



COUNCIL MINUTES

February 24, 2020

The City Council of the City of Mesa met in a Regular Council Meeting in the Council Chambers, 57 East 1st Street, on February 24, 2020 at 5:46 p.m.

COUNCIL PRESENT

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

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

Mayor's Welcome.

Invocation by Pastor Tom Damante with Christ's Church of the Valley.

Pledge of Allegiance was led by Mayor Giles.

Awards, Recognitions and Announcements.

There were no awards, recognitions or announcements.

1. Take action on all consent agenda items.

All items listed with an asterisk (*) will be considered as a group by the City Council and will be enacted with one motion. There will be no separate discussion of these items unless a Councilmember or citizen requests, in which event the item will be removed from the consent agenda and considered as a separate item. If a citizen wants an item removed from the consent agenda, a blue card must be completed and given to the City Clerk prior to the Council's vote on the consent agenda.

It was moved by Councilmember Luna, seconded by Vice Mayor Freeman, that the consent agenda items be approved.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson-Whittaker

NAYS – None

Carried unanimously.

*2. Approval of minutes of previous meetings as written.

Minutes from the February 10, 2020 Regular Council meeting.

3. Take action on the following liquor license applications:

*3-a. Village of Elgin Winery

This is a one-day wine festival event to be held on Saturday, March 7, 2020 from 10:00 A.M. to 5:00 P.M. at Sunland Village, 4601 East Dolphin Avenue. **(District 2)**

*3-b. Village of Elgin Distillery

This is a one-day craft distillery festival event to be held on Saturday, March 7, 2020 from 10:00 A.M. to 5:00 P.M. at Sunland Village, 4601 East Dolphin Avenue. **(District 2)**

*3-c. Village of Elgin Winery

This is a one-day wine festival event to be held on Saturday, November 21, 2020 from 10:00 A.M. to 5:00 P.M. at Sunland Village, 4601 East Dolphin Avenue. **(District 2)**

*3-d. Village of Elgin Distillery

This is a one-day craft distillery festival event to be held on Saturday, November 21, 2020 from 10:00 A.M. to 5:00 P.M. at Sunland Village, 4601 East Dolphin Avenue. **(District 2)**

*3-e. St. Timothy Roman Catholic Parish Mesa

This is a one-day event to be held on Saturday, March 28, 2020 from 7:00 P.M. to 9:00 P.M. at St. Timothy Catholic School, 2520 South Alma School Road. **(District 3)**

*3-f. Unit 1 Bravo AOMA

This is a one-day event to be held on Thursday, March 5, 2020 from 5:00 P.M. to 9:00 P.M. at Desert Wind Harley Davidson, 922 South Country Club Drive. **(District 4)**

*3-g. Residence Inn by Marriott

A hotel with a bar is requesting a new Series 7 Beer and Wine Bar License for Legacy Hospitality LLC, 10243 East Hampton Avenue - Rupinder Kaur Khangura, agent. There is no existing license at this location. **(District 6)**

*3-h. Casa Blanca Bistro

A restaurant that serves breakfast, lunch, and dinner is requesting a new Series 12 Restaurant License for QM Investments Group LLC, 2050 West Guadalupe Road, Suites 9-12; Marco Antonio Quintero Vega, agent. The existing license, held by QM Investments Group LLC, will revert to the State. **(District 3)**

*3-i. Culinary Escape

A restaurant that serves lunch and dinner is requesting a new Series 12 Restaurant License for Culinary Escape LLC, 127 West Main Street – Danielle Marie Tomerlin, agent. The existing license, held by Team Hayes LLC, will revert to the State. **(District 4)**

4. Take action on the following bingo applications:

*4-a. Mesa Winners Bingo

Dennis Peterson, manager, 8700 East University Drive. **(District 5)**

5. Take action on the following contracts:

*5-a. Dollar-Limit Increase to the Term Contract for Aquatic Maintenance Repair Parts for the Parks, Recreation and Community Facilities Department. **(Citywide)**

The increase is for the purchase and installation of an ultra-violet treatment (UV) system, a secondary water sanitizing system, for the splash pad at Riverview. A singular treatment system comprised of liquid chlorine is currently being used. Installation of the UV system will be performed prior to the summer, high-usage months.

The Parks, Recreation and Community Facilities Department and Purchasing recommend increasing the dollar-limit with A&M Corsons; Aquatic Environmental Systems; and Diving Board Solutions, LLC; by \$45,000, from \$45,000 to \$90,000 annually, for Year 1 of the term contract, based on estimated requirements.

