

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
628 NORTH MAIN STREET
MARCH 26, 2018
6:00 P.M.**

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Brian Wright-Finance Director; Keith Brown-Public Works Director/City Engineer; Christopher Vasquez-Police Chief; Sylvia Payne-Human Resource Director; Rus Ketcham-Library Director; Paul Anchondo-Community Services Director; Jon Vlaming-Community Development Director; Regis Reed-Public Works Project Manager

I. CALL TO ORDER

Mayor Joel Belloc called the meeting to order at approximately 6:01 p.m.

II. INVOCATION

Invocation was given by Pastor Debbie Miller.

III. PLEDGE OF ALLEGIANCE

Councilmember Andrew Rodriguez led Council and the public in the Pledge of Allegiance.

IV. ROLL CALL

Council Members Present: Councilmember Jose Garcia; Councilmember J.W. Tidwell; Vice Mayor Micah Powell; Councilmember Dan Snyder; Mayor Joel Belloc; Councilmember JoAnne Galindo; Councilmember Andrew Rodriguez

Council Members Absent: None

V. COMMUNICATIONS

- Councilmember Tidwell conveyed the city needs to start switching its lights out to LEDs instead of the sodium that APS no longer supports. He received information from APS that shows the breakdown of what the city has and what it would cost to replace these lights. He suggested the Council budget replacing 100 lights every budget year. The city can get all streets lights in the city switched out to LEDs over the next five years which will save the city money and APS will repair if the city continues to contract with them.

The city clerk read the following proclamations into the record:

- Designating April as Fair Housing Month
- Week of the Young Child in Eloy

Ms. Beverly Gomez-Aviaga, Parent Awareness and Community Outreach Coordinator for the Pinal region of First Things First, commented on the Week of the Young Child proclamation. She thanked Council for recognizing the importance of early learning and early literacy for children. She invited families with children up to age 5 to the Week of the Young Child event, April 16, 2018 from 10:00 a.m. to 12:00 p.m. at Main Street Park in Eloy. The event is free and will include free dental and sensory screenings, crafts, games and activities.

Ms. Denise Rogers, principal at Arizona City Elementary school, several staff members and student athletes presented the Community Services department with a certificate of appreciation and the Council with a plaque, thanking them for donating city bleachers to the school. Several of the students said they were happy their parents and family members no longer had to stand to watch them play during sporting events.

Mr. Krauss announced the following communications to Council:

- Meeting dates for the month of April:
 - April 9th Regular Council meeting (6pm)
 - April 16th Special Council meeting (5pm)
 - April 16th Budget Work Session (6pm)
 - April 23rd Regular Council meeting (6pm)
 - April 30th Budget Work Session (5pm)
- Community Outreach of Robson Ranch (CORR), will be hosting their annual Safety Fair, April 14th, at Main Street Park, from 9am to 12pm.

Mrs. Betty Peterson, CORR president, gave a brief overview of the organizations past activities and services the Heart of Eloy provide to residents.

VI. APPEARANCES FROM THE FLOOR

None

VII. EXECUTIVE SESSION

No executive session needed tonight.

VIII. CONSENT AGENDA

- A. Approval of Minutes: 3/12/18 (regular).
- B. Request for in-kind services for the 6th Annual Safety Fair with Community Outreach of Robson Ranch (CORR) on April 14, 2018 at Main Street Park.

Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez to approve the Consent Agenda as presented, passed unanimously by roll call vote.

IX. BUSINESS

A. APPROVE A CONTRACT WITH ARCHITEKTON FOR CONCEPTUAL DESIGN SERVICES FOR THE RENOVATION OF THE EXISTING CITY HALL AND POLICE DEPARTMENT BUILDINGS.

Staff Cover Sheet Report: *Council approve a contract with Architekton in the amount of \$21,736.00 for conceptual design services for renovation of the existing City Hall and Police Department buildings.*

Utilizing the Arizona State Procurement Office COOP list, Public Works Staff selected three architectural firms most suited for the professional services in the design of Eloy's Police Department renovation. The 3 firms, DFDG (Dick Fritsche Design Group), AWA (Arrington Watkins Architect) and Architekton were interviewed via phone and were asked a series of questions. Staff then reviewed the responses and determined Architekton to be the most qualified architect for these services. During the negotiations and review of the existing site it was determined that the best approach was to further analyze the existing facility and interview Police Department and the Magistrate Court staff to complete a conceptual design, floor plan and approach in completing the overall design of the Police Department Renovation Project. The contract with Architekton is to develop a conceptual building design. Upon completion of this effort, Architekton will provide a scope and fee to develop final construction plans which will then be brought back to Council for contract review and approval.

