

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
595 NORTH C STREET
JULY 24, 2023
6:00 P.M.**

Staff Present: David Malewitz-City Manager, Stephen R. Cooper-City Attorney, Mary Myers-City Clerk, Christopher Vasquez-Police Chief, Paul Anchondo-Community Services Director, Brian Wright-Finance Director, Matt Rencher-Public Works Director/City Engineer, Jon Vlaming-Community Development Director

I. CALL TO ORDER

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

II. ROLL CALL

Council Members Present: Mayor Micah Powell, Vice Mayor Sylvia Guanajuato Rodriguez, Councilmember Andy Sutton, Councilmember Sara Curtis, Councilmember Jose Garcia, Councilmember Michelle McKinley-Tarango

Council Members Absent: Councilmember Dan Snyder

III. INVOCATION

Pastor Debbie Miller gave tonight's invocation.

IV. PLEDGE OF ALLEGIANCE

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

V. PUBLIC APPEARANCES

A. Scheduled

B. Unscheduled

George Reuter – 3550 N. LaPaz, Eloy

Mr. Reuter announced that he would be relocating to Florida on Saturday, and wanted to thank the Council, city staff and citizens for the wonderful experience he had as a member of the Council.

VI. REPORTS AND ANNOUNCEMENTS

A. Council Member Announcements

Councilmember Garcia gave a brief report on the annual NALEO conference he recently attended in New York.

B. Mayor Announcements

Mayor Powell conveyed the following communications:

- He and several members of the Council and staff attended the ribbon cutting for Vext Science (marijuana facility). He said the facility is state of the art and production will begin in about a month.
- Was informed on July 19th by Owens Corning legal staff that the Eloy facility would be closing that day. All 36 positions were eliminated. He pointed out that the decision to close was not due to staffing or the city; but rather the housing market.
- Arizona @Works will be hosting a resume workshop and job fair at city hall, August 11th. He encourage those looking for employment to attend the event.
- Chief Vasquez announced his retirement with the city, effective August 31, 2023. Mayor Powell said he has known Chief Vasquez for years and he will be missed by everyone. He said Captain Byron Gwaltney will serve as interim police chief.

C. City Manager Announcements

Mr. Malewitz made the following announcements:

- An interactive map of the Eloy Memorial Park is now available on the city's website for public use. Users can locate loved ones buried at the cemetery by typing in the grave location or name of the deceased person.
- Public works staff is working on getting quotes from vendors to replace lights that are out on the water tower.
- Public works field workers have shifted their July and August work hours to 5:30 a.m. to 2:00 p.m. This is to ensure workers are safe while working in the extreme heat.
- A rate increase for trash service will go into effect August 31st to compensate for the five percent (5%) sanitation rate adjustment this year. He stated that customers will see the RAD-CPI rate go from \$3.76 to \$4.79 on their bill to cover the fuel surcharge.
- The city's consolidated rate and fee schedule will go into effect August 1st.

- A special Planning and Zoning Commission (P&Z) meeting will be held on Wednesday, July 26th to discuss the utility solar scale projects. He anticipates a recommendation from the P&Z for staff to present to Council at the August 28th meeting.

Financial Report for 4th Quarter ending June 30, 2023.

Mr. Wright gave an overview of the city's financial condition ending June 30, 2023.

VII. CONSENT AGENDA

- A. Approval of Minutes: 7/10/2023 (regular)
- B. Consideration of the Eloy Police Department purchasing on-duty and training ammunition in the amount of \$27,595.57 from San Diego Police Equipment Supply under an Arizona State Contract pricing.
- C. Consideration of declaring six pieces of unused and aged out equipment and nine non-functional vehicles as surplus from the Public Works Department and authorizing the Public Works Department to dispose of surplus items by public auction.

With there being no corrections, comments, or item(s) to remove from the Consent Agenda, Mayor Powell called for a motion.

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

VIII. BUSINESS

- A. **COUNCIL CONSIDER ADOPTING RESOLUTION NO.: 23-1560 FOR A MINOR GENERAL PLAN AMENDMENT CONSISTING OF APPROXIMATELY 4.61 ACRES, LOCATED AT THE SOUTHEAST CORNER OF FRONTIER STREET AND ELEVEN MILE CORNER ROAD, FROM LIGHT INDUSTRIAL TO GENERAL INDUSTRIAL SUBMITTED BY ONPOINT ARCHITECTURE, LLC C/O UPFRONT PLANNING & ENTITLEMENTS, LLC ON BEHALF OF AMIGO PROPERTIES, LLC, FOR PINAL COUNTY ASSESSOR'S PARCEL NUMBERS: 405-05-323A, 405-05-3130, 405-05-3140, 405-05-3110, 405-05-2940 AND 405-05-3120. (CASE NO. GPA2022-045).**

Staff Cover Sheet Report: *Council to consider approving Resolution 23-1560 for a proposed Minor General Plan Amendment (GPA) request for a land use map change from Light Industrial (LI) to General Industrial (GI). This request has been recommended for approval by the Eloy Planning & Zoning Commission. Staff has*

also reviewed this Minor General Plan Amendment request and finds it is compatible with adjacent land use designations as shown in the City's General Plan.

