

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

**INFORMAL SESSION
August 6, 2007**

The Board of Supervisors of Maricopa County Arizona convened in Informal Session at 10:00 a.m. August 6, 2007 in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Fulton Brock, Chairman, District 1; Andrew Kunasek, Vice Chairman, District 3; Don Stapley, District 2; Max W. Wilson, District 4, and Mary Rose Wilcox, District 5. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Minutes Coordinator; David Smith, County Manager and Victoria Mangiapane, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-nay-absent-abstain.

SECURITY BUILDING

Item: Update on the development and build-out of the first floor and a portion of the mezzanine level in the Security Building located at 234 N. Central Avenue and the Security Center located at 222 N. Central Avenue.

David Smith, County Manager
William Scalzo, Assistant County Manager
Steve Wetzel, Office of Enterprise Technology
Jim Sadler, The Staubach Company

Item: Declare as surplus property the balance of the first floor space of the Security Building/Center that is neither used as part of the Collaborative Center nor needed for county operations/support. Authorize the surplus space to be leased at public auction by Real Estate Services in demarcations and timeframes that meet the county's goals and that are in conjunction with the demands of the real estate marketplace.

Authorize Real Estate Services to commence preliminary marketing and advertisement in anticipation of the projected auctions. The space has been appraised by a certified licensed appraiser. The property will be auctioned either by oral or sealed bid to the public or, if to a municipality, other government entity, or qualifying non-profit, at fair market value, without an auction, as provided for in A.R.S. §11-251 Paragraph 9. Upon selection of a qualified bidder and execution of an agreement by lessee, the lease agreement will be submitted to the Board of Supervisors for approval.

Authorize staff to proceed with the development of an Intergovernmental Agreement with Arizona State University (ASU), to solicit financial contributions and for technical expertise in managing the Collaborative Solutions Center. Upon completion, the Intergovernmental Agreement will be submitted to the Board of Supervisors for approval.

Authorize staff to develop agreements with interested technology partners and other financial sponsors. All agreements will be submitted to the Board of Supervisors for approval upon completion. (C2008019000) (ADM811-002)

David Smith said the County's "style" of doing most new projects involves the evolution and refinement of ideas as more is learned about the topic being studied. He said this has been happening very rapidly the past few weeks in making determinations on what type of vendors should be on the ground and mezzanine floors of the Security Building as it is renovated. Potential partnerships have been investigated with both technology, entertainment and commercial vendors. There is a large amount of floor space to consider and he likened the process to one of cutting and then assembling giant jigsaw puzzle pieces. He said several different placement maps have been completed for the Board to consider and discuss. Mr. Smith explained that they are seeking to further the process by receiving authority from the Board to firm-

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up business partnerships through auctions, IGA's or other agreements with selected outside vendors and to also choose and preserve appropriate space for use by County departments.

Mr. Smith stated that this corner location will become a hub of activity once the major changes that are happening in close proximity become established in 2008-2010. This would include the ASU and Bioscience Campus expansions, the light rail Central Transit Station directly north of the site, and retail and future housing projects that should emerge with such growth. He believed there are huge upside potential uses for the two bottom floors of this historic building that would hugely benefit the populace and could provide income opportunities for the County. He emphasized that now is the time for far-reaching planning and decision making for later implementation.

Bill Scalzo, with input from others who are taking active roles in furthering the project, walked the Board through the presentation package that covered a myriad of ideas and special projects and which encompassed their Project Mission. (Backup documents outline various concepts.) Planning has taken into account the quintupled 30-year downtown population growth that is projected from the current 8,800 downtown population. Retail and housing, new growth and renovation, will continue past the next 30 years. Discussion ensued covering many of the futuristic and opportunistic ideas being generated as this renovation project evolves. Mr. Scalzo said demolition opened up vast spaces on the two bottom floors and large support pillars are noticeably spaced throughout these and all floors in the building and must enter into the planning.

Two new innovative ideas were introduced and discussed at length, 1) the Information Resource Center offering expanded language, academic and technical service connections world-wide; and, 2) the Collaborative Solutions Center offering virtual tele-conferencing and face-to-face meetings networked to facilities across the globe. (A video was shown on the many diverse avant-garde features that could be available using such technology.)

~ Chairman Brock presented the gavel to Vice Chairman Kunasek and left the meeting ~

Supervisor Stapley commented that the renovation challenge has been greater than the Board anticipated a year ago. He said that this location is excellent and said in real estate the emphasis is always on "location, location, location" but in today's market it is also on "timing, timing, timing" particularly in downtown Phoenix where there is such a dynamic 'use-shift' taking place. He said this idea may be a little ahead of the curve but agreed that now is when serious planning is important for greatest future viability. Supervisor Stapley said he would move that this process go forward as stated in the agenda item.

