

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
595 NORTH C STREET
OCTOBER 9, 2023
6:00 P.M.**

Staff Present: David Malewitz-City Manager, Mackenzie Letcher-Assistant City Manager, Stephen R. Cooper-City Attorney, Mary Myers-City Clerk, Byron Gwaltney-Acting Police Chief, Matt Rencher-Public Works Director/City Engineer, Sylvia Payne-HR Director; Brian Wright-Finance Director, Jeff Fairman-Economic Development Specialist

I. CALL TO ORDER

Mayor Micah Powell called the meeting to order at approximately 6:03 p.m.

II. ROLL CALL

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

Council Members Absent: None

III. INVOCATION

Mr. Bob Skier gave tonight's invocation.

IV. PLEDGE OF ALLEGIANCE

Councilmember Tarango 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

1. Councilmember Snyder conveyed the following communications:

- He and Mr. Malewitz attended the City of Coolidge's Planning and Zoning Commission meeting last week. They were there to voice their concerns about Coolidge's proposal to annex property that is located within Eloy's planning area without notifying Eloy.
- Attended the Town of Superior's State of the Town event last Thursday. He said it was a nice outdoor evening event and well attended by community members. Councilmember Snyder city officials from other towns and cities attended as well, and was glad he attended to represent Eloy.

2. Councilmember Sutton conveyed that he and Councilmember Garcia attended the signing of the sister cities agreement between Arizona and Sonora on September 28th in Phoenix. Approximately 15 cities from Arizona and 15 cities from Mexico all signed agreements. Councilmember Sutton said Eloy will receive paperwork that will match the city with a city in Mexico, and possible sign an agreement with that city.

Mayor Powell thanked Councilmembers Garcia and Sutton for attending the event on his behalf.

3. Councilmember Curtis conveyed the following communications:

- Congratulated the Eloy Chamber of Commerce on a fun and successful "Casino Night" fundraising event, recently held at Robson Ranch.
- Skydive Arizona will be hosting the FAI World Cup of Canopy Piloting competition, October 17th through the 22nd. She encouraged the public to attend the event because it gives spectators the opportunity to see the participants compete ground level by gliding across the pond at a high rate of speed.

4. Vice Mayor G. Rodriguez conveyed the following communications:

- She and Mayor Powell attended the Pinal County Child Abuse Prevention Council conference in Casa Grande last Friday. Mayor Powell gave the opening remarks.
- She will be attending the Women's Leadership in Government conference October 19th & 20th in Mesa. Councilmembers Curtis and Tarango, along with Mrs. Myers will also be attending.

B. Mayor Announcements

Mayor Powell conveyed the following communications:

- Attended the 5K "Heroes for Hunger" race in the city on Sunday. A number of city employees and Councilmembers participated and placed in the race. Mayor Powell commended Sargent Violet Maestas, who put the event

together, for doing a great job and anticipates next year's event will be bigger and better.

- He and Councilmember Sutton will be attending the transportation conference in Yuma next week.
- Several members of the Council and city staff will be traveling to Tucson to tour a tiny homes manufacturing plant.

C. City Manager Announcements

Mr. Malewitz made the following announcements:

- Introduced Mackenzie Letcher as the new assistant city manager for the city. Mr. Letcher worked for the City of Casa Grande as assistant to the city manager and as a management analyst before coming to Eloy.

Mr. Letcher conveyed that he is happy to be part of the Eloy team. He said he's been here for a week and can already see the passion employees have for the community and heart for public service. Mr. Letcher said he is looking forward to working with elected leaders, meeting the residents and servicing the needs of the community.

- The city hired a new chief plant utility operator who started today. Mr. Malewitz said the position is critical to maintaining the city wastewater treatment plant and ensuring the city stay in compliance with state and federal requirements. He pointed out that the position have been vacant for two years.
- Four-way stop signs are now installed at Battaglia and Eleven Mile Corner Roads. The police and public works departments have been instrumental in educating and notifying the public about the new signs.
- A work session is scheduled for Monday, October 16th at 5:30 p.m. The Sun Corridor Metropolitan Organization (SCMPO), will be making a presentation on city's downgrade from an urban area to a rural area based on the 2020 Census. Representatives from ADOT will also be attending the meeting.

