

Minutes of the Special Meeting held March 5, 2014 at 6:00 p.m. in the Council Chambers.

MEMBERS PRESENT

Mayor Lopez Rogers and Council Members

Frank Scott, Vice Mayor
Stephanie Karlin
Bryan Kilgore
Jim McDonald (via telephone)
Charles Vierhout
Ken Weise

ALSO PRESENT

David Fitzhugh, Acting City Manager
Gina Montes, Assistant City Manager
Kevin Artz, Finance and Budget Director
Andrew McGuire, City Attorney
Carmen Martinez, City Clerk

1 ROLL CALL BY THE CITY CLERK

Mayor Rogers asked for a moment of silence in honor of the fallen Phoenix Police Officer.

2 RESOLUTION 3173-314 - LAND USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENTS PLAN AND NOTICE OF INTENT

A resolution adopting the Land Use Assumptions, Infrastructure Improvements Plan and a notice of intent to assess development

Finance and Budget Director reviewed the particulars of this item as more specifically described in the council report.

In response to a question from Council Member Karlin, Mr. Artz indicated that the minimum amount would be zero but that would mean that the city would need to find revenue sources to pay for infrastructure improvements. While staff would not recommend going that low, a calculation could be made that would allow for the city to remain competitive and still collect some development fees. He added that the recommended fees represent the break-even point.

In response to a question from Council Member Weise, Mr. Artz indicated that the proposed fees apply to both residential and commercial development and the city has received no feedback from commercial developers. He proceeded to indicate that while it may appear that Avondale's fees are higher than some neighboring communities, a true comparison is difficult as different services are included in the fees. Overall competitiveness of one community over another includes more than development fees.

Council Member Vierhout asked what it would take for Avondale to have different fees for different areas. Mr. Artz indicated that communities like Goodyear has established service areas based on the services they provide in each community. Staff has looked at the option, however Avondale's services are well integrated and are provided equally throughout the city. It would not make sense for Avondale to divide the city into several service areas. City Attorney Andrew McGuire commented that in the future Council may consider establishing separate service areas for storm water which is currently not part of the fees being charged. In response to a question regarding establishing a "fee holiday",

Mr. McGuire indicated that a financial and legal analysis would need to be made to determine if that is a good approach.

Vice Mayor Scott asked how long it would take to change the city's fees. Mr. Artz responded that it would take approximately nine months to prepare an amendment to the fees. Mr. Artz added that fees could also be phased in over a specified period of time.

In response to a question from Council Member McDonald, Mr. Artz indicated that most consultants use the same methodology when preparing an infrastructure improvement plan. Council Member McDonald asked if the wastewater treatment plant's capacity is being used in the calculations. Mr. Artz confirmed that is the case, which means that new growth will pay to buy into the existing capacity. In response to a subsequent question, Mr. Artz indicated that if the maximum amount is not adopted, the extent of the subsidy would depend on the number of home built in any particular year. Council Member McDonald commented that he would be in favor of adopting the maximum amount, he noted that the city will receive push back from homebuilders but in the end the city should not charge for infrastructure less than the actual cost of building it.

In response to Council Member Kilgore, Mr. McGuire indicated that fees are subject to a refund if they are not spent for the purpose for which they are collected. He added that the provision places a burden on staff to make sure that the infrastructure improvement plan is achievable and that the money is spent within the allowed time period.

Council Member Weise commented that he would not be in favor of a phase-in of the fees as he does not believe it would necessarily make the city more competitive.

Council Member Vierhout commented that he is in favor of setting the fee at the maximum amount as it appears construction takes place in cities where services are provided and not necessarily those with the lowest fees.

Carolyn Oberholtzer spoke on behalf of Red Development. Mr. Oberholtzer commented that more than the amount of the fee, developers want to see that all of the infrastructure that will need to be constructed is included in the fees that are charged. She indicated that the proposed fees are high and as a developer, she would like to be able to champion the city of Avondale as one that is competitive with neighboring communities.

Heather Personne spoke on behalf of Evergreen Development and the negative impact that the proposed fees will have in their ability to attract development to Avondale. She indicated her company owns some residential properties in the city that have been marketed for sale to homebuilders. Her company would like to see the properties developed to the standard that was envisioned when approved. She added that the current and proposed fees will pose challenges to bring the plans to fruition and encouraged the Council to consider the city's competitive edge when considering the final fees.

Council Member Weise enumerated the services and facilities that Avondale offers to its residents and indicated he is comfortable with the fees that are being proposed.

Mayor Rogers commented that Council believes that growth should pay for itself.

Council Member Weise moved to adopt Resolution 3173-314; Council Member Karlin seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

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|-------------------------|-----|
| Council Member Vierhout | Aye |
| Council Member McDonald | Aye |
| Council Member Weise | Aye |
| Mayor Rogers | Aye |
| Vice Mayor Scott | Aye |
| Council Member Karlin | Aye |
| Council Member Kilgore | Aye |

Motion carried unanimously.

5 ADJOURNMENT

There being no further business before the Council, Council Member Weise moved to adjourn the regular meeting into executive session. Council Member Vierhout seconded the motion, which carried unanimously.

City Council meeting adjourned at 6:52 p.m.


Marie Lopez Rogers


Carmen Martinez, CMC
City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the Council of the City of Avondale held on the 5th day of March. I further certify that the meeting was duly called and held and that the quorum was present.


Carmen Martinez
City Clerk