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MINUTES OF SPECIAL MEETING OF THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, held in the Council Conference Room, 88 E. Chicago Street, on Thursday, August 14, 2014.

THE MEETING WAS CALLED TO ORDER BY MAYOR TIBSHRAENY AT 5:30 p.m.

The following members were present:	Jay Tibshraeny	Mayor
	Rick Heumann	Vice-Mayor
	Trinity Donovan	Councilmember
	Nora Ellen	Councilmember
	Kevin Hartke	Councilmember
	Jack Sellers	Councilmember
	Jeff Weninger	Councilmember

Also in attendance: Rich Dlugas, City Manager; Marsha Reed, Assistant City Manager; Nachie Marquez, Assistant City Manager; Kay Bigelow, City Attorney; Marla Paddock, City Clerk; RJ Zeder, Transp. & Dev. Director; Chris MacKay, Economic Development Director; Matt Burdick, CAPA Director; Jeff Kurtz, Planning Administrator; Jodie Novak, Senior Planner; Dawn Lang, Management Services Director; Dave Siegel, Municipal Utilities Director; Dan Cook, Transportation Manager.

Downtown and South Arizona Avenue Bond Improvements

MR. DAN COOK, Transportation Manager reviewed the bond authorizations approved at the 2007 Bond Election. He stated there was an Arizona Avenue Bond Committee and they decided to break the improvements to four separate funds. Improvements to Arizona Avenue were included in the Streets, Parks, Water, and Sewer Bonds. The total authorization was \$60 million for the bond amount including the issuance.

Mr. Cook then reviewed the projects that were completed to date which total to be \$17,965,340. There was \$17,204,640 of General Obligation Bonds used for Streets and \$457,700 used for Parks.

He noted there were remaining projects as listed in the PowerPoint presentation.

Mr. Cook showed a map displaying the Downtown South Arizona Avenue Proposed Projects Key Map.

Washington Street-Frye Road to Elgin Street: Estimated: \$2,096,000. This project is related to the Alta Chandler project recently approved by Council. This includes two lanes with bike lanes, parking, and utility replacements.

Sites 4 & 5: Estimated: \$3,331,000. Mr. Cook said the suggested improvements are made with assumptions of what the developer would be responsible for. The developer would construct

Dakota, California, Essex and half of Boston and Commonwealth Street. The City would do the south half of Boston, and the water and sewer lines. He noted Dakota Street from Buffalo Street to Commonwealth Avenue, through the San Marcos is an estimated cost of \$1.5 million. This is still under discussion. COUNCILMEMBER WENINGER asked if this was in participation with the developer. Mr. Cook said it was not part of the Site 4 & 5, but he is showing it as it has a benefit to the site.

Site 6: Estimated: \$2,753,000. This includes reconstruction of Oregon Street, and mill and overlay on Chicago Street, landscape, streetlights, water and sewer lines with a redundant water feed to Sites 4 & 5, along with some utility abandonments in Wall Street. The VICE MAYOR asked if the north alley water line was currently serving the "Square". Mr. Cook replied it was, however it is an old line and they would look to increasing it to 12" to help with redundancy.

Arizona Avenue and Fairview Street Projects:

Arizona Avenue: Estimated: \$6,421,000. Four lanes with bike lanes and a third southbound lane south of Fairview, parallel parking and decorative streetlights, 12 inch water line, and right of way acquisition. He stated the future abandonments that are shown on the map relate to future developments and would not need to be done as part of this city project.

Fairview Street: Estimated \$7,844,800. Intersection improvements would include an installation of a signal. Fairview Street could be a separate project. In response to a question from Vice Mayor HEUMANN, Mr. Cook said the \$7.4 estimate is the right of way cost for the trailer park. The construction, right of way, design and contingencies would be around \$12 million dollars. He noted that California Street does not go through the trailer park. By extending California Street, it will allow better circulation off of Arizona Avenue. Mr. Cook said the numbers do include acquisition and relocation

Washington Street – Elgin to Pecos Rd: Estimated for right of way \$1,939,800. Estimate for Construction \$5,139,000. Two lanes with bike lanes, angled parking and 5' sidewalk on west side, parallel parking and 8' sidewalk on the east side, and decorative LED streetlights, 16" water main, 8" and 10" sewer line and a new park.

