



Minutes Formal City Council Meeting July 30, 2013

Minutes of the Formal Council Meeting of Tuesday, July 30, 2013, held at 7:30 p.m. in the Harry E. Mitchell Government Center, Tempe City Hall, City Council Chambers, 31 E. Fifth Street, Tempe, Arizona.

COUNCIL PRESENT:

Mayor Mark W. Mitchell

Councilmember Robin Arredondo-Savage

Councilmember Kolby Granville

Councilmember Corey D. Woods

Vice Mayor Onnie Shekerjian

Councilmember Shana Ellis

Councilmember Joel Navarro

STAFF PRESENT:

Andrew Ching, City Manager

Judi Baumann, City Attorney

Ken Jones, Finance and Technology Director

Department Heads or their representatives

Jeff Kulaga, Assistant City Manager

Brigitta M. Kuiper, City Clerk

Tom Ryff, Police Chief

Mayor Mitchell called the meeting to order at 7:39 p.m.

1. Councilmember Navarro gave the invocation.
2. Mayor Mitchell led the audience in the **Pledge of Allegiance**.

3. MINUTES

A. Approval of Council Meeting and Council Committee Meeting Minutes

Motion by Vice Mayor Shekerjian to approve the following COUNCIL MEETING and COUNCIL COMMITTEE MEETING MINUTES; second by Councilmember Arredondo-Savage. Motion passed unanimously on a voice vote 7-0.

1. [Formal City Council Meeting - June 27, 2013](#)
2. [Issue Review Session - February 7, 2013, February 21, 2013, March 7, 2013, April 4, 2013, June 13, 2013, and June 27, 2013](#)
3. Executive Session - June 27, 2013
4. [City Council Retreat - March 4, 2013](#)
5. [City Council Special Budget Meeting - May 30, 2013, June 13, 2013 and June 27, 2013](#)
6. [City Council and Arizona State University Joint Meeting - April 19, 2013](#)

B. Acceptance of Committee, Board & Commission Meeting Minutes

Motion by Vice Mayor Shekerjian to accept the following COMMITTEE, BOARD and COMMISSION MEETING MINUTES; second by Councilmember Arredondo-Savage. Motion passed unanimously on a voice vote 7-0.

1. [Aviation Commission - June 18, 2013](#)
2. [Development Review Commission - June 11, 2013](#)
3. [Development Review Commission Study Session - June 11, 2013](#)

4. [Hearing Officer - June 18, 2013](#)
5. [Historic Preservation Commission - May 9, 2013](#)
6. [Historical Museum Advisory Board - April 4, 2013](#)
7. [Transportation Commission - June 11, 2013](#)

4. REPORTS AND ANNOUNCEMENTS

A. Mayor's Announcements

1. *2013 Board and Commission Semi-Annual Recruitment*

Mayor Mitchell announced that there are several vacancies on various City Boards and Commissions. Applications are being accepted for these vacancies, by the City Clerk's Office, through Friday, August 2, 2013.

2. *Development Review Commission (re)appointments*

Mayor Mitchell announced that consideration of Development Review Commission (re)appointments are scheduled as agenda item A12 on tonight's agenda.

B. Manager's Announcements – None.

5. AGENDA

All items in these minutes identified with an asterisk (*) **are public hearing items**. All items listed on the agenda are approved with one City Council action. Items scheduled for Introduction/First Public Hearing will be heard but not adopted at this meeting. Items scheduled for Second Public Hearing/Final Adoption will be voted upon at this meeting.

Mayor Mitchell announced consideration of the **AGENDA** items.

Motion by Councilmember Woods to approve the Agenda with the exception of items 5A3, 5B12, 5C1, and 5C10, which were removed for separate consideration; second by Councilmember Navarro. Motion passed on a roll call vote 7-0.

A. Miscellaneous Items

- A1. [Approved the designation of Jeff Kulaga as Acting City Manager.](#)

Fiscal Impact: N/A

- A2. [Approved recommended funding for the 2013-2014 Arts Grants Awards to Tempe schools and nonprofit organizations.](#)

Fiscal Impact: Total amount of recommended grants funding is \$146,639 to be paid from the Municipal Arts Fund. No general fund monies are used for this project.

- A3. [THIS ITEM WAS REMOVED FOR SEPARATE CONSIDERATION. SEE BELOW FOR DISCUSSION AND ACTION. Approve changes to the Rio Salado Financing Plan and the agreement between the City of Tempe and the Rio Salado Community Facilities District.](#)

- A4. [Approved a Final Subdivision Plat for MINDERBINDER, located at 715 South McClintock Drive. The applicant is Superior Surveying Services, Inc.](#)

Fiscal Impact: There is no fiscal impact on City funds.

