

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
595 NORTH C STREET
JUNE 13, 2022
6:00 P.M.**

Staff Present: David Malewitz-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Brian Wright-Finance Director; Christopher Vasquez-Chief of Police; Jon Vlaming-Community Development Director

I. CALL TO ORDER

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

II. ROLL CALL

Council Members Present: Councilmember George Reuter; **Councilmember Sara Curtis*; Councilmember Andrew Rodriguez; Mayor Micah Powell; Councilmember Jose Garcia; Councilmember Sylvia Guanajuato Rodriguez
**Attended meeting via telephone conference*

Council Members Absent: Vice Mayor Dan Snyder

III. INVOCATION

Mayor Powell asked for a moment of silence.

IV. PLEDGE OF ALLEGIANCE

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

V. PUBLIC APPEARANCES

A. Scheduled - None

B. Unscheduled - None

VI. REPORTS AND ANNOUNCEMENTS

A. Council Member Announcements - None

B. Mayor's Announcements

Mayor Powell announced the following communications to the public:

- He recently attended an ICSC economic development conference in Las Vegas with Councilmembers Rodriguez and Guanajuato Rodriguez. He said the trip was eventful. They had three meetings with potential developers coming to the city; one of them with a car wash company that looks promising. Mayor Powell pointed out that the new Circle K that is currently under construction in the city is a result of him and several councilmembers attending the conference a few years ago. He said the new building is costing the developer approximately \$8.0 million and anticipates opening sometime in July or August.
- Diamond Age Homes and Century Complete are currently constructing one of three 3D homes in the city. Mayor Powell said more homes are planned to be built in the Esperanza development, once the approval process is completed with the city. Mayor Powell conveyed that there is a lot of interest in Eloy generating right now.

C. City Manager's Announcements

Mr. Malewitz provided the following communications to the Council and public:

- May Check Register – He said Mr. Wright is available to answer questions from Council.
- June 30th will be the last day for major general plan amendments.
- City offices will be closed June 20th, in observance of the Juneteenth federal holiday.
- In conjunction with the health department, the city will host a Covid 19 and flu shot clinic on June 16th from 9:00 a.m. to 12:00 p.m., at city hall.
- Letters will go out to customers in the July 1st billing, informing them of an increase in trash services effective September 1, 2022. Mr. Malewitz said this is an annual increase correlated to the Consumer Price Index.
- Public works crews will be doing work on Main Street and 3rd Street this week.
- He received an estimate from an appraiser on the Dust Bowl Theater. Mr. Malewitz said the city will receive three appraisals - with the building and lot; without the building (vacant lot); and with the veterans building.

Mr. Malewitz said he should have the appraisals in about 65 days.

VII. CONSENT AGENDA

- A. Approval of Minutes: 5/9/2022 (regular)
- B. Council approve CUP2022-008, with conditions, an application by Tower Engineering Professionals, c/o Carol Kincheloe representing Dish Wireless to request a Conditional Use Permit to collocate telecommunications equipment on an existing 90 – foot high light pole located at the existing George Washington Carver School (304 W. Alsdorf Road, Eloy, Arizona 85131) (owned by Pinal County School District 11 Eloy, c/o Ruby James, Superintendent), on Pinal County Assessor's Parcel Number: 405-06-072 in a portion of Section 6, Township 8 South, Range 8 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona (Project Name: Dish Network Site Number PXPXH00247B).
- C. Council approve CUP2022-017, with conditions, an application by Trepic Networks, c/o Kelsie Miller, requesting a Conditional Use Permit to collocate telecommunications equipment to be affixed at a height of approximately 125' on an existing 139' high monopole antenna located at the Toltec Elementary School (3315 North Toltec Road, Eloy, Arizona 8513). The existing monopole is located to the west of the school buildings and in the center portion of the parcel on Pinal County Assessor's Parcel Number: 403-07-1610 in a portion of Section 28, Township 7 South, Range 7 East of the Gila and Salt River Based and Meridian, Pinal County, Arizona. (Project Name: Trepic Networks)
- D. Approval of the dedication documents, submitted by WJH Sales of AZ, LLC., for the dedication of a Public Utility Easement along the north side of 3715 W Maya Road.
- E. Appointment of Jerrel Tidwell to serve as a member of the Eloy Cemetery Committee with a term expiring December 31, 2024.
- F. Approval to purchase 81 Sensus brand water meters from Dana Kepner Company, LLC in an amount not to exceed \$33,000.

