

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
595 NORTH C STREET
OCTOBER 24, 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-Police Chief; Paul Anchondo-Community Services Director; Matt Rencher-Public Works Director/City Engineer; Sylvia Payne-HR Director; Jon Vlaming-Community Development Director

***Attended meeting via telephone conference**

I. CALL TO ORDER

Mayor Powell called the meeting to order at approximately 6:05 p.m.

II. ROLL CALL

Council Members Present: Mayor Micah Powell, Vice Mayor Dan Snyder, Councilmember George Reuter, ***Councilmember Sara Curtis (arrived at 6:35 p.m.)**, Andrew Rodriguez, Councilmember Jose Garcia, Councilmember Sylvia Guanajuato Rodriguez

***Attended meeting via telephone conference**

Council Members Absent: None

III. INVOCATION

Pastor Ken Blondeaux gave tonight's invocation.

IV. PLEDGE OF ALLEGIANCE

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

V. PUBLIC APPEARANCES

A. Scheduled - None

B. Unscheduled

Pastor Ed Brown - Pastor Brown reserved his comment regarding agenda item VIII-A until it is before Council for discussion.

VI. REPORTS AND ANNOUNCEMENTS

A. Council Member Announcements

1. Councilmember Reuter made the following announcements:

- The Belgium national television crew is at tonight's meeting to record a documentary about the city and county. He said most of the documentary will focus on the city's police department. Councilmember Reuter stated that several law enforcement personnel from Luxembourg will be visiting the city sometime this week.
- The skydiving world championship is still going on. The Eloy team is leading by over 20 points, and hopefully will become world champions. Councilmember Reuter said opening ceremonies were great with positive comments from visitors about the event and public officials.

2. Vice Mayor Snyder conveyed that he, along with several city staff, attended the monthly Pinal Partnership breakfast last Friday. The main focus was green energy and funding from the federal government for Pinal County. Representatives for the copper mine in Casa Grande talked about the reopening of the mine. There was also discussion about hydrogen and the importance of Pinal County taking advantage of renewable energy grants that are available.

3. Councilmember Guanajuato Rodriguez conveyed that the Pinal County Family Advocacy Center hosted the Eloy Chamber of Commerce monthly mixer last Wednesday. county attorney, Ken Volkner, talked about services the advocacy center offers.

B. Mayor's Announcements

Mayor Powell made the following announcements:

- The two opening ceremonies for the world skydiving championship was amazing. Mayor Powell said it was nice to see over 30 countries represented at the event in Eloy.
- Adopt a street cleanup event was held over the weekend. Mayor Powell thanked all the department directors who participated.

Mr. Malewitz said the city collected approximately 1.45 tons of trash.

C. City Manager's Announcements

Mr. Malewitz announced the following communications:

- The Pinal County Animal Control is hosting its annual “Pup-o-Treat” event on Saturday, October 29th from 5:00 p.m. to 8:00 p.m., at its facility, located at Eleven Mile Corner Road. There will be activities and prizes for animals and visitors. Mr. Malewitz said the county also be waiving adoption fees and offering free microchipping.
- He reminded Council of the Santa Cruz Valley Historical Museum annual dinner/dance event on Saturday, November 5th, from 5:30 p.m. to 10:00 p.m., at the Property in Casa Grande. Mr. Malewitz said anyone interested in attending to please contact Kristen Gramando.
- Operation Cleanup will occur on Saturday, November 5th from 7:00 a.m. to 11:00 a.m. Volunteers will meet at Main Street park before leaving to clean several properties in Eloy. Mr. Malewitz asked the public to contact the community development department to register for the event.
- Chief Vasquez in conjunction with county attorney, Ken Volkner, will be presenting a law enforcement and prosecutorial update at Robson Ranch, November 15th, from 9:00 a.m. to 10:30 a.m.
- City offices will be closed November 11th in observance of Veterans Day.

VII. CONSENT AGENDA

- A. Approval of Minutes: 10/3/2022 (special) & 10/10/2022 (regular)
- B. Consideration to approve an Intergovernmental Agreement between the City of Eloy and Pinal County to allow employees of the City of Eloy Public Works Department to participate in the Annual Pinal County Safety Roadeo.
- C. Recommendation to the Arizona Department of Liquor Licenses and Control (ADLLC) for issuance of a Series 15 Special Event liquor license to St. Helen of the Cross, located at 205 W. 8th Street, Eloy, Arizona, November 19 & 20, 2022
- D. Adoption of Ordinance No. 22-934, approving Case No.: RZPAD2021-006, a request by Petersen Arizona Land and Entitlement Fund (PALEF) which is proposing 575 additional and contiguous acres to their previously approved (December 2019) Planned Area Development (PAD) on the subject property. The property now totals 1,193 acres and all of the added acreage is requested to be rezoned the same (I-2, General Industrial with a Planned Area Development (PAD) Overlay) as the original rezoning request. The subject property is generally located east of Sunland Gin Road, south of Frontier Street, north of Interstate 10 and west of Toltec Road. (Project Name: Interstate 10-8 Business Park).