*5-b. Three-Year Term Contract with Two Years of Renewal Options for Deceased Animal Collection Services for the Community Services Department. **(Citywide)**

This contract will provide a vendor to collect and dispose of deceased animals (up to 150 pounds) that are reported within the City. The contractor is responsible for the proper disposal by cremation or other means in accordance with the standards and methods approved by the Maricopa County Health Department.

The Community Services Department and Purchasing recommend awarding the contract to the lowest, responsive, and responsible bidder, APM/Couts Enterprises, Inc., dba Arizona Pet Mortuary, at \$52,850 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

*5-c. Dollar-Limit Increase and Contract Extension to the Term Contract for Vehicle Rental Services for the Police Department. **(Citywide)**

The existing contract is being extended to May 31, 2020 to complete the bid process. The increase is needed for purchases through the contract extension.

The Police Department and Purchasing recommend authorizing increasing the dollar-limit with Enterprise Leasing Company of Phoenix, LLC, dba Enterprise Rent-A-Car, by \$185,000, from \$450,000 to \$635,000, based on estimated usage. This purchase is funded by Asset Forfeiture RICO Funds.

- *5-d. Dollar-Limit Increase to the Five-Year Term Contract for Motorola and Kenwood Radio Equipment, Parts, Network and Services for the Mesa Fire and Medical Department. **(Citywide)**

On December 9, 2019, Council approved this contract for the Information Technology Department to purchase Motorola and Kenwood equipment, repairs, and services for various City departments on an as-needed basis. The addition of the Mesa Fire and Medical Department to the contract, and the associated dollar-limit increase, will allow the Department to utilize existing Motorola and Kenwood cooperative contracts to purchase radio equipment for any new emergency response vehicles, additional equipment, repairs and services, as needed.

The Mesa Fire and Medical Department and Purchasing recommend increasing the dollar-limit using the State of Arizona and Maricopa County cooperative contracts with Motorola Solutions, Inc.; Durham Communications, Inc.; and JVCKenwood USA Corporation; by \$300,000, from \$400,000 to \$700,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

- *5-e. Three-Year Term Contract with Two Years of Renewal Options for a Driving Safety Solution (Addition) for the Environmental Management and Sustainability Department. **(Citywide)**

In 2013, Environmental Management and Sustainability began piloting DVR systems in 4 collection vehicles. The pilot has been successful, and the system has proven to be a valuable tool in many instances. This purchase will provide a camera and DVR system, including installation services, for the City's refuse collection fleet of 57 vehicles. The system monitors and records the activity in and around the vehicle as it is being operated, which provides helpful documentation in matters of disputes, public safety, and claims of damage to persons and/or property. In addition, the system will enhance the Department's safety program and will help to provide better customer service.

An evaluation committee recommends awarding the contract to the single, responsive, and responsible proposal from Mountain Regional Equipment Solutions, Inc., Year 1 and initial purchase, at \$445,000, based on estimated requirements; and Years 2 and 3, at \$50,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index. This purchase is funded by the Capital Enterprise Fund - Solid Waste Sub Fund.

- *5-f. Three-Year Term Contract with Two Years of Renewal Options for Water Meter Equipment and Parts for the Water Resources Department. **(Citywide)**

This contract will provide replacement measurement equipment and parts for water meters.

An evaluation committee recommends awarding the contract to the qualified, responsive, and responsible proposals from Dana Kepner Company, Inc.; and Zenner Performance Meters, Inc.; at \$50,000 annually, with an annual increase allowance of up to 5%, or the adjusted Consumer Price Index.

6. Take action on the following resolutions:

- *6-a. Calling the Primary Election for August 4, 2020; designating election dates; and providing the last date for candidates to file nomination papers. **(Citywide)** – Resolution No. 11456
- *6-b. Approving and authorizing the City Manager to enter into an Intergovernmental Agreement with the Arizona Board of Regents, on behalf of Arizona State University, for the shared use of information technology related services and equipment. **(Citywide)** – Resolution No. 11457
- *6-c. Approving and authorizing the City Manager to enter into an Intergovernmental Agreement with the Town of Queen Creek regarding a natural gas line extension at Queen Creek and Signal Butte Roads to support a new fire station at 20155 South Signal Butte Road. **(Town of Queen Creek)** – Resolution No. 11458
- *6-d. Approving and authorizing the City Manager to enter into a grant agreement with the Hickey Family Foundation to accept \$175,000 for overtime, equipment, and training for the Police Department to combat domestic minor sex trafficking, and to comply with the requirements set forth in the award notice. **(Citywide)** – Resolution No. 11459
- *6-e. Extinguishing a portion of a public utility and facilities easement located at 1330 South Crismon Road, to allow for the construction of a soccer field; requested by the property owner. **(District 6)** – Resolution No. 11460

