





Fire Service In Estrella Agreement

January 23, 2017

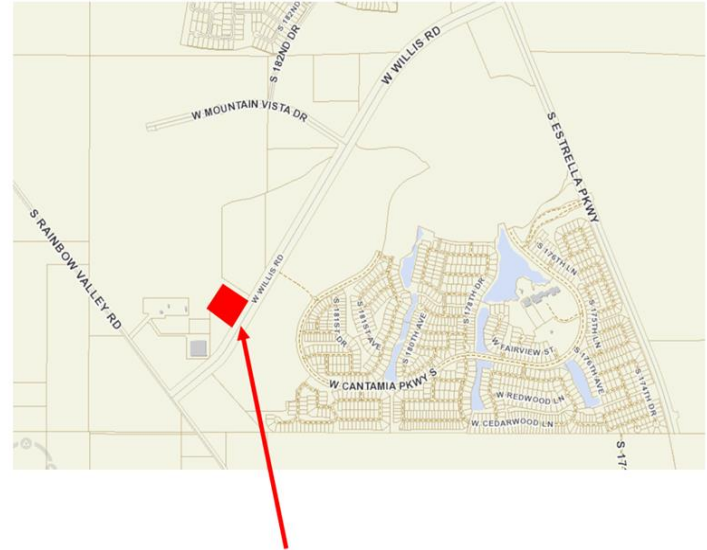
Fire Service Agreement



HISTORY

- In 2006 the City of Goodyear, Newland (Estrella), and Touse entered into an agreement
- The 2006 agreement put the timing of construction and operation of the fire station under the sole discretion of the City
- The agreement contemplated that a new fire station would be built and operational by 2009
- In 2008, due the Great Recession, the City put the fire station on hold

- Newland previously deeded approximately 4 acres to the City for a fire station on Willis Rd. just east of Rainbow Valley Rd.



Fire Service Agreement



HISTORY

- In the fall of 2015, discussion began with the City Council regarding the status of fire service in Estrella
- In January and February 2016, staff presented to Council during a work session the development in Estrella, triggers, response times, and CIP
- In August 2016, the City selected a consultant to conduct a fire station study
- In December 2016, the final Fire Station Study was completed and presented to Council.

Fire Service Agreement



ESTRELLA AND AV HOMES

- In the of summer 2016, staff began discussions with Estrella and AV Homes in order to revisit the Fire Service Agreement
- A final draft was agreed to by the parties in early January 2017

Fire Service Agreement



FIRE SERVICE

- The agreement is a 3 party agreement between the City, Newland, and AV Homes
- The agreement requires both capital and operations and maintenance contributions
- The current City owned site on Willis Rd. will be re-conveyed back to Estrella
- The agreement is valid for 10 years or until the last O&M payment is made
- The “trigger” to initiate fulfillment of the obligations is the City giving notice
- There is no building permit, number of homes, or similar other trigger to track

Fire Service Agreement



CAPITAL CONTRIBUTIONS

- The site will be deeded to the City at a value of \$80,000 per acre.
- The total capital contribution towards the fire station is no more than \$5,870,000.
- The agreement recognizes the \$841,826 previously paid and the \$177,000 the City spent on work associated with the Willis Road site. The existing balance is agreed as \$664,826.
- The \$664,826 can be used by the City to begin design work.

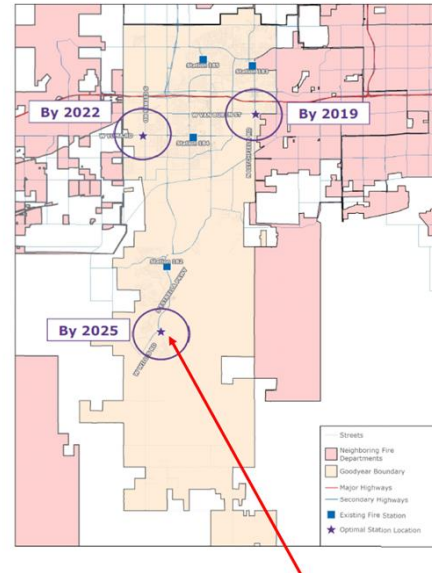
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CAPITAL CONTRIBUTIONS

- Estrella and the City will work in good faith to identify a station location that is in conformance with the optimal location identified by the 2016 Fire Station Study.

2016 Fire Station Study Optimal Location



Fire Service Agreement



CAPITAL CONTRIBUTIONS

- The City must give 180 day notice of intent to begin design
Capital Funding is payable according to:
 - ✓ Fire Truck amount payable to City within 45 days of the City placing the order and giving notice to developer
 - ✓ ½ of the capital funding is payable to the City within 45 days of the City issuing a notice to proceed on the construction of the fire station
 - ✓ All remaining capital funding is payable to the City within 45 days of the fire station being at the 50% construction completion point

Fire Service Agreement



CAPITAL CONTRIBUTIONS

- O&M Funding is payable according to:
 - ✓ O&M payments commence the 1st quarter after the permits for the station have been issued
 - ✓ O&M payments are \$452,000.00 for 19 successive quarters
 - ✓ O&M payments are automatically adjusted to reflect changes in CPI

Fire Service Agreement



REIMBURSEMENT

- The developer will be issued credits that are applicable to the fire development impact fees that are paid at the time of permitting of a home
- Should the City institute a cost recovery program related to the fire station, those funds shall be applied to any outstanding capital balances due to the City or paid to the developer as a reimbursement

Fire Service Agreement



OTHER HIGHLIGHTS

- The developer is expressly released from any obligations associated with the previous 500th building permit trigger
- The agreement expressly indicates that no permits will be withheld resulting from the fire station as long as the agreement is being fulfilled
- The timing of the fire station project rests solely with the City