There being no requests from 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. COUNCIL CONSIDER AND TAKE ACTION ON CONDITIONAL USE PERMIT (CUP2022-022) SUBMITTED BY CHARLES WOOLSEY ON BEHALF OF ELOY VALLEY ENERGY CENTER, LLC IN CARE OF JD RULIEN TO REQUEST A CONDITIONAL USE PERMIT PROPOSING TO CONSTRUCT AND OPERATE A PORTION OF THE ELOY VALLEY SOLAR AND STORAGE PROJECT, A SOLAR GENERATING FACILITY CONSISTING OF 320 ACRES WITHIN FOUR PRIVATELY OWNED PARCELS (ASSESSOR'S PARCEL NUMBERS: 411-41-043, 411-41-044, 411-41-045 AND 411-41-046, IN A PORTION OF SECTION 8, TOWNSHIP 9 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA) IN THE CITY OF ELOY. THE SOLAR FIELD IN ELOY WOULD BE PART OF THE LARGER ELOY VALLEY SOLAR PROJECT, INCLUDING EIGHT PRIVATELY OWNED PARCELS WITHIN UNINCORPORATED PINAL COUNTY, CONSISTING OF APPROXIMATELY 1,252 ACRES ADJACENT TO, AND TO THE SOUTH OF, THE REQUESTED CUP. (PROJECT NAME: ELOY VALLEY SOLAR AND STORAGE PROJECT).

Staff Cover Sheet Report: *Consideration, discussion, and action for approval, approval with conditions, denial or continuance of Case No.: CUP2022-022. The proposed Conditional Use Permit (CUP) request is to allow Solar Generation Facilities for a portion of a larger project identified as Eloy Valley Solar and Storage Project. The subject project is generally located at the northeast corner of Sunshine Boulevard and Pretzer Road. The subject CUP consists of approximately 320 gross acres, on Assessor's Parcel Numbers: 411-41-043, 411-41-044, 411-41-045 and 411-41-046, Section 8, Township 9 South, Range 8 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona.*

The subject parcels are zoned RR-20 (Rural Residential). The Solar Generating use is allowed with a conditional use permit in the respective zoning district. Conditional use permits must be reviewed and approved in accordance with the procedures in Section 21-6-7 of Chapter 21 of the Eloy Zoning Code.

21-3-1.39: SOLAR GENERATION FACILITY:

A. All solar generation facilities must comply with the following standards:

- 1. Lot Size: A minimum lot size of one hundred sixty (160) acres shall be established and maintained.*

- a. Setbacks: A building, structure, or lot shall not be developed, used, or occupied unless it establishes and maintains a minimum yard setback of forty feet (40').*
- 2. Lot Coverage: Maximum lot coverage percentage shall be ten percent (10%) except that freestanding, ground mounted solar devices shall not count toward the lot coverage percentages.*
- 3. Building Height: Building height shall not exceed the height limitations designated for the zone in which such building is located, except that thermal towers may extend up to two hundred feet (200') in height provided that the tower is centrally located on the property and maintains a safe fall zone equal to or greater than the height of the tower. (Ord. 18-880, 7-23-2018)*

Staff recommends that Case No.: CUP2022-022 be approved, subject to the following eight (8) conditions:

- 1. That all undeveloped portions of the subject property will be maintained in a natural, debris-free, and weed-free condition;*
- 2. That development of the Eloy Valley Solar and Storage Project shall be in compliance with the Conditional Use Permit Narrative (dated August 2022) and/or the Eloy Zoning Ordinance; if mutually executed;*
- 3. That any major changes or modifications to the subject CUP shall be reviewed and processed in accordance with those procedures outlined in the Eloy Zoning Ordinance, as may be amended from time to time. The Zoning Administrator, or designee, may administratively approve minor amendments and will determine the difference between major and minor amendments;*
- 4. That the Property Owner/Developer shall submit and receive Zoning Administrator or designee approval for the Site Plan for the entire 320 acres prior to construction;*
- 5. That the Property Owner/Developer shall submit and receive Zoning Administrator or designee approval of the decommissioning plan for the Eloy Valley Solar and Storage Project;*
- 6. That the Property Owner/Developer shall work with City Staff to select appropriate landscape vegetation from the Pinal AMA Low Water Use Plant List prepared by the Arizona Department of Water Resources to support butterfly migration patterns and other fauna;*
- 7. That the Property Owner/Developer provides a landscape buffer zone between the project and any adjacent residential homes; and*

8. *That the Property Owner/Developer contacts Kitt Peak Observatory to confirm that this project does not create reflective light that would negatively impact their observations.*

Staff recommends approval of Case No.: CUP2022-022, with the conditions as presented.

