



COUNCIL MINUTES

June 18, 2018

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 June 18, 2018 at 5:00 p.m.

COUNCIL PRESENT

John Giles
David Luna
Mark Freeman*
Francisco Heredia
Kevin Thompson
Jeremy Whittaker

COUNCIL ABSENT

Christopher Glover

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

(*Councilmember Freeman participated in the meeting through the use of telephonic equipment.)

Mayor Giles excused Councilmember Glover from the entire meeting.

1. Review items on the agenda for the June 18, 2018 Regular Council meeting.

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

Conflict of interest: 8-a (Councilmember Freeman)

Items removed from the consent agenda: None.

2-a. Hear a presentation and discuss the 2018 State Legislative update.

Government Relations Manager Miranda DeWitt introduced Deputy City Manager Scott Butler and displayed a PowerPoint presentation. **(Attachment 1)** She advised the 2018 Legislative Session lasted longer than in previous years due to the "Red for Ed" movement that impacted and delayed the budget process.

Ms. DeWitt highlighted the State Budget for fiscal year 2019. She noted the budget does include an addition of 30 state employees to help provide state services. (See Page 3 of Attachment 1)

Mr. Butler detailed SB 1392/HB 2479 that failed to pass. He explained the bill centers around determining what is a digital good and what is a taxable transaction. He added there was a drive this year from industries to define what is taxable in a way that was beneficial to industries, however it came at a cost to cities and towns. He stated the bill did not pass due to the many questions still surrounding the bill and the struggle to find education funding. He anticipates the

bill to resurface again next year and the City supports the passing of the bill that would benefit all industries. (See Page 4 of Attachment 1)

Mr. Butler reviewed HB 2121, which included numerous changes to the Government Property Lease Excise Tax (GPLET). He explained that GPLET is a redevelopment tool that the City uses to work with developers to find ways to initiate a redevelopment on property that has been blighted or has other restraints from development. He stated the City worked with the Arizona Tax Research Association and other public policy groups to find a compromise in order to not have a negative impact on Mesa's current Central Business District. (See Page 5 of Attachment 1)

In response to a question posed by Vice Mayor Luna, Ms. DeWitt advised SB 1140 limits the amount of Public, Educational, and Governmental Access Channels (PEG channels) per municipality.

Mr. Butler added the City's license agreement with Cox Communication is expiring and the new agreement with a cable company will go through the statewide arrangement.

2-b. Discuss state laws on sober living homes, including Senate Bill 1465, and provide direction on a potential interim City licensure program.

City Attorney Jim Smith explained SB 1465 places sober living homes under the regulation of the Arizona Department of Health Services (DHS). He added the bill sets up a framework and within the next two years DHS will adopt regulations, which will ultimately be implemented. He added the City Attorney's Office has heard the concerns from citizens and therefore established an interim solution. He stated the City of Prescott has had a sober living ordinance in place for the past year and Mesa will mimic that ordinance and provisions. He explained the Prescott ordinance includes the requirement of a house manager, an operational plan, minimum training, good neighbor policy, as well as intake, relapse and discharge procedures at sober living homes. He added this interim ordinance will be introduced at the July 2, 2018 Council Meeting and for adoption at the July 9, 2018 Council Meeting.

Mr. Smith asked the community to be thoughtful when discussing this sensitive topic. He added the Department of Justice and the courts review comments at public hearings when decisions need to be made.

Mr. Smith provided the following statement from the Department of Justice:

"When enacting these types of laws governments may not act because of fears, prejudice, stereotypes, or unsubstantiated assumptions that community members may have about current or prospective residents because of the residents' protected characteristics. Doing so violates the act, even if the officials themselves do not personally share such bias."

Mr. Smith expanded further by reading from a case in which the court specifically looked at comments made by citizens at a public hearing that described individuals living in recovery homes as:

"Not truly handicapped, criminals, gang members, and drugies."

Michael Harris, CEO and founder of the Valjean Society, Inc., advised his non-profit organization recently bought the home at 138 North Pomeroy that will house five men in recovery. He advised

he is six years sober and three and a half years out of prison and receives support from his family. He stated the goal is to work intensely with the men during the last six months of their incarceration and assist the men in transitioning back into the community. He explained the focus for the men living at the sober living home is family reunification, establishing financial stability, furthering education, and job placement. He acknowledged the fears and concerns of residents and invited residents of the neighborhood to contact him with questions regarding the home.

Priscilla Crosswhite, a Mesa resident, pointed out the home at 138 North Pomeroy is 800 square feet with four rooms. She expressed concern with how the house is structured and the living space for five men. She questioned if the home is zoned under Chapter 31, Section 11-31-12, Correctional Transitional Housing Facilities and if Council is making an exception to the City Code in order to allow transitional housing in the community. She expressed concern relative to home values and the impact a sober living home will have on the historic neighborhood.

City Attorney Jim Smith responded to Ms. Crosswhite's questions and stated sober living homes fall within group homes for the handicapped and Council is not granting an exception or changing the zoning code.

Carl Gregory, a Mesa resident, expressed frustration with the addition of a sober living home in his neighborhood since condoms, cigarettes, and syringes have been located within close proximity to homes with children. He advised the organization involved with the sober living home has not taken responsibility for the items found and he is concerned additional community members will move due to the neighborhood being viewed as an unsafe living environment that requires the presence of police and fire.

