



City of Goodyear

Meeting Minutes

City Council Work Session

Mayor Georgia Lord
Vice Mayor Wally Campbell
Councilmember Joanne Osborne
Councilmember Joe Pizzillo
Councilmember Sheri Lauritano
Councilmember Bill Stipp
Councilmember Brannon Hampton

Meeting Location:
Goodyear Justice Center
14455 W. Van Buren St.,
Suite B101
Goodyear, AZ 85338

Monday, January 29, 2018

5:00 PM

Goodyear Justice Center

1 CALL TO ORDER

Mayor Lord called the Work Session to order at 5:00 p.m.

2. ROLL CALL

Present 6 - Mayor Lord, Vice Mayor Campbell, Councilmember Pizzillo, Councilmember Lauritano, Councilmember Stipp, and Councilmember Hampton

Absent 1 - Councilmember Osborne

Staff Present: Interim City Manager Dan Cotterman, City Attorney Roric Massey, and City Clerk Darcie McCracken

3. AGENDA ITEMS FOR DISCUSSION:

- 3.1 [2018-6219ws](#) Council will receive a presentation about development in the Northern Waterman Wash geography of the city.

Interim City Manager Dan Cotterman introduced the item to be presented to Council and added that staff is looking for policy direction on how to proceed based on information presented. He added that there has been some developer interest in the area of the city known as Northern Waterman Wash (NWW). Staff will be presenting the information necessary for Council to set sound policy direction. He indicated that there would be multiple presenters to address the variables that would be impacted by growth in the subject area.

Development Services Director Christopher Baker began the presentation by pointing out various maps and displays in the Council Chambers. The presentation will address how current adopted policy addresses NWW geography, the facts with regard to public service and utility delivery, and expected benefits and challenges of development in NWW geography.

The area of NWW is composed of approximately 35,800 acres. There will eventually be approximately 77,000 housing units, 7,500,000 square feet (SF) of commercial, and 7,500,000 SF of industrial land uses. The area is seven miles long and eight miles wide. It is bounded by Pecos Road

on the northern side and Patterson Road on the southern end, and is approximately 11.8 miles south of I-10. This area represents the next big third of the city.

>Council asked if this area is contiguous with the current area of development. Mr. Baker responded, yes, it is directly south of the CantaMia development in Estrella.

Planning Manager Katie Wilken presented a refresher on how the General Plan (GP) was created, and its purpose. She stated that the last GP update needed to address requirements that pertain to cities that have a population over 50,000, which the city had exceeded at that point. There were new elements to the GP that were not previously required. She added that in 2011, the State Legislature passed Senate Bill 1525, which established significant changes to the impact fee rules. This set new limits on the timing of development with relation to impact fees. In 2012, property values were still down because of the recession. She continued that the 2012 GP Committee owned the idea that growth should pay for growth. They acknowledged that no development is 100 percent self-sufficient, and that some developments are more self-sufficient than others. A big theme for the GP Committee was to determine how to develop cost effective and efficient infrastructure and services. There was a lot of public outreach during development of the GP regarding development, parks and trails, and transportation issues. They received many comments about the plan, and questioned how the GP could influence attracting more entertainment and retail. Economic development experts were brought in, and reported that in order to get these types of amenities, there needs to be more concentrations of rooftops in the market areas where we want to increase services and entertainment options. The restrictive density requirements were removed from the previous GP, and they generalized the Land Use Plan in order to make things easier for new development with regard to market changes, and what developers are asking staff for.

Growth projections for the NWW area and further south showed little, if any, growth until 2035. At the time of the GP adoption, there were 60,000 zoned, unbuilt lots, north of Pecos Road. Even under the most aggressive growth projections in the GP, staff did not anticipate even using one-half of that lot inventory. The GP Committee decided that there is a lot of area to grow, but that the focus should be to concentrate rooftops so that requested services can be provided in a cost-effective manner. In order to achieve this, the best plan was to promote growth in certain areas.

