

**MINUTES OF THE REGULAR MEETING OF
THE ELOY CITY COUNCIL
CITY OF ELOY
595 NORTH C STREET
JANUARY 22, 2024
6:00 P.M.**

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

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 Sara Curtis, Councilmember Andy Sutton, Councilmember Dan Snyder, Councilmember Jose Garcia, Councilmember Sylvia G. Rodriguez

Council Members Absent: Councilmember Michelle McKinley-Tarango

III. INVOCATION

Pastor Ed Brown gave tonight's invocation.

IV. PLEDGE OF ALLEGIANCE

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

V. PUBLIC APPEARANCES

A. Scheduled

Eloy Chamber of Commerce Quarter 2 Report – Andrew Rodriguez, Executive Director

Eloy Chamber of Commerce Executive Director, Andrew Rodriguez presented a PowerPoint presentation on the organization's second quarter activities. Mr. Rodriguez also played a short video that highlighted the attendance and activities at the 2nd annual Eloy Glow held last November.

B. Unscheduled

- Betty Peterson, 5440 Posse Drive, Eloy
Mrs. Peterson voiced her support for the tiny homes project that is on tonight's agenda for Council approval. She said these types of homes are sorely needed in the community for families who cannot afford a place to live or purchase a home. As owner of the Heart of Eloy second hand store, Mrs. Peterson said she there is not a day that goes by when the store is open that someone comes in who is in need. She asked the Council to support the project.
- Members from Support Our Troops, presented Mayor Powell with a painting titled, "Old Glory." The painting was purchased by an anonymous person at their annual Support Our Troops fundraising event held last November. The purchaser is donating the painting to the city. Mayor Powell said the painting was painted by artists who all live at Robson Ranch.

VI. REPORTS AND ANNOUNCEMENTS

A. Council Member Announcements

Councilmember Snyder gave a brief report on the following meetings he attended last week:

- Legislative Day at the state capital
- Pinal Partnership monthly breakfast meeting

B. Mayor Announcements

Mayor Powell made the following announcements:

- Will be a panelist along with Gold Bond at next month's Pinal Partnership breakfast.
- Will be presenting the "State of the City" address on February 26th, at 12:00 p.m., at Robson Ranch.
- Asked everyone to please keep the families of the four victims who lost their lives in a tragic hot air balloon accident a week ago in Eloy in their prayers. Mayor Powell also asked for prayers for the one survivor who is in critical condition.

C. City Manager Announcements

Mr. Malewitz made the following announcements:

- Reminded Council of a work session slated for Monday, January 29th at 5:00 p.m. The Council will receive an update on the city's water status and modified application to ADWR that was submitted a few years ago.
- A budget workshop is scheduled for Saturday, February 3rd, in the city hall community room, from 9:00 a.m. to 1:00 p.m.
- Starting this month, audio recordings of Planning and Zoning Commission meetings will be posted on the city's website.
- The city hosted the Greater Phoenix Economic Council (GPEC) meeting last Friday. The organization was here to talk about opportunities they could offer to Pinal County. Mr. Malewitz said representatives from Pinal County, Florence and Coolidge attended the meeting.

VII. CONSENT AGENDA

- A. Approval of Minutes: 1/8/2024 (regular)
- B. Authorize the City of Eloy to enter into an Intergovernmental Agreement (IGA) with Pinal County for elections services related to the City's 2024 primary and general elections.
- C. Authorize the City of Eloy to enter into an agreement with Sunland Asphalt for \$49,951.71 for road improvements at Eloy Memorial Park.

Mayor Powell asked the Council if there were any corrections or comments. There being none, he called for a motion.

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

VIII. BUSINESS

- A. COUNCIL CONSIDER AND TAKE ACTION ON CASE NO.: CUP2022-038: APPLICATION SUBMITTED BY 301AK 8M LLC, A SUBSIDIARY OF AVANTUS LLC, WHO IS REQUESTING A CONDITIONAL USE PERMIT, AT THE SOUTHWEST CORNER OF MILLIGAN ROAD AND ELEVEN MILE CORNER ROAD, TO ALLOW THE DEVELOPMENT OF THE KITT 1 SOLAR PROJECT, A 100 MEGAWATT SOLAR PHOTOVOLTAIC POWER GENERATING AND 100 MEGAWATT BATTERY ENERGY STORAGE SYSTEM AND ASSOCIATED ANCILLARY FACILITIES. THE PROPOSED PROJECT IS LOCATED WITHIN THREE PRIVATELY OWNED PARCELS (PINAL COUNTY ASSESSOR'S PARCEL NUMBERS: 408-01-022B, 408-01-022C, AND 408-01-022D), CONSISTING OF APPROXIMATELY 646 ACRES, UTILIZING ALL OF SECTION 13, TOWNSHIP 8 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA**