FISCAL IMPACT:

The fee of \$21,736.00 is within the budget for this Project which was approved by Council in the FY18 Capital Improvement Program Budget.

Mr. Brown presented a PowerPoint presentation of a proposed contract with Architekton, consultant, for renovation of the existing city hall and police department. He said Architekton will investigate and evaluate existing conditions; and interview police and court staff to understand their needs and operations to develop a facility program based on the information obtained. Mr. Brown said they will also provide a sketch of the site plan; a floor plan; building elevation; building renderings; and a rough order of magnitude cost statement. He pointed out that Architekton has vast experience renovating existing police stations which is one of the reasons why they were selected.

After his presentation, Mr. Brown and Mr. Reed answer the following questions from Council about the proposed project.

- Services the city will receive for the \$21,736 fee
- How much space will be dedicated to the police department and court
- Timeframe to receive final package
- Which fiscal year will funds be taken out of the CIP budget
- How much money is budgeted for the project
- Concerns about having conceptual drawings without knowledge of what is contained within the walls of the police department
- Recommendation to include upgrading communications equipment for the department

Mayor Belloc asked Chief Vasquez if he would like make a comment about the project.

Chief Vasquez conveyed that he agrees with the approach Mr. Brown and Mr. Reed are taking with the project. He likes that the consultant will sit down with staff to gather input on the needs of the department.

Motion by Vice Mayor Powell, seconded by Councilmember Garcia to approve a contract with Architekton for conceptual design services for the renovation of the existing city hall and police department building, passed unanimously.

B. CONTRACT AMENDMENT 1 WITH CORE CONSTRUCTION, INC. TO APPROVE THE GUARANTEED MAXIMUM PRICE (GMP) AMOUNT OF \$7,616,161 TO CONSTRUCT THE NEW CITY HALL BUILDING AND TO MODIFY CERTAIN LANGUAGE WITHIN THE CONTRACT DOCUMENTS.

Staff Cover Sheet Report: *Council approve Amendment 1 with CORE Construction, Inc. to approve the Guaranteed Maximum Price (GMP) amount of*

\$7,616,161 to construct the new City Hall building and to modify certain language within the contract documents.

On January 23, 2017, Council approved a contract with CORE Construction, Inc. to provide pre-construction and construction services for the new City Hall building. Over the past year, City staff has worked closely with the City Hall design team which includes Abacus (Project Manager), SmithgroupJJR (Architect), and CORE Construction (Contractor) to develop the final construction plans for the City Hall building and associated site improvements. City staff has met weekly (and more often as necessary) with the Design Team to continuously coordinate the process of design development and monitor the project costs. A large effort has been spent on evaluating and re-evaluating the project scope and costs to ensure that the City received the best possible project within the budgeted funding.

The City Hall construction documents were completed on February 12, 2018. CORE Construction then solicited for bids from many different sub-contractors to perform the work. Once the final bids were received and presented to the City, City staff continued to work with CORE on negotiating various costs and terms of the contract to arrive at the final contract terms and GMP amount of \$7,616,161. This amount includes a 3% contractor's contingency and a 2.5% owner's contingency to cover unforeseen and added items.

This amendment also includes modifying certain contract terms and language that the City deemed was not in its best interest. One significant item was removing language that allowed any project savings to be shared equally between the contractor and the City. The modified language will ensure that the City receives 100% of any project savings.

Upon Council approval of this Amendment 1, CORE Construction, Inc. will begin construction of the City Hall in mid-April 2018 and will be complete in February 2019

FISCAL IMPACT:

This Amendment 1 for CORE Construction, Inc. is for an amount of \$7,616,161. This construction fee will be paid from a combination of bond proceeds, impact fees and general fund monies. The anticipated project budget is illustrated below.

Project Budget	
<i>Design and Pre-Construction</i>	<i>\$ 1,089,195</i>
<i>City Permits/Impact Fees</i>	<i>\$ 77,461</i>
<i>Testing/Inspections/Moving</i>	<i>\$ 51,000</i>
<i>APS & Century Link</i>	<i>\$ 45,000</i>
<i>Furniture</i>	<i>\$ 360,000</i>
<i>IT/Network Server/UPS</i>	<i>\$ 229,620</i>
<i>Construction - CORE GMP</i>	<i>\$ 7,616,161</i>
Sub-Total	\$ 9,468,437
<i>Project Owner Contingency (2.5%)</i>	<i>\$ 236,711</i>
Total Design & Construction	\$ 9,705,148
<i>Water main Extension</i>	<i>\$ 64,789</i>
<i>Land Cost & Legal Fees</i>	<i>\$ 165,778</i>
Total Project Budget	\$ 9,935,715

Mr. Krauss gave a brief overview of the proposed amendments to the original CORE Construction contract and the Guaranteed Maximum Price (GMP) for construction of the new city hall. Mr. Krauss conveyed that representatives from CORE Construction, SmithgroupJJR, and Abacus are present to address any specific issues.

