

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
628 NORTH MAIN STREET
APRIL 23, 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; Lori Francisco-Grants Coordinator; Roger Valdez-City Magistrate

I. CALL TO ORDER

Mayor Joel Belloc called the meeting to order at approximately 6:02 p.m.

II. INVOCATION

Invocation was given by Mr. Bob Skier.

III. PLEDGE OF ALLEGIANCE

Mayor Belloc 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 Galindo thanked the Community Services department staff for doing a great job maintaining the city parks. She said several out of town family members commented on how nice the park looked at a recent family reunion held at one of the parks.

- Members of Council all conveyed their happiness with the ground breaking ceremony event held last Thursday for the new city hall. They were happy to see a number of neighboring communities, local citizens as well as representatives from various agencies in the area at the ceremony.
- Vice Mayor Powell and Councilmember Rodriguez both commended staff for the road reconstruction work they are seeing around the city. They said it's good for the public to see their tax dollars at work.
- Mayor Belloc echoed the comments made by Council. He said he's pleased to see the road work going on in the city; however acknowledged there are still many more streets to be done. Mayor Belloc said he's confident Council and staff will continue to work to improve the streets in the community.

Mr. Krauss conveyed the following communications to Council:

- The business education summit scheduled April 26th has been cancelled due to the pending teachers strike on Thursday.
- Reminded Council of a budget work session April 30th, at 5:00 p.m.
- Approximately 33 teams participated in last Saturday's Adopt a Street event. He said he does not have the total amount of trash that was picked up at this time.
- Thanked all city staff who were involved with the ground breaking ceremony event last Thursday.

Vice Mayor Powell asked Mr. Krauss if the after school program was ready to open its doors to the kids if the teachers go on strike.

Mr. Krauss said there will be some issues with day care for some parents who rely on the schools as well as breakfasts and lunches for the kids. It's his understanding that other organizations in the community will fill in the gap.

Mr. Anchondo conveyed the Eloy elementary school district will be meeting tomorrow to work out the details of the walk out. He's been told that the school doors will remain open; however assured Council that his staff is readily available if assistance is needed.

VI. APPEARANCES FROM THE FLOOR

None.

VII. EXECUTIVE SESSION

No executive session requested.

VIII. CONSENT AGENDA

- A. Approval of Minutes: 4/9/18 (regular).
- B. Acceptance of the 2018 Governor's Office of Highway Safety Buckle Up Arizona Enforcement Grant
- C. Council approve a contract with Felix Construction Company to replace the pump control panel and other related items at the Curiel Lift Station.

Motion by Councilmember Tidwell, seconded by Councilmember Snyder to approve the Consent Agenda items as presented, passed unanimously by roll call vote.

IX. BUSINESS

- A. **PUBLIC HEARING TO CONSIDER THE SUBMITTAL OF A PROPOSED COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION; ADOPTION OF RESOLUTION NO. 18-1436 AUTHORIZING SUBMITTAL OF THE OWNER OCCUPIED HOUSING REHABILITATION PROGRAM FOR FUNDING FROM THE STATE SPECIAL PROJECT (SSP) COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR FY2017; AND ADOPTION OF RESOLUTION NO. 18-1437 COMMITTING \$55,000 OF LEVERAGE FUNDS FROM THE CITY TOWARD THIS CDBG GRANT APPLICATION.**

Staff Cover Sheet Report:

1. *Council to conduct a public hearing to consider the submittal of a proposed Community Development Block Grant (CDBG) application; and,*
2. *Council adopt Resolution No. 18-1436 authorizing staff to submit a grant application for \$300,000 for the Owner Occupied Housing Rehabilitation program from the State Special Project (SSP) Community Development Block Grant program for FY2017; and,*
3. *Council adopt Resolution No. 18-1437 committing \$55,000 of leverage funds from the City toward this CDBG grant application from the SSP Account.*

As a pre-requisite to submitting applications for Community Development Block Grant (CDBG) State Special Projects (SSP) accounts for FY 2017, the City is conducting a second public hearing to discuss the proposed activities to be submitted for funding consideration. The first public hearing was held on April 2, 2018 for the general public in an open house format. An activity must be discussed and published during the Public Participation Process in order to be considered.