>Council asked for the percentage of current building permits north of I-10 as opposed to south of I-10. Ms. Wilken responded that she estimates that it has been about one-third in the northern area, one-third in the central area, and one-third in the Estrella area.

>Council asked for clarification on whether the new elements pertaining to requirements for populations over 50,000 were included in the 2014 GP. Ms. Wilken responded, yes.

Ms. Wilken stated that there are many positive policies in the GP that impact development in this area. One of the major objectives (GD-2-2) that affect this area is "Focus new growth in the city's growth areas to effectively utilize resources, minimize operation and maintenance costs, and attract and efficiently provide new services such as transit and entertainment opportunities."

Policies related to Objective GD-2-2:

- a. Evaluate the projects and programs within the Capital Improvements Program (CIP) based on their location in relationship to the city's designated growth areas.
- b. Promote development within the city's designated growth areas first.
 - >Areas within the impact fee areas as identified by the Infrastructure Improvement Plan (IIP)
 - >Areas within targeted job centers such as the Loop 303 Corridor, Interstate 10 Corridor, Phoenix-Goodyear Airport, the MC-85 Corridor, and the Bullard Corridor
 - >Areas within any city-adopted redevelopment area
 - >Areas within the Transit Oriented Development Overlay
 - >Areas within one-quarter mile of existing residential subdivision, and
 - >Areas along existing interstates/freeways
- c. Promote appropriate development within the designated growth areas.
- d. Discourage rezoning land to higher intensities outside of the growth areas until infrastructure planning is in place and necessary resources are available.

>Council asked whether staff had a list of developers that had expressed an interest in developing certain areas when the GP discussion took place about future growth areas. Ms. Wilken responded that there was development in various stages, and the city works very closely with MAG (Maricopa Association of Governments) to plan for projected population growth, and that is where a lot of the projections came from. The development community was also included in discussions, as well as having quarterly development forums to keep everyone informed.

>Council asked if there was equal representation from developers in all parts of the city.

Ms. Wilken responded, yes.

Ms. Wilken showed Council the area of the one formal proposal that is currently being considered, and the location of the targeted area. It is approximately one-half mile southwest of the CantaMia development.

>Council asked about the areas of Terra Sante and Estrella Highlands that were started in the early 2000's. Ms. Wilken advised that neither of those areas are currently within the city limits. An annexation had been discussed, and Council direction was to move forward with the annexation; however, the time limits expired and it did not move forward. Those two zoning cases are still out there waiting.

>Council stated that those areas should probably have been anticipated in growth projections during the General Plan process. Ms. Wilken responded that it was considered, but the policy in this area was that it shouldn't be developed until there was more development completed further to the north.

Ms. Wilken reported that the GP can be amended. It would be considered a major GP amendment. It is similar to a rezoning case and could be heard concurrently with a rezoning case. GP amendments can only be heard one time per year; two public hearings must be held before the Planning & Zoning Commission (P&Z); and it requires a public hearing before Council with a two-thirds vote in favor of approval.

>Council asked for clarification regarding references in the presentation referring to

policies vs. objectives.

Ms. Wilken explained that when a request for rezoning comes in for staff to evaluate, there is a specific list of items in the Zoning Ordinance that states that staff and P&Z reviews the proposal against the list of items and make their recommendation to the City Council based on that list.

Assistant City Attorney Sarah Chilton clarified that in a case like this, staff would look at state statute that requires all rezoning ordinances to be consistent with, and conform to the adopted GP. That should be construed in a manner to further the implementation of, and not be contrary to, the goals, policies, and applicable elements of the GP. This is what triggers the zoning criteria for staff in terms of how they evaluate and make their recommendation. To the extent that the objectives, goals and policies are inconsistent, they would then need to be amended. A straight policy is a minor amendment. If it involves any kind of objectives, goals, or vision, then it falls within the guidelines of a major amendment.

>Council asked if, based on current policy and state statute, we would need to do some kind of amendment to the GP before we could move forward on development in NWW. Ms.

Chilton responded, yes, but the rezoning still needs to be consistent with the GP amendment, which may delay the effective date. It would be preferred to amend the GP first to come up with different objectives and how they are defined. It could also be done concurrently and have triggers for the Zoning Ordinance.

