



City of Goodyear

Meeting Minutes

City Council Work Session

Mayor Georgia Lord
Vice Mayor Sheri Lauritano
Councilmember Joanne Osborne
Councilmember Joe Pizzillo
Councilmember Wally Campbell
Councilmember Bill Stipp
Councilmember Sharolyn Hohman

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

Monday, October 5, 2015

4:30 PM

Goodyear Justice Center

1. CALL TO ORDER

Mayor Lord called the Work Session to order at 4:30 p.m.

2. ROLL CALL

Present 7 - Mayor Lord, Vice Mayor Lauritano, Councilmember Osborne, Councilmember Pizzillo, Councilmember Campbell, Councilmember Stipp, and Councilmember Hohman

Staff Present: Deputy City Manager Wynette Reed, Assistant City Attorney Sarah Chilton, and City Clerk Maureen Scott

3. AGENDA ITEMS FOR DISCUSSION:

- 3.1** [15-5676ws](#) Council will receive an update on efforts related to development of properties located in the West Goodyear Central Planning Area.

Engineering Director Rebecca Zook presented a recap of the West Goodyear Central Planning Area (WGCPA). In early 2005, owners of sixteen properties located in the WGCPA, were looking to develop their properties, which at build-out were projected to result in the development of more than 6,000 new residential units. The WGCPA is generally bounded by Interstate 10 on the north, MC-85 on the south, Cotton Lane on the east and Perryville Road on the west. The West Goodyear Property Owners and the city developed a contractual framework that would allow for the construction of the municipal facilities needed for the city to provide water, wastewater and fire/EMT services to the West Goodyear Properties and that served for the basis for the city to support the annexation and/or rezoning of the West Goodyear Properties. This framework was set forth in a Memorandum of Understanding (MOU).

Since the MOU was executed, the city entered into development agreements consistent with the MOU with most of the WGCPA owners, water and sewer master utility studies for the WGCPA were completed, and Cost Recovery Resolutions providing for the reimbursement of the costs of constructing the regional water and wastewater lines reflected in the studies were

adopted. In addition, all of the West Goodyear Properties that were outside the city boundaries have been annexed into the city, and all have been rezoned.

In 2007 and 2008, there was an 80% downturn in building permits, and since then we have experienced a slow economic recovery. Permits began to rise again in 2012. Staff anticipated that they would continue to rise; however, they stabilized but did not increase. Over the past six-to-eight months, the city has seen a steady increase in building activity, and owners of the West Goodyear Properties have seen an increase in interest from potential homebuilders and developers. WGCPA developers were excited to develop in Goodyear, but significant up-front infrastructure requirements were causing potential homebuilders to lose interest.

City staff met internally to determine what opportunities for flexibility could be considered while ensuring the city is protected and able to develop strategically. Staff spent significant time considering options both internally and with the WGCPA developers.

Based on those meetings, staff recommends an updated framework for the Cost Recovery Resolution and each Amended and Restated Development Agreement allowing for flexibility. The Amended and Restated Development Agreements would replace any existing development agreements. A summary of the proposed universal “deal points” follows:

PHASING:

- When it is determined that the phasing of a parcel can occur, the city will work with the developer/owner to review and approve a phasing plan during the plan review process. The phasing must ensure that the initial phase and each subsequent phase can stand alone with respect, but not limited to, water, wastewater, transportation needs, fire access, etc... Phasing will be considered for both internal and external improvements to include cost recovery lines.

DEVELOPMENT AGREEMENTS:

- The city is open to utilizing assurance options beyond performance bonds for onsite improvements. The city will allow for Certificate of Occupancy holds and building permit holds for future phases of development and for securing the construction of on-site improvements for phases under development. Performance bonds are to be used for off-site improvements (those improvements that are located outside of the development boundaries).
- The city may be open to interim solutions that would allow for development to occur without requiring the construction of all of the regional water and sewer lines that will provide some benefit for the property with the recordation of the first final plat. These interim solutions would be allowed only if the development otherwise complies with all applicable engineering and subdivision requirements. They will not be allowed if the interim solutions negatively impact the city, financially or otherwise. The use of an interim solution will not relieve the developer from making the cost recovery payments for the regional water and sewer lines that, when constructed, will benefit the property. At this point, staff believes these “interim” solutions will involve interim solutions for secondary sources of water.
- Developers will be responsible for remitting cost recovery payments for all regional

lines included in the Cost Recovery Resolutions of Intention prior to the recordation of the first final plat or the approval of the first site plan for the property. This includes, by way of example, payments for the portions of the regional lines not constructed because of a phasing plan, payments for portions of regional lines not constructed because an interim solution is required, and payments for portions of regional lines that are under construction but not completed when the first final plat is recorded or site plan is approved.

