

COUNCIL MINUTES

August 15, 2019

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 15, 2019 at 7:30 a.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

1. Review and discuss items on the agenda for the August 19, 2019 Regular Council meeting.

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

Conflict of interest: Vice Mayor Freeman declared a conflict of interest on agenda items 12-b (ANX18-00229 (District 1) **Annexing property located north of Thomas Road and west of Val Vista Drive (4.49± acres). Initiated by Blake McKee, Skybridge Company, LLC.**) and 12-c (ZON18-00214 (District 1) **The 3100 to 3300 blocks of East Thomas Road (north side). Located on the north side of Thomas Road and west of Val Vista Drive (7.5± acres). Rezoning from AG and RS-43 to RM-2-PAD; and Site Plan Review. This request will allow for the development of an attached single-residence subdivision. Blake McKee, Sky Bridge Companies, applicant; Arthur L. Freeman Family Trust, Kaser Citrus, Inc., John Babiarz, owners.**), and said he would refrain from discussion/consideration of this item.

Items removed from the consent agenda: None

Deputy City Manager Michael Kennington displayed a PowerPoint presentation (**See Attachment 1**) and discussed item 6-i (**Authorizing the defeasance and redemption of all or a portion of the City's Excise Tax Revenue Obligations, Series 2013 and, to accomplish the defeasance, authorizing (i) the transfer of certain City funds in an amount not to exceed \$55,000 to an irrevocable trust account, and (ii) the City entering into an escrow trust agreement (Citywide))**) on the Regular Council Meeting agenda. He acknowledged staff for their time and effort on this project.

Mr. Kennington summarized the background of the spring training facilities with the Pinal County land as the funding source. He explained the City is in the position to pay off the remaining amount of the excise tax bonds issued in 2013. (See Pages 2 through 4 of Attachment 1)

Mr. Kennington stated if the defeasance is authorized, the City would save \$22 million of interest costs. He illustrated the results and the timeline for the defeasance transaction. (See Pages 5 through 7 of Attachment 1)

City Manager Christopher Brady described the productivity of the land on both spring training facilities and having only operating costs, which is a great asset to the City. He pointed out the Chicago Cubs are excited about this item and sent their congratulations and support to the City.

In response to a question from Councilmember Thompson regarding whether the savings can be transferred to the Public Safety Personnel Retirement System (PSPRS) liability, Mr. Brady explained there is a long list where the money could be used, but there could be a discussion.

Councilmember Luna thanked former Mayor Scott Smith and the former Council for their leadership on this project.

Code Compliance Administrator Lt. Ryan A. Russell displayed a PowerPoint presentation (**See Attachment 2**) and discussed item 8-a (**Amending Title 8, Chapter 6, Sections 1 through 4, 9, and 13 of the Mesa City Code, pertaining to Public Nuisances, Property Maintenance and Neighborhood Preservation. The changes include who interprets the Nuisance Code; the definitions of: responsible parties, blight, pigeons, recreational vehicles, and right of way; who is responsible for: parcels with weeds, parcels with debris/trash, the display of residential addresses; and adds certain prohibitions as to the feeding of pigeons, temporary parking of recreational vehicles and watercraft on driveways, and the storage of recreational vehicles on residential parcels; and penalties for civil violations. (Citywide)**) on the Regular Council Meeting agenda.

Lt. Russell stated, based on public input, Code Compliance is recommending changes to the following areas: (See Pages 2 through 6 of Attachment 2)

- Improving clarity with regards to illegal dumping and property maintenance
- Requiring visible residential addresses
- Recreational vehicle and watercraft parking and storage
- Prohibited feeding of pigeons and doves.

Lt. Russell explained the changes are to improve clarity of the ordinances and establish citizen responsibility.

Lt. Russell stated the last recommended change is for increased minimum sanctions for nuisance code violations and identified the changes. He emphasized the Civil Hearing Officer has the authority to waive or reduce sanctions on a case-by-case basis and can offset the fine based on the cost to fix the violation. (See Page 7 of Attachment 2)

Lt. Russell highlighted the next steps if these updates are acceptable to Council. (See Page 8 of Attachment 2)

In response to a question from Vice Mayor Freeman regarding the pilot program for trash pickup, Lt. Russell stated the program is progressing and discussions are taking place with Transportation regarding efficiency.

Transportation Director RJ Zeder explained two employees are being hired and equipment is being acquired to allow Transportation to conduct proactive cleanup. He added there is one employee who patrols the City for hazards. He stated the program will work like the graffiti abatement program where the first priority are call-ins or notification by the City Link app with a 24-hour response.

In response to a question posed by Vice Mayor Freeman regarding inoperable vehicles, Lt. Russell clarified Mesa's ordinance is unique in that a certain number of inoperable vehicles are allowed, based on the size of the lot. He added there have been discussions on possibly changing the ordinance to reduce the number allowed.