The maximum funding amount available under this application is \$300,000. The activities submitted to City staff for consideration were:

Owner-Occupied Housing Rehabilitation - To assist approximately three (3) low-income families to address code violations, health and safety, structural housing

issues, as well as ADA accessibility needs. The amount of funding available for this project is a maximum of \$300,000.

This is a statewide, highly competitive process; therefore, staff is recommending that the Owner-Occupied Housing Rehabilitation program be submitted for funding since there is direct benefit to low income families, and there continues to be a strong need for additional affordable housing within Eloy. There are currently 53 families on the waiting list for housing assistance. Of this total 15 are new applicants within the last 6 months.

In order to increase the City's chances of funding, staff recommends that \$55,000 of leverage funds be committed from the City to achieve the highest ranking for this project.

Time is of the essence for the CDBG State Special Projects application with a deadline of May 17, 2018.

FISCAL IMPACT: *If this CDBG SSP grant application is fully funded, the City should receive a total of \$300,000 from the Arizona Department of Housing (ADOH).*

The estimated fiscal impact to the City for Owner-Occupied Housing Rehab (OOHR) is \$55,000.

Mr. Krauss gave a brief overview of the proposed grant application and resolutions which includes a \$55,000 match from the city. Mr. Krauss told Council the funds are included in next fiscal year's budget.

It was at this time Mayor Belloc declared a public hearing open to hear comments and/or questions from the public regarding the proposed CDBG application for housing rehab.

Mr. Krauss and Ms. Francisco fielded several questions from Council about the proposed application.

There being no further questions and/or comments, Mayor Belloc closed the public hearing.

Resolution No. 18-1436

Motion by Vice Mayor Powell, seconded by Councilmember Garcia to read Resolution No. 18-1436 by title only, passed unanimously.

The city clerk read the resolution title into the record.

Motion by Councilmember Snyder, seconded by Councilmember Garcia to adopt Resolution No. 18-1436, passed unanimously.

Resolution No. 18-1437

Motion by Councilmember Garcia, seconded by Councilmember Snyder to read Resolution No. 18-1437 by title only, passed unanimously.

The city clerk read the resolution title into the record.

Motion by Councilmember Snyder, seconded by Vice Mayor Powell to adopt Resolution No. 18-1437 passed unanimously.

B. COUNCIL APPROVE A CONTRACT WITH VIASUN CORPORATION FOR PAVEMENT IMPROVEMENTS OF VARIOUS ROADWAYS THROUGHOUT THE CITY

Staff Cover Sheet Report: *Council approve a contract with Viasun Corporation for \$881,198.46 for pavement improvements of various roadways throughout the City.*

Public Works staff has reviewed various roadways throughout Eloy that are in need of repair, resurfacing, and/or reconstruction. The pavement conditions for these roads are very poor and require pavement preservation and repair to extend their life and maintain an acceptable driving condition for the traveling public.

Staff has coordinated with the Infrastructure Committee comprised of City Management and City Council members to determine which roads to include in this pavement preservation project. In addition, staff has reached out to Pinal County Public Works to review various roadways where there is shared ownership between the City and the County. It was determined that one of the roadways in highest need for improvements is Sunshine Blvd from Phillips Road south to Pretzer Road at the City's southern boundary. This is a five-mile section of roadway where the County has agreed to participate in a larger project by resurfacing a one mile section that is within their right-of-way. The City would then reconstruct a one mile section between Hotts Rd and Pretzer Rd and resurface the remaining 3 miles within the 5 mile section. In addition, the County will be resurfacing additional portions of Sunshine Blvd south of the City limits at Pretzer Road.

