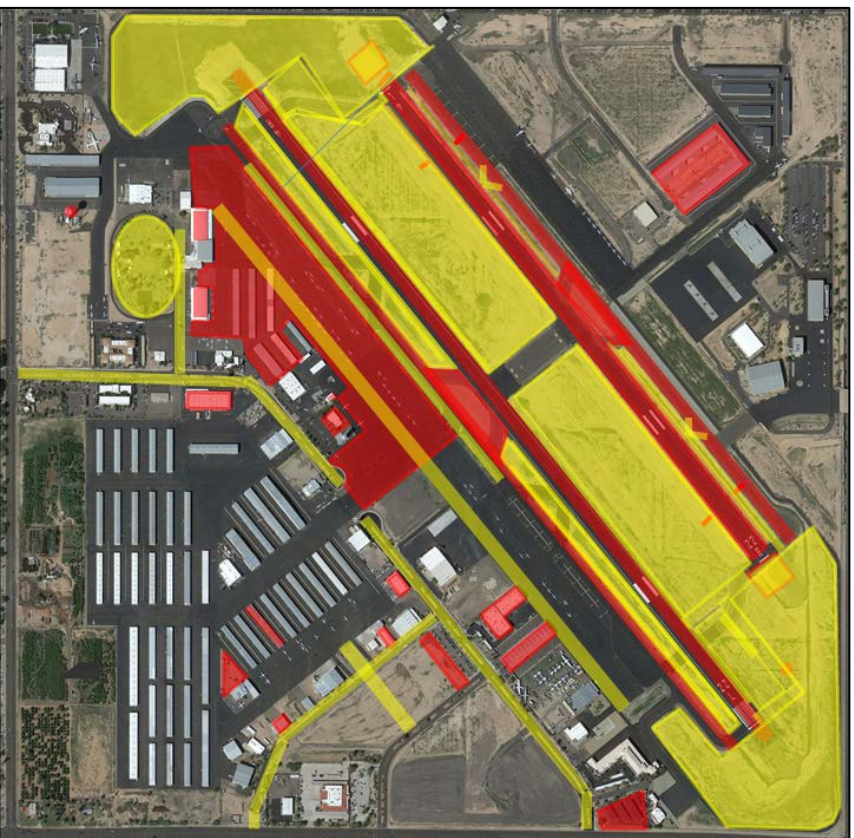
Last 5 years - \$19.9 million





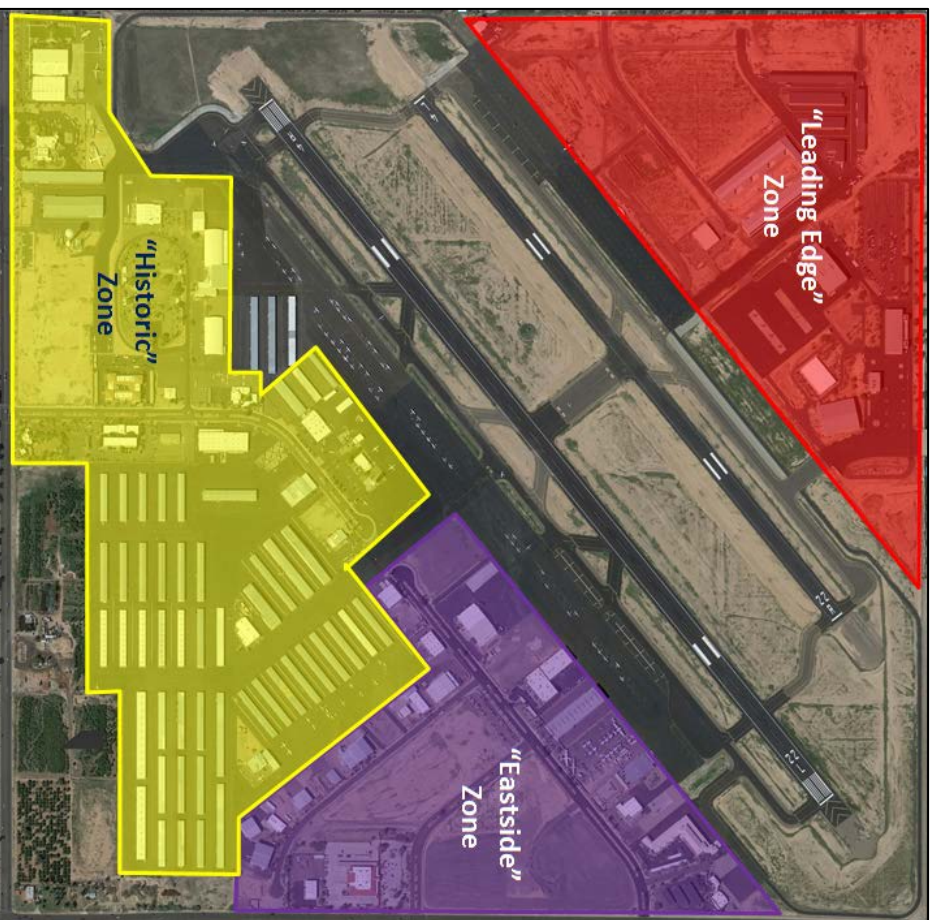
Airport Capital Improvements

Next 5 years - \$22 million





Airport Development Zones





Water Tower





Terminal Building - Landside



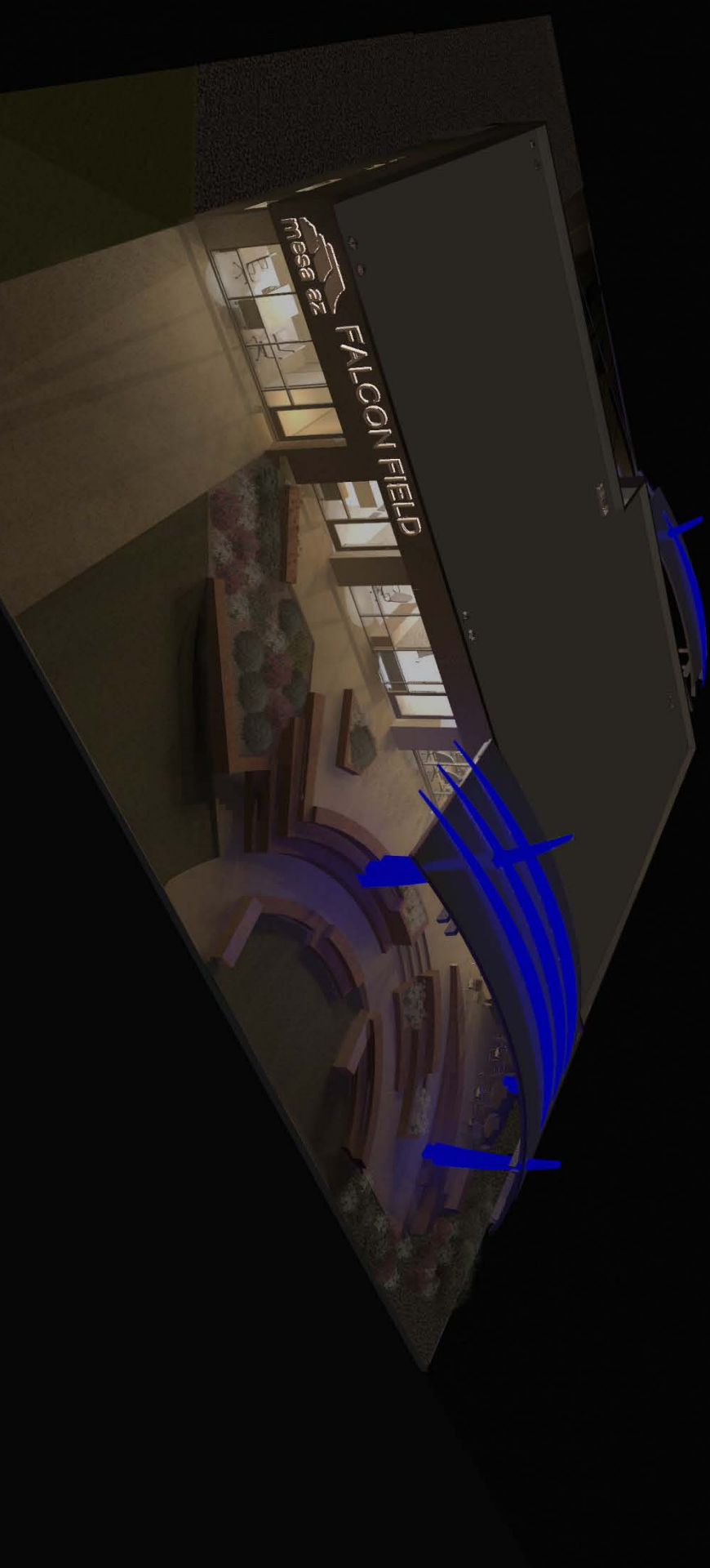


