Agenda Item VII-A
Date: 10/11/2021

MINUTES OF THE REGULAR MEETING OF THE ELOY CITY COUNCIL
CITY OF ELOY
595 NORTH C STREET
SEPTEMBER 27, 2021
6:00 P.M.

Staff Present: Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Brian Wright-Finance Director; Paul Anchondo-Community Services Director; Sylvia Payne-HR Director; Brian; David Malewitz-Assistant to the City Manager; Jon Vlaming-Community Development Director; Keith Brown-Public Works Director/City Engineer; Christopher Vasquez-Police Chief

I. CALL TO ORDER

Mayor Micah Powell called the meeting to order at approximately 6:00 p.m.

II. ROLL CALL

Council Members Present: Councilmember George Reuter; Councilmember Sara Curtis; Vice Mayor Andrew Rodriguez; Mayor Micah Powell; Councilmember Dan Snyder; Councilmember Jose Garcia; Councilmember Sylvia Guanajuato Rodriguez

Council Members Absent: None

III. INVOCATION

Mr. Bob Skier gave tonight's invocation.

IV. PLEDGE OF ALLEGIANCE

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

V. PUBLIC APPEARANCES

A. Scheduled

Chief Vasquez gave a brief overview of the three officers who received awards. He introduced Lieutenants Brian Jerome and Byron Gwaltney who presented the awards to the officers.

1. **Recognition of Detective Lizette Ybarra for receiving the Detective of the Year Award from the Arizona Department of Public Safety for the Southern District of GITEM.**
   Lieutenant Jerome recognized and presented Detective Ybarra with the Detective of the Year Award from the Arizona Department of Public Safety (DPS). Lieutenant Jerome gave an overview of why Detective Ybarra was nominated and selected to receive the award.

   Note: Detective Ybarra is the first non DPS employee to receive this award.

   Recognition of Detective Ana-Alicia Mariscal for receiving the First Responder Award from the Casa Grande Elks Lodge for her work in investigating child sex crimes.
   Lieutenant Jerome recognized and presented Detective Mariscal, with the First Responder Award from the Casa Grande Elks Lodge. Lieutenant Jerome gave an overview of why Detective Mariscal was nominated and selected to receive the award.

   Recognition of Officer Krysten Childress for receiving the Early Riser Award from AZWIN (Women in Leadership Development).
   Lieutenant Gwaltney recognized and presented Corporal Childress with the Early Rizer Award from the Arizona Women in Leadership Development. Lieutenant Gwaltney gave an overview of why Corporal Childress was nominated and selected to receive the award.

Mayor Powell congratulated the officers on behalf of the entire Council. He thanked them for all that they do protecting the city, the residents, and visitors.

2. **August 2021 Check Register**
   No questions or comments from the Council.

3. The Eloy Chamber of Commerce business luncheon will be held on October 7th, 12:00 p.m., at the Hideout Steakhouse in Casa Grande.

VII. CONSENT AGENDA

A. Approval of Minutes: 9/13/2021 (regular)
B. Acceptance of the Annual Development Impact Fee Report for the City of Eloy ending June 30, 2021, which provides an accounting of revenues and expenditures of impact fees.

C. Authorization to enter into an Intergovernmental Agreement (IGA) between Pinal County and the City of Eloy for the purpose of funding a sworn officer position with the Pinal County Narcotics Task Force's Grant #HT-21-2978.
D. Ratification of a $13,200 expenditure to Sunrise Engineering to perform additional water line design work along Charleston Road for the Houser Road Water Line Extension Project.
E. Approval to enter into an Intergovernmental Transportation Funding Agreement between the Pinal Regional Transportation Authority and City of Eloy to receive funding for the design and construction of local roadway improvements within the City of Eloy.
F. Adoption of Resolution No. 21-1513 authorizing the City Manager to sign and submit an amended application for modification of the City's Designation of Assured Water Supply (DAWS) to the Arizona Department of Water Resources (ADWR).
G. Adoption of Resolution No. 21-1511, amending the guidelines for the City's Owner-Occupied Housing Rehabilitation Program.
H. Authorization to award a contract to Danson Construction, LLC, Phoenix, Arizona, for ADA improvements to Central (Main St.) Park.