There being no requests from the Council to remove any item(s) from the Consent Agenda, Mayor Powell called for a motion.

Motion by Councilmember Garcia, seconded by Councilmember Guanajuato Rodriguez to approve the Consent Agenda items as presented, passed unanimously by roll call vote (6-0).

VIII. BUSINESS

A. ADOPTION OF RESOLUTION NO. 22-1530, ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2022 - 2023 FOR THE CITY OF ELOY IN THE AMOUNT OF \$51,185,630.

Staff Cover Sheet Report: *Staff recommends the adoption of Resolution No. 22-1530, adopting the Tentative Budget for Fiscal Year 2022 - 2023 for the City of Eloy in the amount of \$51,185,630.*

State law requires that the City Council adopt a tentative budget on or before the third Monday in July of each fiscal year. Once this tentative budget has been adopted, the expenditures may not be increased upon final adoption, however, they may be decreased. With the adoption of the tentative budget, the Council has set its maximum "limits" of expenditures, but these limits may be reduced upon final adoption. Upon adoption of the tentative budget, a public hearing must be set. The date for the public hearing is set for June 30, 2020, at 6 p.m. in the Council Chambers.

Since presenting the budget to the Council at the May 16th budget meeting, several adjustments have been made to line items based on Council's direction, along with adding an incentive payback line for National Gypsum. Those changes are below.

- *Added 1% budget capacity to all Salary and Benefits line items throughout the budget. The overall budget capacity is now 5% with 4% for a Cost of Living Adjustment and 1% to be determined at a later date. The overall impact of adding 1% was \$101,845.*
 - *\$78,760 for the General Fund*
 - *\$8,270 for the Streets Fund*
 - *\$1,730 for the Grants Fund*
 - *\$6,690 for the Water Fund*
 - *\$3,310 for the Sewer Fund*
 - *\$2,545 for the Sanitation Fund*
 - *\$470 for the Cemetery Fund*
 - *\$70 for the Airport Fund.*
- *Decreased Vehicle Licensing Tax (VLT) by \$130,980 due to revised figures from the League of Arizona Cities and Towns.*
- *Decreased Contingency by \$130,980 due to VLT adjustment. The budget line was \$1,206,370 and is now \$1,075,390.*
- *Increased Fund Balance Carry Forward, in the General Fund, by \$631,035 to cover Capital equipment for Police Radio Improvements. The budget line was \$3,638,500 and is now \$4,269,535.*
- *Increased Transfer to Capital, in the General Fund, by \$631,035 to cover Capital equipment for Police Radio improvements. The budget line was \$685,000 and is now \$1,316,035.*
- *Decrease PSPRS Unfunded Liability by \$78,760 to cover 1% adjustment. The budget line was \$500,000 and is now \$421,760.*
- *Added National Gypsum Incentive reimbursement of \$750,000 due to the Incentive Agreement of rebating 75% of all Construction Sales Tax back to National Gypsum.*
- *Added \$750,000 to City Sales Tax for the incentive agreement for National Gypsum.*
- *Decreased Contingency in the Streets Fund by \$8,270 to offset the 1% adjustment. The budget line was \$85,215 and is now \$76,945.*

- *Increased the revenue reimbursements for GITEM, HIDTA, and Toltec SRO for a combined \$1,730 to cover the 1% adjustment.*
- *Decreased Contingency in the Water Fund by \$6,690 to offset the 1% adjustment. The budget line was \$16,690 and is now \$10,000.*
- *Decreased Contingency in the Sewer Fund by \$3,310 to offset the 1% adjustment. The budget line was \$45,210 and is now \$41,900.*
- *Decreased Contingency in the Sanitation Fund by \$2,545 to offset the 1% adjustment. The budget line was \$66,585 and is now \$64,040.*
- *Decreased Chemicals in the Cemetery Fund by \$470 to offset the 1% adjustment. The budget line was \$1,000 and is now \$470.*
- *Decreased Grants In-Kind Contribution in the Airport Fund by \$70 to offset the 1% adjustment. The budget line was \$105,140 and is now \$105,070.*