Terminal Building - Airside





Terminal Building - Airside





Landside Upgrades





Commemorative Air Force & Falcon Warbirds

Commemorative Air Force

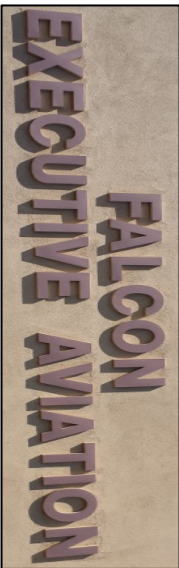


Falcon Warbirds





Airport Businesses



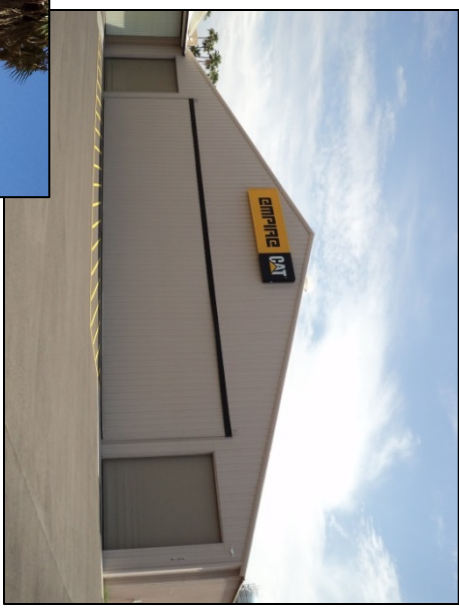