FISCAL IMPACT: *If approved and constructed, the portion of this project, located in the City of Eloy, would generate enhanced property taxes and construction sales taxes to the City. Due to the low impact of development and the very low number of full time employees on the premises, the demand for municipal services and police protection are expected to be minimal for this use, located at the City's southern boundary.*

Mr. Vlaming gave a brief overview of the proposed 320 acre solar project, located at the very southern portion of the city's incorporated area. He conveyed that the request was recommended for approved by the Planning and Zoning Commission at last month's meeting.

Mr. Vlaming introduced Ms. Ashley Johnson from NextEra Energy, who is the developer for the Eloy Valley Solar and Storage project. Ms. Johnson reviewed the proposed project via PowerPoint presentation.

After the presentation, Ms. Johnson and Mr. J.D. Rulien, also from NextEra, who participated via telephone conference fielded questions from the Council regarding:

- Location of project
- Outreach efforts made to homeowners and businesses in the area
- Concerns with the heat island index and possible direct impact to the area
- Maintenance of solar panels during dust storms

Councilmember Rodriguez conveyed that NextEra has been a good steward of the community. He commended the company for doing their research on the city and supporting the community during the major power outage in July.

Pastor Ed Brown also commended NextEra Energy for helping the Hope Coalition, which he runs with different things. He said the company wanted him to help get money into the community. Pastor Brown said some of the recipients of money given by NextEra was the Toltec Elementary School District who requested refillable water bottles for their students. He said some of the money was also used to sponsor the Veterans Day parade lunch and restock the food bank. Pastor Brown said the company has been a great community partner with the Hope Coalition to help get funding out in the community. He said NextEra and the Hope Coalition have both committed to help the community for the next two years.

Mayor Powell conveyed that he supports the project because it is located far south; away from the city's growth area. He said if the city continues to permit solar in the area, Council may want to have projects such as this in certain incorporated areas. Mayor Powell thanked NextEra for being a great community partner.

Mr. Vlaming said staff is recommending approval of this item with eight (8) conditions as listed in the staff report.

Councilmember Curtis said as ex-officio to the Planning and Zoning Commission, she attended last month's meeting and the Commission voted unanimously to recommend approval of the request.

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

Motion by Councilmember Reuter, seconded by Vice Mayor Snyder to approve a Conditional Use Permit for Case Number CUP2022-022 with conditions as presented, passed 6-1 by the following roll call vote:

Yea: Councilmember Curtis, Vice Mayor Snyder, Councilmember Reuter, Councilmember Guanajuato Rodriguez, Councilmember Rodriguez, Mayor Powell

Nay: Councilmember Garcia

B. ADOPTION OF RESOLUTION NO.: 22-1540 AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY (WIFA) FROM ITS CLEAN WATER REVOLVING FUND PROGRAM; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE CITY MANAGER AND THE FINANCE DIRECTOR OF THE CITY; PROVIDING FOR THE TRANSFER OF CERTAIN MONIES AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH LOAN AGREEMENT AND THIS RESOLUTION AND DECLARING AN EMERGENCY.

Staff Cover Sheet Report: *Adopt Resolution No. 22-1540 approving the form and authorizing the execution and delivery of a loan agreement with the Water Infrastructure Finance Authority of Arizona (WIFA) from its Clean Water Revolving Fund Program and, if necessary; authorizing the taking of all other actions necessary to the consumption of the transactions contemplated by such loan agreement and declaring an emergency.*

On August 19, 2022, WIFA approved the City of Eloy's Clean Water Loan application for approximately \$2,898,370 with \$800,000 as forgivable principle. On September 26th, city staff presented Council Resolution 15-1538 amending the borrowing Resolution 22-1532 increasing the financial assistance not to exceed \$3,500,000 to cover three additional blowers at the WWTP. The WIFA board will be meeting on October 20th to approve the amended loan to include the three additional blowers.

This loan will capture: 1) install 197 kW of solar PV at the WWTP, 2) replace two older blowers with high speed turbo blowers, 3) replace leaking underground blower piping and damaged conduit, 4) replace three additional blowers at the WWTP, and 5) replace the Biolac control panel, as well as payment of the City's proportionate share of expenses of administering the Program and any bonds issued by the Authority with respect thereto (collectively, the "Project");

This loan agreement must be executed by the Mayor and City Council before the loan closing can take place. Our City Attorney, Steven Cooper, has approved this resolution and its content.