>Council was adamant at the time of the GP discussion about developing infill areas because there was already infrastructure and services in place. Wants to ensure that new development pays for itself.

>Council commented that one of the policies regarding infill was to promote density to attract businesses. This area will promote density in Estrella that does not currently exist. In favor of a GP amendment if that will fix this issue and bring more amenities to Estrella. Ms.

Chilton stated that there is a difference between how policies are treated, and how objectives, goals, and visions are treated in the GP. Policies are giving you a way to determine it will meet a particular objective. Policies are not set in stone. The GP Committee was trying to identify factors that would guide Council toward achieving the objectives.

Ms. Wilken reported on how the Sonoran Valley (Mobile, Montage, Amaranth) plays into this. Phase I has already had final zoning and final platting. There are 1,600 platted lots in that area. If infrastructure is built, those lots could pull building permits. The majority of the area (6,600 acres) is only preliminarily zoned. Final zoning would still need to occur, and that would be covered under the current GP. Since that area is out of the target area, staff would recommend denial. If Council gives direction to amend the GP, crafting a new objective and policy could be discussed regarding the Sonoran Valley area.

>Council asked if, when a GP amendment is brought forward, it can be made broad enough that we are not tying our hands. Ms. Chilton responded that there is a growth element. The Legislature clearly wanted to prescribe some direction on how the city is going to grow, and wanted to limit leapfrog development. There needs to be some objectives on what the overall philosophy is.

Fire Chief Paul Luizzi pointed out fire station locations on a map. The proposed Fire Station 186

would be generally located at Estrella Parkway and Willis Road. A fire station study was completed in 2017. The study did not contemplate a rise in call volume south of Pecos until between 2025-2035. Chief Luizzi reviewed proposed response times and reported that, without resources in this area, staff anticipates an increase in response times based on how the development and roads are aligned. Goodyear has an automatic aid agreement with Buckeye Valley. They have one engine at that station, which is located 6.8 miles away. The closest command officer and ladder truck would be 15 miles away at Sarival Avenue and Yuma Road. Future infrastructure would also be needed to help support radio communications in the area. According to the 2008 Public Safety Master Plan, a minimum of two additional stations will be needed in the NWW area. One of these stations will need a ladder truck.

Chief Luizzi reviewed patient transport times to Abrazo Hospital, and added that a helicopter may need to be used. He reviewed logistical support needs and ambulance service for the area. Eventually, a staffed Battalion Chief to support the call volume in this area would be necessary.

>Council clarified that the NWW proposal isn't the sole driver for the need of a Battalion Chief as much as the additional growth in Estrella. Chief Luizzi responded that the NWW would be a driver. If development begins south of Pecos Road, it would involve an extended response time for command officers and would be a contributing factor.

>Council asked if a development agreement could be structured to help pay for the two new fire stations that would be required when growth occurs. City Attorney Roric Massey responded, yes, that we have used that model in the past.

>Council expressed concern that, if we move forward, we have infrastructure in place to meet response times, and that we have some type of insurance or protections in place to protect ourselves if something unexpected should happen.

>Council commented that another fire station would definitely be required if new development in the NWW moves forward. Extensive planning is needed. Asked about the completion date for Fire Station 186. Chief Luizzi responded that staff anticipates construction to start sometime this summer, and hopes for a move-in date in late 2019.

>Council commented that this would almost be a new city within our city since it is so far away from existing services. We need to plan this right.

>Council thanked staff for all the information, and asked about what phasing would look like. Perhaps sit down with all the developers and hash out ideas and plans.

>Council asked how often a helicopter has been called out to this area. Chief Luizzi responded that it doesn't happen too often and he can provide exact numbers if that is requested.

Police Chief Jerry Geier addressed the issues that the Police Department would face. One of the priorities would be to maintain quality communications for all public safety personnel. There will be some radio reception issues in the southern areas.

*An additional radio tower will be needed that can be shared with Fire.