Once the tentative budget has been adopted, Schedule A-G must be published once a week for at least two consecutive weeks following the adoption. This will be published in the Casa Grande Valley Newspapers. The tentative budget is fully itemized in conformance with forms supplied by the Auditor General as prescribed by Arizona Revised Statutes §§42-17101 and 42-17102 and entered into the Council meeting minutes.

FISCAL IMPACT: *The Fiscal Year 2022-2023 annual budget is \$51,185,630.*

Mr. Wright gave a brief overview of the proposed budget based on Council directives given at the May 16th budget work session.

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

Motion by Councilmember Rodriguez, seconded by Councilmember Reuter to read Resolution No. 22-1530 by title only, passed unanimously (6-0).

The city clerk read the resolution title into the record.

Mayor Powell called for a motion to adopt.

Motion by Councilmember Rodriguez, seconded by Councilmember Reuter to adopt Resolution No. 22-1530 as presented, passed unanimously by roll call vote (6-0).

B. COUNCIL APPROVE CUP2022-018, WITH CONDITIONS, AN APPLICATION BY FRANCIS ROSES FOR A CONDITIONAL USE PERMIT TO INSTALL SEVEN (7) MANUFACTURED HOMES (MODEL YEAR 2022) FOR EMPLOYEE HOUSING AT 4550 E. MILLIGAN ROAD, ELOY, ARIZONA 85131 TO SUPPORT ROSE BREEDING, PROPAGATION AND SHIPPING OPERATIONS WITHIN AN APPROXIMATE 10.00 ACRE INTERNAL TRACT, ON A PORTION OF ASSESSOR'S PARCEL NUMBER

411-01-004A, WITH THE TRACT MORE SPECIFICALLY DESCRIBED AS THE W1/2 OF THE W1/2 OF THE SW1/4 OF THE SE1/4 OF SECTION 12 OF TOWNSHIP 8 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA (PROJECT NAME: RED ROSE).

Staff Cover Sheet Report: *Staff recommends that Council approve (with conditions) a Conditional Use Permit application by Tyler M. Francis representing Francis Roses to install seven (7) manufactured homes (model year 2022) for employee housing at 4550 E. Milligan Road, Eloy, Arizona 85131 to support rose breeding, propagation and shipping operations within an approximate 10.00 acre tract of Pinal County Assessor's Parcel Number: 411-01-004A (W1/2 of the W1/2 of the SW1/4 of the SE1/2 of Section 12, Township 8 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona)*

The City received an application by Tyler M. Francis representing Francis Roses for a Conditional Use Permit to install seven (7) manufactured homes (model year 2022) for employee housing at 4550 E. Milligan Road, Eloy, Arizona 85131 in the R1-43 (Estate Residential) Zoning District to support rose breeding, propagation and shipping operations within an approximate 10.00 acre tract of Pinal County Assessor's Parcel Number: 411-01-004A (W1/2 of the W1/2 of the SW1/4 of the SE1/2 of Section 12, Township 8 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona).

The Eloy City Code does not permit, by right, the installation of manufactured homes in the R1-43 (Estate Residential) Zoning District. However, the R1-43 District allows for caretaker living quarters with the approval of a Conditional Use Permit. The intent of this request is that these manufactured homes will allow for on-site housing of employees to support Francis Rose's operations, so a Conditional Use Permit would be required. Typically, in the City of Eloy, manufactured homes are allowed by right within Medium Density Residential zoning districts (R1-8 and R1-6) where there is an existing Manufactured Home overlay zoning district, with a mobile home park (leased land).

The applicant held a preapplication meeting with city staff on April 6, 2022.