Mr. Brown gave a PowerPoint overview of the new city hall, project schedule and CORE contract modifications.

Vice Mayor Powell thanked staff and the city hall design team for all the hard work that was put in to make this project come to fruition.

At this time, city staff and the design team answered several questions from Council about the new city hall.

- Warranty for A/C units
- Building elevation
- Color of exterior building
- Water pressure to the building
- Construction timeline
- Sub-contractors list

Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez to approve contract Amendment 1 with CORE Construction, Inc. to approve the Guaranteed Maximum Price (GMP) amount of \$7,616,161 to construct the new city hall building and to modify certain language within the contract documents, passed unanimously by roll call vote.

C. COUNCIL DECLARE AS SURPLUS A TOTAL OF 14 CITY OWNED PARCELS LOCATED IN DOWNTOWN ELOY AND AUTHORIZE CITY STAFF TO TRANSFER SUCH PROPERTIES THROUGH A PUBLIC AUCTION PROCESS.

Staff Cover Sheet Report: Council declare as surplus a total of 14 parcels located in the Downtown Area and authorize City staff to transfer such properties through a public auction process.

The City recently conducted an inventory of parcels it owns in the Downtown Area. A number of these parcels are vacant and the City has not identified a near term use for them that would benefit its citizens. A listing of these parcels is identified below and mapped on the attached page.

APN	LEGAL INFORMATION	ZONING	90% OF FULL CASH VALUE	ADDRESS	STATUS
405-03-0190	COTTON CITY PROPER ELOY LOT 21 IN BLK 40		\$2,250.00	111 N Main Street	Vacant
405-03-0180	COTTON CITY PROPER ELOY LOT 19 AND 20 IN BLK 40		\$4,500.00	109 N Main Street	Vacant
405-03-0100	COTTON CITY PROPER ELOY LOT 10 IN BLK 40		\$2,250.00	104 E 1st Street	Vacant
405-03-2040	COTTON CITY PROPER ELOY LOT 21 IN BLK 51		\$4,500.00	121 E 13th Street	Vacant
405-03-2050	COTTON CITY PROPER ELOY LOT 22 IN BLK 51		\$4,500.00	123 E 13th Street	Vacant
405-03-2840	COTTON CITY PROPER ELOY N 50' OF LOTS 7, 8 & 9 IN BLK 59		\$4,500.00	804 N. "D" Street	Vacant
405-05-2060	THIRD ADDITION TO COTTON CITY ELOY LOT 17 IN BLK 21		\$900.00	518 W. Phoenix Avenue	Vacant
405-05-2070	THIRD ADDITION TO COTTON CITY ELOY LOT 12 IN BLK 21		\$900.00	518 W. Phoenix Avenue	Vacant
405-05-2780	THIRD ADDITION TO COTTON CITY ELOY LOT 5 IN BLK 27		\$900.00	409 W Phoenix Avenue	Vacant
405-06-2430	JOE LOUIS HGTS ELOY #3 LOT 1 IN BLK 3		\$4,500.00	401 W 4th Street	Vacant
405-06-2490	JOE LOUIS HTS ELOY #3 LOT 7 IN BLK 3		\$4,500.00	413 W 4th Street	Vacant
405-06-3300	2ND ADDITION TO COTTON CITY ELOY LOTS 3 IN BLK 6		\$4,500.00	309 W. Tinsley Street	Vacant
405-06-3320	2ND ADDITION COTTON CITY ELOY LOT 9 IN BLK 6		\$4,500.00	304 W 4th Street	Vacant
411-05-0150	ELOY LOT 3 BLK 3		\$4,050.00	205 N. Sunshine	Vacant

As such, staff believes that it would be more productive to transfer such properties, through a public auction, to private ownership. In this manner, the property could be placed back on the County tax roll, and more importantly, provide an infill development opportunity-in compliance with its intended and zoned use.