VII. CONSENT AGENDA

- A. Approval of Minutes: 9/25/2023 (regular)
- B. Adoption of Ordinance No. 23-951, approving a rezoning request by Heather N Dukes, ESQ., c/o Javelina Development LLC., to rezone Pinal County Assessor's Parcel Numbers (APN) 403-23-002A and 403-23-003B consisting of approximately 17.15 acres from R-12 (Single Family Residential) to C-2 (Community Commercial) for the purposes of constructing a proposed Love's Travel Stop.
- C. Recommendation to the Arizona Department of Liquor Licenses and Control (ADLLC) for issuance of a Series 15 Special Event liquor license to Round Valley

Animal Rescue (RVAR) for the FAA Canopy Piloting World Cup closing ceremony, October 22, 2023.

Mayor Powell asked if there were any corrections or items to remove from the Consent Agenda.

With there being none, Mayor Powell called for a motion.

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

VIII. BUSINESS

- A. COUNCIL TO CONSIDER AND TAKE ACTION ON A CONDITIONAL USE PERMIT (CUP2023-030) SUBMITTED BY ROBERT DONALDSON ON BEHALF OF EXCEPTIONAL HEALTHCARE, TO REQUEST A CONDITIONAL USE PERMIT PROPOSING TO CONSTRUCT AND OPERATE A HOSPITAL UNDER I-1, LIGHT INDUSTRIAL ZONING DISTRICT, CONSISTING OF APPROXIMATELY 10 ACRES LOCATED IN THE SUNSHINE INDUSTRIAL PARK ADJACENT TO MILLIGAN DRIVE. THE PROPOSED HOSPITAL WILL CONTAIN AN EIGHT-ROOM INPATIENT AND ELEVEN-ROOM EMERGENCY DEPARTMENT THAT WILL PROVIDE EMERGENCY ROOM SERVICE INCLUDING EXAMINATION, TRIAGE, AND TRAUMA. ADDITIONAL SERVICES PROVIDED ARE RADIOLOGICAL, SCANNING, AND LABORATORY SCREENING SERVICES. (PROJECT NAME: EXCEPTIONAL HEALTHCARE COMMUNITY HOSPITAL - ELOY)**

Staff Cover Sheet Report: *Council to approve a Conditional Use Permit CUP2023-030 application submitted by Robert Donaldson on behalf of Exceptional Healthcare for the purposes of constructing and operating a hospital consisting of approximately 10 acres to be used under I-1, Light Industrial zoning district within the Sunshine Industrial Park located off of Sunshine Blvd.*

Consideration, discussion, and action for approval, approval with conditions, denial, or continuance of Conditional Use Permit Case No: CUP2023-030. The City has received an application from Robert Donaldson on behalf of Exceptional Healthcare, which has submitted an application for a Conditional Use Permit (CUP) for a proposed Hospital consisting of approximately 10 acres located just 300 feet from Interstate 10, Exit 208 north of the freeway/Sunshine Boulevard interchange off-ramp, Pinal County Assessor's Parcel numbers: 411-10-020D, 411-10-017K and 411-10-021D. Specifically, this application requests approval of a Conditional Use Permit application to allow the following uses on the property:

- 1. A hospital in the Light Industrial (I-1) zoning district pursuant to Section 21-2-5.3 and Table 2.5-1 of the Eloy Zoning Ordinance.*

The applicant is seeking approval of the CUP Application for the purpose of developing a hospital within the Light Industrial (I-1) zoning district. This CUP Application is consistent with, and conforms to, the City of Eloy General Plan, which currently identifies the property with a General Industrial land use designation.

The City of Eloy Planning and Zoning Commission heard this case at their regularly scheduled meeting on September 25, 2023, where the board of commissioners unanimously approved the application for a Conditional Use Permit.