Supervisor Kunasek had questions on the dated, in-hand appraisal and asked if the rental/lease amounts would still be appropriate in several years when the renovation is complete. Dennis Lindsey, Director, Real Estate Services, reported that the in-hand appraisal is dated February 2007 but should be updated when the Board is ready to move forward into the auction or other agreement(s) process with selected users. He noted that the appraisal amounts are only the minimum the County is allowed to charge in a lease. An auction could change this retail value through the demands of the public bidding process.

Supervisor Kunasek expressed concern about the wording in the first paragraph of the agenda item regarding the surplus property scope and definition, feeling it was too vague. David Smith said it was vague on what would be auctioned because that would depend on which, if any, of the scenarios are adopted by the Board. He added the public areas would probably be kept to the blue areas and the

mezzanine. Discussion ensued on best use of space on the ground floor and the mezzanine including location of security and storage space, rather conspicuously placed in the different options.

~ Chairman Brock returned to the meeting and retrieved the gavel ~

Supervisor Stapley asked if one of the options was recommended over the others. Jim Sadler responded that the general response received from the marketplace for highest revenue generation and synergistic uses is that a range of 6,000 to 7,000 square feet be set for retail space with some malleability and flexibility regarding the number of users.

Supervisor Kunasek indicated he had heard rumors that Library District funds would be used in the Information Resource Center. He indicated he would be in opposition to such a proposal. However, no verification of such a plan was acknowledged.

Supervisor Stapley stated he felt this project was not at all premature, saying, "We already have the 'box' and we have tenants who want to open now, and other tenants who will come for any remaining space." He believed leases should not necessarily be long-term but flexible and fluid. He indicated the same thing would hold for the Information Resource Center, adding that the important thing is to provide an information resource center for public use. He felt it was necessary to give planners the flexibility they need. He agreed to change language in the agenda item for the motion, but felt it imperative to take action at this meeting commenting that it would be unwise to sit on this for 6 or 12 months. He agreed that he would also be opposed to creating a library or spending any Library District tax dollars, but would welcome the District's technical expertise, in collaboration with other information technology expertise, to perfect the concept. Supervisor Wilcox agreed with Supervisor Stapley's assessment and favored moving ahead with the current wording.

Supervisor Kunasek said he could agree to moving forward according to Concept 1 and holding back the 5,900 square feet (purple area) for a collaborative group, feeling this change to the wording would restore some decision making power to the Board. Supervisor Stapley countered by saying that every part of the agenda item stipulated 'upon approval of the Board of Supervisors.

Supervisor Stapley renewed his earlier motion for approval with the caveat that the Information Resource Center space also be marketed and not set aside purely for such use, but to be kept flexible and earmarked as potentially for that use. Approval would authorize staff to proceed with developing an IGA with ASU, solicit financial contributions from ASU and other vendors as potential partners, and solicit the technical expertise from the Library District for an Information Resource Center, at the minimum of space shown in Concept 1. He affirmed that this did not set rigid guidelines and asked that the plan be updated to the Board for input. He added that Library District tax monies were not to be used in the project.

Supervisor Wilcox seconded the amended motion and emphasized the direction given of briefing Members either individually or as a whole. She stressed that her second includes the flexibility mentioned so that any proposal received is reviewed. Supervisor Wilson also stressed that conditions remain flexible and the best deals be brought to the Board for evaluation.

The Clerk clarified the motion as "withholding the purple and includes the other two points that everything is on the table."

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Supervisor Stapley explained that the motion asks staff to keep the 'purple space' flexible, to be adjusted as necessary, and changes brought back for approval. Supervisor Wilcox clarified that her second would not "withhold" it, but would keep it flexible and open for negotiation. Supervisor Stapley said his amended motion would include an addition to the first sentence of the agenda item, (shown in caps below):

"Declare as surplus property the balance of the first floor space of the Security Building/Center that is neither used as part of the Collaborative Center nor needed for county operations/support SUBJECT TO CHANGE AS RECOMMENDED BY STAFF DEPENDING ON MARKET CONSIDERATIONS TO BE BROUGHT TO THE BOARD INDIVIDUALLY IN BRIEFINGS THROUGH THE COURSE OF THE PROCESS. Authorize the surplus space to be leased at public auction by Real Estate Services in demarcations and timeframes that meet the county's goals and that are in conjunction with the demands of the real estate marketplace."

Supervisor Kunasek asked if the amended motion addressed the "purple areas" as depicted in Concept 1 and not the nearly 13,000 square feet in other concepts. Supervisor Stapley replied, "Yes, and if it is determined that this Center needs more space the Board must be consulted for approval."