Staff Cover Sheet Report: *Staff recommends approval of this case subject to the following conditions:*

- 1. That Site Plan, Building Plans, and Construction of the Kitt 1 Solar Project shall comply with the Conditional Use Permit Narrative (dated December 8, 2023) and/or the Eloy Zoning Ordinance; if mutually executed;*
- 2. Any major changes or modifications to the subject CUP shall be reviewed and processed per 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; and*
- 3. The Property Owner/Developer shall submit and receive Zoning Administrator or designee approval for the Site Plan for the entire 646-acre subject property before the approval of construction plans for any part of the subject property.*

This proposed Conditional Use Permit (CUP) request is to allow for the design and construction of Utility Scale Solar Generation Facilities, Battery Energy Storage Facilities, and ancillary facilities within an entire square mile of land within the City of Eloy. The subject project is generally located at the southwest corner of Milligan Road and Eleven Mile Corner Road. The subject CUP request consists of approximately 646 gross acres, on Pinal County Assessor's Parcel Numbers: 408-01-022B, 408-01-022C, and 408-01-022D, intending to utilize all of Section 13, Township 8 South, Range 7 East of the Gila & Salt River Base & Meridian, Pinal County, Arizona.

The majority of the property is currently under agricultural production, but a small portion is vacant. The subject parcels are designated as Estate Density Residential (0.2-1.0 dwelling unit per acre) on approximately 480 acres and designated as Medium Density Residential (3.0-6.0 dwelling units per acre) on approximately 166 acres on the Land Use Map of the Eloy General Plan. Milligan Road, Eleven Mile Corner Road and Tweedy Road are designated as Minor Arterial roadways (55'-1/2 street right of way). Phillips Road is designated as a Major Arterial and as a Gateway Roadway in the Zoning Code (83'-1/2 street right of way).

The entire 646 acres is zoned R1-54 (Estate Residential), which was the Translational Zoning approved by the City Council when this property was annexed. The R1-54 zoning district allows Utility Scale Solar Generating Facilities and Battery Energy Storage System use with Council approval of a conditional use permit in the City of Eloy. However, 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. All four sides of the subject section (13) have been entitled as residential community Planned Area Developments in the past, including Sunshine City (to the north), Cooley Eloy 640 (to the south), Rancho del Sol Brillante (to the east) and

Tierra del Sol (to the west. During the deliberations on the amended zoning code, Sunshine City was identified as a property with intentions to be re-entitled to allow utility-scale solar, but was withdrawn from consideration; The Cooley Eloy 640 was submitted for the first round of revised PAD review and revision, but has not been resubmitted at this time; Rancho del Sol Brillante has been formally submitted to amend its PAD to allow utility scale solar use; and Tierra Grande is expected to be submitted by Avantus in the near future for a PAD amendment as a component of this Kitt 1 Solar Project.

The applicant, before the submittal of this CUP request, and with the approval of the property owner, submitted and received Council approval for the annexation of this property in December 2022 (Ordinance 22-935). This property was surrounded by the City of Eloy and represented a logical annexation by the City at that time as it would not have significantly added any additional costs to the City to provide services and allow for the City's capture of property taxes.

This CUP request was initially submitted in October 2022. However, the City could not take official action until the land was annexed. After its successful annexation in December 2022, the applicant intended to continue with the CUP review and approval process. At that point, the City, based on the extensive interest expressed by many potential applicants for utility-scale solar use within the City, identified the need for additional location standards, development standards, and total acreage allowance guidance to determine the community's appetite for such uses and ancillary battery energy storage systems. As such, the City adopted an amendment to Chapter 21-Zoning (Ordinance 23-950) In August 2023, which now provides such guidance to applicants, staff, and appointed and elected officials in the City of Eloy. If this request is approved, the applicant will be subject to the provisions of Section 21-3-1.39 as well as any other conditions. The specific requirements are located here (https://codelibrary.amlegal.com/codes/eloyaz/latest/eloy_az/0-0-0-9381#JD_21-3-1.39) and summarized below:

- *Locational Criteria*
- *Acreage Limit and Future Expansion*
- *Conforming Development*
- *Project Zoning Amendments*
- *Site Plan Approval*
- *Utility Scale Solar Development Standards*
- *Development Conditions of Approval*
- *Project Decommissioning*
- *Decommissioning Financial Assurances*
- *Applicant/Property Owner Obligation*
- *Applicant/Property Owner Default; Decommissioning by the City of Eloy*

The Locational Criteria identified in Chapter 21-3-1.39 identifies a minimum separation distance of 1/2 mile (2,640 feet) from an Interstate 10 traffic interchange and 2,200 feet from the southern right-of-way boundary of Interstate 10. This request is proposed for a site that is located a minimum of 5,300 from the closest Interstate 10 traffic interchange and 3,100 feet southwest of the southern right of way of Interstate 10.

In terms of Acreage Limit and Future Expansion, the net acreage that would be developed for the Kitt 1 Solar Project is estimated at 630 acres. This is the first project to be requested after the adoption of the amended zoning regulations for utility-scale solar facilities and battery energy storage systems by the Eloy City Council. The existing supply of acreage that is available for utility-scale solar was presented previously with the ordinance for consideration (see attached summary sheet). The Kitt 1 Solar Project (Project D) was one of four that was initially identified at a total project acreage of 1,285 acres. This request, if granted, would remove 646 acres from that total, leaving 639 acres. The City anticipates receiving requests for this additional acreage for this project in the future. This project would not change the net available acreage for utility-scale solar generation facilities from 3,909 acres.

The other provisions listed above are specifically addressed in Section 21-3-1.39.

FISCAL IMPACT: *If approved and constructed in its entirety, a total of more than 600 acres of utility scale solar generation and battery energy storage use would generate enhanced property taxes (on a depreciating basis, long term) and one time construction sales taxes to the City than if the property remained in agricultural production. Due to the low impact of development and the very low number of full time employee presence on the premises, the demand for municipal water, city services and police protection are expected to be minimal for this use.*

Mr. Malewitz introduced David Lundgren and Kevin Johnson, from Avantus LLC, who presented a PowerPoint on their request for Council approval of the Kitt 1 Solar Project, a 100 megawatt solar photovoltaic power generating battery and storage system.

Mr. Malewitz conveyed this request was presented to the Planning and Zoning Commission, who recommended Council approval of the proposed project.

Vice Mayor Curtis applauded former community development director, Jon Vlaming, the community development staff, and the Planning and Zoning Commission for doing a great job amending the solar ordinance for clarity.

Mayor Powell called for a motion.

A motion was made by Councilmember Snyder and seconded by Vice Mayor Curtis to approve Case No. CUP2022-038 application submitted by 301AK 8M LLC a subsidiary of Avantus LLC, passed 5-1 by the following roll call votes:

Yeas: Councilmember G. Rodriguez, Councilmember Sutton, Councilmember Snyder, Vice Mayor Curtis, Mayor Powell

Nays: Councilmember Garcia

B. PRESENTATION BY WILSON ENGINEERS ON THE UPDATES TO THE WATER AND WASTEWATER MASTERPLANS AND THE ELEVEN MILE CORNER SEWER LINE EXTENSION.

Staff Cover Sheet Report: *Information only.*

The latest version of the City of Eloy Water Masterplan was completed in February of 2007. The Wastewater Masterplan was completed in September of the same year. Masterplans are crucial for providing information that will identify areas of potential growth and help to manage that growth when it comes. Both the Water and Wastewater Masterplans for the City are outdated and contain assumptions that are no longer relevant to the current economy. Given the importance that masterplans hold in managing growth within the City of Eloy and surrounding areas, it is vital that the master plans are updated.

In March 2023, Council approved the Contract with Wilson Engineers to update the water and wastewater masterplans. Wilson has been working on the updated and is ready to present a presentation on the status of those masterplans. The recommendations in the masterplans will provide the basis and recommendations for capital improvement projects. The final drafts will probably be ready to be presented to Council in February for adoption.

FISCAL IMPACT: *None*

Mr. Rencher introduced Alan Palmquist from Wilson Engineering, who presented a PowerPoint to the Council on updates pertaining to the city's water and wastewater masterplans.

Mayor Powell wanted to know when should the city start planning and budgeting for expansion of the plant.

Mr. Palmquist stated probably within the next five to ten years.