Mayor Powell for a motion to approve.

Motion by Councilmember Garcia, seconded by Councilmember Reuter to approve the Consent Agenda items as presented, passed unanimously by roll call vote (7-0).

VIII. BUSINESS

A. PRESENTATION FROM ANNETTE GASTON OF PFM ASSET MANAGEMENT REGARDING THE CITY'S INVESTMENT PORTFOLIO THROUGH JUNE 2021.

Staff Cover Sheet Report: *Council to receive a presentation from Annette Gaston, of PFM Asset Management, relating to the City's Investment Portfolio through June 30, 2021.*

PFM Assets Management has been the City's Investment Advisors since 2015. Annette Gaston will make a presentation on the City Investment Portfolio and give a brief market update. As of June 30, 2021, the City Investment Portfolio, at book value, is $16,936,265.

FISCAL IMPACT: *N/A*

Mr. Wright introduced Ms. Annette Gaston from PFM Assets Management, who presented the Council and the public with a PowerPoint presentation, updating the city on its second quarter investment portfolio with the company.

B. REVIEW AND DISCUSSION OF THE PROPOSED DESERT OASIS LANDSCAPE CONCEPT AS PRESENTED BY CITY STAFF AND NEILL + YOUNG, ASSOCIATES, LLC REPRESENTATIVE FOR THE CENTER MEDIAN OF SHEDD ROAD, BETWEEN GILES STREET AND ESTRELLA ROAD.

Staff Cover Sheet Report: *Council to review and discuss the proposed Desert Oasis Landscape Concept as presented by City Staff and Neill + Young, Associates, LLC representative for the center median of Shedd Road, between Giles Street and Estrella Road.*

The intent of this Council briefing is to review the design intent and the community input gathered for the landscape concept (Desert Oasis). Staff and the Landscape Architect will provide an overview of the preliminary design and the comments provided by attendees at the neighborhood meeting held on August 17, 2021.

The Shedd Road Median Landscape Project will design and implement landscape, hardscape and irrigation improvements to an approximate 3/4 mile segment of Shedd Road, between Giles Street and Estrella Road. This project follows the complete reconstruction of Shedd Road adjacent to this median, which was completed in 2015. This median has light poles and existing landscape, but the median was never improved after the roadway project was finished.

Council approved this contract on June 28, 2021. It is staff's intent to complete the construction documents by the end of October 2021 and bid this project in November-December 2021 timeframe.

FISCAL IMPACT: *The contract to prepare the design and construction documents is $24,000. The total funds to complete the design, preparation of construction documents and construction are identified in the City's FY 2021-22 Capital Improvement Plan in the amount of $300,000.*

Mr. Vlaming and Mr. Todd Neill from Neill + Young Associates, presented the Council and the public with a PowerPoint presentation on the proposed Shedd Road median landscape design and beautification project. They stated the design and vegetation is based on input received from residents who attended the public meeting. Mr. Neill said the premier time to start the planting would be around March 2022.

After their presentation, Mr. Vlaming and Mr. Neill answered questions from the Council about the project:

- How many people attended the public meeting;
- Would curbing around the median be heightened to prevent drivers from crossing over the median;

- Who would be responsible for maintenance of the plants (outsource or in-house);
- Is there a clear path to fire hydrants;
- What is the total cost for both projects (Frontier Street landscaping and Shedd Road median)

Councilmember Curtis supported the landscape design because it incorporates the ideas from those who attended the meeting.

Councilmember Snyder who also attended the meeting, complimented Mr. Vlaming and Mr. Neill for capturing the residents input and desire to support wildlife in the area.