FISCAL IMPACT: *There is no fiscal impact to the approval of the Conditional Use Permit.*

Mr. Malewitz gave a brief overview of a request from Exceptional Healthcare (EH) for a Conditional Use Permit (CUP). He conveyed that the Planning and Zoning Commission recommended unanimously to approve the CUP at their last meeting. Mr. Malewitz introduced Mr. Don Nicolini, vice president for real estate development for EH. Mr. Nicolini presented a PowerPoint slide presentation on constructing a hospital in Eloy. He pointed out that the company which is owned by doctors, is based in Dallas, Texas. The doctors formed the company to address the need for hospitals in rural America. Mr. Nicolini said EH currently have two facilities in Arizona; Yuma and Maricopa, both which have been overwhelming successful. The hospital that would be constructed in Eloy would be approximately 21,000 square feet, and would provide in-patient care (overnight) and emergency room care. Mr. Nicolini said EH anticipates creating 86 highly skilled jobs that would include 14 physicians, 16 ER nurses, and 14 in-patient nurses. The hospital would have every amenity a state or county hospital would have, but without the cost. The hospital would not own or operate a helicopter or ambulance, but would maintain a helipad for these types of services. He pointed out that the hospital would be privately owned and not a government owned and operated facility. Mr. Nicolini praised the city staff for helping them expedite the process to get the facility up and operational.

Mayor Powell conveyed that this is an important project and a game changer for Eloy.

Councilmember Sutton asked about the opening date of the hospital.

Mr. Nicolini said the hospital should be ready within 12 months. The building plans have already been submitted to the city, and is ready to turn dirt in 30 days.

Councilmember Curtis wanted to know what level of care would the hospital provide.

Mr. Nicolini was not sure; however, he would find out and provide this information to the Council.

Councilmember Snyder had some concerns about people who may not have a family doctor using the hospital as a doctor's office.

Mr. Nicolini said the hospital will not turn anyone away for treatment. If someone comes in with a toothache, the doctors will help them with the pain, and get them where they need to be, but the hospital is an ER and overnight in-patient facility.

Mayor Powell said he is not only excited about this project for residents, but also for travelers along I-10 who may have an emergency that requires hospital care. He thanked city staff and Exceptional Healthcare for bringing the project to the community.

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

A motion was made by Councilmember Garcia, seconded by Councilmember Tarango to approved a Conditional Use Permit (CUP2023-030) submitted by Robert Donaldson on behalf of Exceptional Healthcare, to request a Conditional Use Permit proposing to construct and operate a hospital under I-1, Light Industrial zoning district, consisting of approximately 10 acres located in the Sunshine Industrial Park adjacent to Milligan Drive, passed unanimously by roll call vote (7-0).

B. CONSIDERATION OF ACCEPTING THE PROPOSAL PROVIDED BY SUNRISE ENGINEERING, INC. TO PROVIDE DESIGN SERVICES FOR THE IMPROVEMENTS FOR THE EXPANSION OF SUNLAND GIN ROAD AND ARICA ROAD; AND AUTHORIZING THE CITY OF ELOY TO ENTER INTO A CONTRACT WITH SUNRISE ENGINEERING, INC. TO PROVIDE SUCH DESIGN SERVICES UTILIZING THE CITY OF MESA COOPERATIVE PURCHASING AGREEMENT, FOR A COST NOT TO EXCEED \$525,000; AND AUTHORIZING THE MAYOR TO SIGN ALL NECESSARY CONTRACT DOCUMENTS.