Based on the fact that each manufactured home is being utilized to house workers for Francis Roses, the City and Fire District have determined that this use should be designated as Residential Group R-3. Residential Group R-3 occupancies are appropriately designated where the occupants are primarily permanent in nature and not classified as Group R-1, R-2, R-4 or I, including: buildings that do not contain more than two dwelling units; care facilities that provide accommodations for five or fewer persons receiving care; congregate living facilities (non-transient) with 16 or fewer occupants; boarding houses (non-transient); convents, dormitories, fraternities and sororities; monasteries; congregate living facilities (transient) with 10 or fewer

occupants; boarding houses (transient); lodging houses (transient) with five or fewer guest-rooms and 10 or fewer occupants.

As required by ARS § 9-462.04, this item was conducted as a "Public Hearing" with the Planning & Zoning Commission at their regularly scheduled meeting on May 19, 2022. Notice of the public hearing was published at least fifteen (15) days prior to the hearing in the Eloy Enterprise, a copy of the public notice was sent out via regular mail to property owners within 300 feet of the subject parcel and the notice was posted at the official City posting locations. At the public hearing, the applicant presented a PowerPoint of the operation, demonstrating the need for these housing units. The Commissioners asked several questions regarding wages, carports and transportation needs. Nate Bailey also provided comments related to access for their fire trucks, response times during storm events, and water supply. All questions were addressed by the applicant. This item was approved, with the 13 conditions by the Planning & Zoning Commission with a 4-0 vote.

Staff recommends that this request for a Conditional Use Permit be approved subject to the following conditions:

CONDITIONS

- 1. That a building permit shall be submitted for review and approval within a period of twelve (12) months from the date of City Council approval of this conditional use permit, or this conditional use permit shall become null and void;*
- 2. That approval of this Conditional Use Permit shall be for a maximum of thirty (30) years from the date of Council approval;*
- 3. That, within one (1) year prior to its expiration date, the owner shall renew the Conditional Use Permit through submittal of an Administrative Waiver to the Community Development Department;*
- 4. That the manufactured homes shall be in compliance with the General Provisions as outlined in Section 21-2-7.7 of the Eloy City Code-Chapter 21.*
- 5. That a Building Permit shall be obtained through the Eloy Building Safety Division;*
- 6. That an On-site Civil Permit Application will be submitted to the Public Works Department and include the Site Improvement Plans that show the Grading and Drainage, all weather access road (width and material (size & depth), drainage swale (flow line elevations), and the water lines to each unit (from existing water system, including sizes, material, depth, and trench backfill) for approval.*
- 7. That a Right-of-way permit application and fee shall be submitted to the Public Works Department for review and approval;*
- 8. That the setting on pillars and skirting of the manufactured homes shall be in substantial conformance with the overall site plan dated 04-05-2022;*
- 9. That the Eloy Fire District will require the submitted site plan to include an additional road to serve as primary vehicular access to the described tract containing the manufactured homes with a Cul-de-Sac for turn around.*

10. *That the Eloy Fire District will require an automatic sprinkler system installed in accordance with Section 903.3 throughout all buildings with a Group R fire area. (Automatic fire-extinguishing systems shall not be considered alternatives for the purposes of exceptions or reductions allowed for automatic sprinkler systems or by other requirements of this code).*
11. *The Eloy Fire District will require an approved water supply, capable of supplying the required fire flow for fire protection to the tract on which the facilities, buildings or portions of buildings are hereinafter constructed.*
12. *The Eloy Fire District will require the installation of water tanks for private fire protection in accordance with NFPA 1142 for a rural water supply.*
13. *That the Eloy Fire District will require, (where a portion of the facility or building hereafter constructed or moved into or within the jurisdiction is more than 600 feet (183 m) from a hydrant on a fire apparatus access road, as measured by an approved route around the exterior of the facility or building(s). In addition, on-site fire hydrants and mains shall be provided where required by the district fire marshal.*

FISCAL IMPACT: *There is not a direct fiscal impact on the City if this request is approved. The indirect fiscal impact would occur with the enhanced value of the parcel and property tax proceeds as well as the local purchase of goods and services by the residents that would generate sales tax revenues to the City.*

Mr. Vlaming conveyed that Mr. Tyler Francis, from Francis Roses, is requesting approval of a Conditional Use Permit (CUP) to install seven manufactured homes on approximately 10 acres to house company employees. He said the homes would house workers who are working on the property itself. Mr. Vlaming said the request was presented to the Planning and Zoning Commission last month, and the commission unanimously recommended approval for the application along with the 13 conditions listed in the staff report. He said Mr. Francis and Mr. Nate Bailey from the Eloy Fire District are here to tonight representing the project.