C. ADOPTION OF RESOLUTION NO.: 24-1567, APPROVING CASE NO. GPA2023-039, A MINOR GENERAL PLAN AMENDMENT REQUEST BY THE PLANNING CENTER IN CARE OF BRIAN UNDERWOOD ON

BEHALF OF THE PROPERTY OWNER, PINAL HISPANIC COUNCIL, TO AMEND THE ELOY GENERAL PLAN LAND USE MAP DESIGNATION ON PINAL COUNTY ASSESSOR'S PARCEL NUMBERS 405-03-066 AND 405-03-068 CONSISTING OF APPROXIMATELY 0.87 ACRES FROM COMMUNITY COMMERCIAL TO HIGH DENSITY RESIDENTIAL. THE SUBJECT PARCELS ARE LOCATED AT THE NORTHWEST CORNER OF 4TH STREET AND STUART BOULEVARD, IN A PORTION OF SECTION 6, TOWNSHIP 8 SOUTH, RANGE 8 EAST OF THE GILA & SALT RIVER BASE & MERIDIAN, PINAL COUNTY, ARIZONA. (PROJECT NAME: STUART & 4TH)

Staff Cover Sheet Report: *City Council to adopt Resolution No. 24-1567, approving a Minor General Plan Amendment (GPA) to the Land Use Map, changing the subject parcels from Community Commercial (CC) to High-Density Residential (HDR). The staff has 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 The Planning Center in care of Brian Underwood on behalf of the property owner, Pinal Hispanic Council, to amend the Eloy General Plan Land Use designation of Community Commercial to High-Density Residential on the subject site (Pinal County Assessor's Parcel Numbers 405-03-066 and 405-03-068) containing 0.87 acres. The proposed amendment is to accommodate the proposed zoning (Multiple Family Residential (R-3) with a Downtown Core Overlay, (Case No. RZ2023-040)) for a new attainable rental housing in Eloy. The subject property is surrounded by 4th Street to the south and Stuart Boulevard to the east, in a portion of Section 6, Township 8 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

*High Density Residential Density Range: 10.0 to 24.0 du/ac
Permitted Zoning District: R-3 Uses allowed within this designation include multifamily residential density development. The density range (10.0 to 24.0 dwelling units per gross acre) is intended to accommodate two-and three-story apartments, condominiums, and townhomes close to employment and service areas and to buffer lower-density residential areas from higher-intensity uses. The development potential of properties within this designation is determined by location, access, and availability of existing or proposed public facilities and utilities, and existing and future land use patterns. Other uses permitted in this category may include limited Neighborhood Commercial development if sensitively integrated into the site and functionally linked to pedestrian and automobile access.*

FISCAL IMPACT: *There is not a direct fiscal impact from this action.*

Mr. Mr. Symer gave a brief review of the proposed request for a general plan amendment from Community Commercial to High Density Residential for the

construction of 20 tiny homes that would be located across from the Pinal Hispanic Council. Mr. Symer said the Planning and Zoning Commission has recommended Council approval of the amendment. If approved, the next item on tonight's agenda would be approval to rezone the property.

Councilmember Snyder wanted clarification that this item is for a zoning change and not for approval of the project.

Mr. Symer explained that there are two items on tonight's agenda related to the tiny homes project. Item C relates to amending the general plan amendment. This is necessary in order for Council to consider agenda item D which is the rezoning. Mr. Symer said the project would then go through administrative site plan approval and subsequent building permits.

Mr. Symer introduced Mr. Brian Underwood from the Planning Center, who presented a short PowerPoint presentation on the proposal to build 20 tiny homes in the downtown area.

Mayor Powell wanted to know how long would it take to construct the homes.

Mr. Underwood said it will take approximately six months to construct all 20 homes.

There being no further questions, Mayor Powell called for a motion to read the resolution by title only.

Motion by Councilmember Garcia, seconded by Councilmember G. Rodriguez to read Resolution No. 24-1567 by title only, passed unanimously (6-0).

The city clerk read the resolution title into the record.

Mayor Powell called for a motion.

A motion was made by Vice Mayor Curtis and seconded by Councilmember Garcia to adopt Resolution No. 24-1567 as presented, passed unanimously by roll call vote (6-0).