Note: Mayor Powell announced that he would be moving item VIII-D before item VIII-C for discussion and possible action.

D. ADOPTION OF RESOLUTION NO. 21-1512 APPROVING A THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH GOLD BOND BUILDING PRODUCTS, LLC PROVIDING TERMS AND CONDITIONS FOR THE CITY TO FACILITATE THE CONSTRUCTION OF A WALLBOARD FACILITY PLANNED WITHIN THE SUNSHINE INDUSTRIAL PARK.

Staff Cover Sheet Report: *Council adopt Resolution No. 21-1512 approving a Third Amendment to the Development Agreement with Gold Bond Building Products, LLC providing terms and conditions for the City to facilitate the construction of a Wallboard Facility planned within the Sunshine Industrial Park.*

into a Development Agreement with New NGC, Inc., providing certain economic development tax incentives for construction of a Wallboard Facility and related improvements on NGC property within the Sunshine Industrial Park. The original Development Agreement was subsequently amended on October 22, 2007 (First Amendment), and a Second Amendment was approved on November 24, 2008. The Agreement provided for the City to rebate NGC, Inc. construction sales tax paid for completion of various public infrastructure, including a Main Access Road from Sunshine Boulevard to La Palma Road, water and sewer improvements, and railway access improvements. NGC, Inc. had initially planned to construct the Wallboard Facility consisting of approximately 530,000 square feet within 24 months after issuance of required permits, or within 36 months after approval of the Development Agreement. Due to the economic downturn (that occurred shortly after NGC, Inc. completed the required access road, and water and sewer improvements), construction of the Wallboard Facility was not initiated in accordance with the *approved Development Agreement, and the incentive provisions of the Agreement subsequently expired.*

NGC, Inc. has recently expressed interest in constructing its proposed Wallboard Facility on their property within the Sunshine Industrial Park, and has acquired an additional 20 acres adjacent to their property to accommodate their development plan of necessary facilities. In addition, NGC, Inc. has assigned its rights and interest in the Development Agreement to Gold Bond Building Products (GBBP), LLC, an affiliate of NGC.

Staff has recently negotiated a Third Amendment to the Development Agreement with GBBP to facilitate the development of the Wallboard Facility. GBBP has agreed to commence construction of the Wallboard Facility within 90 days after issuance of the building permit, and complete construction within 24 months after permit issuance, or within 36 months after approval of the Third Amendment to the Development Agreement.

To facilitate completion of the Wallboard Facility, the City has agreed to the following:
1. *Assign a dedicated building inspector for construction of the project.*
2. *Approve and support the consolidation of the original NGC property and the additional parcel (20 acres) into a single parcel for development of the Wallboard Facility.*
3. *Rebate GBBP a maximum of $5 million of construction sales taxes collected from GBBP for completion of infrastructure benefitting the public.*
4. *Complete the piping, valves, and necessary metering and related devices from City Well #5 to the GBBP property, allowing the City to provide water to GBBP on an emergency basis at the prevailing water rates for nonresidential users for no more than 15 days in a calendar year.*

FISCAL IMPACT: *This project represents a $300 million dollar capital investment with 200 new jobs for the community, with an average pay of $40,000.*

The City will collect construction sales taxes of 4.5% on construction of the new facility, as well as a 3% use tax on purchase of equipment. GBBP will also pay for plan review and permit fees. This Third Amendment provides for the City to rebate $5 million back of construction sales tax to GBBP. The City previously rebated to NGC $276,112.95 of construction sales tax prior to the effective date of this Third Amendment, which amount will be credited against the $5 million Rebate Incentive Cap for public infrastructure completed by NGC.

The City will fund the provision of a dedicated building inspector for the project (estimated at $150,000), as well as the water line connection from City Well #5 to NGC property (estimated at $50,000), with construction sales tax and plan review and permit revenues generated from the project.