Mr. Vlaming introduced Mr. Francis, who presented a PowerPoint presentation to the Council on the company's operations and his request for a CUP.

After the presentation, Mayor Powell opened the floor for questions from the Council.

Councilmember Garcia asked Mr. Vlaming about the maintenance and replacement of the manufactured homes over the 30 year period.

Mr. Vlaming conveyed he believes that 30 years is a realistic shelf life for the units before they need to be replaced. He pointed out that this is one of the 13 conditions listed in the staff report.

Mr. Francis added that the company have to following the U.S. Department of Labor's standards in regards to housing. The Department of Economic Security is

contracted with the department of labor to inspect the homes to ensure the quality of the units. He said employees are provided housing free of charge because the company believes in investing in its employees. Mr. Francis said their labor costs are approximately 60% of their cost of goods sold which is why employees return every year to work for them.

Mayor Powell asked Mr. Bailey why is a sprinkler system necessary if the units are residential housing.

Mr. Bailey explained that sprinkler systems are required due to the occupancy (inaudible) defined by the 2018 International Fire Codes adopted by the fire district. He said the homes will be utilized as boarding homes. Mr. Bailey also responded to Councilmember Garcia's earlier question about maintenance of the homes. He said because this is a commercial business within the fire district, the fire department is required to conduct a yearly fire inspection of the units.

Councilmember Curtis who serves as ex-officio to the Planning and Zoning Commission, conveyed that everyone on the commission was in favor of supporting the project. She said she took a tour of the operations and was very impressed with it. She stated that Mr. Francis has invested a lot of money in Eloy and his workers, and the workers seemed to be happy and very professional.

There being no further questions or comments, Mayor Powell called for a motion.

Motion by Councilmember Garcia, seconded by Councilmember Guanajuato Rodriguez to approve CUP 2022-018 with conditions, an application by Francis Roses for a Conditional Use Permit to install seven (7) manufactured homes (model year 2022) for employee housing at 4550 E. Milligan Road, Eloy, Arizona 85131 to support rose breeding, propagation and shipping operations within an approximate 10.00 acre internal tract, on a portion of Assessor's Parcel Number 411-01-004A, with the tract more specifically described as the W1/2 of the W1/2 of the SW1/4 of the SE1/4 of Section 12 of Township 8 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona (Project Name: Red Rose), passed unanimously by roll call vote (6-0).

C. APPROVAL TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF ELOY AND THE CITY OF GLENDALE FOR THE CITY OF ELOY TO COOPERATIVELY USE THE CITY OF GLENDALE HOSTED AND DEVELOPED GLENDALE TAX APPLICATION, TAX APP, TO ACCESS AND INTERACT WITH THE STATEWIDE TAX DATA SUPPLIED BY THE ARIZONA DEPARTMENT OF REVENUE (DOR).

Staff Cover Sheet Report: *Staff recommends the City Council approve the Intergovernmental Agreement between the City of Eloy and the City of Glendale for*

the City of Eloy to cooperatively use the City of Glendale hosted and developed Glendale Tax Application, Tax App, to access and interact with the Statewide tax data supplied by the Arizona Department of Revenue (DOR).

The purpose of this Agreement is to allow other cities and towns to cooperatively use the City of Glendale hosted and developed Glendale Tax Application, Tax App, to access and interact with the Statewide tax data supplied by the Arizona Department of Revenue (DOR).