The following conditions of approval apply:

1. The Subdivision Plat shall be put into proper engineered format with appropriate signature blanks and recorded with the Maricopa County Recorder's Office through the City of Tempe's Community Development Department on

or before July 30, 2014. Failure to record the plat on or before July 30, 2014 or within one year of City Council approval shall make the plat null and void.

2. All property corners shall be set and verified with staff upon final recordation of the subdivision plat, no later than three (3) months from the date of County recordation or as determined by staff.

A5. [Approved a Final Subdivision Plat for AGAVE COMPLEX, located at 1639 West Warner Road. The applicant is Sterling Design Associates, LLC.](#)

Fiscal Impact: There is no fiscal impact on City funds.

The following conditions of approval apply:

1. The Subdivision Plat shall be put into proper engineered format with appropriate signature blanks and recorded with the Maricopa County Recorder's Office through the City of Tempe's Community Development Department on or before July 30, 2014. Failure to record the plat on or before July 30, 2014, or within one year of City Council approval, shall make the plat null and void.
2. All property corners shall be set and verified with staff upon final recordation of the subdivision plat, no later than three (3) months from the date of County recordation or as determined by staff.

A6. [Approved a Condominium Plat for 48 COMMONS, located at 3005 South 48th Street. The applicant is Alliance Land Surveying LLC.](#)

Fiscal Impact: There is no fiscal impact on City funds.

The following conditions of approval apply:

1. The Condominium Plat shall be put into proper engineered format with appropriate signature blanks and recorded with the Maricopa County Recorder's Office through the City of Tempe's Community Development Department on or before July 30, 2014. Failure to record the plat on or before July 30, 2014, or within one year of City Council approval, shall make the plat null and void.
2. All property corners shall be set and verified with staff upon final recordation of the subdivision plat, no later than three (3) months from the date of County recordation or as determined by staff.

***A7.** [Held a public hearing and recommended the approval of a Series 10 beer and wine store liquor license for 2309 E University Inc., dba Food Mart 76 Gas Station, 2309 East University Drive.](#)

Fiscal Impact: N/A

***A8.** [Held a public hearing and recommended the approval of a Series 12 restaurant liquor license for Thai Elephant Tempe LLC, dba Thai Elephant Bistro, 815 West University Drive #108.](#)

Fiscal Impact: N/A

***A9.** [Held a public hearing and recommended the approval of an acquisition of control and agent change of a Series 12 restaurant liquor license for Warner Road Fiesta, LLC, dba Garcia's Mexican Restaurant, 1706 East Warner Road #3.](#)

Fiscal Impact: N/A

***A10.** [Held a public hearing and recommended the approval of a Series 12 restaurant liquor license for Twisted Sisters Sports Bar & Grille LLC, dba Twisted Sisters Sports Grille, 1212 East Apache Boulevard, #107-109.](#)

Fiscal Impact: N/A

- *A11. [Held a public hearing and recommended the approval of a Bingo - Class A license for Contempo Tempe Bingo, 2609 W. Southern Avenue.](#)

Fiscal Impact: N/A

- A12. [Approved Development Review Commission \(re\)appointments.](#)

Fiscal Impact: N/A

Paul Kent	Reappointed to a term expiring 7/1/2016 (FT2)*
Trevor Barger	Appointed to a term expiring 7/1/2016 (FT1)*

*(FT1) – serving first full term; (FT2) – serving second/final term

B. Award of Bids/Contracts

- B1. [Approved one-year contract renewals with Clayton Holdings, LLC, Comerica Leasing Corporation, and Banc of America Public Capitol Corp to provide third party lease financing services for various City departments.](#)

Fiscal Impact: This renewal is necessary in order to maintain a short list of qualified lease firms available to the City and does not represent a request for expenditures. Any future activation of any of these companies for a specific lease purchase project will be brought back for separate approval by Council at which time the cost of the lease will be identified.

- B2. [Approved the utilization of one-year Maricopa County Community College District contracts with Facilitec, Inc., Transact Commercial Furnishings, Vanguard Concept Offices, and Workspaces for the purchase of furniture for use by all City departments.](#)

Fiscal Impact: Total combined cost of these contracts shall not exceed \$300,000 during the one-year contract period. Sufficient funds have been appropriated in various funds and cost centers for the anticipated expenditures in the current fiscal year.