Before reconfirming her amended second Supervisor Wilcox expressed concern that all Members understood the amendments. David Smith sought to summarize and said he had heard, "support for Concept 1; marketing the "blue area," to do the Collaborative Solution Center in the minimum space necessary in the purple area; to consider any optimizing opportunities that arise for the "green area." (See backup for colored areas.)

Supervisor Wilcox said she wasn't "wedded" to Concept 1 and wanted to consider other creative proposals that come in but did confirm her second to the amended motion. She said that her bottom line is to not limit the flexibility of marketing the plan.

Mr. Smith said, "The plan has to prove itself in the end, and make good business sense and good financial sense." He indicated that until the plan is complete the goal is to make sure everyone is moving down the same road. When there is agreement that the destination has been reached it will prove itself because of the final vendors, layout, costs and net.

Supervisor Kunasek asked for clarification on use of the beautiful space in the mezzanine and asked if it should be held for County offices. Supervisor Stapley said the motion language does not address the mezzanine and he assumed it was part of the retail potential.

Chairman Brock interjected that there is time to consider various vendors in different areas, even going up to the 3rd floor, and said all space possibilities need to be explored. He called for the vote.

The motion, as amended, carried unanimously (5-0).

SUPERSTITION VISTAS PRESENTATION

Item: Discussion on planning and visioning for the far east valley; outline the regional growth, economic development, and some of the possible solutions for flood control, transportation/transit and job creation, etc. for this area. In collaboration with the Arizona State Land Department (ASLD), the goal for this area is to "create vibrant communities with a sense of place anchored by community values establishing Arizona as a leader in sustainable development".

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Roc Arnett, President, East Valley Partnership

Roc Arnett said a year ago he had come to ask for participation in the Urban Institute Land Study on the 52 square miles surrounding Williams Gateway and this study is now complete. Area projections for the next 25 years came out of this study that included 1,500 acres of industrial land, 500 acres of office space, 5,200 hotel rooms, 7 golf courses, 2 additional hospitals and higher education facilities for 68,000 probable students, twice as many as originally assumed. Projections on a number of things had to be reconfigured to accommodate the increase. Also included is an additional 165,000 residents and between 94,000 and 100,000 high-wage jobs projected for the area, as well as a profitable reliever airport. He said the 52 square miles would be designated as an urban center area. Discussion ensued on these plans.

Mr. Arnett also reported on the 275 square miles known as Superstition Vistas that borders the Williams Gateway area to the east. He said that it was not in Maricopa County but would have a phenomenal effect on the County with regards to jobs, flood control, transportation and economic development. The Arizona State Land Department owns this land and the ASU study and other projections have placed a million residents in these 275 square miles, an area which he said is approximately half the size of Phoenix. The location was discussed using a map for reference.

Mr. Arnett said this plan would benefit the entire region and they want development to be sustainable, substantial and productive for the region as a whole. It will take a combined effort to bring this about and he asked for the County's support and financial help. He said they will search the nation to find a senior project consultant who has experience with such a vast and broad-based, green-area concept. He cited flood control issues and the realization that these are vital for area planners to be aware of.

He named some of the board members already selected and some of the towns and organizations that have already donated or promised financial help in the effort to raise \$2 million.

Support was expressed but also expressed was concern in spending taxpayer monies since it is not in Maricopa County, and equal concern that County experts have not been utilized in the planning. Members urged the addition of Joy Rich as a member of the planning board to bring the County's years of regional expertise into the concept.

BRING BACK BLUE CLEAN AIR INITIATIVE AND RELATED EXPENDITURE APPROPRIATION FOR PHASE II – CONTINUED

Item: Discuss the results of Phase I of the Bring Back Blue Clean Air Initiative. Discuss the project scope and budget for Phase II of the Bring Back Blue Clean Air Initiative.

Holly Ward, Community and Media Relations Manager, Air Quality Department
John Godec, Godec, Randall and Associates

Approve the project scope and budget for Phase II of the Bring Back Blue Clean Air Initiative.

Also, in accordance with A.R.S. §42-17106(B), approve the transfer of expenditure authority between the Non-Departmental Grants Fund (Department 470, Fund 249) and the Air Quality Department Fund (Department 850, Fund 504). This action will require an expenditure appropriation adjustment decreasing the FY 2007-08 Non-Departmental (470) Non-Departmental Grants Fund (249) by \$1,438,200 and increasing the FY 2007-08 Air Quality (850) Air Quality Fee Fund (504) by \$1,438,200. These adjustments will result in a County-wide net financial impact of zero and will allow the Air Quality

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Department to pay the public relations services contractor Godec, Randall & Associates (Serial 04180-RFP), for a media campaign that will focus on dust issues in Maricopa County. This action will authorize the use of the Air Quality Fund Balance to pay for these one-time expenditures. (C8508001M00) (ADM2375-003)

This item was not heard because of time constraints and will be placed on a future agenda.