The Tax App includes dashboards for financial reporting, analytics, enforcement, audit, and automated notifications for the municipal tax data furnished by DOR. Each dashboard contains queries and reports that will enable your functional staff to understand and manage your city's tax data, improve audit and enforcement processes, create tax financial reports, and analyze remittance and license data to discover trends or identify revenue stimulation opportunities.

The City of Glendale is now offering other Arizona cities an opportunity to participate in this exciting project. Staff has viewed this system and the value it will bring to the City. The annual cost will be \$1,500 bill annually on September 1st and along with one-time payment of \$2,000 for onboarding.

FISCAL IMPACT: *There will be a one-time onboarding payment of \$2,000 and an annual payment of \$1,500 with will come from the Finance Department's budget.*

Mr. Wright provided an overview of his request for approval to utilize the Glendale Tax Application program (Tap App) hosted and developed by the City of Glendale. Mr. Wright said the app would allow him to access Eloy's tax incentive agreements more easily and view tax information when preparing reports for audits and quarterly reports. He said the application is being made available to all municipalities to share. Mr. Wright pointed out that this is the best software according to the Government Finance Officer Association of Arizona (GFOAz). Mr. Wright stated the cost to Eloy to utilize the software is a \$2,000 up front fee and \$1,500 annual fee. He said Glendale would oversee all of the maintenance and provide secured access to Eloy's tax information. Mr. Wright said this would be very beneficial to the city's financial operations.

Mayor Powell wanted to know would Eloy have its own website.

Mr. Wright said no - he would log onto Glendale's site through their portal using a secured user name and password issued to Eloy for access to its tax information. He said Glendale would receive data from the Arizona Department of Revenue and download it into their application. Mr. Wight said the Arizona Department of Revenue and the League of Arizona Cities and Towns fully support the application.

Mayor Powell wanted to know what would happen if Glendale decides to sell the application and cities are charged more.

Mr. Wright said he does not see this happening because the app was developed in-house; it is a city-owned application. However, should Glendale ever decide to sell it, Mr. Wright said he would go back to the old methodology of accessing the information.

Councilmember Guanajuato Rodriguez asked how many other cities are using the app.

Mr. Wright said the City of Glendale is just now making this available to municipalities. He did not ask Glendale how many other cities were currently using their program.

Councilmember Guanajuato Rodriguez said she would like to see a demonstration of the app before approving.

Mr. Wright said he could contact Glendale to set up a webinar during working hours to give a demo to Council.

Mayor Powell expressed some concerns about Eloy being the first city to do this without no proven track record on the success of the app.

Mr. Wright conveyed that he did not ask Glendale if Eloy would be the first entity. He said the City of Glendale has been using the app for over a year. He told the Council that he was able to view the software at the finance officers conference this year; this would help him out tremendously when it comes to his reports and audits.

Mayor Powell asked about a trial period.

Mr. Cooper conveyed that the IGA has a provision that allows for termination by both parties or by either party giving the other a 90 day advance written notice.

Councilmember Rodriguez said he supports Mr. Wright's request for the app. He said when a department comes before the Council for monies for a new project that would benefit the city, the Council should support it. While he understands that some members of Council want to see a demo of the app, it is going to be Mr. Wright using it, not Council. Councilmember Rodriguez said Council should approve Mr. Wright's request.

Councilmember Curtis said she agrees with Councilmember Rodriguez's comments. She said Mr. Wright has done a great job with the city's finances.

There being no further questions or comments, Mayor Powell called for a motion.

Motion by Councilmember Garcia, seconded by Councilmember Rodriguez to approve entering into an Intergovernmental Agreement between the City of Eloy and the City of Glendale for the City of Eloy to cooperatively use the City of Glendale hosted and developed Glendale Tax Application, Tax App, to access and interact with the statewide tax data supplied by the Arizona Department of Revenue (DOR), passed unanimously by roll call vote (6-0).

D. APPROVAL FOR AN OFFICE SPACE LEASE BETWEEN THE CITY OF ELOY AND A.K.A BREAD CO. TO OCCUPY VACANT SPACE IN THE CITY-OWNED BUILDING AT 515 N. MAIN ST. EFFECTIVE JULY 1, 2022.