- B3. [Approved the renewal of a one-year contract with Bound Tree Medical LLC for the supply of emergency medical supplies for the Fire Department.](#)

Fiscal Impact: Total cost of this contract will not exceed \$150,000 during the one-year renewal period. Sufficient funds have been appropriated in cost center 2374 (General Fund) for the anticipated expenditures in the current fiscal year. The total expenditures do not take into account reimbursement for some of the medical supplies by the City's ambulance service provider.

- B4. [Approved the renewal of one-year contracts with FlexGround, LLC and Robertson Industries for the supply and installation of rubberized playground safety surfacing utilized by the Community Services Department.](#)

Fiscal Impact: Total cost of these contracts will not exceed \$150,000 during the one-year renewal period. Sufficient funds have been appropriated in cost centers 6305499 (Park Playground Replacement), 6399829 (Park Infrastructure/Equipment Replacement), and 6808A (Kiwaniis Park Playground Renovation) for the anticipated expenditures in the current fiscal year.

- B5. [Approved the renewal of an eight-month contract with Artistic Land Management, Inc. to provide landscape maintenance services for transit properties for use by the Transit Division of the Public Works Department.](#)

Fiscal Impact: Total cost of this contract will not exceed \$256,000 during the eight-month renewal period. Sufficient funds have been appropriated in cost centers 3914, 3915, 3917, 3918, and 3921 (Transit Fund) for the anticipated expenditures in fiscal year 2013/2014.

- B6. [Approved the renewal of a one-year contract with Boat Rentals of America, Inc. to manage and operate a rental fleet of recreational boating equipment on Tempe Town Lake and a sundry concession operation at Tempe Beach Park.](#)

Fiscal Impact: There is no cost to the City for this contract. The Contractor compensates the City with a monthly rental fee for the kiosk and docks plus an electric utility fee of \$40, an annual permit fee of \$15 per boat and \$1 per boat rental charge. For July 2012 through March 2013 the City received \$4,080 in kiosk rental fees plus \$15,232 for boat rentals.

- B7. [Approved the renewal of a one-year contract with United Fire Equipment Company for the supply of turnout clothing for the Fire Department.](#)

Fiscal Impact: Total cost of this contract will not exceed \$80,000 during the one-year renewal period. Sufficient funds have been appropriated in cost center 2340 (General Fund) for the anticipated expenditures in the current fiscal year.

- B8. [Approved one-year contract renewals with Universal Police Supply Company and Skaggs East Valley Uniforms to provide ballistic vests, carriers, and trauma plates for the Police Department.](#)

Fiscal Impact: Total combined cost of these one-year contracts shall not exceed \$85,000. Sufficient funds have been appropriated in cost center 2251 (General Fund) for the anticipated expenditures in fiscal year 2013/2014.

- B9. [Approved the expenditure of funds under the existing Intergovernmental Agreement with the City of Phoenix Fire Department for firefighter medical and physical exams for fiscal year 2013/2014.](#)

Fiscal Impact: Total expenditure of funds for fiscal year 2013/2014 will not exceed \$130,000. Sufficient funds have been appropriated in cost center 2310 (General Fund) for the anticipated expenditures in the current fiscal year.

- B10. [Approved the utilization of a State of Arizona contract with Morphotrack, Inc. for the purchase of 30 handheld Morpho Ident mobile fingerprint devices for the Police Department.](#)

Fiscal Impact: Total cost of this purchase shall not exceed \$51,000. Sufficient funds have been appropriated in cost center 2222 (Police Department RICO and Grants Fund) for the expenditure in the 2013/2014 fiscal year.

- B11. [Approved a one-year renewal of the Management Agreement for operation of the Tempe Center for the Arts Gift Shop by the Friends of Tempe Center for the Arts. \(Contract #2010-35A\)](#)

Fiscal Impact: There is no fiscal impact for the renewal of this agreement. Commission revenues from the Gift Shop operation will be included in the Performing Arts operating revenue account.

- B12.** [THIS ITEM WAS REMOVED FOR SEPARATE CONSIDERATION AND ACTION. Approved the utilization of a U.S. Communities contract with Pacific Office Automation and De Lage Landen Public Finance LLC for a five-year lease of one new digital production color copier for the Duplicating Division of the Finance and Technology Department.](#)

Fiscal Impact: Total amount of this contract will not exceed \$307,571.30 during the 5-year lease term. Sufficient funds have been appropriated in cost center 1988 (General Fund) for the anticipated expenditures in the upcoming fiscal year.

Clerk's Note: Agenda item B12 was approved by City Council; see page 12 for motion and roll call vote.