Staff Cover Sheet Report: *Staff recommends that Council accept the proposal submitted by Sunrise Engineering under the City of Mesa Cooperative Purchasing Contract for the design services for widening Sunland Gin Road and Arica Road at a cost not to exceed \$525,000.*

The Sunland Gin Road interchange at Interstate 10 is one of the most critical intersections for the City of Eloy. There have been numerous studies addressing the configuration and capacity of this particular intersection. In 2014, prior to the annexation of this area by the City of Eloy, Pinal County hired Southwest Traffic Engineering, LLC. to conduct an Intersection Analysis on the intersection of Sunland Gin Road and Arica Road. In 2020, after having annexed this area, the City of Eloy

hired Sunrise Engineering, Incorporated to create a Design Concept Report and establish a design set of construction plans equivalent to a 30% design set. This contract executed in October of 2020 also had the provision for the design of the roadway improvements. In 2022, City Staff continued efforts towards revitalizing the area through a grant submission to the Reconnecting Communities Pilot Program for additional study of this intersection and the economic impact improvements would have on the City of Eloy and its residents. Unfortunately, the city was not awarded any grant funding through this opportunity. In 2023, the City of Eloy was awarded \$5M in Arizona State Discretionary Funding after meeting with State legislators and lobbying for continued support of this project.

City Staff reached out to Sunrise Engineering and requested a proposal to complete the design of the Sunland Gin Road and Arica Road Improvements and create a bid package for the advertisement to construct the Improvements. Some of the main differences between the October 2020 Contract and the current Contract presented for approval now include:

- 1. Water and sewer utility extensions as outlined in the City's utility master plans were not contemplated during the scoping of the original contract;*
- 2. Our scope of work contemplated 15% plans for the DCR, but the Sunrise team was directed to stop working on this task.*

As the 2020 contract had been shelved/canceled there was a remaining balance that would be applied to the new contract as shown in the attached "Sunland Gin Contract Status – Oct 2020". Sunrise has been paid in full for all invoices submitted for the 2020 contract and stopped work, as requested, in October 2020.

In addition, a summary of the differences between the January 2020 contract and the proposed scope of work/fee for the 2023 contract is as follows:

- 1. The largest difference between the two contracts is that the 2020 contract only included the final design of Sunland Gin Road, but DID NOT include the final design of Arica Road Connector or the signalized intersection, both of which have been included in the new contract.*
- 2. With our previous work being 3 years old and completed under previous staff (for both Eloy and Sunrise), we felt that going through a 30% design submittal was a prudent step.*
- 3. During the preparation of the DCR it was revealed that this portion of Sunland Gin Road lies in the FEMA floodplain. Due to this fact, a simple drainage report as originally contemplated, needed to be expanded to include not only roadway drainage analysis, but also how the proposed improvements affect the floodplain and surrounding properties. Our scope now includes an analysis of the floodplain (West Consultants) to determine the impact from the proposed roadway improvements.*

4. *As the field information is over 3 years old at this point, the survey & base mapping (Phase 0002) has to be updated for the re-start of this project. This includes supplemental field survey and right-of-way mapping to capture any potential changes plus items necessary for the additional scope items not previously included.*
5. *Due to the addition of water and sewer extensions to your systems, ADEQ requires a water design and sewer design reports for approvals. These have been added to the scope of the work. The plans now also include the design of these improvements.*
6. *There are some new allowances (Phase 0007) that have been added to the new contract. These are performed on a time and material basis at the authorization/discretion of the City. These services are as follows:*
 - a. *Right of Way & Property Acquisition (Task 002): We have added a ROW acquisition consultant to the team (Tierra Right-of-Way) to assist the City in obtaining property rights for widening Sunland Gin and the new Arica Road connector.*
 - b. *Public Involvement (Task 003): We have added a public involvement consultant (Avenue Consultants) to assist the City with managing the information and outreach for this high-profile project.*
 - c. *Contractor Procurement (Task 004): The City is likely to now have this project delivered using a Construction Manager at Risk (CMAR) project delivery method. For this reason, we have added a contractor procurement task to the scope of work.*

In summary, the new 2023 proposed contract replaces the 2020 contract and adds a significant amount of scope for the completion of the project.

FISCAL IMPACT: *Not to Exceed \$525,000 from the Public Works Streets Department Capital Improvement Project Plan.*

Mr. Rencher provided a brief overview of the proposal from Sunrise Engineering for design services for improvements for the widening of Sunland Gin Road and Arica Road.