Staff Cover Sheet Report: *City Council to approve a lease agreement between the City of Eloy and A.K.A Bread Co. to occupy vacant office space in the City-owned building located at 515 N. Main Street, currently partially occupied by the Eloy Chamber of Commerce. The initial term of this agreement shall be for a period of one (1) year, beginning July 1, 2022 and expiring July 1, 2023 and shall be eligible for a successive renewal term of one (1) year given the intent to renew is provided in writing to the City of Eloy City Manager within 90 days of the current term expiration and subject to approval by the City of Eloy City Council.*

The City has been in communication with the Eloy Chamber of Commerce Executive Director Andrew Rodriguez in regards to renting vacant office space inside the city-owned building at 515 N. Main Street, partially leased by the Eloy Chamber of Commerce, for the purposes of assisting local small businesses in order to get their start in the Eloy market. Currently, the Eloy Chamber of Commerce occupies one-half of the overall 2,295 square feet of the building.

A.K.A Bread Co. owners Anna and Gary Brown are requesting to enter into a lease agreement to occupy the Southeastern portion of the building for the purposes of operating a retail establishment selling homemade baked goods, deli-style sandwiches, and other ready-to-eat items to the public. Meal preparation will occur at the Brown's home through their Pinal County Health Department-issued at-home production permit.

The Brown's will be making a few interior modifications to the existing space to fit the needs of their business model at no cost to the City. In addition, they will be sharing the common areas of the building and negotiating payment of utility fees with the Chamber. The Brown's and the Chamber of Commerce are aware of the aforementioned conditions and have agreed to negotiate terms and conditions for the use of shared spaces and utility fees separate from the Agreement with the City of Eloy. The Chamber of Commerce Board of Directors met on May 26, 2021, to discuss the Brown's proposal and voted unanimously to recommend the City enter into a lease agreement pending City Council approval. The City will be responsible for reasonable and appropriate repairs and upkeep of the building at its expense.

The term of the Agreement is for one year beginning July 1, 2022 and ending on July 1, 2023, with the option to renew an additional one-year term given the intent to renew is provided in writing to the City of Eloy City Manager within 90 days of the current term expiration and subject to approval by the City of Eloy City Council. Either party may terminate the agreement with a 90-day written notification.

FISCAL IMPACT: *The City will receive \$250 per month in rent payments for a total of \$3,000 over the course of the initial lease term. The Community Services Department will fund any repairs and routine maintenance of the building from its annual operating budget.*

Mr. Malewitz gave a brief overview of the proposed lease agreement with A.K.A. Bread Co., to rent a portion of a city-owned building on Main Street. Mr. Malewitz half of the building space is currently occupied by the Eloy Chamber of Commerce. He said the bakery would sell ready-to-eat items to the public - no food preparation would occur on site. The bakery would have its own public entrance into the building. Mr. Malewitz said the owners, Gary and Anna Brown are in attendance to answer questions from the Council.

Mayor Powell asked the Browns if they would like to speak on this item.

Mr. and Mrs. Brown thanked the Council for giving them the opportunity to open their business and look forward to selling their food to the public.

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

Motion by Councilmember Reuter, seconded by Councilmember Guanajuato Rodriguez to approve an office space lease between the City of Eloy and A.K.A. Bread Co. to occupy vacant space in the city-owned building at 515 N. Main Street, effective July 1, 2022, passed unanimously by roll call vote (6-0).

IX. EXECUTIVE SESSION

No executive session requested by the Council or staff.

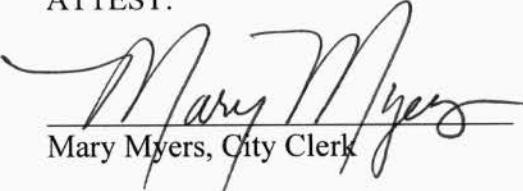
X. ADJOURNMENT

There being no further business, Mayor Powell adjourned the meeting at approximately 6:53 p.m.



Micah Powell, Mayor

ATTEST:



Mary Myers, City Clerk