- B13.** [Approved a one-year contract renewal with Badger Meter, Inc. for the purchase of three-inch through ten-inch water meters and repair parts for the Public Works Department.](#)

Fiscal Impact: Total cost of this contract shall not exceed \$400,000 for the one-year renewal term. Sufficient funds have been appropriated in cost centers 3085 (Water/Wastewater Fund) and 3209319 (Water/Wastewater Capital Improvement Project Fund) for the anticipated expenditures during the current fiscal year.

- B14.** [Awarded a one-year contract to Continental Flooring Company for the removal and replacement of rubberized flooring in the weight room at the Minor League Building at Diablo Stadium. \(Contract #2013-135\)](#)

Fiscal Impact: Total cost of this contract will not exceed \$55,000 during the one-year contract period. Sufficient funds have been appropriated in cost center 6303099 (Park Improvement/Recreation Capital Improvement Project Fund) for the anticipated expenditures in the current fiscal year.

- B15.** [Approved the Enterprise Service Agreement with Vigilant Solutions for a mobile automated license plate recognition system for the Police Department. \(Contract #2013-136\)](#)

Fiscal Impact: Total first year cost of this contract will not exceed \$136,100. Sufficient funds have been appropriated in cost center 2222 (Police Grant and RICO Fund) for the anticipated expenditure in fiscal year 2013/2014.

- B16.** [Awarded job order no. 7 to PCL Construction, Inc. for improvements to the TP-03 sewage metering station located at 3255 South 48th Street.](#)

Fiscal Impact: Total job order amount is \$677,109.39. Funds to pay for this job order and related expenses are appropriated for fiscal year 2013-14 in Capital Improvement Project No. 3202559, Metering Station Improvements.

- B17.** [Awarded job order no. 16 to Caliente Construction, Inc. for replacement of multi-use path lighting at the Highline Canal adjacent to 1155 West Elliot Road.](#)

Fiscal Impact: Total job order amount is \$100,497 and the project contingency amount is \$10,000. Funds for this project were appropriated for fiscal year 2013/2014 as part of the Pathways Capital Maintenance program, Capital Improvement Project No. 6005249.

- B18.** [Awarded a professional services contract to NCS Engineers for development of a plan to maintain the long-term integrity of the City's water storage tanks on Hayden, Bell, and Papago Buttes. \(Contract #2013-137\)](#)

Fiscal Impact: Total contract amount is not to exceed \$67,440. Funds to cover this contract and related costs are appropriated for fiscal year 2013-14 in Water Operating Budget Fund 3035-7504 for field facilities operations and maintenance.

- B19.** [Ratified an emergency award to Automated Access Systems, Inc., for a parking access and revenue control system for the City Hall Parking Garage. \(Contract #2013-138\)](#)

Fiscal Impact: Total cost for this purchase will not exceed \$98,276.88. The City has authorized the use of parking funds collected by the Downtown Tempe Community for the purchase and installation of the parking access system.

- B20.** [Approved a three-year Sole Source contract with two, one-year renewal options to The Active Network, Inc. for a software upgrade to the Class software system utilized by Community Services, Public Works, and other City departments. \(Contract #2013-139\)](#)

Fiscal Impact: Total amount shall not exceed \$209,000 over the three-year contract term. Sufficient funds have been appropriated in cost center 1991 (General Fund) for the anticipated expenditure in the 2013/2014 fiscal year.

C. Ordinances and Items for Introduction/First Hearing - These items will have two public hearings before final Council action

- *C1. [THIS ITEM WAS REMOVED FOR SEPARATE CONSIDERATION. SEE BELOW FOR DISCUSSION AND ACTION.](#) Introduce and hold the first public hearing to adopt an ordinance for a Code Text Amendment for FREESTANDING OFF-PREMISE FREEWAY SIGNS. The applicant is the City of Tempe. The second and final public hearing is scheduled for August 22, 2013. (Ordinance No. 2013.39)

- *C2. [Introduced and held the first public hearing to adopt an ordinance authorizing the dedication of a 22.5 foot strip of City-owned land along the north side of Rio Salado Parkway between Rural Road and the College Avenue alignment, for use as public right-of-way, and authorizing the Mayor to execute a declaration of dedication. The second and final public hearing was scheduled for August 22, 2013. \(Ordinance No. 2013.40\)](#)

Fiscal Impact: There is no fiscal impact on City funds associated with this request.

- *C3. [Introduced and held the first public hearing to amend Chapter 2, Article II, Section 18, of the Tempe City Code relating to administration, and the City Code generally, by amending the relevant sections to eliminate reference to the Community Relations Office. The second and final public hearing was scheduled for August 22, 2013. \(Ordinance No. 2013.41\)](#)

Fiscal Impact: The consolidation of the Community Relations Office's functions with the Community Services Department will yield savings due to the elimination of one director position.