After his presentation, Mr. Rencher fielded questions from the Council about:

- Location of the floodplain
- Deadline for expending the \$5 million from the state
- Possible change to the original design that was presented in 2020 related to the connector road
- Installation of a temporary signal light at Mountain View by Pinal County. Would there be a need for the lights to remain if the city installs a signal light at Arica Road?
- Project possibly exceeding \$5 million
- Construction timeframe to complete the project

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

A motion was made by Councilmember Snyder and seconded by Councilmember Garcia to accept the proposal provided by Sunrise Engineering to provide design services for the improvements for the expansion of Sunland Gin Road and Arica Road, and authorizing the City of Eloy to enter into a contract with Sunrise Engineering to provide such design services utilizing the City of Mesa Cooperative Purchasing Agreement, for a cost not to exceed \$525,000, and authorizing the Mayor to sign all necessary contract documents, passed unanimously by roll call vote (7-0).

C. CONSIDER APPROVAL TO ACCEPT THE BID FROM FALCONE BROTHERS AND ASSOCIATES IN THE AMOUNT OF \$249,910.50 FOR THE INTERSECTION IMPROVEMENTS AT THE INTERSECTION OF FRONTIER STREET AND MAIN STREET; AND AUTHORIZING THE MAYOR TO SIGN THE NECESSARY CONTRACT DOCUMENTS.

Staff Cover Sheet Report: *Staff recommends that Council accept the proposal from Falcone Brothers and Associates, Incorporated in the amount of \$249,910.50 for the installation of the Phase 1 Improvements at the Intersection of Frontier Street and Main Street and authorize the Mayor to sign the necessary contract agreements.*

The City of Eloy was awarded a Community Development Block Grant for the installation of a pedestrian hybrid beacon at the Intersection of Frontier Street and Main Street. Since the CDBG Funding requires that all Federal Guidelines be met for the project (including the Environmental Clearances under the National Environmental Policy Act), the staff felt it was in the best interest of the City to break the project into 2 phases, with the first phase being the curb, gutter, sidewalk, pavement markings, and signage necessary for the installation of the pedestrian hybrid beacon signals and sigma; supports. Subsequently, the Public Works Department published a Request for Proposals for the installation of the Phase 1 Improvements.

The deadline for submitting the bids was September 29, 2023. Two bidders responded to the RFP: Falcone Brothers and Associates, Incorporated, with a bid of \$249,910.50; and Diamond Ridge Development Corporation, with a bid of \$421,518.00. Both bidders have met the requirements outlined in the RFP, and the staff recommends that the Council accept the bid from Falcone Brothers and Associates. The Public Works Department has allocated \$350,000 for the Phase 2 Improvements in the Capital Improvement Projects Plan under the Streets Department.

FISCAL IMPACT: *\$249,910.50 from the Streets Capital Improvement Project Plan as adopted in the FY23/24 Budget.*

Mr. Rencher gave an overview of staff's request to Council to accept a bid from Falcone Brothers and Associates for the installation of the pedestrian hybrid beacon that would be located at Frontier and Main Streets.

Mayor Powell wanted to know why the bid is much lower than Diamond Ridge Development's bid.

Mr. Rencher explained that Diamond Ridge may not have looked at the site as closely as Falcone. There is also the possibility that Falcone is in between jobs and hungry for work. Mr. Rencher told the Council that both contractors are capable of completing the work.

Mayor Powell was concerned about change orders from Falcone.

Mr. Rencher said if there is a change order request, staff will have the opportunity to review the request before bringing to Council to consider for approval. He said there is always knowns and unknowns with any construction project.

Councilmember Snyder asked Mr. Rencher if he talked to other entities who used Falcone Brothers to find out if there were any issues or concerns with the company.

Mr. Rencher said he could not find any issues or concerns. The references provided by Falcone for previous jobs were pretty close to the bid amounts.

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

Motion by Councilmember Sutton, seconded by Councilmember Tarango to accept the bid from Falcone Brothers and Associates in the amount of \$249,910.50 for the intersection improvements at the intersection of Frontier Street and Main Street, and authorizing the Mayor to sign the necessary contract documents, passed unanimously by roll call vote (7-0).