The general procedures of the public auction would be as follows:

- *A live auction will be held on a weekday morning at 10 am; City Council doors would open at 9:00 am for registration.*
- *The auction location will be in the Eloy City Council Chambers, 628 North Main Street, Eloy, AZ.*
- *All registered bidders will be allowed to participate; registration will be completed prior to the start of the auction. A form of valid picture identification will be required for bidder participation.*
- *Payment must be made at the City Finance Department on the day of the auction.*
- *Acceptable forms of payment are cash or certified check.*
- *If payment is made by certified check, the deed will be delivered after the check has cleared.*
- *Conveyance by the City will be by quit claim deed.*
- *All properties are to be sold "as is" with no warranty of any kind.*
- *A minimum bid will be established for each property based upon 90% of Full Cash Value (FCV) as identified in the most recent posting by the Pinal County Assessor.*
- *Pinal County Assessor's Parcel Numbers 405-05-2070 and 405-05-2060 (highlighted in gray in the table above) are contiguous and will be auctioned as one item starting at \$1,800.*
- *Pinal County Assessor's Parcel Numbers 405-06-3300 and 405-06-3360 (highlighted in gray in the table above) are contiguous and will be auctioned as one item starting at \$9,000.*
- *Specifics of the surplus property auction will be advertised and published in the Casa Grande Dispatch under the legal notice sections and on the City of Eloy Website Home Page.*

Mr. Krauss gave an overview of the 14 parcels owned by the city that staff is requesting Council approval to sell through a public auction process.

Councilmember Snyder asked Mr. Krauss if the city should broaden its advertisement of the properties beyond the city website and the Casa Grande Dispatch.

Mr. Krauss said yes; staff talked about broader advertising. He wants to send individual invitations and mailings to contractors as well.

Vice Mayor Powell wanted to know what will happen if the minimum bid is not met.

Mr. Krauss said the city will not accept anything lower than the minimum bid.

Vice Mayor Powell asked if the properties were appraised.

Mr. Kraus said no; staff used 90% of the cash value that is on the Pinal County tax rolls.

Councilmember Galindo asked if the properties were vacant. She also wanted to know how the city acquired the properties.

Mr. Vlaming said yes; all the properties are vacant. He said a lot of the properties were acquired before his employment with the city. He pointed out that the properties will be sold "as is" with no warranties.

Councilmember Snyder asked if all the properties are zoned the same.

Mr. Vlaming said no; he said the staff report Council received in their packet has a table that shows the zoning status for each property.

Vice Mayor Powell suggested the city give an incentive such as waiving permits fees or impact fees to entice buyers to build within a certain period of time.

Mr. Krauss agreed. He said staff could structure something like this and bring a resolution to Council for approval.

Mayor Belloc expressed concern about the minimum bid for each lot. He said prior to the economic crises a few years back, some of the lots in Eloy were selling for up to \$10,000. He suggested waiting a couple of years to see if the City can get a higher price for them. Mayor Belloc said he would also like to see some of residents have an opportunity to purchase some of the lots.

Vice Mayor Powell pointed out that the lots will be sold at a public auction so everyone will have an opportunity to purchase the lots.

Councilmember Galindo also pointed out that once a lot is sold to a private party, it puts that property back on the tax roll which is a benefit to the city and the schools.

Councilmember Snyder suggested giving the lots to those who are willing to build on them. He said the city can collect impact fees when they build.

Mr. Cooper cautioned Council about discussing these issues when they are not on the agenda. He said staff can bring the matter of the lots back to Council for discussion if so desired.

Mr. Cooper conveyed that impact fees are very difficult to waive; however there are some exceptions such as developing some type of a redevelopment district. He said giving property to someone creates a gift clause issue which may cause the Goldwater Institute to come down on the city. Mr. Cooper stated the city has tools to provide incentives to owners to such as waiving sewer connections, water connections fees and building permit fees.

Vice Mayor Powell said he would like staff to look into an incentive program for owners who build on the lots.

Motion by Vice Mayor Powell, seconded by Councilmember Garcia to authorize Council to declare as surplus a total of 14 city owned parcels located in downtown Eloy and authorize city staff to transfer such properties through a public auction process, passed unanimously.

X. INFORMATIONAL ITEMS

No information items submitted.

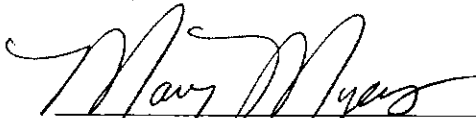
XI. ADJOURNMENT

There being no further business, Mayor Belloc adjourned the meeting at approximately 7:35 p.m.



Joel G. Belloc, Mayor

ATTEST:



Mary Myers, City Clerk