The City has received an application from On Point Architecture, LLC c/o UPFRONT Planning & Entitlements, LLC on behalf of Amigo Properties, LLC to amend the Eloy General Plan Land Use designation on six (6) Pinal County Assessor's Parcel numbers: 405-05-323A, 405-05-3130, 405-05-3140, 405-05-3110, 405-05-2940 and 405-05-3120 from Light Industrial (LI) to General Industrial (GI) to bring the property in conformance with the Eloy General Plan and allow to continue the manufacturing operations and proposed expansion with related General Industrial uses.

The subject property is surrounded by the Union Pacific Rail Road (UPRR) to the north, and Eleven Mile Corner Road to the west, in a portion of Section 6, Township 8 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

The property is located in an area designated in the Eloy General Plan for Industrial Uses just south of the Union Pacific Railroad, east of Eleven Mile Corner Road. The proposal will allow the site to be rezoned to I-2, General Industrial to bring the existing manufacturing operations into conformance and allow the user to expand the existing manufacturing facility. This will be in line with the land uses to the west as properties are of similar intensity zoning with existing or vacant General Industrial uses. The existing Land Use, Existing Zoning and Uses surrounding the property, are listed in the table below.

Direction	Eloy General Plan Land Use	Existing Zoning	Existing Use
North	Union Pacific Rail Road (UPRR), Community Commercial	C-1 Neighborhood Commercial with a Downtown Core Overlay	(old) Circle K store, car lot, manufactured home park/RV park, residential houses (legal non-conforming uses)
East	Light Industrial	I-1, Light Industrial with a Downtown Core Overlay	Vacant undeveloped land
South	Light Industrial	I-1, Light Industrial with a Downtown Core Overlay	Vacant undeveloped land
West	General Industrial	1-2, General Industrial	Industrial use and outdoor storage

This request was heard by the Planning and Zoning Commission as a public hearing at their meeting on June 21, 2023. The Commission provided their recommendation for approval by unanimous vote. Staff supports this request as it will now align the existing uses of the property with its appropriate general plan land use designation (General Industrial).

FISCAL IMPACT: *There is not a direct fiscal impact on the City through this action.*

Mr. Vlaming informed Council that this item and the next item on tonight's agenda are for the same properties. He gave a brief overview of a proposed resolution for a

minor general plan amendment that would authorize changing 4.61 acres located at the southeast corner of Frontier Street and Eleven Mile Corner Road (HASA Chemicals property) from light industrial to general industrial. Mr. Vlaming conveyed that both agenda items went before the Planning and Zoning Commission last month and both received a unanimous recommendation for approval.

It was at this time that Mr. Vlaming introduced Ms. Jessica Sarkissian from UPFRONT Planning and Entitlements. Ms. Sarkissian presented a PowerPoint narrative on the proposed minor general plan amendment request from HASA to expand on their properties.

Mayor Powell wanted to know would the expansion of the facility be used for storage only.

Ms. Nicole Posten from On Point Architecture said the back area would be used for truck parking and additional storage.

With there being no further questions or comments, Mayor Powell called for a motion to read the resolution by title only.

Motion by Vice Mayor G. Rodriguez, seconded by Council Garcia to read Resolution No. 23-1560 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.

A motion was made by Vice G. Rodriguez and seconded by Councilmember Sutton to adopt Resolution No. 23-1560 as presented, passed unanimously by roll call vote (6-0).

B. COUNCIL CONSIDER ADOPTING ORDINANCE NO.: 23-949 TO REZONE APPROXIMATELY 4.61 ACRES, LOCATED AT THE SOUTHEAST CORNER OF FRONTIER STREET AND ELEVEN MILE CORNER ROAD, SUBMITTED BY ONPOINT ARCHITECTURE, LLC C/O UPFRONT PLANNING & ENTITLEMENTS, LLC ON BEHALF OF AMIGO PROPERTIES, LLC, CONSISTING OF SIX PARCELS FROM I-1 (LIGHT INDUSTRIAL) TO I-2 (GENERAL INDUSTRIAL) ON PINAL COUNTY PARCEL NUMBERS: 405-05-323A, 405-05-3130, 405-05-3140, 405-05-3110, 405-05-2940 AND 405-05-3120. (CASE NO.RZPADA2022-046)