- *C4. [Introduced and held the first public hearing to adopt an ordinance authorizing the abandonment of certain existing public ingress/egress, waterline, sewer line and public utility easements near 136 West Fifth Street. The second and final public hearing was scheduled for August 22, 2013. \(Ordinance No. 2013.42\)](#)

Fiscal Impact: No impact on City funds.

- *C5. [Introduced and held the first public hearing to adopt an ordinance abandoning certain existing waterline easements near 1437 North Scottsdale Road. The second and final public hearing was scheduled for August 22, 2013. \(Ordinance No. 2013.43\)](#)

Fiscal Impact: No impact on City funds.

- *C6. [Introduced and held the first public hearing to adopt an ordinance for a Zoning Map Amendment from R1-6 to R1-PAD and a Planned Area Development Overlay consisting of two single-family residential lots for MARTINEZ RESIDENCE, located at 900 and 901 South Una Avenue. The applicant is Sender Associates, Chartered. The second and final public hearing was scheduled for August 22, 2013. \(Ordinance No. 2013.44\)](#)

Fiscal Impact: While this ordinance change does not directly impact revenue, the planned development will result in collection of the standard development fees, calculated according to the approved fee structure at the time of permit issuance.

- *C7. [Introduced and held the first public hearing to adopt an ordinance for a Planned Area Development Overlay for LIBERTY CENTER AT RIO SALADO, located at 1850 West Rio Salado Parkway. The applicant is RSP Architects. The second and final public hearing was scheduled for August 22, 2013. \(Ordinance No. 2013.45\)](#)

Fiscal Impact: While this development does not directly impact revenue, the planned development will result in collection of the standard development fees, calculated according to the approved fee structure at the time of permit issuance.

- *C8. [Introduced and held the first public hearing to adopt an ordinance to transfer a portion of the unencumbered appropriation budget from the Community Development Department as well as other Departments/Offices, as required, to the City Manager's Office, for the economic development functions. The second and final public hearing was scheduled for August 22, 2013. \(Ordinance No. 2013.46\)](#)

Fiscal Impact: The transfer of a portion of the unencumbered General Fund appropriation budget from the Community Development Department to the City Manager's Office will be cost neutral to the City. No increase in overall City budget appropriation is being requested. However, additional budget appropriation from other Department/Offices may be required to fully fund the economic development functions.

- *C9. [Introduced and held the first public hearing to adopt an ordinance to transfer the unencumbered appropriation budget from the Community Relations Office to the Community Services Department and to the City Manager's Office. The second and final public hearing was scheduled for August 22, 2013. \(Ordinance No. 2013.47\)](#)

Fiscal Impact: The consolidation of the Community Relations Office's functions with the Community Services Department will yield savings due to the elimination of one director position. No increase in overall City budget appropriation is being requested.

- *C10. [**THIS ITEM WAS REMOVED FOR SEPARATE CONSIDERATION. SEE BELOW FOR DISCUSSION AND ACTION.** Introduce and hold the first public hearing to adopt a resolution for a General Plan Amendment, an ordinance for a Zoning Map Amendment and Planned Area Development Overlay for THE RESIDENCES AT UNIVERSITY CENTER, located at 1260 East University Drive. The applicant is Huellmantel & Affiliates. The second and final public hearing is scheduled for August 22, 2013. \(Resolution No. 2013.93 and Ordinance No. 2013.48\)](#)

D. Ordinances and Items for Second Hearing/Final Adoption

- *D1. [Held the second and final public hearing and adopted **ORDINANCE NO. 2013.34** authorizing the granting of a Utility Encroachment License to the Arizona Board of Regents for College Avenue Commons, a new building in Block 12 at 660 South College Avenue.](#)

Fiscal Impact: No impact on City funds.

- *D2. [Held the second and final public hearing and adopted **ORDINANCE NO. 2013.35** abandoning a portion of the right-of-way dedicated to the City of Tempe for public use as an alley north of Curry Road and west of Miller Road, and authorizing the sale of the abandoned alley to the adjacent property owner.](#)

Fiscal Impact: The net proceeds of \$6,640 from the sale of the City property will be deposited into the General Fund.

- *D3. [Held the second and final public hearing and adopted **ORDINANCE NO. 2013.36** granting a Power Distribution Easement to the Salt River Project Agricultural Improvement and Power District for new power lines and equipment at the Cardinals Training Facility located at 8701 South Hardy Drive.](#)

Fiscal Impact: No impact on City funds.