D. APPROVAL TO SUBMIT A GRANT APPLICATION TO PINAL COUNTY REQUESTING FY24 CDBG FUNDS OF \$130,000 FOR ADA IMPROVEMENTS TO THE ELOY SENIOR CENTER.

Staff Cover Sheet Report: *The City proposes to submit an application to Pinal County for the U.S. Department of Housing and Urban Development (HUD)'s Community Development Block Grant Program (CDBG) FY24 funding. The allotment for each city within the Pinal County entitlement consortium (Eloy, Mammoth, Florence, Maricopa) is approximately \$130,000.*

Staff recommends that the City Council formally select the project to be considered for this CDBG application to Pinal County. Staff recommends ADA improvements to the Eloy Senior Center, which may include sidewalks, ramps, and doors.

Pinal County held a public workshop on August 16, 2023, to consider possible projects for CDBG funding. At the public hearing, several potential projects were discussed. Those projects were Senior Center Improvements, Solar LED Stop Signs, Infrastructure Improvements, Solar LED Street Lights on Frontier Street, Sidewalk Improvements, ADA Ramp Improvements, Jones Park Ballfield Improvements, Playground Equipment, Troy Thomas Center Improvements, Outdoor Fitness Equipment at Shumway Park, and Housing Rehabilitation.

- *A committee of five staff members from various departments ranked the projects based on the following priorities:*
- *Suitable living environment for the majority of the community*
- *Safety and accessibility*
- *Infrastructure*
- *Visibility to the community*

The ranking chart below represents the total ranking of all the projects by the committee.

<i>CDBG Proposed Projects</i>	<i>Ranking</i>
<i>Senior Center Improvements</i>	<i>1</i>
<i>Solar LED Stop Signs</i>	<i>2</i>
<i>Frontier Street – median Solar LED Street Lights</i>	<i>3</i>
<i>Infrastructure Improvements</i>	<i>4</i>
<i>Sidewalk Improvements</i>	<i>5</i>
<i>ADA Ramp Improvements</i>	<i>6</i>
<i>Jones Park Ballfield Improvements</i>	<i>7</i>
<i>Playground Equipment</i>	<i>8</i>
<i>Troy Thomas Center Improvements</i>	<i>9</i>
<i>Outdoor Fitness Equipment at Shumway</i>	<i>10</i>
<i>Housing Rehabilitation</i>	<i>11</i>

If the City Council accepts staff's recommendation, staff will prepare a scope of work to bring the sidewalks, handicap ramps, and door accessible up to ADA standards. If the project costs exceed the CDBG allocation amount, then one-time revenue will be used to complete the project. Time is of the essence for the CDBG application with a deadline of November 30, 2023.

FISCAL IMPACT: *The anticipated revenue from CDBG is \$130,000. The City will leverage one-time revenue to complete the remaining project costs if necessary.*

Mr. Wright conveyed that the city held a public hearing to gather input from the public for projects for FY24CDBG funding. He reviewed potential projects that were considered for funding. Mr. Wright said staff is recommending CDBG funds be used

for improvements to the Eloy senior center. Improvements would include installing ADA ramps, ADA door and sidewalk improvements.

Councilmember Snyder supported staff's recommendation. He suggested Mr. Wright include in the application to Pinal County that the senior center is also a polling place for Toltec.

Mayor Powell wanted to know how many people showed for the public hearing.

Mr. Wright said no one from the public attended. He along with grants specialist, Brizeida Medina and Mr. Malewitz were the only ones in attendance. Mr. Wright said they listed projects to consider. He explained that if the project is not mentioned at the public hearing, it cannot be included in the application.

Mayor Powell asked would \$130,000 be enough to do the improvements.

Mr. Wright said the city's allotment is \$130,000, however, if the project comes in a little over, the entire project may be funded. He said he would not know this until the application is submitted. If the project is not fully funded, the difference would be added to the city's capital improvement plan to fund the balance.