*A detention plan will need to be evaluated in order to keep officers within the geographical areas.

*Additional schools and calls for service will dictate staffing levels.

*Staffing needs will be handled through the budget process.

>Council asked how much the current contract is to provide police services for Mobile.

Chief Geier responded that it is approximately \$220,000 per year.

>Council asked if a substation would be required in the Rainbow Valley area. Chief Geier responded that Substation No. 2 is already located in Estrella, which is shared with the Fire Station, and that could serve as the area's substation.

Director of Public Works/Interim Deputy City Manager Javier Setovich spoke regarding water resources needs in the area. Council needs to consider what the long-range needs of the city will be, along with the intricacies of providing an assured water supply. There will be infrastructure challenges south of Pecos Road.

The Integrated Water Master Plan (IWMP) proposes a regional approach to supplying water to this area. The geography has no infrastructure. The existing water infrastructure is sized to serve Estrella, and there is not an ability to simply "tap" and extend services to the NWW geography. The infrastructure will need to come from a philosophy that growth supports development. The logical approach for NWW would be to extend existing utilities from the Estrella area. The issue is that the sizing of the infrastructure only supports growth for the Estrella development. There is no unreserved capacity to move water through the network of pipes to the southern area. All of the water for the city that is being produced just north of the Gila River is being moved to the Estrella Mountain Ranch (EMR) area. Since the system is limited in size, it cannot move water past that development. We also need to consider the physical availability and quality of the water.

>Council asked how we know what the quality of the water is. Mr. Setovich stated there have been scattered studies of the area, and from those studies they have an idea of the quality of water. He believes that the southern part of the Rainbow Valley area has some good water but, overall, most of the wells that will be drilled in those areas will need some level of treatment.

Mr. Setovich continued that the cost of "paper water" to replenish the water being used also needs to be considered, as well as the delivery system. Staff needs to get a better understanding of the area through further studies.

Wastewater is an even more complex issue. The treatment of wastewater at a regional level needs consistent flows, quantity, and quality. This is a major challenge with the current IWMP regional approach. The facilities that have been identified in the IWMP are large and need a lot of consistent flows to be able to sustain our operations.

EMR infrastructure does not provide a clear solution. The proximity of the Rainbow Valley Water Reclamation Facility (RVWRF) could be seen as a simple solution. However, there is no unreserved capacity at that facility, which was master planned to support EMR only. Recharge strategies are also essential to sustain physical availability of water in the geography. Location of recharge sites, and long-term managing of this resource by the city will be an asset to the region. The primary use of reclaimed water will need to be the replenishing of the aquifer.

>Council asked if it is possible to have a private water/wastewater venture service in that area. Mr. Setovich stated that will be one of the points of discussion when looking at solutions.

Mr. Setovich stated that technical solutions are simple. The complexities are related to the costs of implementation and the long-term operation of the systems. Council has been very clear that growth needs to pay for growth.

Options:

- *City provides Assurance of Water Supply (AWS): Funding Challenges
- *Central Arizona Groundwater Replenishment District (CAGR): Cost of water
- *Funding by developers: AWS and infrastructure
- *Creation of satellite systems or SPAs vs. regional solutions: IWMP revision and cost of operations
- *Allowing private utility solutions: Similar to Glendale's decision
- *Long-term strategies rather than a case-by-case solution

Engineering Director Rebecca Zook reviewed transportation issues. She reviewed the current infrastructure in this area. Rainbow Valley is currently the only access into the NWW. She also reviewed plans for future street infrastructure for the area.

The Environmental Impact Statement is currently in Washington, D.C. going through its final review with the federal government. Somewhere within that corridor will be the ultimate right-of-way. At this point, there is no funding for the right-of-way or any construction of the Sonoran Valley Parkway.

>Council asked if Rainbow Valley Road is currently in the city. Ms. Zook replied, yes.

>Council asked if the Sonoran Parkway will extend Estrella Parkway down to Highway 238.

Ms. Zook responded that the Sonoran Valley Parkway is separate from that area and is a completely different alignment from the Estrella Parkway.