Mr. Krauss gave an in-depth overview to the Council and the public on the proposed resolution that would approve the city entering into a Third Amendment to the Development Agreement with Gold Bond Building Products (GBBP), for a wallboard facility in Eloy.

Councilmember Garcia wanted to know when GBBP is required to start the project.

Mr. Krauss said they would be required to start construction within 90 days after issuance of the building permit.

Councilmember Garcia wanted to know the timeline for GBBP to complete the project.

Mr. Krauss said GBBP must complete the facility within 24 months after issuance of the permit, or 36 months after Council approval of the development agreement. He said if GBBP do not comply with the time frames the incentive would go away.

Mayor Powell said this is exciting news for the city. He said the facility could bring up to 200 new jobs to the community.

There being no further questions or comments from the Council, Mayor Powell called for a motion to read by title.

Motion by Councilmember Garcia, seconded by Vice Mayor Rodriguez to read Resolution No. 21-1512, by title only, passed unanimously (7-0).

The city clerk read the resolution title into the record.

Mayor Powell called for a motion to adopt the resolution.

Motion by Councilmember Reuter, seconded by Councilmember Curtis, to adopt Resolution No. 21-1512 as presented, passed unanimously by roll call vote (7-0).

C. APPROVAL OF AN AMENDED AND RESTATED WATER SERVICE AGREEMENT WITH GOLD BOND BUILDING PRODUCTS (GBBP), LLC ALLOWING THE CITY TO PROVIDE WATER TO GBBP ON AN EMERGENCY BASIS FOR THEIR PLANNED WALLBOARD FACILITY WITHIN THE SUNSHINE INDUSTRIAL PARK.

Staff Cover Sheet Report: *Council approve an Amended and Restated Water Service Agreement with Gold Bond Building Products (GBBP), LLC allowing the City to provide water to GBBP on an emergency basis for their planned Wallboard Facility within the Sunshine Industrial Park.*

In 2007, the City entered into a Water Service Agreement with New NGC, Inc. as part of the development of the proposed Wallboard Facility planned in the Sunshine Industrial Park. New NGC, Inc. installed two private wells on their property to serve the Wallboard Facility, but requested potable water from the City to supplement their water source. At the time, the City had a need for additional water, and agreed to have a reciprocal arrangement with NGC, Inc. allowing the City to use their water for emergency purposes.

The Amended and Restated Water Service Agreement with Gold Bond Building Products (GBBP) (an affiliate of NGC, Inc.) abandons the joint well use arrangement, and only requires the City to provide water to GBBP on an emergency basis, if the City is able to serve them. The Agreement requires the City to fund the water connection, including piping, valves and metering, to serve GBBP. In addition, the Agreement limits the City's obligation to serve water to GBBP to a maximum of 15 days in a calendar year, and GBBP will pay the City for the water used at the prevailing nonresidential water rate.

The Amended and Restated Water Service Agreement will be an attachment (Exhibit D) to the Third Amendment to the Development Agreement with GBBP.

FISCAL IMPACT: *The water line interconnection and associated improvements is estimated to cost $50,000, which will be funded from construction sales tax revenues generated from the project.*

Mayor Powell pointed out that this item correlates with the resolution that was just adopted by the Council.

There being no questions or comments from the Council, Mayor Powell called for a motion.

Motion by Vice Mayor Rodriguez, seconded by Councilmember Guanajuato Rodriguez to approve the Amended and Restated Water Service Agreement with Gold Bond Building Products (GBBP), LLC allowing the city to provide water to GBBP on an emergency basis for their planned wallboard facility within the Sunshine Industrial Park, passed unanimously by roll call vote (7-0).

IX. EXECUTIVE SESSION

No Executive Session requested by the Council or city staff.

X. ADJOURNMENT

There being no further business, Mayor Powell adjourned the meeting at approximately 7:15 p.m.

Micah Powell, Mayor

ATTEST:

Mary Myers, City Clerk