In response to a question from Councilmember Heredia, Lt. Russell explained whenever changes are made to ordinances there is a period of education to the public and Code Compliance is flexible with the 14-day compliance notice.

Mayor Giles noted the item is on the agenda for introduction and the public will have an opportunity to speak at the August 26, 2019 Regular Council meeting. He thanked Lt. Russell for his presentation.

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

2-a Museum & Cultural Advisory Board meeting held on May 23, 2019.

2-b Mesa Achieves Higher Education meeting held on June 18, 2019.

2-c Historic Preservation Board meeting held on June 4, 2019.

It was moved by Vice Mayor Freeman, seconded by Councilmember Luna, that receipt of the above-listed minutes be acknowledged as amended.

Upon tabulation of votes, it showed:

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

NAYS – None

ABSENT – None

Carried unanimously.

3. Current events summary including meetings and conferences attended.

| | |
|---------------------|---|
| Councilmember Duff: | Downtown Mesa Community Fridge Grand Opening Awards for Downtown Improvement Façade Project Mesa Moves Campaign |
|---------------------|---|

| | |
|---------------------|---|
| Councilmember Luna: | Hispanic Elected Local Officials Conference |
|---------------------|---|

4. Scheduling of meetings and general information.

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

Monday, August 19, 2019, 5:15 p.m. – Study Session

Monday, August 19, 2019, 5:45 p.m. – Regular Council Meeting

6. Adjournment.

Without objection, the Study Session adjourned at 8:10 a.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 15th day of August 2019. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

la
(Attachment – 2)

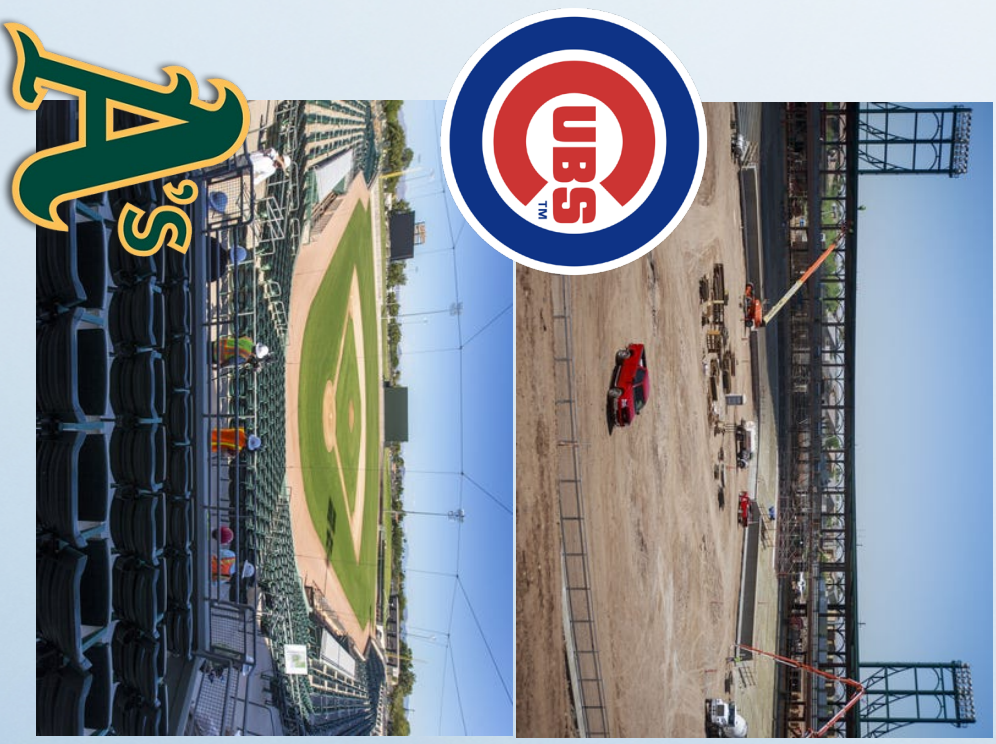


Defeasance of Series 2013 Excise Tax Revenue Bonds

August 15, 2019

Background

- In 2013, the City of Mesa issued \$94 million of excise tax revenue bonds for the construction and renovation of Mesa's two spring training baseball stadium facilities.
- Before construction began, Mesa had identified revenue from the sale of City-owned Pinal County land as the funding source.



Background (cont.)

- The purchase agreement for the sale of the City-owned farm lands in Pinal County was set up in three phases with initial closing in December of 2013.
- 2013 Excise tax revenue bond was structured to have debt service payments covered by lease revenue with approximately half of the principal (\$45 M) callable in June 2017 (which were redeemed shortly thereafter).



Completion of Sale

- The purchase of the remaining acreage of City-owned land in Pinal County was finalized at the end of June providing the funding required to defease the remaining \$49 M outstanding of the 2013 excise tax bond.