>Council asked how Goodyear will be connected to Highway 238. Ms. Zook responded that Estrella Parkway and Rainbow Valley Road will be extended south, and will ultimately connect with the Sonoran Valley Parkway coming from the west, and that would then head south to Mobile.

>Council asked if a roadway project is a CFD applicable project. Finance Director Doug Sandstrom responded that if there is a CFD in place, roadway infrastructure is eligible for CFD's.

Ms. Zook continued with an explanation on how the phasing of development occurs in relation to the development process and zoning. She reported that there are currently no capital projects for this area in our ten-year CIP. The CIP is based on the Master Transportation Plan. Since there has not been any anticipated growth in this area, there has been nothing planned. There are opportunities for cost recovery. It could involve one developer or a number of developers working together. It could encompass water and sewer infrastructure, and also the roadways. The cost recovery process is governed by city ordinance and there are guidelines in place to govern the process.

Parks & Recreation Director Nathan Torres presented on the Parks & Recreation Trails and Open

Space Master Plan, which was adopted in 2014. This is a ten-year plan and did not include any community park planning within the ten-year CIP for this area. This plan did set standards for neighborhood parks, which requires developers to provide those parks according to those standards and guidelines. The nearest existing community park is Foothills Park in Estrella. Additional parks would be necessary in the future. Staff would want to make sure that trails are protected when we start to develop this area.

>Council asked if it is possible to include park provisions within a development agreement, possible through some sort of donation. Mr. Torres responded that is possible, however, planning would need to occur upfront with the developers as soon as possible.

>Council asked how much more land we have at the Foothills Community Park that is undeveloped. Mr. Torres stated that there are about 16 acres that are part of Phase 2 that are tentatively targeted for funding in FY27.

Finance Director Doug Sandstrom reported on how the city would go about funding infrastructure projects associated with this area.

Infrastructure Funding Options:

- Developer builds required infrastructure
- Establish reimbursement mechanism(s) for any oversizing
 - a. Cost Recovery Ordinance
 - b. Impact Fee Reimbursements
 - c. Community Facilities District

Impact fee considerations:

Current Infrastructure Improvement Plan (2014 IIP):

- Specifically excluded this area as developer responsibility
- IIP Timelines

2018 IIP update:

- The current scope and process specifically excludes this area
- If NWW included in the IIP, a separate process would need to begin as soon as possible
- Best case scenario 13-15 months to implementation of Development Impact Fee (DIF) and this assumes some level of existing infrastructure plans for NWW area
- If any permits are pulled prior to IIP adoption -No DIF's can be collected for a two-year period

Under the new impact fee statutes, monies must be expended within 10-years for regular infrastructure, or 15-years for water or wastewater from the time we collect it. We do not want to establish an impact fee, start collecting it, and not build the infrastructure. The timing needs to be accurate and tied together.

Staff is currently in the process of updating our IIP. Under state law, the IIP must be updated a minimum of every five years. If Council moves forward with development of the NWW area, staff

would want to develop a new IIP that is separate from the regular IIP update. The process should begin as soon as possible because it takes 13-15 months to implement DIF's, which assumes some level of existing infrastructure plans. If any permits are pulled prior to IIP adoption, no DIF's can be collected for a two-year period.

CFD Considerations:

1. Developer must have financial ability to fund
 - a. Bonding capacity is not realized until development occurs
 - b. Standby Agreements for Tax Rate Targets
2. CFD Board composition
3. Establishment issues with existing legislation

General Consideration:

1. All development in the city generates revenue
 - Construction sales tax
 - Property taxes - assessed valuation increases
 - State Shared Revenues - population based
2. Infrastructure and operations are more costly in outlying areas
3. Operational income (property taxes/state shared revenue) come after the need for service

>Council asked what categories are eligible for a CFD. Mr. Sandstrom responded that any public infrastructure that would serve that community can qualify.

>Council expressed concern that impact fees may not be a very viable option because of the timing issues involved in the planning process. The development agreement process may be a better option.