New Hangars



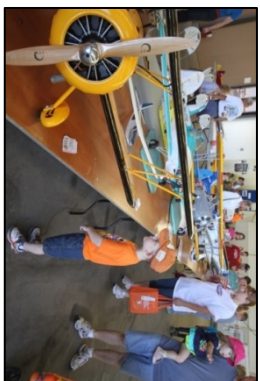


Tenant Building Improvements





Community Outreach





Community Partnerships





Tenant Outreach





Fly Friendly Program



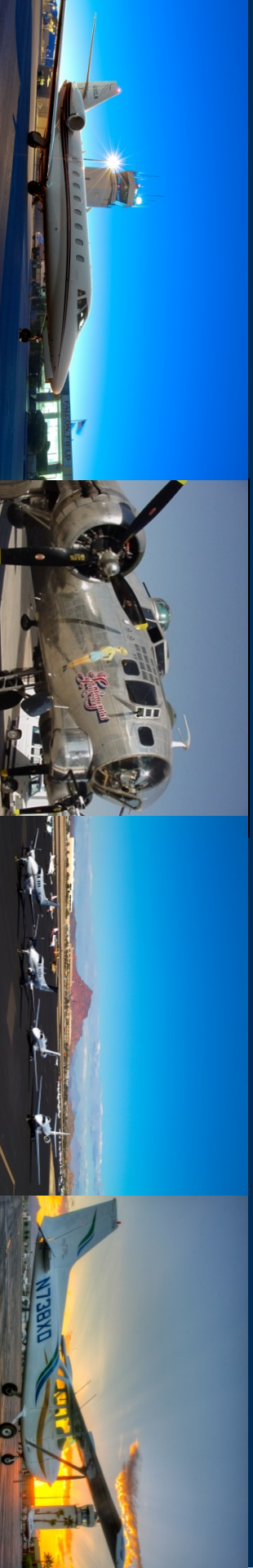


Falcon Field...
where businesses
(and warbirds)
take flight!