- The city will remove any and all Cost Recovery lines that are currently part of the Infrastructure Improvement Plan (IIP) Impact Fee model but have not yet been constructed. We will also eliminate development impact fee credits for the construction of the cost recovery lines. The sole source of recovery for the costs of constructing the regional water and sewer lines will be through the Cost Recovery Ordinance.
- Any existing or future approved engineering plans for Cost Recovery lines are to be cooperatively shared among the West Goodyear Owners/Developers
- West Goodyear Owners/Developers are to work cooperatively during the development of the West Goodyear parcels.
- All other requirements not noted/mentioned will be held in full force.

In addition, WGCPA owners and developers have asked that the time-frame for recordation of final plats be extended. Currently, approved final plats must be recorded within 90 days of approval with the ability to obtain a 90-day extension for a total of six months. The WGCPA owners and developers have asked that the city extend the time limit for recordation to one year from the date of approval to allow them the time needed to find residential buyers for the property. Although the 90-day recordation deadline with an optional extension is consistent with other valley cities, the WGCPA properties are unique. Because of the amount of infrastructure required to be constructed, and the cost recovery payments that are due at the time of recordation of the first final plat, the developers and owners of the WGCPA properties have advised they need homebuilders' commitments before committing to the infrastructure construction and cost recovery reimbursement obligations associated with their respective properties. Staff is supportive of allowing additional extensions for recordation of up to a year provided that there have been no changes in circumstances that would affect the viability of the approved plat.

Staff considers development an overall partnership between the city and the development community. Their success is our success. Our philosophy is that growth pays for growth, but we need to offer flexibility to ensure that the developments are successful.

Zook thinks it is important to note that, although Las Brisas is the only development issuing building permits, there has been an enormous amount of time and money that has been put into the other WGCPA developers' water, sewer, and roadway plans. This will ensure that when it is the right time for development, we are able to move forward quickly. She reviewed the existing and proposed cost recovery water and sewer lines. There are certain requirements for up-front construction for lines that aren't the primary sources that can cause "unnecessary up-front" costs. There is not an interim solution for sewer lines. Those lines must be constructed before houses can go in.

Zook reported that the development agreements are going to be modified with the understanding that the developers will be working with the Development Services and Engineering departments to ensure that they are meeting all of our requirements. In order for them to develop, they must abide by all of the requirements. We are just trying to provide some flexibility so that any up-front costs can be spread across the development phases. We are trying to put Goodyear in the forefront as a community that wants to grow and develop so that we can further economic development throughout the city. There are no changes to the overall Cost Recovery Ordinance, we are merely providing more flexibility. We are not opening up any additional risk to the city.

Council Discussion:

>Do we have a normal growth cycle? Zook responded that staff feels that 150-175 permits issued per month would be healthy and sustainable for our size and growth patterns.

>There are certain costs that have increased as a result of the economic downturn.

>Do developers have builders that are ready to build before they construct the water and sewer lines? Zook responded that it depends. Sometimes a property owner is not a developer and needs to have a homebuilder lined up ahead of time, but others are developers/homebuilders.

>Since two water line sources are required, and it is possible to construct a shorter interim water line source to save costs, is the interim line as safe as having the "full blown" water line in? Zook responded that shorter interim lines can be used as long as the developer can "prove up" their water report to show us that the line can handle the portion of the area they are proposing to develop. The interim line would not be thrown away when the main line is constructed. It would be a third line that would make the water system even more reliable.

>Why would the interim line not be good for the entire piece? Zook responded that no builder would be allowed to use an interim solution before showing that it would be able to provide the necessary water and the looping, as well as the fire requirements. Allowing the builder to use an interim solution does not take away their financial obligation to the entire project. They will still be required to pay their proportionate share of the Van Buren Street line when they record their final plat.

>Agrees with this solution as long as it is safe and it provides the necessary backup water system.

>Clarified that the developers will be building these lines.

>Likes the idea that an interim line could allow the developers to build sooner, rather than waiting for the main line to be constructed.

>Asked if this will cost the City Anything. Zook responded no.

>Appreciates staff taking another look at this area with solutions that won't compromise the health and safety of our residents.

>Is this solution specific to WGCPA, or are we looking at this City-wide? Zook responded that the phasing and assurance opportunities are things that we are looking at citywide. The reason these things are being brought before Council are because they could not be considered as part of the West Goodyear Development because the development agreements did not allow for it. We have been looking at these options for other developments and felt we should

provide those same opportunities to the West Goodyear Developments. Interim solutions may not be something that needs to be considered for the other developments because they don't have the pre-obligated cost recovery lines associated with them that this development does. If a situation does come up in other developments that is shown to be cost-beneficial for the developer, it would be considered as a viable solution by staff.

>The city has given up a lot to the developers through these development agreements.

What have the developers given back? Zook responded that she doesn't feel we are giving anything up to the developer. We are trying to work with them so they can develop within our parameters and engineering requirements to make sure that we are creating a safe community. Flexible options allow them to phase their developments and get more traffic to the area. We are trying to open our doors for opportunities for the developers. Zook asked Council to keep in mind that when the building permits are issued, we will then be collecting impact fees that can be used for water and sewer facilities, fire and police departments, and parks.