>Council asked for clarification on whether there could be multiple CFD's within the development. Mr. Sandstrom confirmed that is correct.

>Council asked if CFD's and impact fees could both be used. Mr. Sandstrom responded yes.

>Council asked what impact fees can pay for. Mr. Sandstrom stated that impact fees can fund streets, water and wastewater (lines and plants), substations, traffic signals, and most of the general city infrastructure.

>Council asked if there is a maximum amount that we can't exceed. Mr. Sandstrom responded that the CFD can go up to whatever amount we can bond with the underlying assessed valuation. Generally, they are set up with a 4-to-1 coverage ratio, which means that the value of the land has to be four times higher than the amount of money that is borrowed.

Mr. Baker concluded the presentation by pointing out that there are several other services that would be impacted based on the velocity of the development, such as sanitation, bulk trash, right-of-way maintenance, and even code compliance.

>Council commented that there was no mention of schools in the presentation, and asked if there would be reserved sites for schools. Ms. Wilken reported that the developer typically works with the school district directly on some sort of financial contribution or setting aside a school

site. When staff receives a rezoning application, it is sent to the school district for comment.

>**Council clarified that we do not dictate whether a school is required, or its location.** Ms. Wilken confirmed that is correct, but staff works with the developer and encourages a school site. The school districts make the decisions on specific school locations.

Mr. Baker recapped discussion last week as it pertains to Council direction.

Paying for Growth:

- Council desires to encourage growth throughout the city
- Council desires that growth pays for growth
- Utility solutions include exploring both public and private solutions
- Council desires that staff work collaboratively to find the best solutions possible

Guiding Documents:

The city approved plan and policy documents that influence development and may need revision, based on Council direction, that include:

- Integrated Water Master Plan
- Infrastructure Improvement Plan
- General Plan
- Capital Improvement Plan
- Fire Station study
- Transportation Plan
- Parks Master Plan

One or more of these documents may need to be revised to reflect the Council's direction and policy in the NWW area.

NWW Growth Policy Options:

- A. Retain existing General Plan and policy, which discourages growth in the NWW area:
- General Plan update efforts begins in 2022 and this area would be re-evaluated at that time
- B. Amend current General Plan and policy to advance development in the NWW area now:
- Adhere to current strategies for infrastructure development? Staff needs direction
 - Study and implement non-regional infrastructure solutions? Scalable solutions for individualized development as opposed to a regional solution

Final Council Discussion:

>**Commented that there are a lot of variables. Does not have a problem with growth paying for growth, but development in this area needs to be thoroughly thought out that minimizes risk to the city.**

>**Commented that this is an opportunity to connect with Estrella, and feels we should reach out to interested developers to see if this should be a regional project. We should open the lines of communication with the developers to see what can be put together.**

>**In agreement with the current General Plan policy, but would like to investigate possible solutions.**

>Not in favor of opening up Planning Area 5 at this time.

Mr. Setovich asked for clarification about which direction to take regarding water issues.

>Prefers that the city have control of the water.

>Has no problem with a private company such as Liberty Water if they want to put the infrastructure in.

>In favor of the most viable option that minimizes the risk to the city.

Mr. Baker recapped that he understands that council prefers to move forward with Option B. If that is the case, GP amendments would be brought before Council. The area south of Patterson Road would be brought forward after 2022.

>Option B is going to require creativity in exploring all avenues available for financing.

>This could be a good opportunity to improve the decision making with regard to growth.

>Feels it is necessary to take a very hard, definitive look to determine if a minor or major GP amendment is required.

>Feel that if the project moves forward it may entice other developers. Wants to be proactive and not discourage development.

>In favor of moving forward. Was uncomfortable about a developer coming forward and the city not doing anything with it.

>This is a good opportunity to create something good, and do it the right way.

>Thanked staff for the presentation.

Mr. Baker stated that the direction is to work together as a team and proceed with Option B, and evaluate different funding options.

4. INFORMATION ITEMS

None.

5. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Work Session at 7:32 p.m.

Darcie McCracken, City Clerk

Georgia Lord, Mayor

Date: _____