Staff Cover Sheet Report: *Council to consider Ordinance 23-949 for a proposed rezoning request of approximately 4.61 acres from I-1, Light Industrial to I-2, General Industrial. If approved, the proposed rezoning is compatible with the proposed minor General Plan Amendment request on previous agenda item.*

The City has received an application from UPFRONT Planning & Entitlements, LLC on behalf of HASA Engineering, which has submitted an application to rezone six (6) parcels with existing and proposed improvements from I-1, Light Industrial to I-2, General Industrial to be in conformance with existing and proposed operations of an existing industrial facility. The proposed improvements are: a new office building, new shade canopy on an existing outdoor storage, new uncovered outdoor storage, truck parking, and new parking area. Pinal County Assessor's Parcel numbers: 405-05-323A (existing HASA Engineering building), and five (5) additional vacant parcels to be part of the combination of application and this rezone : 405-05-3130, 405-05-3140, 405-05-3110, 405-05-2940 and 405-05-3120, located at 735 W. Eleven Mile Corner Road, in a portion of the Northwest quarter of Section 6, Township 8 South, Range 8 East, of the Gilan and Salt, River Meridian, Pinal County, Arizona. (Project Case No.: RZ2022-046)

The intent for this rezoning is to expand the existing manufacturing facility with a new one-story office building, an addition of a shade canopy for an existing storage area, and add a parking area with accessible parking stalls. A lot combination is required to be processed for the vacant property to be used for additional outdoor storage and truck parking.

The existing Land Use, Existing Zoning and Uses surrounding the property are listed in the table below.

Direction	Eloy General Plan Land Use	Existing Zoning	Existing Use
North	Union Pacific Rail Road (UPRR), Community Commercial	C-1 Neighborhood Commercial with a Downtown Core Overlay	(old) Circle K store, car lot, manufactured home park/RV park, residential houses (legal non-conforming uses)
East	Light Industrial	I-1, Light Industrial with a Downtown Core Overlay	Vacant undeveloped land
South	Light Industrial	I-1, Light Industrial with a Downtown Core Overlay	Vacant undeveloped land
West	General Industrial	I-2, General Industrial	Industrial use and outdoor storage

This request was heard by the Planning and Zoning Commission as a public hearing at their meeting on June 21, 2023. The Commission provided their recommendation for approval by unanimous vote. Staff supports this request as it will now align the existing uses of the property with its appropriate zoning (I-2, General Industrial).

Fiscal Impact: *There is not a direct fiscal impact on the City through this action.*

Mr. Vlaming said the proposed ordinance, if approved, would amend the 4.61 acres on the city's zoning map from light industrial to general industrial. He reiterated that this item refers to the same properties discussed in the prior agenda item.

With there being no questions or comments, Mayor Powell called for a motion to read the ordinance by title only.

Motion by Councilmember Curtis, seconded by Councilmember Garcia to read Ordinance No. 23-949 by title only, passed unanimously (6-0).

The city clerk read the ordinance title into the record.

Mayor Powell called for a motion to adopt.

Motion by Councilmember Garcia, seconded by Councilmember Sutton to adopt Ordinance No. 23-949 as presented, passed unanimously by roll call vote (6-0).

C. ANNETTE GASTON, FROM PFM ASSET MANAGEMENT, LLC, WILL MAKE A PRESENTATION ON THE CITY'S INVESTMENT PORTFOLIO AS OF JUNE 30, 2023.

Staff Cover Sheet Report: *Annette Gaston, of PFM Asset Management, will be making a presentation to the City Council as it relates to the City's Investment Portfolio through June 30, 2023.*

PFM Assets Management has been the City's Investment Advisor since 2015. Annette Gaston will make a presentation on the City Investment Portfolio and give the City Council an update on current economic conditions.

Fiscal Impact: *No fiscal impact.*

Mr. Wright introduced Annette Gaston from PRM Asset Management, who gave a brief overview of the city's financial investment portfolio with the investment firm. Ms. Gaston stated a very healthy portfolio for the city.

Mayor Powell wanted to know is the city is making money from its investments.

Ms. Gaston said yes, the city is starting to make some money. The timing was great when the city added excess funds because they were able to put that money to work in higher rate environment.

D. CITY COUNCIL TO RECEIVE A PRESENTATION ON MOBILE VENDING AND LICENSING IN THE CITY OF ELOY AND RECEIVE GUIDANCE ON REGULATION AND ENFORCEMENT.