7. Introduction of the following ordinances and setting March 16, 2020 as the date of the public hearing on these ordinances:

- *7-a. Repealing Mesa City Code Title 3, Chapter 3 (“Utility Departments”) and replacing it with a new Title 3, Chapter 3 titled “Water Resources, Energy Resources, and Environmental Management & Sustainability Departments.” The new language includes the creation of a Utility Assistance Program, the permitted uses for the utility system revenues, and the permitted transfer of Utility Funds, primarily for Public Safety. **(Citywide)**

Monica Michelizzi, a Mesa resident, submitted a statement expressing her comments regarding the Vote Yes on Affordable Utilities initiative. **(See Attachment 1)**

- *7-b. ZON19-00710 **(District 6)** Within the 7000 to 7600 blocks of East Guadalupe Road (south side) and within the 2800 through 3100 blocks of South Sossaman Road (west side). Located south of Guadalupe Road and west of Sossaman Road. Rezone from NC-PAD to RS-6-PAD (6.7± acres); and major modification of an existing PAD (213.7± acres). This request will allow for the development of a single-residence subdivision. Sean Lake, Pew & Lake, PLC, applicant; B & K Land & Investment Co., owner.

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 6-0)

8. Discuss, receive public comment, and take action on the following ordinances:

- *8-a. Amending Title 1, Chapter 31 of the Mesa City Code, entitled "City Auditor" by adding language related to an annual audit plan, auditing standards, and a public records exemption for auditor working papers and files. **(Citywide)** – Ordinance No. 5555
- *8-b. ZON19-00834 **(District 4)** 1102 East University Drive (0.46± acres). Located west of Stapley Drive on the north side of University Drive. Rezone from RM-4 to NC. This request will allow for the expansion of existing personal services (hair salons) within an existing building. Nicole Posten-Thompson, On-Pointe Architecture, applicant; 1102 E University LLC, owner. – Ordinance No. 5556

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 7-0)

9. Take action on the following subdivision plats:

- *9-a. "Eastmark DU 3/4 North Phase 5 MDR" **(District 6)** Located within the 9200 to 9500 blocks of East Warner Road (south side); the 4400 to 4700 blocks of South Ellsworth Road (east side); and the 4400 to 4600 blocks of South Inspirian Parkway (west side). Located north of Ray Road on the east side of Ellsworth Road (±71.6 acres). DMB Mesa Proving Grounds, LLC, developer; Joseph R. Davis, Sunrise Engineering, surveyor.
- *9-b. "La Mira" **(District 6)** Located within the 10800 to 11100 blocks of East Williams Field Road (north side); within the 5600 to 6000 blocks of South Signal Butte Road (east side); and within the 10800 to 11100 blocks of the East Galveston Street alignment (south side). Located on the northeast corner of Signal Butte Road and Williams Field Road (±106 acres). Taylor Morrison/Arizona, Inc., developer. Brian J. Diehl, Wood Patel & Associates, Inc., surveyor.
- *9-c. "2836 S. Signal Butte Road" **(District 6)** Located within the 2800 block of South Signal Butte Road (west side) and within the 10700 block of East Guadalupe Road (south side). Located on the southwest corner of Guadalupe and Signal Butte Roads (±4.8 acres). GB-SB, LLC, developer; David S. Klein, Superior Surveying, Inc., surveyor.

Items not on the Consent Agenda.

10. Conduct a public hearing and take action on the following ordinance adopting modified terms/rates/fees/charges on City-owned non-residential water utility services:

- 10-a. Conduct a public hearing on modifications to terms/rates/fees/charges of City-owned non-residential water utility services.

Mayor Giles announced that this was the time and place for a public hearing regarding the modifications to terms/rates/fees/charges of City-owned non-residential water utility services.

Councilmember Whittaker declared his opposition to raising utility rates.

Mayor Giles clarified that Council is not interested in raising residential water rates and the objective in raising commercial rates is to be competitive with residential rates.

City Manager Christopher Brady stated there are different tiers, depending on the amount of water used, and at this time commercial rates are comparable with the lowest residential rates. He added the ordinance will not have an impact on residential rates.

In response to a question from Mayor Giles, Mr. Brady replied there is a small percentage of Homeowners Associations (HOA) affected because they are not considered a residential user. He reported the ordinance will bring parity between the commercial and residential rates.

Mayor Giles suggested that by having commercial rates comparable to residential rates it will relieve the pressure on residential customers.