FISCAL IMPACT: *By executing this loan agreement the Sewer Fund, will pay back all debt service requirements from this loan. The Sewer Fund has appropriate funds to pay back this loan.*

Mr. Rencher provided the Council with an overview of the proposed resolution that if approved, would permit city staff to execute a loan agreement with the Water Infrastructure Financial Authority (WIFA) for improvements to the city's wastewater treatment plant.

Mr. Rencher introduced Mr. Dick Williams and Mr. Ed Ferrell from Veregy, who submitted a PowerPoint presentation of the city's financial savings over the next 30 years by implementing the proposed project.

After his presentation, Mr. Williams answered questions from the Council in regards to:

- Life cycle of the blowers
- Increased population requiring more equipment

Mr. Richard Rosales from APS, asked Mr. Williams was APS's rebates on the variable speed drives calculated into the cost, and would the city see the savings from that.

Mr. Williams stated that this would be additional rebates the city would receive in addition to what Veregy would have. He said Veregy would apply to APS for the rebates.

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

Motion by Councilmember Garcia, seconded by Councilmember Guanajuato Rodriguez to read Resolution No. 22-1540 by title only, passed unanimously (7-0).

The city clerk read the resolution title into the record.

Mr. Cooper conveyed to the Council that the motion to approve would need to include the emergency clause. He said under Arizona law, to have an emergency resolution take effect, three-quarters of the Council (6 out of 7) would need to approve the resolution.

Motion by Councilmember Garcia, seconded by Councilmember Guanajuato Rodriguez to approve Resolution No. 22-1540 and to declare an emergency, passed unanimously by roll call vote (7-0).

C. CONSIDER THE ESTABLISHMENT OF A SUBCOMMITTEE FOR THE REVIEW OF THE APPLICANTS TO FILL THE VACANCY ON THE MUNICIPAL AIRPORT ADVISORY BOARD.

Staff Cover Sheet Report: *The Council to consider establishing a subcommittee for the review of applicants to fill a vacancy on the Municipal Airport Advisory Board.*

The Municipal Airport Advisory Board is a five-member board that reviews operational and planning issues relating to the airport. Board members are appointed by the Mayor and Council and serve three-year terms. The term of Allan James expired in December 2021, and this vacant seat on the Board was advertised.

The City has received three applications to fill this vacancy to date - Marty Jones, Jeff Saforek, and Michelle Phillips. Copies of their applications have been included in the packet.

In lieu of making an appointment at this time, the Council may wish to form a Subcommittee to review the applications and make a recommendation to Council on an appointment.

FISCAL IMPACT: *There is no fiscal impact with an appointment to this Board.*

Mr. Malewitz conveyed that staff is requesting Council create a subcommittee to interview three applicants to fill one vacant seat on the Airport Advisory Board.

Mayor Powell expressed concerns about the amount of time consumed getting a subcommittee together. He said it could take up to two months before an appointment comes before Council for approval. Mayor Powell wanted to know if the process could be expedited.

Mr. Malewitz conveyed that the process for filling a vacant board seat was a decision made by the Council. He said Council would have to direct staff to revise the process for filling board vacancies.

Mayor Powell made a motion to table the item until further notice.

It was at this time that Council discussed whether to select a subcommittee to interview applicants now, or wait until January to fill the seat plus two more seats that will term out at the end of December 2022.

Mayor Powell reminded the Council that he made a motion earlier to table and asked for a second.

There being no second, the motion died.

Councilmembers Reuter and Curtis supported appointing a subcommittee to interview the three applicants and recommend appointment to fill the current vacancy. The subcommittee would interview additional applicants in January 2023 to fill the two seats that would term out in December 2022.

Vice Mayor Snyder conveyed that he would support either one, but if Council selects one applicant now out of the three, they are assuming the other two applicants will want to apply in January.

Councilmember Guanajuato Rodriguez suggested waiting until January to appoint.

Councilmember Garcia wanted to know how long was the vacancy advertised.

Mr. Malewitz said the vacancy has been advertised on the city's social media pages and local newspaper for quite a while.

Councilmember Garcia supporting moving forward because no one knows if the other two board members are going to term out or if they are able to reapply.

Mr. Malewitz said the two board members would need to reapply to serve on the board. He said staff can reach out to the individuals to find out if they are interested in reapplying to serve on the board.

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

A motion was made by Councilmember Reuter to create a subcommittee to select one of the three applicants to fill the one vacant seat on the Municipal Airport Advisory Board.