- *D4. [Held the second and final public hearing and adopted **ORDINANCE NO. 2013.37**, an amendment to Tempe City Code, Chapter 20, Noise, for DOWNTOWN AMPLIFIED SOUND. The applicant is the City of Tempe.](#)

Fiscal Impact: No impact on City funds.

- *D5. [Held the second and final public hearing and adopted **ORDINANCE NO. 2013.38**, amending Chapter 7 of the Tempe City Code, relating to bicycle registration.](#)

Fiscal Impact: There is no direct cost to the City with the Code amendment.

E. Resolutions

- E1. [Adopted **RESOLUTION NO. 2013.89** authorizing the Police Chief to execute an agreement between the City of Tucson and the City of Tempe to accept grant funds related to the High Intensity Drug Trafficking Area. \(Contract #2013-140\)](#)

Fiscal Impact: The amount of the grant award is \$217,112. Sufficient budget appropriation for expenditure of this grant was authorized in the Police Department RICO and Grants Fund (Fund 45) as part of the fiscal year 2013-14 adopted budget. This will allow the Police Department to continue funding one Police Officer position and add one newly created Sergeant position in Fund 45.

- E2. [Adopted **RESOLUTION NO. 2013.90** authorizing the Mayor to sign an Intergovernmental Agreement between the Maricopa County Library District and the City of Tempe for the Library Assistance Program beginning July 1, 2013 and expiring June 30, 2015. \(Contract #2013-131\)](#)

Fiscal Impact: The Intergovernmental Agreement for the Library Assistance Program is estimated to produce a positive net impact to the General Fund for fiscal years 2013-2014 and 2014-2015, with fiscal year 2013-2014 estimated to produce \$101,275.

- E3. [Adopted RESOLUTION NO. 2013.91, to enter into a facility relocation agreement with the Salt River Project Agricultural Improvement and Power District in connection with the Salt River Project Municipal Aesthetics Program.](#) (Contract #2013-134)

Fiscal Impact: This agreement has no fiscal impact to the General Fund. The costs associated with the aesthetic improvements to the undergrounding of the Salt River Project power distribution facility is entirely covered by the Salt River Project Municipal Aesthetics Program.

- E4. [Adopted RESOLUTION NO. 2013.92 approving an increase to the monthly rate charged to the public in the City Hall Garage, 117 E 5th Street, Tempe, Arizona.](#)

Fiscal Impact: Revenue generated from parking fees are used to pay for annual parking operations, maintenance, enforcement and parking related capital improvements. Amounts collected in excess of the capital reserve needed to fund annual parking operations and any approved capital improvements are deposited in the General Fund.

AGENDA ITEM(S) REMOVED FOR SEPARATE CONSIDERATION:

- A3. Approved changes to the Rio Salado Financing Plan and the agreement between the City of Tempe and the Rio Salado Community Facilities District. (Contract #98-121A)

Fiscal Impact: Approximately \$28 million is owed to the City by owners of undeveloped property within the Rio Salado Community Facilities District for the repayment of the original cost of Rio Salado Community Facilities District improvements, including lake construction. This action would reduce the interest rate applied to those unpaid balances until they are developed and the City is fully reimbursed. The fiscal impact will vary depending on how long those properties remain undeveloped and whether this change will remove impediments to future development and accelerate repayments to the City. The changes to the proposed uses of the capital sinking fund contained in the agreement between the City and the District will memorialize and formalize current practice, with no impact to the City's budget.

Mayor Mitchell referenced a newspaper article that did not provide enough information for readers to understand the complexities of the proposed changes to the Rio Salado Financing Plan (Plan) and the agreement between the City of Tempe and the Rio Salado Community Facilities District (CFD). Mayor Mitchell shared the following information regarding the Tempe Town Lake:

- Since the Lake opened in 1999, it has generated over \$825 million for the economy and added approximately 5,000 jobs to Tempe's workforce due to companies locating at the Lake.
- There will be a ground breaking ceremony on July 31, 2013 for a development on the south bank of the Lake, which is estimated to add thousands of new jobs to Tempe's economy. This development will generate revenue to fund parks, library programs, and quality of life amenities.
- The proposed changes to the Plan will not impact the City's budget, delay park improvement plans or increase property taxes.

