

**CITY OF GOODYEAR  
COUNCIL ACTION REPORT**

<b>SUBJECT: Adopt Resolution 2018-1905 Approving First Amendment to Development Agreement for West Goodyear Sewer and Water Infrastructure and First Amendment to Escrow Agreement.</b>	<b>STAFF PRESENTER:</b> Rebecca Zook, Director of Engineering  <b>CASE NUMBER:</b> None  <b>OTHER PRESENTER:</b> None
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**PROPOSED ACTION:**

ADOPT RESOLUTION NO. 2018-1905 APPROVING THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR WEST GOODYEAR SEWER AND WATER INFRASTRUCTURE AND THE FIRST AMENDMENT TO THE ESCROW AGREEMENT; AUTHORIZING THE EXECUTION OF THE AMENDMENTS; 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 was anticipated at nearly \$3.4 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 resultant Development Agreement for West Goodyear Sewer and Water Infrastructure (the "Infrastructure Development Agreement") represented 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.

In March, 2017, the Mayor and City Council adopted Resolution No. 17-1792, approving the Infrastructure Development Agreement and the financial assurance in the form of an Escrow Agreement that was to be entered. Both the Infrastructure Development Agreement and the Escrow Agreement required that the infrastructure improvements identified in the agreements be completed within an 18 month time frame.

**STAFF ANALYSIS:**

Challenges to the project design and construction have arisen, resulting in delays to the originally anticipated project schedule, as well as changes to the overall cost estimate for the project. Due to these delays, the WG property owners wish to extend the project timeframe from 18 months to 24 months and to amend the Infrastructure Development Agreement and the Escrow Agreement to allow for the WG property owners to increase the funds in the escrow account, based on the updated construction cost estimates.

**FISCAL ANALYSIS:**

There is no immediate budget impact to approving this item. This First Amendment to the Development Agreement for West Goodyear Sewer and Water Infrastructure and the First Amendment to Escrow Agreement revises the terms related to the owner's obligation to complete the project in a specified timeframe. The Developer has paid the City fee of \$3,500 for an Amendment to a Development Agreement.

**RECOMMENDATION:**

Staff recommends approval of First Amendment to Development Agreement for West Goodyear Sewer and Water Infrastructure Development Agreement and the First Amendment to Escrow Agreement.

**ATTACHMENTS:**

Resolution 18-1905

- Exhibit 1 – First Amendment to Development Agreement for West Goodyear Sewer and Water Infrastructure
- Exhibit 2 – First Amendment to Escrow Agreement