Councilmember Garcia wanted to know who would sit on the subcommittee before he seconds Councilmember Reuter's motion.

Vice Mayor Snyder asked Councilmember Reuter how many people is he recommending to serve on the subcommittee.

Councilmember Reuter recommended appointing two advisory board members, two councilmembers, and one staff member.

Councilmember Garcia and Vice Mayor Snyder said they would serve on the subcommittee.

Mayor Powell directed staff to select two members from the Airport Advisory Board and a staff member to serve.

Mayor Powell noted that Councilmember Reuter's motion is to form a subcommittee only. He asked Councilmember Reuter if he wanted to amend his motion to include who would serve on the subcommittee.

Amended Motion: Motion by Councilmember Reuter, seconded by Councilmember Garcia to form a subcommittee comprised of Councilmember Garcia, Vice Mayor Snyder, two Municipal Airport Advisory Board members, and one staff person, to interview three applicants and recommend an appointment to fill one vacancy on the Municipal Airport Advisory Board, passed 6-1 by following roll call vote:

Yea: Councilmember Reuter, Councilmember Curtis, Councilmember Rodriguez, Mayor Powell, Vice Mayor Snyder, Councilmember Garcia

Nay: Councilmember Guanajuato Rodriguez

Mayor Powell conveyed that the same subcommittee would also interview applicants for the two seats that will term out at the end of December 2022.

D. REQUEST FROM THE PINAL HISPANIC COUNCIL/ELOY VETERANS CENTER TO PROVIDE IN-KIND SERVICES TO SUPPORT THE ANNUAL VETERANS DAY CELEBRATION ON NOVEMBER 11, 2022.

Staff Cover Sheet Report: *Council authorizes staff to provide in-kind services, as requested by the Pinal Hispanic Council/Eloy Veterans Center, to support the annual Veterans Day celebration on November 11, 2022, with the closure of Main Street from Frontier to 9th Street, use of Main Street Park with electrical power from 8:00 a.m. to 1:00 p.m., Eloy Police Dept. officers for security, installation of bleachers, port-a-johns, trash containers, and set up of tables and chairs by the Community Services staff.*

City staff is in receipt of a special event application from the Pinal Hispanic Council/Eloy Veterans Center requesting in-kind services from the City to support the 13th annual Veterans Day celebration. To accommodate the parade, they have requested the closure of Main Street from Frontier to 9th Street, including all cross streets during the morning of November 11, 2022. The parade is scheduled to begin at 9:00 a.m.

They have also requested the use of Main Street Park with electrical power from 8:00 a.m. to 1:00 p.m., Eloy Police Dept. officers for security, installation of bleachers, port-a-johns, trash containers, and set up of tables and chairs by the Community Services staff.

FISCAL IMPACT: *Cost estimates to provide requested in-kind services are estimated at \$2,400 (\$1,200 for Community Services, \$200 for the Police Department, and \$1,000 for Public Works). Funding will come out of the annual operating budgets of these departments.*

Mr. Malewitz gave a brief overview of the Pinal Hispanic Council's request for in-kind services from the city for their annual Veterans Day parade. He stated the services requested are similar to past services the city has provided for the event.

Vice Mayor Snyder wanted to know if departments budget for in-kind services.

Mr. Malewitz said most of the budgeting comes from the Community Services department. He conveyed that \$1,500 is specifically budgeted each year for this event for port a jons, deejay services, bottled water, coffee, doughnuts, and paper supplies. Additional services that comes from the department in the amount of \$2,500 is for use of electricity, rental of tables and chairs, lift equipment to hang banners, and staff time at the event.

Vice Mayor Snyder asked if this is a standard practice with departments.

Mr. Malewitz said yes.

Councilmember Guanajuato Rodriguez wanted to know how many employees work the event.

Mr. Malewitz said five city employees would work the event.

Mayor Powell said starting next budget year, he would like organizations seeking funds from the city to include in-kind services in their funding requests.

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

Motion by Vice Mayor Snyder, seconded by Councilmember Garcia to approve a request from the Pinal Hispanic Council/Eloy Veterans Center to provide in-kind services to support the annual Veterans Day celebration on November 11, 2022, passed unanimously by roll call vote 7-0).

E. COUNCIL AUTHORIZE STAFF TO PROVIDE IN-KIND SERVICES, AS REQUESTED BY THE ELOY CHAMBER OF COMMERCE, TO SUPPORT THE INAUGURAL ELOY GLOW AND FESTIVAL 2022 IN DOWNTOWN ELOY ON SATURDAY, NOVEMBER 12, 2022.