Kane Black, a Mesa resident, advised his family moved to Mesa even though friends advised him of the negative stereotypes surrounding the community. He added his hope was to form his own opinion and really enjoys the neighborhood. He expressed support for sober living homes but does not feel this home is appropriate in a neighborhood with children present.

Barbara Valenzuela Sutphin, a Mesa resident, stated there has been a proliferation of sober living homes within the historic district. She stated the opinion that the City is lacking in zoning regulations, which will allow for sober living homes to come into residential neighborhoods. She recommended that the City not allow any sober living homes into the community until the regulations are established and implemented by the state. She hoped that the City of Mesa would be known for providing citizens with a great quality of life, being committed to education, and not as a City with a preponderance of sober living homes.

Mr. Smith reported that Prescott and Phoenix are the only cities in Arizona that have structured sober living home ordinances. He added some cities in the valley have permit requirements, but no additional regulations on sober living homes.

Janice Gennevois, a Mesa Resident, stated she lives in the Wilbur Historic District and has worked hard to create stability in the neighborhood. She requested that the City put a stay on processing any transitional homes in the downtown area until a proper process is established by the state. She pointed out sober living homes are not found in Scottsdale, Gilbert or Chandler due to the higher property values and a property tax in those communities. She added Glendale and Tempe have implemented an ordinance not allowing sober living homes in single-family residences and hoped Mesa would adopt a similar ordinance.

Councilmember Thompson commented that sober living homes are located throughout the City and not just in the downtown area.

Mayor Giles stated staff will work to provide all the protection possible to preserve the residential character of the City's neighborhoods. He thanked the citizens that provided comments and for caring about their neighborhoods. He encouraged residents that are passionate about the issue to lobby DHS and urge the adoption of regulations as soon as possible.

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

There were no reports on meetings and/or conferences attended.

4. Scheduling of meetings and general information.

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

Thursday, June 21, 2018, 7:30 a.m. – Study Session

Thursday, June 21, 2018, 5:30 p.m. – Open House at Fire Station 218 with Councilmember Freeman

5. Adjournment.

Without objection, the Study Session adjourned at 5:58 p.m.

JOHN GILES, 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 18th day of June, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

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(Attachments – 1)



2018 City of Mesa State Legislative Update

Mesa City Council Study Session

June 18, 2018



2018 Legislative Session

- Second Regular Session of the 53rd Arizona Legislature convened on January 8, 2018 and adjourned May 4, 2018.
- 1,219 bills introduced
- 369 bills sent to the Governor
- 346 bills signed by the Governor, 23 vetoed
- Nearly 23% of the bills signed affect cities and towns
- General effective date is August 3, 2018



State Budget

- FY2019: \$10.4 billion budget
- Impact to Cities and Towns
 - No impact to Urban Revenue Sharing or state-collected sales tax
 - Highway User Revenue Funds (HURF)
 - HB 2166 – creates a Highway Safety Fee, estimated to generate \$91M for FY18/19 for DPS (\$15M of HURF still swept for DPS).
 - SB 1529 – one time appropriation of \$14.4M to cities and towns
 - Overall, small increase over last year
 - Department of Revenue (DOR) funding



SB 1392/HB 2479 – TPT; digital goods and services

Sen. Farnsworth/Rep. Ugenti-Rita

- Proposed 8 new exemptions on digital products, streaming services, online software, data centers, etc. from TPT or TPP
- AZ League of Cities and Towns estimated an annual revenue reduction to the state by \$120M and cities and towns by \$48M.
- \$4 annual estimated impact to Mesa
- Failed to pass



HB 2126 – Gov’t Property; abatement; slum; blight

Representative Leach

- Modifies the size of a CBD from 5% of the total land area to 2.5% of the total land area (Mesa’s recently expanded CBD was grandfathered).
- Municipalities required to review any area within its boundaries that has been designated as slum and blighted for over ten years
- Passed, signed by the Governor on May 14, 2018



HB 2502 s/e public safety; traumatic event counseling *Representative Boyer*

- Expands the number of licensed counseling visits in the traumatic event counseling program from 12 visits to 36 visits, paid by the employer.
- Limits the type of doctors in this program to only those who can provide the best treatment, psychologist and psychiatrists with training in treating trauma.
- Requires specified data collection on program participation to be submitted to ADOA by September 1 of each year.
- Passed, signed by the Governor on April 23, 2018.



SB 1140 – s/e video service; certificate of authority

Sen. Griffin

- Requires municipalities to adopt a standard form of uniform video service license agreement for video service providers by July 1, 2019.
- Municipalities maintain control of right of way management.
- Passed, signed by the Governor on May 16, 2018.



SB 1465 – sober living homes; licensure

Sen. Brophy-McGee

- Establishes a statewide licensing system for sober living homes under the AZ Dept. of Health Services.
- AZ Dept. of Health Services has up to 2 years to establish
- Repeals existing statutes authorizing county and municipalities to adopt standards for structured sober living homes 90 days after DHS finalizes its rules for sober living home licensure.
- Passed, signed by the Governor on April 11, 2018.



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Questions