In response to a question from Councilmember Duff, Management and Budget Director Candace Cannistraro commented over the last few years the residential structure has been changed to add a fourth tier without any changes to the commercial side. She stated this ordinance will add the structural changes to the commercial side to add the parity between commercial and residential.

In response to a question from Vice Mayor Freeman, Ms. Cannistraro explained this is the first look at the commercial structure which will include landscape meters.

Mr. Brady informed Council this increase is not across the board but establishes the way customers are put into certain tiers to identify the larger users.

Ms. Cannistraro explained the City structures their rates for the summer peak usage times, which is only six months of the year, and leads to unbilled capacity the rest of the year. She stated Tier 1 customers use about the same amount of water per month throughout the year and Tier 2 through 4 customers increase usage during the summer months creating the unused capacity.

There being no citizens wishing to speak on this issue, the Mayor declared the public hearing closed.

10-b. An ordinance modifying terms/rates/fees/charges for non-residential water utility services. **(Citywide)** – Ordinance No. 5557

It was moved by Vice Mayor Freeman, seconded by Councilmember Luna, that the ordinance modifying terms/rates/fees/charges for non-residential water utility services be approved.

Upon tabulation of votes, it showed:

AYES – Giles-Freeman-Duff-Heredia-Luna-Thompson

NAYS – Whittaker

Mayor Giles declared the motion carried by majority vote.

11. Conduct a public hearing and take action on the following annexation cases, minor General Plan amendments, and zoning cases, and take action on the following development agreements, all related to the Hawes Crossing development:

11-a. Conduct a public hearing on annexation cases ANX18-00788 and ANX19-00420, minor General Plan amendments ZON19-00754 and ZON19-00755, and zoning cases ZON17-00606 and ZON17-00607.

- 11-b. ANX18-00788 (**District 6**) Ordinance. Annexing property located south of Elliot Road and west of Ellsworth Road and adopting comparable zoning (319.9± acres). Initiated by the applicant, Jordan Rose, Rose Law Group, for the owners.
- 11-c. ANX19-00420 (**District 6**) Ordinance. Annexing property located south of Elliot Road and west of Ellsworth Road and adopting comparable zoning (659.4± acres). Initiated by the applicant, Jordan Rose, Rose Law Group, for the owner, State of Arizona.
- 11-d. ZON19-00754 (**District 6**) Resolution. The 7700 through 8400 blocks of East Elliot Road (south side), the 3700 through 4000 blocks of the South 80th Street alignment (both sides), the 3700 through 4000 blocks of South Hawes Road (west side), the 8400 through 8600 blocks of East Warner Road (north side), the 4200 through 4400 blocks of the South Hawes Road alignment (east side), and the 8100 through 8400 blocks of East Warner Road (south side) (280± acres). Minor General Plan Amendment. This request will change the General Plan character designation for the area from Mixed Use Activity/Employment to Neighborhood. Jordan Rose, Rose Law Group, applicant; multiple property owners.

Staff Recommendation: Adoption

P&Z Board Recommendation: Adoption (Vote: 3-2)

- 11-e. ZON19-00755 (**District 6**) Resolution. The 4000 through 4400 blocks of South Hawes Road (west side) and the 8000 through 8400 blocks of East Warner Road (north side) (115± acres). Minor General Plan Amendment. This request will change the General Plan character designation for the area from Mixed Use Activity/Employment to Neighborhood. Jordan Rose, Rose Law Group, applicant; State of Arizona, owner.

Staff Recommendation: Adoption

P&Z Board Recommendation: Adoption (Vote: 3-2)

- 11-f. ZON17-00606 (**District 6**) Ordinance. Within the 3200 through 4000 blocks of South Hawes Road (west side), the 3200 through 3600 blocks of South 80th Street (east side), the 3600 through 4000 blocks of the South 80th Street alignment (east and west sides), the 7700 through 8400 blocks East Elliot Road (south side), the 8100 through 8400 blocks of East Elliot Road (north side), the 8400 through 8800 blocks of East Warner Road (north side), and the 8100 through 8600 blocks of East Warner Road (south side). (540± acres). Rezone from AG and LI to RS-6, RSL-4.0, RSL-2.5, RM-5, GC, and MX with a PAD Overlay. This request will establish the "Hawes Crossing" PAD to guide the future review of specific plans of development. Jordan Rose, Rose Law Group, applicant; multiple property owners.