Staff Cover Sheet Report: *Council authorizes staff to provide in-kind services, as requested by the Eloy Chamber of Commerce, to support the inaugural Eloy Glow and Festival 2022 in downtown Eloy on Saturday, November 12, 2022. In-kind services include the closure of Main St. from East 5th St. to East 8th St., 7th St. between N Stuart and N Meyers, and C St. from East 7th St. to E. 5th St. all day on Saturday, use of the Community Room in City Hall, use of Main St. Park with electrical power, set-up and tear down of bleachers, tables, and chairs, banner installation across Main St., street sweeper, barricades for road closures, 40-yard trash container, message boards, and two (2) city staff members to be onsite for any issues from 3:00 p.m. to 10:00 p.m.*

City staff is in receipt of a special event application from the Eloy Chamber of Commerce requesting in-kind services from the City to support the inaugural Eloy Glow and Festival 2022 in downtown Eloy on Saturday, November 12, 2022. The event will be taking place on Main St., C St., Stuart St., and Main St. Park. The event will include static displaying illuminated hot air balloons. Spectators can experience balloon inflation, participate in tethered hot air balloon rides, visit the family fun zone, enjoy live music, eat festival food favorites and enjoy beer stations, walk around the retail vendor area, or visit the Super Hero BMX Stunt Team. Public admission at the gate is \$10 and children 12 & under are free. This is a weather-dependent event and there will be no rescheduling of the event.

To accommodate the event, the Chamber has requested the closure of Main St. from East 5th St. to East 8th St., 7th St. between N Stuart and N Meyers, and C St. from East 7th St. to E. 5th St. all day on Saturday. In-kind services include the use of the Community Room in City Hall, Main St. Park with electrical power, set-up and tear down of bleachers, tables, and chairs, banner installation across Main St., street sweeper, barricades for road closures, 40-yard trash container, message boards, and two (2) city staff members to be onsite for any issues from 3:00 p.m. to 10:00 p.m.

FISCAL IMPACT: *Cost estimates to provide requested in-kind services are estimated at \$2,800 (\$1,800 for Community Services and \$1,000 for Public Works). Funding will come out of the annual operating budgets of these departments.*

Mr. Malewitz gave a brief overview of in-kind services requested from the Eloy Chamber of Commerce for the inaugural Eloy Glow event. He said in-kind services for the event, if approved, would be approximately \$2,800.

Councilmember Guanajuato Rodriguez wanted to know how many city employees would be working this event.

Mr. Malewitz said there will be two city staff during the entire event. Setup would include the four full-time parks staff from community services and three staff from public works.

Councilmember Guanajuato Rodriguez was not happy about employees having to work back to back events on the same weekend. She said some of the employees made plans for the three-day weekend.

Councilmember Rodriguez stated that city staff is needed on site during the event in case something happens in the park, like an electrical problem. He said it is important to have a dedicated staff member present in case something happens.

Councilmember Guanajuato Rodriguez said the veterans day parade is an annual event that the city budgets for. She said the chamber should have considered the date, and discussed it with city staff. Both events are taking employees away from the three-day weekend. Councilmember Guanajuato Rodriguez suggested that in the future, the event be moved to another date.

Richard Rosales, president of the Eloy Chamber of Commerce, acknowledged Councilmember Guanajuato Rodriguez's concerns. He stated the chamber wanted to move forward with the signature event as promised to the Council. Mr. Rosales said there was discussion about the holiday timing, but what they have seen in ticket sales and response from the community, the event will probably be a successful one. Mr. Rosales thanked Council for the in-kind services and said the chamber will consider the timing of next year's event. He conveyed that as the chamber continues to grow and become more independent, it is their goal to wean themselves from city support.

Mayor Powell invited Mr. Tim Matykiewicz, President/CEO of Arizona Events Groups to come forward to give comment.

Mr. Matykiewicz gave a brief overview of the upcoming event. He stated that city staff can be reduced to ensure the city is not stressed out and employees enjoy a three-day weekend. Mr. Matykiewicz said they have 25 volunteers who will help with the event, however, they are looking for a total of 98 to make the event work.

Mayor Powell said he is excited to have this event come to downtown Eloy. Mayor Powell wanted to know how they plan to monitor the beer gardens to ensure there is no underage drinking.

Mr. Matykiewicz conveyed there will be volunteers who will check IDs before allowing patrons to enter the beer gardens. Patrons will also receive a wrist band that will allow them to purchase beverages. Mr. Matykiewicz pointed out that seven blocks of downtown Eloy will be blocked off.

Councilmember Guanajuato Rodriguez asked had the map of the fencing been publicized.

Mr. Matykiewicz said no.

