

AGENDA ITEM #: _____

DATE: March 27, 2017

COAC #: 17-6036

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

**SUBJECT: Adopt Resolution No. 17-1792
Approving a West Goodyear Sewer and
Water Infrastructure Development
Agreement.**

STAFF PRESENTER: Rebecca Zook,
Engineering Director

CASE NUMBER: None

OTHER PRESENTER: None

PROPOSED ACTION:

ADOPT RESOLUTION NO. 17-1792 APPROVING A DEVELOPMENT AGREEMENT FOR WEST GOODYEAR SEWER AND WATER INFRASTRUCTURE, PROVIDING AUTHORIZATION AND DIRECTION TO TAKE ACTIONS AND EXECUTE DOCUMENTS; AND PROVIDING FOR AN EFFECTIVE DATE.

BACKGROUND AND PREVIOUS ACTIONS:

In early 2005, owners of sixteen properties located in the West Goodyear Central Planning Area, which encompasses 3,364 acres and over 8000 residential units to be located west of Citrus Road and south of Van Buren. At the time, the area was not being served by city wastewater or water and there were no plans on the part of the city to provide the infrastructure needed to serve this area.

Over the last ten+ years, a number of council actions involving the adjustment, renegotiation and extensions of the associated development agreements and a Cost Recovery Ordinance for the West Goodyear (WG) area were considered and subsequently approved by the Mayor and Council. The goal of the efforts by both the owners and the city was to stimulate the occurrence of development in the area.

In early January 2017, staff learned that five of the WG property owners (Amber Meadows, Paseo Ridge I & II, Las Ventanas, Pradera and La Jolla Vista) had joined together and agreed to participate in funding key regional water and sewer trunk line extensions in West Goodyear. The cost of the lines is nearly \$3 Million, however, and as a result of the partnership of the owners, they have effectively spread out the financial burden of building the infrastructure between the 5 property owners. The proposed West Goodyear Sewer and Water Infrastructure Development Agreement represents the culmination of the framework for the installation of approximately 3.5 miles of water and sewer trunk lines to serve close to 1900 single family residential units.

STAFF ANALYSIS:

The five West Goodyear property owners propose construction the public water and sewer lines at an estimated cost of \$3.4 Million based on the West Goodyear Cost Recovery Ordinance. These lines represent a total of 40% of the overall infrastructure required as part of the original

West Goodyear agreement originating in 2005. The proposed infrastructure development agreement guarantees that water and sewer construction will commence no later than 90 days following the date of execution after Council approval. It is estimated that the construction will be completed within 9-10 months of the start date.

City Benefits:

A) Construction Timing Guarantee:

The WGDG guarantees the water and sewer construction will commence no later than 90 days following the date of execution following approval by Council. The execution date is anticipated to be within 10 days of the Council meeting. If the construction does not begin (as defined by the agreement), the agreement will automatically expire.

B) Well Site Donation:

City will receive at up to five (5) well sites (approximate size 100' x 100') one from each of the participating properties. The City of Goodyear Public Works Department recently completed a Well Siting Study authored by Brown & Caldwell Engineering firm. The agreement has captured that the city has requested the sites be located within areas that are adjacent to city ROW for easy access and not be adjacent to residential lots.

C) Public Infrastructure

City to receive 3.5 miles of Public Water and Sewer lines with no capital investment. The impact of those lines is negligible. Other than some periodic cursory inspections, the expected level of maintenance will be none. Included in the agreement will be measures that assure the integrity of the lines and its appurtenances at the time they are re-commissioned.

D) Updated Engineering Standards

If city standards change during the 10-year vesting period, construction documents will be required to be updated and applicable fees for the processing and review of said construction plans will be assessed and paid by the WGDG.

WGDG Requests:

1) 10-year vesting of final plats: This would pertain to the plats associated with the five (5) property owners that are part of the venture. It should be noted that when a developer commences construction on requirements associated with a development (whether on-site or off-site) their final plat becomes vested with no expiration.

2) Consolidated Plan Approval: To accomplish this construction venture, certain plans will be separated and combined to create the construction plans for the 3.5 miles of lines. Existing plans have all been approved and city fees have been paid. Over the past 2.5 years, the WGDG has paid a total of \$1,025,000 to gain approval of construction plans for the development of the parcels that are part of the referenced agreement. During 2016, \$148,000 was expended to gain approval or re-approval of certain aspects of the engineering plans and \$110,000 was spent for the recent-rezoning of parcels 4 and 6 within La Jolla Vista.

3) Escrow Account: The WGDG is asking for the authority to utilize an escrow account as the form of financial assurance for the construction of the public infrastructure.

4) Plan Approval: construction plans for the affected developments be approved for 2 years versus 1 year and requesting two 1-year extensions.

5) Assistance with RID and MCESD: City to assist with reasonable efforts to coordinate with the Roosevelt Irrigation District and the Maricopa County Environmental Services Department to gain final approval of the Consolidated Water and Sewer construction documents.

The five West Goodyear properties participating in this agreement are projected to produce \$4,258,922.00 of discretionary revenue to the City over the next six years and a total of \$9,503,379.00 to buildout – with sales and property tax revenues continuing permanently.

RECOMMENDATION:

Staff recommends approval of the West Goodyear Sewer and Water Infrastructure Development Agreement.

ATTACHMENTS:

Resolution 17-1792

Exhibit 1: Map of Regional Water Lines and Map of Regional Wastewater Lines

Exhibit 2 Development Agreement for West Goodyear Sewer and Water Infrastructure including exhibits A-E