Councilmember Tarango wanted to know would improvements include the parking area.

Mr. Wright was not sure, however he said staff can look at this as part of the application. He stated this may be something that can be done in-house in conjunction with the other improvements.

With there being no further questions, Mayor Powell called for motion.

Motion by Councilmember Tarango, seconded by Councilmember Snyder to approve the submittal of a grant application to Pinal County requesting FY24 CDBG funds of \$130,000 for ADA improvements to the Eloy Senior Center, passed unanimously by roll call vote (7-0).

E. COUNCIL TO CONSIDER DECLARING AS SURPLUS THE CITY-OWNED 81-ACRE PARCEL LOCATED AT THE NORTHWEST CORNER OF HOUSER RD AND 11 MILE CORNER RD AND DIRECT STAFF TO RELEASE A REQUEST FOR PROPOSAL (RFP) FOR DISPOSITION OF THE PROPERTY FOR THE PURPOSE OF NEW MIXED-USE COMMERCIAL AND RESIDENTIAL DEVELOPMENT OPPORTUNITIES.

Staff Cover Sheet Report: *Council to declare as surplus an 81.1665 acre parcel located at the northwest corner of Houser Road and 11 Mile Corner Road in the City of Eloy, and to direct staff to release a Request for Proposal (RFP) for the disposition*

and development as a mixed-use development to include at a minimum both commercial and residential purposes.

The City of Eloy is the owner of the 81 + or- acre parcel at the NWC of Houser and 11 Mile Corner Roads, also known as Parcel 404270150. This parcel is in the City of Eloy and is identified on the Zoning Map and Eloy General Plan as I-1, Light Industrial. Due to the location of the property, recent proposed residential development, and proximity to wet infrastructure, the property has been determined to have value as a commercial and residential parcel that could include a variety of uses including retail, multi and single-family residential, enclosed mini storage, restaurants, elderly housing and others as determined by the City and proposed by potential vendors. As a result of this increased demand, especially within close proximity to operational wet infrastructure, city staff have received inquiries from private developers as to whether the city would consider releasing this subject property to the public for redevelopment. After internal evaluation and discussions, the city staff determined that this would be a good time to present the subject property to the City Council with the purpose of making a determination to approve the preparation of a Request for Proposal (RFP) to dispose of the property for development.

The RFP will have requirements listed for roadway and wet infrastructure improvements and a detailed land use proposal featuring commercial and residential development that the bidder can support through a provided feasibility analysis at their expense. Any necessary entitlements will also be the responsibility of the successful bidder. As noted by the Public Works Department, a city well is located on the property and as such, the City will require a 30' x 30' parcel to be excluded in order to accommodate all necessary access easements and related ownership rights to the well. The City has obtained an appraisal on the property based on the current vacant land status that was utilized during the internal evaluation period. As part of the RFP process, the City will prepare and provide a land survey of the property and make it clear that the successful bidder will be responsible for addressing roadway improvements on both 11 Mile Corner Road and Houser Road. City staff are recommending including plans for the realignment of Houser Road at 11 Mile Corner Road and providing a four-way signal-controlled intersection. The proceeds from the sale of this property will be deposited in the City's General Fund for use in improving Eloy's wet infrastructure to encourage even greater community investment. It is not known how much revenue may eventually accrue from this disposition of city property.

The goal of this recommendation is to assist the City in analyzing the viability of a new commercial and residential project, similarly as we did with the 21 City-owned residential lots in Toltec and the Dust Bowl Theater. Approving the disposition of the property and authorizing the RFP is the first step to understanding the real market value of the property. As a note, there is no commitment by the City of Eloy to move forward with any bid submission to final acceptance. Pursuant to Section 2-138, part

I, of the City of Eloy's Purchasing Policy, the City Manager shall have the authority to reject any and all bids and parts of all bids and re-advertise or re-solicit bids. All received bid submissions will be evaluated by city staff with the successful bid package presented to City Council for final approval, including appropriate legal agreements related to the disposition of the property