Ken Jones, Finance and Information Technology Director, explained the roles of the Enhanced Services Commission (ESC) and its relationship to the CFD Board. The ESC is appointed by the City Council and makes recommendations to the CFD Board. The City Council serves as the board members of the CFD Board. The ESC has identified inconsistencies in the language in the Plan and in the agreement. Several public hearings have been held to discuss the issues. As a result, the ESC recommends amending the following documents:

- 1) The Plan between the City of Tempe and the CFD
- 2) The agreement between the City of Tempe and the CFD

In terms of the Plan, currently there are various interest rate applications assessed on property owners within the CFD for monies owed to the City, and concern regarding how these interest rates are applied. For undeveloped property, property owners are assessed 5% annually on the principal amount of their property value, their prorata share owed to the City for the original cost of the lake construction. Approximately \$28 million is owed to the City by owners of 21 undeveloped properties within the CFD for the repayment of the original cost of CFD improvements, including lake construction. This proposal would reduce the interest rate applied to those unpaid balances until the properties are developed, and the City is fully reimbursed. The ESC, in conjunction with staff, believe the intent of this Plan was for the City to be made whole on lake construction costs, with the adjustments made for a cost index factor. As a result, the ESC is recommending that the assessment be based upon a consumer price index factor, versus a fixed assessment of 5%.

Once property is developed, property owners have the option to pay the balance owed to the City in cash, or they can finance that amount over a 25-year period. The Plan states that the City recoup the amount of the interest rate it is paying on bonds, which is now 3.64% due to refinancing. Based on this, the ESC is also recommending that the interest rate be adjusted from 5% to 3.64%, which is what was initially intended in the original documents.

The second recommendation focuses on changes to the capital Sinking Fund, which was established in the original agreement to fund asset replacement and to maintain assets. The ESC is not seeking to change the terms of the agreement; however, in order to reflect the original intent of the agreement, the ESC is recommending that the agreement be amended to clarify that the City is responsible for more permanent structures, such as lake walls, lake floors, and permanent concrete dam structures. The ESC believes that the intent of the agreement was to collect enough funding to replace repairable and replaceable parts of the dam, not infrastructure such as the lake walls or the lake floor. In addition, the funding that was established in the agreement would not be sufficient to replace all of those assets. However, the assessments being collected will sufficiently fund the maintenance and replacement of certain assets. The proposed recommendations will not impact the City's budget and will clearly delineate the responsibilities of the City and the CFD.

Councilmembers and staff discussed a newspaper article that contained misleading information regarding this topic and thanked Mr. Jones for his informative presentation. It was emphasized that this is about recovering costs, being fair, and not placing a burden on residents or developers. The proposal is to retroactively apply the interest rate in fiscal year 2009-10, for properties developed after that point in time.

Mayor Mitchell invited public comment on this agenda item.

Albert Dare, Tempe, voiced his support of the Tempe Town Lake, and the benefits it provides to Tempe.

Motion by Councilmember Woods to approve agenda item 5A3; second by Councilmember Granville. Motion passed on a roll call vote 7-0.

Brigitta Kuiper, City Clerk, stated that the City Council approved the consent agenda with the exception of several items, one being 5B12; however, it was unclear if the item an individual from the audience wanted to speak about was 5B10 or 5B12. Matthew Papke, indicated the agenda item of interest is item 5B10. Ms. Kuiper requested that the City Council reapprove the consent agenda with the exception of items 5A3, 5B10, 5C1 & 5C10.

Motion by Councilmember Arredondo-Savage to approve the consent agenda with the exception of items 5A3, 5B10, 5C1, and 5C10, which were removed for separate consideration; second by Councilmember Navarro. Motion passed on a roll call vote 7-0.

- A3.** Approved changes to the Rio Salado Financing Plan and the agreement between the City of Tempe and the Rio Salado Community Facilities District. (**Contract #98-121A**)

Fiscal Impact: Approximately \$28 million is owed to the City by owners of undeveloped property within the Rio Salado Community Facilities District for the repayment of the original cost of Rio Salado Community Facilities District improvements, including lake construction. This action would reduce the interest rate applied to those unpaid balances until they are developed and the City is fully reimbursed. The fiscal impact will vary depending on how long those properties remain undeveloped and whether this change will remove impediments to future development and accelerate repayments to the City. The changes to the proposed uses of the capital sinking fund contained in the agreement between the City and the District will memorialize and formalize current practice, with no impact to the City's budget.

Clerk's Note: Agenda item A3 was previously approved by City Council with a 7-0 roll call vote. See pages 10-11 for discussion and vote.

- B10.** Approved the utilization of a State of Arizona contract with Morphotrack, Inc. for the purchase of 30 handheld Morpho Ident mobile fingerprint devices for the Police Department.

Fiscal Impact: Total cost of this purchase shall not exceed \$51,000. Sufficient funds have been appropriated in cost center 2222 (Police Department RICO and Grants Fund) for the expenditure in the 2013/2014 fiscal year.