The Infrastructure Committee also recommended that other roadways within Eloy receive pavement preservation. Following is a list of the roadways included within the proposed contract with Viasun Corporation for pavement improvements. Due to fiscal funding, the improvements will be performed in two phases with the initial phase starting in May 2018 and the second phase starting after July 2018 when Council approves the FY 2018-19 budget:

Phase 1 (May 2018 – June 2018)

Sunshine Blvd. - Hotts Rd. to Pretzer Rd (full re-construction with double chip-seal).

Phase 2 (After July 2018)

Sunshine Blvd. - Phillips to Shay (chip-seal)

Sunshine Blvd. - Nutts to Hotts (chip-seal)

12th St. – G St. to Sunshine (micro seal)

13th St. – G St. to Myers Blvd (micro seal)

8th St. – Curiel to Main St (micro seal)

Main St. Park Perimeter Roads, 7th St., C St., 6th St (micro seal)

Shira St – Frontier to Shedd (chip-seal and micro seal)

Valley Rd – Frontier to Shedd (micro seal)

Attached is Exhibit A which depicts the above-referenced roadway locations.

Staff has utilized a cooperative Job Order Contract between Pinal County and Viasun Corporation for this contract work.

FISCAL IMPACT: *The Phase 1 amount of \$379,030.22 is approved in the FY 2017-2018 Streets Budget. The remaining amount of \$502,168.24 includes Phase 2 which will be funded pending Council approval of the FY 2018-2019 Budget. Staff will include a budget request for this item within the FY 2018-2019 budget requests.*

Mr. Brown gave an overview of the proposed Viasun contract and street projects.

Vice Mayor Powell asked Mr. Brown has staff been in contact with the funeral home regarding the future plans of C Street. He pointed out that the street is used by the funeral home for directional traffic.

Mr. Brown conveyed staff will make contact with residents and businesses in the area as they work on the roadways to make sure there are no conflicts.

Mayor Belloc wanted to know who would be doing the inspection for compaction.

Mr. Brown said the city will utilize its own inspector for the city's portion of the roadway.

At the request of Mayor Belloc, Mr. Brown explained the micro sealing process and the chip sealing process that will be applied to the streets.

Vice Mayor Powell asked about the completion date for Phase 1.

Mr. Brown said Phase 1 should be completed sometime in June.

Motion by Vice Mayor Powell, seconded by Councilmember Garcia to approve a contract with Viasun Corporation for pavement improvements of various roadways throughout the city, passed unanimously.

C. COUNCIL APPROVE A SOLAR SERVICES AGREEMENT (SSA) WITH SCOUT SOLAR AZ, LLC TO PROVIDE SOLAR PANEL SHADE PARKING STRUCTURES AND ELECTRIC ENERGY TO THE NEW CITY HALL FOR A 20 YEAR TERM.

Mr. Krauss requested this item be tabled until further notice. He said there is a question with the procurement process for this item.

Motion by Vice Mayor Powell, seconded by Councilmember Tidwell to table this item until further notice, passed unanimously.

D. COUNCIL APPROVE A CITY SURPLUS PROPERTY INFILL INCENTIVE POLICY FOR THE DOWNTOWN AREA.

Staff Cover Sheet Report: *Council approve an infill incentive policy for its 14 surplus properties previously identified for public auction.*

On March 26, 2018 the Eloy City Council approved a total of 14 surplus properties to be disposed of through a public auction process. These properties are identified on the attachment. During the course of Council discussion, it was identified that it was not only beneficial to transition these properties back on the County tax roll, but their development is the ultimate goal of this process. Due to existing tentative market conditions which exist in the downtown area, it was identified that an incentive to induce near term development by the private sector may be amenable to Council. As such, Staff proposes the following infill incentive policy for Council consideration:

The City will reimburse, for any of the 14 identified properties, building plan review and permit fees necessary to design and construct a principle building. Such reimbursement shall be paid by the City to the property owner of record, subsequent to the City issuing a final certificate of occupancy. Such structure shall be developed in accordance with all City plans, policies, codes and ordinances in effect at the time of permit issuance. This policy shall remain valid, for a period of three (3) years, from the date the auctioned property transaction was fully executed between the City of Eloy and successful bidder.