>Clarified that we aren't losing anything or exposing ourselves to undo risks by making these changes. We are building density and opening the door to collect fees and increase our tax base.

>Each proposal will be brought before Council for approval.

>This is the fourth amendment. Council is disappointed that past estimates haven't been accurate, and that we have missed deadlines. Assistant City Attorney Sarah Chilton pointed out that, in terms of extending recording times for final plats, there are no changes in conditions that would create a problem for the city if the recordation of the existing final plats were delayed. If the builder would be required to resubmit the final plat again for approval, it is would still be the same master plan and the same utility studies that Council has already approved. The goal has always been to find a structure that will allow development in west Goodyear. We are now putting the West Goodyear developers on the same footing as other developers within the city. We have learned that you can't force development and make it happen before it's ready. The delays are directly related to the economic downturn and the high costs involved for development. Council's focus has always been to find a way to make development happen, and that is what we hope to do with these amendments.

>How many lots have been sold? Zook responded that Las Brisas has been the most successful development with the issuance of building permits.

>Asked about extending the time for recording the final plat from six months to one year.

Chilton responded that we are looking at that citywide. The reason is that it is taking longer than six months for the developers to determine infrastructure requirements and find buyers. The sole risk to the city is an assured water supply, and that has been addressed. There would be no further extension beyond one year.

>Likes the "phasing" option for the developers.

>Asked for clarification of Assurance Method and how it mitigates risk to the city. Zook responded that we currently use the performance bond option. For all public infrastructure that is built, bonds are required so that developers don't walk away from a project. If the developer abandons a project, the city could call that bond and construct those improvements. We are now considering a "certificate of occupancy hold" or a "building permit hold" for on-site improvements. We would still utilize a performance bond for off-site improvements. Chilton responded that building permit holds are also used for subsequent phases, even for off-site, so that there is no risk that they will try to develop without committing the bonding for the off-site

improvements for the next phase. This will be done with an agreement. Since bonding costs are so high, we may consider other alternatives to ensure the "off-sites" in the future, that will provide us with the financial assurances that we need, but are less expensive to the developer.

>Thanked all the developers who have been involved in this project, as well as staff.

>Adding these new homes will also help the commercial corridors in that area.

>Important that these developments also integrate the connection to the Parks and Trails Master Plan.

- 3.2 [15-5684ws](#) Council will receive an update on the Arizona Department of Transportation (ADOT) Noise Re-evaluation study that is being conducted along the north side of Interstate 10 (I-10) from State Route 303 (SR-303L) to Estrella/PebbleCreek Parkway.

Engineering Director Rebecca Zook presented. On August 31, 2015, the City Council approved an agreement with Arizona Department of Transportation (ADOT) to provide funding in the amount of \$50,000 for a noise re-evaluation study.

Zook reviewed the criteria used to select sites for the noise receivers. Receivers were placed for both long-term and short-term durations. The long-term receivers were located at 13 various sites along the specified corridor for up to 11 days at a time. Study locations were volunteered by homeowners who were involved in a prior study, along with additional homeowners who offered their sites for this study. As of September 28, 2015, there have been 571 hours of long-term noise level and 14 hours of short-term noise level measurements taken, for a total for 585 hours of data. There are other additional locations that will provide approximately 200 more hours of information. Zook presented the preliminary decibel results that were collected from during the month of September.

ADOT Threshold - 64 decibels (Arizona Standard Guidelines)
FHWA (Federal Highway Administration) Threshold - 67 decibels (Federal Standard Guidelines)

When the hourly average noise readings exceed the ADOT decibel threshold, it triggers an analysis. If none of the readings had gone above the threshold, we would not be continuing the noise study.

Staff conducted two public meetings last week. They met with volunteers that were part of the study, and they also held a public meeting at PebbleCreek Eagles Nest. There were approximately 100 attendees. They shared the preliminary results and listened to their comments.

The next steps are to collect additional data from two more sites. Additional analysis is warranted because we did exceed the ADOT threshold. There will be another five weeks of analysis. There will be public meetings held in mid-November to review results and recommendations with homeowners in the area. Staff will share the results and possible mitigation remedies with Council in December 2015.

Council Discussion:

>**Is there a comparison baseline study?** Zook responded that we have the model that was originally run for this area on I-10, and that is the model that will be used for the analysis.

>**If mitigation is required, when will Council be presented with options?** Zook responded that they will bring back a comprehensive report that shares results, analysis, and responses to questions. They will present available options that will be the most meaningful.

>**Thanked staff and the consultants for their efforts.**

>**Anxious to hear possible solutions to the noise issues.**

>**Appreciates that staff took the time to present the results to the residents in the affected area at public meetings.**

>**Received positive feedback from residents about how this issue has been handled by staff.**

4. INFORMATION

None.

5. ADJOURNMENT

There being no further business to discuss, Mayor Lord adjourned the Work Session at 5:56 p.m.

Maureen Scott, City Clerk

Georgia Lord, Mayor

Date: _____