D. ADOPTION OF ORDINANCE NO. 24-954, APPROVING CASE NO. RZ2023-040 FOR AN APPLICATION SUBMITTED BY THE PLANNING CENTER IN CARE OF BRIAN UNDERWOOD ON BEHALF OF PINAL HISPANIC COUNCIL, TO REZONE PINAL COUNTY ASSESSOR'S PARCEL NUMBERS 405-03-066 AND 405-03-068 CONSISTING OF APPROXIMATELY 0.87 ACRES FROM NEIGHBORHOOD COMMERCIAL (C-1) WITH A DOWNTOWN CORE OVERLAY (DCO) TO MULTIPLE FAMILY RESIDENTIAL (R-3) (10-24 DWELLING UNITS PER ACRE) WITH A DOWNTOWN CORE OVERLAY (DCO). SUBJECT PARCELS ARE

LOCATED AT THE NORTHWEST CORNER OF 4TH STREET AND STUART BOULEVARD, IN A PORTION OF SECTION 6, TOWNSHIP 8 SOUTH, RANGE 8 EAST OF THE GILA & SALT RIVER BASE & MERIDIAN, PINAL COUNTY, ARIZONA. (PROJECT NAME: STUART & 4TH)

Staff Cover Sheet Report: *Council to adopt Ordinance No. 24-954, approving the request proposing a zoning map amendment from Neighborhood Commercial (C-1) with a Downtown Core Overlay (DCO) to Multiple Family Residential (R-3) (10-24 dwelling units per acre) with a Downtown Core Overlay (DCO). The staff has reviewed this rezoning request and finds it conforms with the proposed minor General Plan (Case No. GPA2023-039).*

The City has received an application from the Planning Center in the care of Brian Underwood on behalf of the property owner, Pinal Hispanic Council, to rezone the subject parcels to accommodate a proposed residential rental housing. The site contains two parcels (Pinal County Assessor's Parcel numbers 405-03-066 and 405-03-068 with a total area of approximately 0.87 acres, and the site is located at the northwest corner of Stuart Boulevard and 4th Street. Specifically, this application requests approval of an amendment to the City of Eloy Official Zoning Map to rezone the site from Neighborhood Commercial (C-1) with a Downtown Core Overlay (DCO) to Multiple Family Residential (R-3) (10-24 du/acre) with a Downtown Core Overlay (DCO).

The purpose of the Multiple Family Residential Zoning District is to allow for higher-density residential developments to provide a balance of housing opportunities in the community. Anticipated project densities are to be within the range of 10 - 24 dwelling units per acre (gross), and have a typical height limit of three (3) stories. This district is most appropriate in the downtown area, adjacent to large shopping or employment centers, or within a large PAD. The district requires direct connection to higher volume roadways and all public utilities. The maximum density is twenty-four (24) dwelling units per acre.

The purpose of the Downtown Development and Neighborhood Preservation Element is to provide an overarching blueprint to reinvigorate Downtown Eloy as a major economic engine and livable community that is a magnet for residents, businesses, retail, and tourism.

The applicant's request to rezone the site to Multiple-Family Residential (R-3) (10-24 du/acre) with a Downtown Core Overlay (DCO) zoning district is consistent with the Minor General Plan Amendment (Case No. GPA2023-039) to amend the Land Use Map from Community Commercial to High-Density Residential.

FISCAL IMPACT: *There is not a direct fiscal impact from this action.*

Mr. Symer said this item is a continuation of the previous item. Approval of this item would rezone the property from Neighborhood Commercial (C-1) to Multiple Family Residential (R-3). Mr. Symer stated that this was presented to the Planning and Zoning Commission who recommended Council approval.

Mayor Powell called for a motion to read the ordinance by title only.

Motion by Councilmember Garcia, seconded by Councilmember Sutton to read Ordinance No. 24-954 by title only, passed unanimously (6-0).

The city clerk read the ordinance title into the record.

Mayor Powell called for a motion.

A motion was made by Councilmember Garcia and seconded by Councilmember G. Rodriguez to adopt Ordinance No. 24-954 as presented, passed unanimously by roll call vote (6-0).

IX. EXECUTIVE SESSION

A motion was made by Mayor Powell and seconded by Councilmember G. Rodriguez to hold an executive session at approximately 7:24 p.m., for approximately one (1) hour with the city attorney, city manager, assistant city manager, and city clerk (transcribing) for the purpose of:

Discussion/consultation with designated representatives of the public body to consider its position and instruct its representatives regarding negotiations, requests for proposals for the possible purchase, sale, or lease of real property and contracts pursuant to A.R.S. § 38-431.03 (A) (3), (4) and (7).

The motion passed unanimously (6-0)

Mayor Powell reconvened the public meeting at approximately 8:18 p.m.

X. ADJOURNMENT

There being no further business, Mayor Powell adjourned the meeting at approximately 8:18 p.m.



Micah Powell, Mayor

ATTEST:



Mary Myers, City Clerk