FISCAL IMPACT: *The fiscal impact of this policy cannot be specifically quantified at this time. However, for example, on one lot that could be developed with a single family residence, the potential reimbursement could be approximately \$2,000, which represents a cost recovery of approximately 40 percent of the minimum bid price of that parcel of land for the landowner.*

Mr. Krauss reviewed and discussed the proposed incentive policy with Council.

Councilmember Galindo conveyed her full support of the policy.

Vice Mayor Powell asked what happens if the city does not receive the minimum price for the lots.

Mr. Krauss said the city will retain ownership of the lots. He said staff will advertise to see if there is some interest for the lots. He pointed out that some of the lots have utilities and are shovel ready. Mr. Krauss said the benefits of the city selling the lots is that they are placed on the tax rolls; construction sales tax is generated; the city has new housing structure(s); and owners will be required to maintain the property versus the city. He said this is a win for the city.

Mayor Belloc asked Mr. Cooper has this been considered in other Arizona cities.

Mr. Cooper said this is not unique to cities. As explained by Mr. Krauss earlier, the incentive is to redevelop property; get the lots back on the tax rolls and increase the value of properties in the area. He said the incentive for builders is a refund of the fees the city would charge the builder. Mr. Cooper said this incentive would not be considered a gift of public funds, but rather an incentive to develop property where the city will receive more than it gives.

Vice Mayor Powell wanted to know the date of the auction.

Mr. Vlaming said a defined date has not been set yet; however he's looking at approximately mid-June for the auction. He added that staff will be working in concert with a representative from Pinal County who has experience with these type of auctions.

Mayor Belloc asked Mr. Cooper can city employees and Council bid on the lots as well.

Mr. Cooper said yes; the auction is open to the public and there is no advanced tipping of what the fees are. He said there is no conflict of interest because the benefit is open to everyone who has the opportunity to bid.

Mr. Vlaming conveyed the minimum bid has been established based on ninety percent (90%) of the cash value as established by the Pinal County Assessor. He asserted that neither city staff nor a third party has identified what the lots are worth.

Motion by Vice Mayor Powell, seconded by Councilmember Tidwell to approve a city surplus property infill incentive policy for the downtown area, passed unanimously.

X. INFORMATIONAL ITEMS

Councilmember Snyder conveyed that he and Mr. Vlaming got an ear full from the Planning and Zoning Commission (P&Z) last week about the traffic situation at Sunland Gin Road and Arica Road. There seems to be some confusion to P&Z members as to the timing for some of the improvements. Councilmember Snyder stressed the importance of staff staying on top of the traffic study and recommendations.

Mr. Krauss conveyed that money is budgeted to hire a traffic engineer to look at this intersection. However, the city may install stop signs on Sunland Gin to make it a 3-way stop sign intersection as an interim measure.

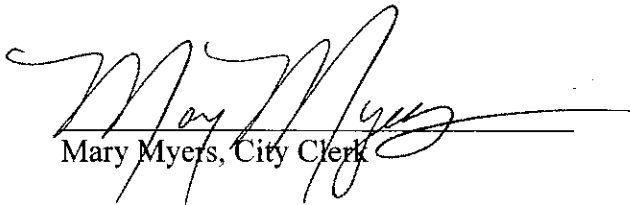
XI. ADJOURNMENT

There being no further business, Mayor Belloc adjourned the meeting at approximately 7:00 p.m.



Joel G. Belloc, Mayor

ATTEST:



Mary Myers, City Clerk