REGIONAL SCHOOL DISTRICT #509 VOUCHERS/WARRANTS

The Board of Supervisors, pursuant to its authority granted in A.R.S. §15-1001, will consider for approval vouchers presented by the County School Superintendent of Maricopa County to draw warrants on the County Treasurer against Maricopa County Regional School District #509 School District funds for necessary expenses against the school district and obligations incurred for value received in services (except for payroll vouchers) as shown in the Vouchers. (ADM3814-003)

The Board of Supervisors may consider ratifying any Maricopa County Regional School District #509 vouchers and/or warrants (except for payroll vouchers) approved in accordance with the procedures of A.R.S. §15-321 since the last meeting of the Board of Supervisors. The Board of Supervisors may hear staff reports on the vouchers and warrants being considered. The Vouchers are on file in the Maricopa County's Clerk of the Board's office and are retained in accordance with ASLAPR approved retention schedule. (ADM3814-003) Staff may update the Board of Supervisors on regional schools operations and finances. (ADM3814-005)

Motion was made by Supervisor Wilcox, seconded by Supervisor Stapley and unanimously carried (5-0) regarding action on the following vouchers: No staff update was given to the Board.

Ratify Voucher No. 7001	\$31,194.57
Ratify Voucher No. 7000	\$115,495.02
Ratify Voucher No. 6047	\$58,758.83
Ratify Voucher No. 6046	\$49,128.67
Ratify Voucher No. 6045	\$28,555.74
Ratify Voucher No. 6044	\$21,273.51
Ratify Voucher No. 6043	\$31,928.44
Ratify Voucher No. 6042	\$102,241.82

EXECUTIVE SESSION

Motion was made by Supervisor Stapley, seconded by Supervisor Kunasek, and unanimously carried (5-0) to recess and reconvene in Executive Session in the Tom Sullivan Conference Room to consider items listed on the Executive Agenda, pursuant to listed statutory authority, as follows.

PERSONNEL MATTERS – PROMOTION, DEMOTION, SALARY, ETC. – ARS §38-431.03(A)(1)

- Chief Deputy County Assessor, Salary Consideration**
Keith Russell, County Assessor
Sandi Wilson, Deputy County Manager
Shawn Nau, Director, General Government

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**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; SETTLEMENT DISCUSSIONS
CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION – ARS §38-431.03(A)(3) AND (A)(4)**

2. **Saban v. Maricopa County, No. CV2005-007294 (Superior Court)**
Peter Crowley, Risk Manager
David Hendershott, Chief, Sheriff's Office
Dennis Wilenchik, Outside Counsel

RECESS EXECUTIVE SESSION AND RECONVENE IN OPEN SESSION

Chairman Brock reconvened the Board in Open Session to consider the following item.

SPECIAL ACTION IN SABAN V. MARICOPA COUNTY

Motion was made by Supervisor Stapley, seconded by Supervisor Wilson, and unanimously carried (5-0) to authorize Maricopa County to initiate special action in CV2005-007294, Saban v. Maricopa County, as discussed in Executive Session. (C7508004M00)

RECONVENE EXECUTIVE SESSION

The Chairman reconvened Executive Session to hear the remaining executive session agenda items at 1:35 p.m.

**LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO
NEGOTIATION – ARS §38-431.03(A)(3) AND (A)(4)**

3. **AHCCCS – Outlier Claims**
Sandi Wilson, Deputy County Manager
Shawn Nau, Director, General Government
Christopher Keller, Chief Counsel, Civil Division
Martin Demos, Deputy County Attorney

LEGAL ADVICE – ARS §38-431.03(A)(3)

4. **Complaint filed by J. Christopher Carey, M.D. against Maricopa County et al.**
Tim Casey, Outside Counsel
Christopher Keller, Chief Counsel, Civil Division

Chris Keller left the meeting, due to a CAO conflict with the following item, and Dean Wolcott entered the meeting as Outside Counsel to the Board.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION – ARS §38-431.03(A)(3) and (A)(4)

5. **Dowling v. the Maricopa County Board of Supervisors; CV2006-052611, Counterclaim and Third Party Claim**
Tom Irvine, Outside Counsel
Rebekah Francis, Outside Counsel
Sandi Wilson, Deputy County Manager
Tom Manos, Chief Financial Officer
Shelby Scharbach, Deputy Chief Financial Officer

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Lisa Keegan, Interim Communications Director
Brian Hushek, Deputy Budget Director
LeeAnn Bohn, Deputy Budget Director
Shawn Nau, Director, General Government

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

ATTEST:

/s/ Fulton Brock, Chairman of the Board

/s/ Fran McCarroll, Clerk of the Board