Mayor Mitchell invited the public to comment on agenda item 5B10.

Matthew Papke, Tempe, and Tom Ryff, Police Chief, discussed the following: the purpose of the mobile fingerprint devices; that the use of this device does not change the constitutional rights of an individual nor does it place any additional restrictions or demands on an individual being stopped by a Police Officer; the mobile fingerprint device is a cost effective tool to assist Police Officers in identifying individuals; this is a voluntary tool which may be used at the officer's discretion, based on the situation.

Chief Ryff stated that this is a relatively new device in law enforcement. The City's legal counsel has been asked to work with various law enforcement agencies, evaluate their policies, and draft a policy that is consistent and uniform with other police agencies.

Mayor Mitchell stated that this agenda item is a procurement item only and called for a motion.

Motion by Councilmember Granville to approve agenda item 5B10; second by Councilmember Arredondo-Savage. Motion passed on a roll call vote 7-0.

- *C1.** Introduced and held the first public hearing to adopt an ordinance for a Code Text Amendment for FREESTANDING OFF-PREMISE FREEWAY SIGNS. The applicant is the City of Tempe. The second and final public hearing was scheduled for August 22, 2013. (Ordinance No. 2013.39)

Fiscal Impact: There is no fiscal impact on City funds.

Councilmember Ellis declared a potential conflict of interest on agenda item 5C1.

- ***C10.** Introduced and held the first public hearing to adopt a resolution for a General Plan Amendment, an ordinance for a Zoning Map Amendment and Planned Area Development Overlay for THE RESIDENCES AT UNIVERSITY CENTER, located at 1260 East University Drive. The applicant is Huellmantel & Affiliates. The second and final public hearing was scheduled for August 22, 2013. (Resolution No. 2013.93 and Ordinance No. 2013.48)

Fiscal Impact: While this ordinance change does not directly impact revenue, the planned development will result in collection of the standard development fees, calculated according to the approved fee structure at the time of permit issuance.

Councilmember Ellis declared a potential conflict of interest on agenda item 5C10.

Mayor Mitchell invited members of the audience to speak on agenda items 5C1 and 5C10. No one spoke and the public hearing portion of the meeting was closed.

6. CURRENT EVENTS/COUNCIL ANNOUNCEMENTS/FUTURE AGENDA ITEMS

Councilmember Granville

- Congratulations to his sister on her recent marriage.
- Thanked Councilmember Arredondo-Savage, Councilmember Ellis, and City staff for their work on the revised bike registration process.

Councilmember Arredondo-Savage

- School starts next week; wished students well and thanked school administrators.
- The City has a “*Tempe Goes Back to School*” website resource.
- Congratulations and thanks to Greg Jordan, who has accepted a new career opportunity.

Councilmember Ellis

- Congratulations and thanks to Greg Jordan, who has accepted a new career opportunity.
- Happy Anniversary to her parents.

Vice Mayor Shekerjian

- August 1, 2013, Tempe History Museum at 6:00 p.m. – community members are invited to provide feedback on the General Plan 2040; the General Plan 2040 will be placed on a voter ballot.

Councilmember Woods

- Congratulations and thanks to Greg Jordan, who has accepted a new career opportunity.

Mayor Mitchell

- School starts next week; traffic will increase; welcome back to Arizona State University students.
- Police Resource Officers are in schools.
- Congratulations and thanks to Greg Jordan, who has accepted a new career opportunity.

7. PUBLIC APPEARANCES

A. Scheduled

1. Georgette Cummard – Bulk Trash Collection; Ms. Cummard cancelled her appearance.
2. Liana Reed – Street Lighting near First Street and Roosevelt
Ms. Reed, Tempe, voiced concern regarding the dim street lighting in her neighborhood and problems with

robberies, drug trafficking, prostitution, and homeless individuals. Ms. Reed requested additional street lighting and increased security at particular locations. Councilmembers were provided with a photographs and a map outlining the locations of existing street lights. Ms. Reed stated that she has contacted Public Works personnel who indicated that additional street lighting would require that she obtain at least 50% of signatures from her neighbors.

Mayor Mitchell requested various staff members meet with Ms. Reed regarding the street lighting concerns she raised.

- B. Unscheduled
No one spoke.

The meeting adjourned at 8:33 p.m.

I, Brigitta M. Kuiper, the duly-appointed City Clerk of the City of Tempe, Maricopa County, Arizona, do hereby certify the above to be the minutes of the Formal City Council meeting of July 30, 2013, by the Tempe City Council, Tempe, Arizona.

Mark W. Mitchell, Mayor

ATTEST:

Brigitta M. Kuiper, City Clerk