Staff Cover Sheet Report: *City Council to Receive a Presentation on Mobile Vending and Licensing in the City of Eloy and Receive Guidance on Regulation and Enforcement.*

Over the past year, the City of Eloy has been experiencing an increase in the number of mobile vendors selling food and/or merchandise within the city limits, particularly within the Eloy proper area. This increased interest in Eloy can be attributed to the

ongoing success of several community events taking place in our community. The renewed interest in licensing and enforcement of mobile vending was recently brought to light during the FY 2023-2024 budget discussions and the interest of members of the community and council to reduce the city's Restaurant and Bar tax by one percent from 6% to 5%.

During discussions on the reduction of the Restaurant and Bar Tax, members of the council and the public noted the increased presence of mobile vending and questioned the impact the sales tax base from these units is having on the general fund. A request was made by members of the council to have staff prepare a presentation updating the council on the current licensing and control of mobile vending within the city limits. Included within this agenda item are a presentation on the licensing of mobile vending, an application that vendors complete, Article III Mobile Food Vending of the City Code, and current information on how to educate those to file appropriate taxes with the City.

Fiscal Impact: None

Mr. Malewitz and Mr. Wright provided the Council and the public with a PowerPoint narrative of the city's current mobile vending license code. Mr. Malewitz and Mr. Wright reviewed:

- Purpose of reviewing mobile vending in Eloy
- Current mobile vendors with licenses in Eloy
- Process for obtaining a mobile food vending license
- Mobile vending defined
- Regulations by code
- Violations & penalties
- Proposed solutions for compliance
- Enforcement

Mr. Malewitz conveyed that this item came about when reduction in the restaurant and bar tax was approved by the Council. He said the city currently has 14 mobile vendor licenses issued. Of those 14, 12 are food related. Nine have state transaction privilege tax (TPT) numbers, however, only one out of the nine vendors is actually submitting sales tax back to Eloy. Mr. Malewitz said this is not fair to brick and mortar businesses who have to pay sales tax.

Mr. Wright conveyed that it is important that mobile vendors are educated on the process before implementing the enforcement side of the code. He stated that staff would like to update the business license application for all mobile vendors. The application would require the applicant to include a lease agreement, if setting up on someone's property, and proof of a TPT number. Mr. Wright said if the applicant cannot provide a TPT number, the applicant would be given information to contact

the Arizona Department of Revenue on how to obtain a TPT license. Once the TPT number is issued, the city will issue the mobile vendor a license. Mr. Wright said a complete list of mobile food vendors would also be given to Andrew Rodriguez at the Chamber on a monthly basis as a way to also increase mobile vendor education when participating in Chamber events. Mr. Wright pointed out that mobile vendors do not generate a lot of revenue for the city. If all 12 mobile food vendors paid sales tax, the city would probably receive \$200-\$300 per month. But, the issue is the amount of business mobile food vendors take away from brick and mortar businesses in the city who do pay sales tax.

After their presentation, Mr. Malewitz and Mr. Wright fielded questions from the Council:

- Who would be responsible for ensuring mobile food vendors are paying sales tax when participating in city/chamber events
- Who will ensure mobile food vendors have county health permits
- Non-profits - exempt from paying sales tax
- Monitoring "pop up" mobile vendors
- Monitoring home-based businesses
- Improving online application to include ability to submit applications online
- Point of sale transactions – outside city limits (i.e., catering)

Council strongly supported educating mobile vendors, but stressed the importance of keeping it simple and easy to understand. Council wants city staff to partner with the Chamber and the Pinal County to ensure mobile vendors have all of the appropriate licenses and permits to conduct business in the city. This would create a fair business environment to ensure all businesses are paying sales tax.

Mayor Powell opened the floor for public comment.

Liz Flores, owner of La Paloma Restaurant, conveyed she supports what city staff and the Council wants to do with educating mobile vendors. However, wanted to know why she had to submit all of the documents staff talked about tonight before issued a business license. She said what was presented tonight is not new information. The application includes a check list. Ms. Flores said she is frustrated the city is issuing licenses without having all of the proper documents.

Mayor Powell stated that the Council have heard the concerns from city staff and the public. Now is the time to improve education and compliance to make it a fair environment for all businesses.

IX. EXECUTIVE SESSION

No executive session requested by Council or staff.

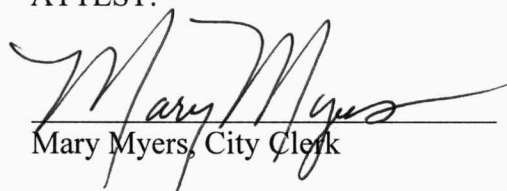
X. ADJOURNMENT

There being no further business, Mayor Powell adjourned the meeting at approximately 7:46 p.m.



Micah Powell, Mayor

ATTEST:



Mary Myers, City Clerk