Councilmember Guanajuato Rodriguez suggested he do this as early as possible to let the public know there is an entrance fee. She also suggested that the city may want to extend working the holiday weekend to other employees in the city who may want some extra hours.

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

Councilmember Rodriguez recused himself from voting on this item due to a possible conflict of interest. Councilmember Rodriguez is employed as executive director for the Eloy Chamber of Commerce.

Motion by Councilmember Reuter, seconded by Councilmember Guanajuato Rodriguez to authorize staff to provide in-kind services as requested by the Eloy Chamber of Commerce to support the inaugural Eloy Glow and Festival 2022 in downtown Eloy on Saturday, November 12, 2022, passed 6-0 by the following roll call vote:

Yea: Mayor Powell, Vice Mayor Snyder, Councilmember Guanajuato Rodriguez, Councilmember Garcia, Councilmember Curtis, Councilmember Reuter

Nay: None

Reused: Councilmember Rodriguez

F. COUNCIL TO RECEIVE AN UPDATE ON THE REQUESTED APPRAISALS FOR THE DUSTBOWL THEATRE, INCLUDING CITY STAFF RECOMMENDATION FOR THE DISPOSITION OF THE THEATER TO INCLUDE DEMOLISHING THE EXISTING THEATRE BUILDING AND CREATING A VACANT SPACE MORE SUITABLE FOR FUTURE DEVELOPMENT WHILE LEAVING THE VETERANS CENTER BUILDING IN PLACE.

Staff Cover Sheet Report: *Council directs City staff to proceed with Option 4A as outlined in the November 2020 Dust Bowl Theater Development Options study which*

provides for demolishing the existing theatre while preserving the Veterans Center building. The theatre footprint and surrounding property will be professionally landscaped in order to create an aesthetically complete space to enhance the curb appeal and provide a more suitable future development site.

On May 9, 2022, City Council was presented with a recommendation from the Eloy Revitalization Commission to proceed with Option 3 of the November 2020 Dust Bowl Theater Development Options study to provide for stabilizing the existing Dustbowl Theatre structure and installing new roofing & a roof membrane capable of preventing further deterioration of the facility from environmental factors. In addition, the recommendation included exterior improvements, such as new paint, to enhance the curb appeal of the building and site.

At the meeting, City Council made no motion on the recommendation and re-directed staff with instructions to seek fair market appraisal values on the theatre building only, the property with both the theatre and Veterans Center building demolished, and the current value of the Veterans Center building only. The intent was to better understand the market value of the property in varying conditions as a way to reach a determination of how to proceed with the disposition of the Dustbowl Theatre that would provide the best return on investment for the property. City staff secured the services of Dennis L. Lopez & Associates, LLC to provide real estate appraisals and consultation. Mr. Lopez evaluated the properties and provided the following appraisal information on July 29, 2022, related to the three options for the City of Eloy evaluation. The appraisals assume the vacant lot and any known or unknown issues have been remediated.

<i>Dustbowl Theatre, as is building only:</i>	<i>\$0.00 – No Market Value</i>
<i>Veterans Center, as is building only:</i>	<i>\$70,000 or \$38.98 per square foot</i>
<i>Removal of both buildings; shovel-ready site:</i>	<i>\$20,000 or \$1.76 per square foot</i>

The November 2020 Dust Bowl Theater Development Options study presented the following options:

Option 1: \$5.2M* – Construction and design cost estimate to completely restore and update the exterior and interior of the building

Option 2: \$2.5M* – Construction and design cost estimate to renovate the exterior and interior of the building to a "vanilla shell" configuration adaptable to a variety of commercial uses

Option 3: \$1.1M* – Stabilize the exterior and interior of the building, primarily the roof, to minimize any further deterioration

Option 4A: \$200,000* – Demolish the existing theatre property and create a space more suitable for future development, while leaving the Veterans Center in place.

Option 4B: \$200,000* – Demolish the existing theatre and adjacent Veterans Center, making the vacant property suitable for future development.

**Note: Original 2020 cost estimates. Due to inflation and other rising material costs, estimates should be increased by 30%*

Under the current approved five-year Capital Improvement Plan for the Dustbowl Theatre Implementation Project, there is \$200,000 allocated towards improvements this fiscal year, FY23/24, and an additional \$2.3 million in the next fiscal year, FY24/25.

Taking into consideration current market conditions, past discussions related to the project, associated study option costs, and long-term intentions for the disposition of the Dust Bowl Theater, City staff is recommending that City Council proceed with Option 4A: Demolish the existing theatre property and create a space more suitable for future development, while leaving the Veterans Center in place. City staff have examined the current market conditions for vacant property and considered the renewed interest in Eloy as a basis for reaching the conclusion that demolishing the Dustbowl Theatre while keeping the Veterans Center, will create a blank canvas and offer a more marketable site for adaptive reuse of the site. Cost savings through demolition.