FISCAL IMPACT: *Fiscal impact unknown. All received bid submissions will be evaluated by city staff with the successful bid package presented to City Council for final approval.*

Mr. Fairman conveyed that there has been some interest from developers about the 81 acres owned by the city, located at the northwest corner of Eleven Mile Corner Road and Houser Road. He said staff is requesting authorization from the Council to test the market to see how much interest is out there for the property. Mr. Fairman said if the request is approved tonight, staff would request proposals (RFP) from individuals who are interested in the property, and informed them of what type of development the city is looking at in the area. He pointed out that the developer would be required to make improvements to Houser and Eleven Mile Corner Roads, and pay money to the city that would help the city to do additional work in the community. The Council would have the opportunity to stop the process at any time should there be no interest in proceeding with the process. City staff would draft an agreement that would include requirements from the developer. Mr. Fairman made it clear that it is not staff's intent to sell the property and have it stay undeveloped for years. The city would be looking for a developer who is willing and able to develop the property right away, and share the same vision the city has for the community.

Mr. Malewitz conveyed that at a recent SCMPO meeting, Mr. Rencher presented a request for \$6 million in Regional Transportation Authority (RTA) funding for paving Houser Road from Eleven Mile Corner Road to LaPalma Road (county line). He said part of the development of the property would include making road improvements to Houser Road.

Mr. Fairman said there is also a viable well on the property, that the city would like to retain. This would require securing a 30x30 area, including easement access. He said the developer would be required to provide this back to the city at no cost, which would be included in the agreement.

Mayor Powell asked had the land been recently appraised.

Mr. Fairman said yes. The appraisal came back at approximately \$740,000, however, this is just for raw land. The city will be asking in addition to some cash remuneration, improvements to the area and property, which could increase the property value to well over \$1 million.

The mayor wanted to know could money from the sale of the land be used for infrastructure improvements.

Mr. Fairman said according to Mr. Wright, the money would be included in the general fund and used for whatever the Council choose.

Councilmember Garcia wanted to know if the city owns any other large parcels.

Mr. Fairman said the city owns a large parcel located immediately south of the airport. The city also owns about 20 acres located at the corner of Houser and Tumbleweed Roads, that is dedicated for a park.

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

Motion by Vice Mayor G. Rodriguez, seconded by Councilmember Sutton to declare as surplus the City-owned 81 acre parcel located at the northwest corner of Houser Road and Eleven Mile Corner Road and direct staff to release a Request for Proposal (RFP) for disposition of the property for the purpose of new mixed-use commercial and residential development opportunities, passed unanimously by roll call vote (7-0).

IX. EXECUTIVE SESSION

Mayor Powell called for a motion to go into executive session.

A motion was made by Councilmember Snyder and seconded by Councilmember Tarango to go into executive session at approximately 7:34 p.m., for approximately 1.5 hours with the City Manager and City Clerk (transcription) for the purpose of:

Conducting a performance evaluation including discussion and/or negotiation of salary and/or an employment contract of a public officer - City Manager, including legal advice (if requested by City Council) with City Attorney and possible contract negotiations, pursuant to A.R.S. §38-431.03 (A)(1), (3) and (4).

The motion passed unanimously (7-0).

Mayor Powell reconvened the public meeting at approximately 9:05 p.m.

It was the consensus of the Council to direct Mr. Cooper to place an item on the next regular City Council meeting agenda for formal action to consider a 4% cost-of-living adjustment (COLA) for Mr. Malewitz, effective July 1, 2023.

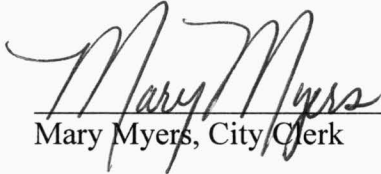
X. ADJOURNMENT

With there being no further business, Mayor Powell adjourned the meeting at approximately 9:06 p.m.



Micah Powell, Mayor

ATTEST:



Mary Myers, City Clerk