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 3-2)

- 11-g. ZON17-00607 (**District 6**) Ordinance. Within the 8000 through 8400 blocks of East Warner Road (north side), the 4000 through 4400 blocks of the South Hawes Road alignment (west side), the 8400 through 8800 blocks of East Elliot Road (south side), the 3600 through 4000 blocks of the South Hawes Road alignment (east side), the 8800 through 9200 blocks of East Elliot Road (south side), the 8800 through 9200 blocks of

East Warner Road (north side), and the 3600 through 4400 blocks of South Ellsworth Road (west side) (595± acres). Rezone from AG to RSL-4.0, RSL-2.5, RM-5, OC, LC, GC, LI, and MX with a PAD Overlay. This request will establish the "Hawes Crossing" PAD to guide the future review of specific plans of development. Jordan Rose, Rose Law Group, applicant; State of Arizona, owner.

Staff Recommendation: Approval with conditions

P&Z Board Recommendation: Approval with conditions (Vote: 3-2)

- 11-h. A resolution approving and authorizing the City Manager to enter into a Development Agreement with multiple property owners for the development of a mixed-use project known as Hawes Crossing on approximately 536 acres of land in the Inner Loop District and part of zoning case ZON17-00606. The Development Agreement will, among other things, provide for: i) zoning entitlements; ii) limitations on development; iii) prohibited land uses; iv) phasing of the project; v) construction of parks, trails and open space; vi) open space landscape buffer and utility easement; vii) infrastructure improvements; and viii) compatibility with Phoenix-Mesa Gateway Airport. **(District 6)**
- 11-i. A resolution approving and authorizing the City Manager to enter into a Development Agreement with the State of Arizona (by and through the State Land Commissioner and the Arizona State Land Department) for the development of a mixed-use project known as Hawes Crossing on approximately 595 acres of State land in the Inner Loop District and part of zoning case ZON17-00607. The Development Agreement will, among other things, provide for: i) zoning entitlements; ii) limitations on development; iii) prohibited land uses; iv) phasing of the project; v) construction of a community park, other parks, trails and open space; vi) infrastructure improvements, and vii) compatibility with Phoenix-Mesa Gateway Airport. **(District 6)**

Items 11-a through 11-i continued to the April 6, 2020 Regular Council meeting.

12. Items from citizens present.

Carey Davis, a mesa resident, spoke regarding his observation of questions being asked of staff by councilmembers. He suggested Council consider a different protocol of bringing their questions or concerns to staff before the meeting to allow staff time to research and provide adequate answers at the time of the meeting.

13. Adjournment.

Without objection, the Regular Council Meeting adjourned at 6:06 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 Regular Council Meeting of the City Council of Mesa, Arizona, held on the 24th day of February 2020. I further certify that the meeting was duly called and held and that a quorum was present.



DEE ANN MICKELSEN, CITY CLERK

la (Attachments - 1)

Mayor Giles, Councilmembers. I am Monica Michelizzi – Mesa, AZ. I drafted the VoteYes on Affordable Utilities initiative. The reason for the VoteYes on Affordable Utilities initiative is that Mesa Utility Rates are too high. I talk with my neighbors who moved to Mesa from Gilbert. Their Mesa utility bill is double what it was in Gilbert. I have retired neighbors who have kept charts of how much their Mesa utility bill has increased over the last 6 years. When City Council tells them that Mesa Utility Rates are not too high. It sounds as if you are out of touch and that you do not care about the problems faced by everyday people.

The purpose of the VoteYes on Affordable Utilities Initiative is to stabilize utility rates and reduce the amount of future rate increases by placing limits on how much Utility Revenue Mesa can use to balance its general fund budget. Utility revenue should first be used to operate, maintain, and upgrade the utility system. The City's transfer of a full one-third of all Mesa utility revenue leaves the Utility system without sufficient resources. Mesa makes up this deficit by issuing Utility bonds, which requires increases in our Utility Rates to pay the debt service on those bonds.

With that background my comments on the City proposed ordinance are as follows:

- I support a separate accounting for Utility Revenue. It adds transparency.
- I oppose Section 3-3-4(a) of the proposed ordinance because it will cause future City Councils to artificially raise Utility Rates. In contrast, the language of the VoteYeson Affordable Utilities Initiative requires Utility Rates to reasonably correspond to what is needed operate the Utility System. I believe the language of the Initiative better protects Mesa residents.
- I oppose a 33% transfer of Utility Revenue to the general fund. My understanding is that Mesa intends to issue a significant amount of Utility debt in the next 5 years. If the transfer percentage is not reduced, Mesa will significantly increase utility rates to pay the debt service on those bonds. Mesa Utility rates are simply too high as it is.

Thank you in advance for your consideration of my comments.