Mesa - Falcon Field Airport

Mesa, AZ
Thank you!



Portable Storage Containers (PSCs)

City Council Study Session
August 14, 2014

Planning Division
Development and Sustainability Department



mesa•az

Initial Design Purpose



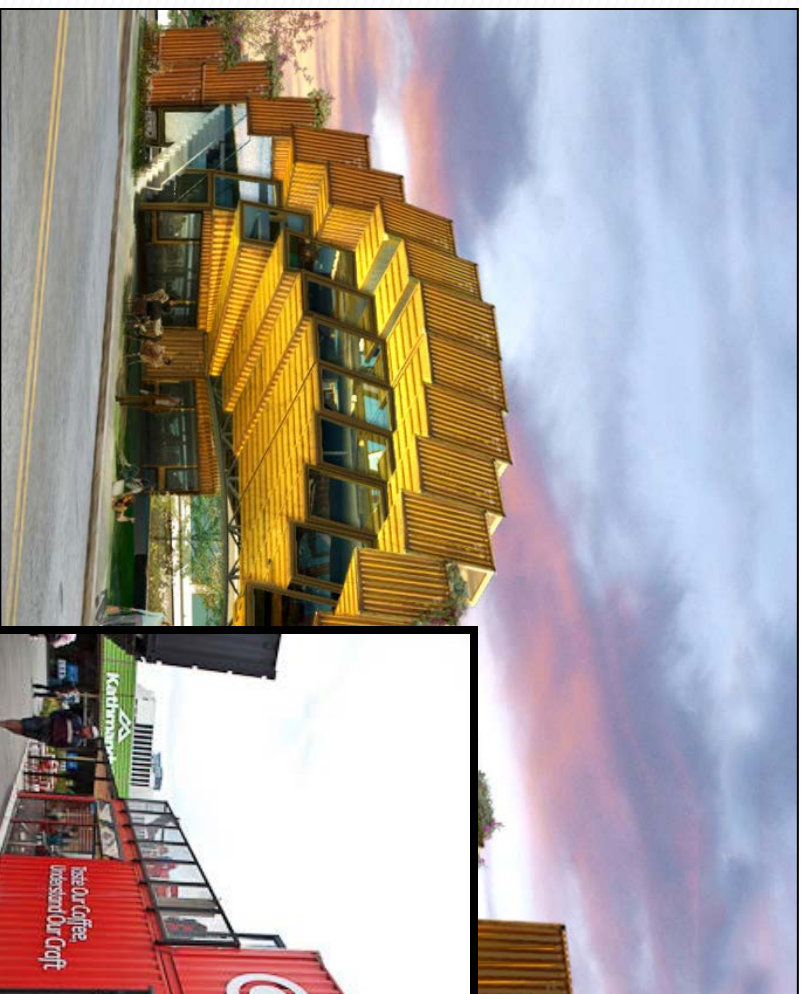
Surplus



Redesign and Re-purpose

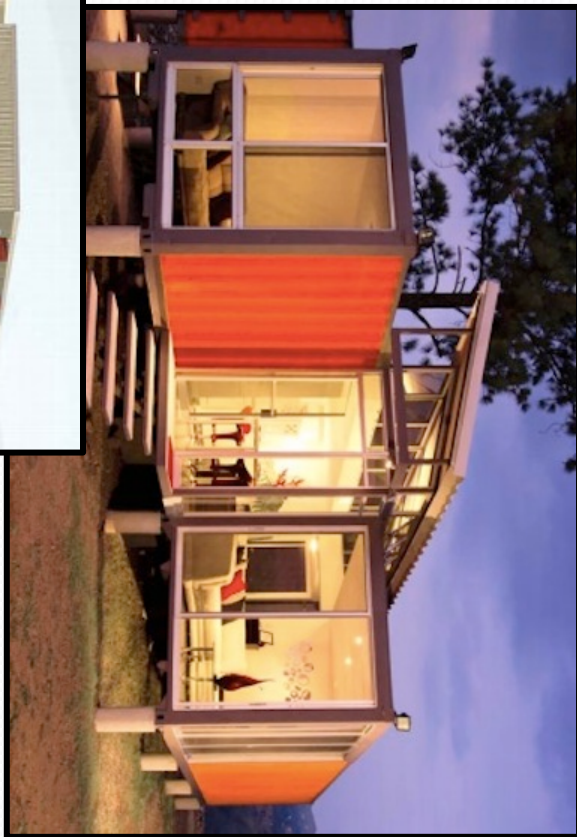


Redesign and Re-purpose



Redesign and Re-purpose





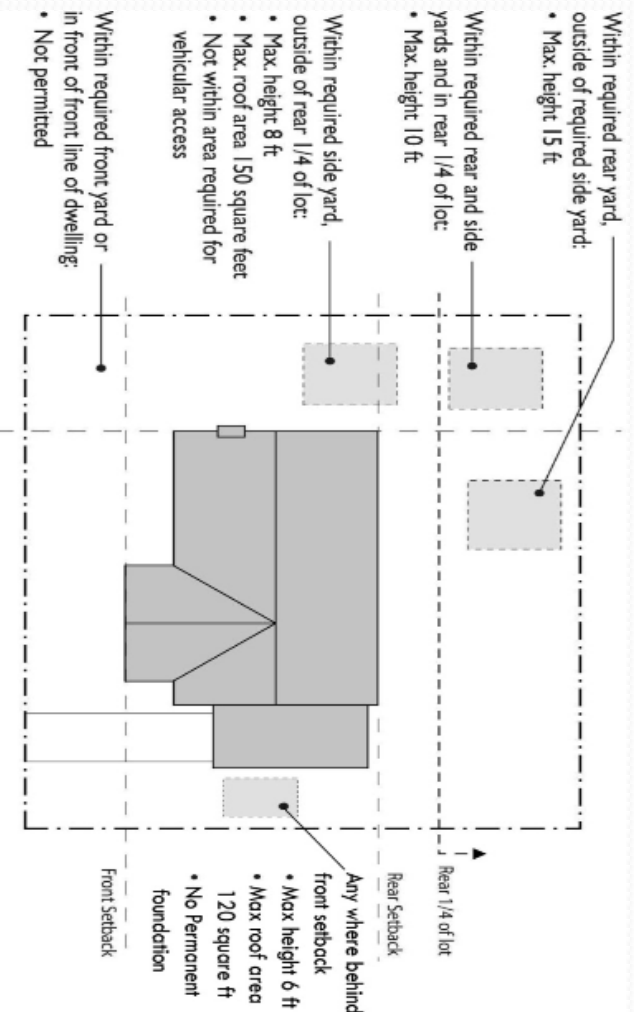
Temporary Use on Residential Property

- Would allow temporary placement on residential lots up to 7 calendar days per year
- Standard sizes:
 - 8 ft. by 40 ft.
 - 8 ft. by 20 ft.



PSC Use in Single Residence Districts (Permanent Use)

Consistent with Residential Accessory Building Requirements for Location and Size



Zoning Ordinance Section 11-30-17, Detached Accessory Buildings

Additional Requirements

- **Limited to AG, RS-go and RS-43 Zoning Districts**
(P&Z Board Recommendation)
- **Permit and Inspection Required**
- **Aesthetic Treatment Required**
 - Exterior Veneers and Painting
 - Design Character Similar to Primary Residence
 - Landscape Screen Option
- **Placed on Elevated Pad to Allow for Water Drainage**
- **International Standards Organization (ISO) Engineering Requirements**
 - Draft Ordinance Allows for Added Windows & Doorways

Aesthetic Treatment





Other Non-Residential PSC Options

- **Permanent Outdoor Storage**
 - DB-2 & All Industrial Districts
 - Authorized as Outdoor Storage Activity
 - Screening Required
 - ‘By Right’ Use in Industrial Districts
 - Special Use Permit in DB-2 District
- **Periodic Storage for Commercial Uses**
 - LC, GC, PEP and LI districts
 - Special Use Permit Required
 - Conditions of Approval Authorized to Fit Circumstances