FISCAL IMPACT: *Option 4A: Remove the existing theatre while preserving the existing Veterans Center as presented in the November 2020 Dust Bowl Theater Development Options study has an estimated cost of \$200,000. The approved five-year CIP has allocated project funding in the amount of \$200,000 in FY22/23 and \$2,300,000 in FY23/24.*

Mr. Malewitz presented a PowerPoint presentation on the current condition and options for the old Dustbowl Theater. Mr. Malewitz pointed out that past and current Councils have debated on what to do with the theater for some time. He said there is a strong sentiment among some residents for the theater and there are some in the community who views the theater as an old dilapidated building that is structurally unsound at this point. Mr. Malewitz stated that it was discovered that the veterans center does not share a wall with the old theater as originally thought. This means the theater can be demolished without disturbing the Veterans Center. Mr. Malewitz stated that staff is recommending the theater be demolished.

Councilmember Garcia conveyed his concerns of having another piece of property vacant for years, like much of Frontier Street. He asked Mr. Malewitz if the city ever considered forming a 501C3 to protect the building and not use city funding to do so.

Mr. Malewitz did not believe that forming a 501C3 was considered.

Mayor Powell asked Councilmember Garcia what would the city do with the building if restored.

Councilmember Garcia said the building could be used for anything else; it would never be a theater again. He said destroying buildings without consideration of forming a 501C3... Councilmember Garcia said current and past Councils have failed when it comes to resolving the issue with the Dustbowl.

Mayor Powell pointed out that there are and have been members of the Council who wanted to move forward with the building, but was met with opposition from other Councilmembers. He said now is the time to do something with it. Mayor Powell said he is ready to move forward with a plan on what to do with that property.

Councilmember Reuter conveyed that anyone who believes the building has any chance to bring something to the city is living in different reality. He stated that it is fiscally, fiduciary and unethical for the city to spend any money on the building. Councilmember Reuter said he supports Option 4A, which is to demolish the theater and leave the veterans center. He suggested creating a patio area where the theater stands for veterans who visit the center.

Councilmember Guanajuato Rodriguez said she is looking at this as an opportunity to beautify the area and provide something else for the community rather than demolishing a building that is sentimental to a number of people in the community. She said she has visited old town Temecula in California, and liked the overhead signage welcoming visitors to downtown. Councilmember Guanajuato Rodriguez said she would like to see something similar to this at the entrance into downtown Eloy.

Mr. Malewitz stated that Councilmember Rodriguez has gone through some of the old boxes behind the theater and found the old projector. He said they have been discussing some ways the city can memorialize the theater at one of the city's facilities with displaying some of the old equipment.

Councilmember Rodriguez agreed with comments made by other members of the Council who want to demolish the building.

Vice Mayor Snyder conveyed that as ex-officio to the Revitalization Commission, the members agree that the area has potential, however the old theater is an eyesore. The Commission recognizes that it would cost some money to demolish it, but they want to make the area marketable. Vice Mayor Snyder said there may not be a definite plan at this time, but if it is made attractive again, then maybe someone might have an idea to do something with it.

Councilmember Curtis reiterated comments made by Councilmembers Reuter and Guanajuato Rodriguez as reasons to proceed with option 4A. She stressed the importance of moving forward with the demolition of the building and beautifying the area.

Mr. Malewitz reiterated the options again to Council. He said if option 4A is approved, staff would come back to Council for approval to go out for RFQs for demolition of the theater.

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

Motion by Councilmember Reuter, seconded by Councilmember Rodriguez to select Option 4A for the disposition of the Dustbowl Theater, passed 6-1, by the following roll call vote:

Yes: Councilmember Curtis, Vice Mayor Snyder, Councilmember Guanajuato Rodriguez, Mayor Powell, Councilmember Reuter, Councilmember Rodriguez

Nay: Councilmember Garcia

IX. EXECUTIVE SESSION

There were no requests from Council or city staff to hold an executive session.

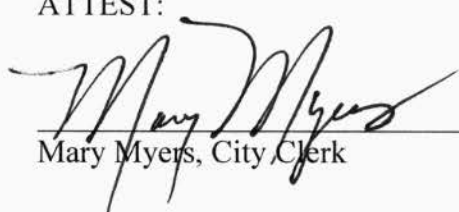
X. ADJOURNMENT

There being no further business, Mayor Powell adjourned the meeting at approximately 8:03 p.m.



Micah Powell, Mayor

ATTEST:



Mary Myers, City Clerk