Defeasance

- The excise tax bond would be defeased by purchasing interest-bearing securities and placing them in an irrevocable trust.
- These securities would be structured to mature at exactly the dates and amounts needed to pay interest payments and to redeem the bonds when they become callable in 2022.
- The defeasance of the 2013 excise tax revenue bond would allow the City to save \$22 M of interest cost from the original debt structure that runs through July 2032.

Results

- The purchase agreement and master lease approved in 2012 resulted in the receipt of the following proceeds:
 - Sale Proceeds \$109 M
 - Lease Revenue \$25 M
- If defeasance approved by Council, the total payments associated with the 2013 excise tax revenue bond would be as follows:
 - Principal \$94 M
 - Interest Cost \$30 M

Estimated Timeline for Defeasance Transaction

| | |
|-------------|---|
| August 19 | Council considers authorization of defeasance |
| August 21 | Competitive bids for securities are received and final numbers for verification are submitted |
| September 5 | City closes defeasance transaction |



Presented by:
Lt. Ryan A. Russell,
Code Compliance Administrator

Proposed Nuisance Code Update

AUGUST 15, 2019

Property Maintenance and Illegal Dumping

- 8-6-3 (C) – Updating requirements to keep sidewalks clear of any garbage, junk, obstructions or weeds and grass, to include right-of-ways, grounds, stables, alleys and appurtenant or adjacent properties as responsible party.



Property Maintenance and Illegal Dumping

- 8-6-3 (O) – Expanding requirements to keep a parcel free of weeds and grass in excess of 9 inches, 50 square feet, or 10% or the property, to now include alleys or frontage areas under their responsibility.
- 8-6-3 (Q) – Expands areas responsible parties are required to keep clear of rubbish, trash, filth or debris to include right-of-ways, sidewalks, public places they are required to maintain, or appurtenant or adjacent properties.



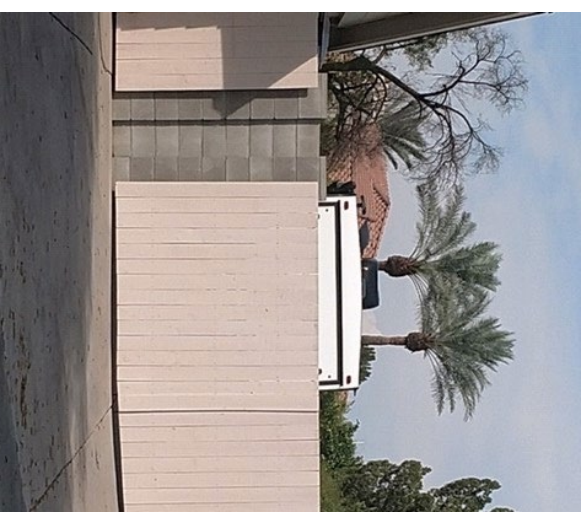
Residential Addresses

- Property owners to be required to post the address on their residence so it is visible from the right-of way.
- Assists in public safety response.
- Education and voluntary compliance opportunity for Code.



Recreational Vehicle and Watercraft Parking and Storage

- Residents to be permitted to park a recreational vehicle or watercraft in their driveway or public roadway for up to 48 hours to load, unload or clean.
- Must be parked in a manner which does not create a traffic hazard or obstruct traffic visibility.
- RV storage limited to one (1) per residential parcel.
- Must be stored in the rear or side yard behind a six-foot opaque fence or gate.
- Size limitations removed.



Prohibited Feeding of Pigeons and Doves

- Prohibit the feeding of pigeons and doves (Columbidae species).
- Similar ordinances in Tempe, Phoenix, Salt Lake City, Albuquerque and Las Vegas.
- Exceptions for birds used for homing, show, race, or kept in a case as a pet.



Increased Minimum Sanctions for Nuisance Code Violations

- Voluntary compliance remains Code Compliance's goal.
- Increased minimum sanctions for nuisance code violations for first and second offenses.
- Last adjustment to these sanctions occurred 14 years ago.
- First Offense increased from **\$150 to \$250**
- Second Offense increased from **\$250 to \$350**
- Third Offense remains at **\$500**
- Civil Hearing Officer still has the authority to waive or reduce sanctions case-by-case.

Next Steps

If these updates and clarifications are acceptable to City Council,

- Ordinance to be introduced at August 19th City Council meeting.
- Council action would be at August 26 City Council meeting.
- 30 days later (Sept. 25), changes would go into effect with continued goal of education and voluntary compliance.

Questions?

PROPOSED NUISANCE CODE UPDATE
AUGUST 15, 2019

Surrounding Cities Civil Sanctions

- Scottsdale \$250
- Mesa \$250 (proposed)
- Tempe \$214
- Chandler \$180
- Phoenix \$50-\$500
- Gilbert \$100
- Glendale \$100