Chicago and California Streets Water Line Improvements: Estimate: \$658,000 Mr. Cook said this project recreates a backbone water system that future development would need.

MANAGEMENT SERVICES DIRECTOR DAWN LANG reviewed what was currently in the budget and project carry forward which totals \$3,910,260. She reminded the Council the Downtown Redevelopment CIP has \$500,000 a year available for land acquisitions in downtown. Vice Mayor HEUMANN asked why the \$1 million carry forward. MR. ZEDER responded that the money was for the right of way acquisition for the remainder of Washington Street down to Pecos. With the approval of the development agreement ALTA project, the money has been repurposed and it will be applied to construction of Washington Street from Frye to Elgin.

MS. LANG displayed a PowerPoint slide that depicted all the projects on a proposed 5 year CIP. This would not include the last project discussed, the trailer court. She said the projects total \$17,606,800. She said this includes only the Street and Park projects; this does not include the water and wastewater projects. The focus is on General Fund and General Obligation Bonds and the projects are based on the priority identified. Mr. Zeder added that the attempt was to show the projects that are needed to support development. Ms. Lang then explained the

various funding options for the estimated \$17.61 million of projects. There are three options that include: more bonds, less cash; less bonds, more cash, or all cash. She noted the current authorization of \$3.91 million. She reported the Impact on Secondary Tax rate for more bonds, less cash would be an impact of 1.7 cents. The bonds would not be able to be sold until FY2016-17. In response to a question from Councilmember SELLERS, Ms. Lang said this includes anticipated increases in assessed value. A less bonds, more cash scenario has an impact of 0.6 cents, however the assessed value may have an increase that would make this amount negligible.

MR. ZEDER explained the theory staff has been working under is the priority is Washington Street Extension. A consideration is to do Arizona Avenue first. He reviewed the advantages of completing Arizona Avenue from Frye to Pecos Roads including: Gateway into Downtown Chandler, adaptive reuse opportunities, encourage redevelopment south of Frye Road, and add safety improvements.

In response to a question from the MAYOR, Mr. Zeder said if right of way acquisition for Washington Street occurs in the next five years, but not construction the difference is about \$4 million. The Mayor said it's one thought to complete the acquisition of Washington Street, but if looking at prioritization of dollars, in his opinion, Arizona Avenue is a much more important transportation corridor. The general consensus of the Council was to make Arizona Avenue a priority.

COUNCILMEMBER HARTKE asked the possibility of the city completing Arizona Avenue and then incentivizing some other development that could span over to Washington Street and then have the private sector develop Washington. Mr. Zeder said the city is making the investment in the infrastructure to make the area more attractive. Those types of issues would be worked out in a development agreement.

MAYOR TIBSHRAENY said there are many single family lots and if a developer wanted to do that, great; but, that is a major undertaking.

MR. ZEDER said the option being displayed would assume continuing right of way acquisition down to Pecos.

The Mayor noted the opportunity on Arizona Avenue would be the relocation of the complexes on Fairview and Arizona Avenue.

MR. ZEDER noted the various funding options for Arizona Avenue for \$13.64 million using the bonds/cash scenarios.

VICE MAYOR HEUMANN asked when the bond was authorized in 2007 was there conversation of proceeding north of Chandler Boulevard. Mr. Cook stated no.

MS. LANG reviewed the General Fund Balance Projection. She explained at the end of FY13-14 it was projected to be at \$145 million. Based on current collections, it will probably be higher. The current year, 2014-15 includes budgets for parking garages for Sites 6 & 7. Depending on timing, the year-end could be higher. She noted by the end of the 5th year, the projection will go up as there are not many projects built in, yet the one time is still building. She said this shows very well and are sets the city in a good place in the General Fund balance for bond ratings, as long as there is planned use for drawdown.

