

**CITY OF GOODYEAR
COUNCIL ACTION REPORT**

SUBJECT: Authorize expenditures of funds in excess of \$500,000 for revenue collection based payments made under development agreements and authorize required budget transfers FY2019	STAFF PRESENTER: Lauri Wingenroth, Finance Manager – Budget and Research CASE NUMBER: None OTHER PRESENTER: None
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PROPOSED ACTION:

Authorize the FY2019 expenditures of funds in excess of \$500,000 that are contractually based on actual revenue collection and any FY19 budget transfers needed to pay based on the revenues collected as follows:

Newland Real Estate Group LLC:

100% of Parks – South Impact Fees for Foothills Park reimbursement

100% of Water – South Impact Fees for Rainbow Valley Campus and Booster Station, Northern Solutions, and Surface Water projects reimbursements

100% of Wastewater – South Impact Fees for Rainbow Valley Water Reclamation Facility reimbursement

100% of Fire – South Impact Fees for Fire Station 186 reimbursement

Westcor/Goodyear LLC:

50% of sales taxes collected in Goodyear Centerpoint and Market at Estrella Falls for infrastructure reimbursement

BACKGROUND AND PREVIOUS ACTIONS:

Per resolution 08-1255 all expenditures of budgeted funds in excess of \$500,000 must obtain council approval.

The FY2019 budget has been adopted and includes appropriations for paying developer agreement reimbursements to Newland and Westcor.

STAFF ANALYSIS:

Certain development agreements obligate the city to reimburse developers for infrastructure provided. Each agreement identifies the costs that are to be reimbursed and the source of payment for those reimbursements. Further, state law requires that developers be reimbursed or receive credits for infrastructure they install that is in the Infrastructure Improvement Plan and is collected through the related impact fees.

None of the underlying agreements are expected to be satisfied within FY2019. As a result, all of the revenues received as describe are required to be paid under the terms of the related development agreements.

The Newland Fire Station 186 reimbursements have not begun and will not be initiated until the agreement terms for reimbursement are met. All of the other reimbursements are already in process, with the exception that the Surface Water project will be added to the items already eligible for reimbursement also consistent with the terms. It is not anticipate that the existing Water - South Impact Fee obligations for Rainbow Valley and Northern Solutions will be satisfied in FY2019.

FISCAL ANALYSIS:

The FY2019 budget includes the following as the estimated payments:

Newland	
Parks – South Impact Fees	\$ 444,900
Water – South Impact Fees	\$ 5,338,700
Wastewater – South Impact Fees	\$ 863,000
Fire – South Impact Fees	\$ 513,300

Westcor	
50% of Sales Tax Revenue	\$ 2,400,000

Both impact fees, due to high levels of building activity, and sales taxes, through conservative budget practice, are likely to exceed the budgeted level. As a result, budget authorization to spend above these budgets up to the eligible reimbursement amounts is also requested.

RECOMMENDATION:

Authorize payments to Newland and Westcor for revenue collected and reimbursable per existing development agreements and required budget transfers to maintain the budget at the obligation amount.

ATTACHMENTS:

None