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JUN 25 2009



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*Where Values Make The Difference*

**MEMORANDUM**

**City Manager – Council Memo MC09-047**

**DATE:** JUNE 22, 2009

**TO:** MAYOR AND CITY COUNCIL

**THRU:** W. MARK PENTZ, CITY MANAGER 

**FROM:** PAT MCDERMOTT, ASSISTANT CITY MANAGER 

**SUBJECT:** HAMILTON/ARMSTRONG ROAD PROJECT (ALLIED WASTE)

In 2006, Allied Waste submitted a request for approval to construct a solid waste transfer station north of the northwest corner of Hamilton and Germann. This is unincorporated land and the request was through Maricopa County. Maricopa County approved the construction of the transfer station with numerous conditions. The City of Chandler, prior to those hearings for the County, submitted a resolution opposing the site of a transfer facility at that location. The opposition centered around negative impacts of both truck traffic as well as negative spillover from a transfer station such as trash and odor that would negatively impact Tumbleweed Regional Park.

After the approval of the transfer station, staff began to work on an alternative of constructing a roadway along Armstrong from McQueen to Hamilton and completing the Hamilton section from Armstrong south to Germann. The thought process in pursuing this alternative route was that truck traffic and the negative impact of solid waste trucks going to the transfer station would be greatly mitigated if an alternative roadway was constructed. Additionally staff felt that in the long run it would be advantageous to have the Transfer station on City water and sewer. Initially staff pursued an improvement district which would involve both land parcels within Maricopa County as well as land within the city including city parcels. After having public meetings on the improvement district and moving partially through the improvement district creation process including having Jerry Buesing and HF12 (the parcel on the east side of Hamilton north of Germann) sign the petition, a newly appointed county public works director indicated that an improvement district was not allowed. Subsequent to that, the options became either to pursue two separate improvement districts, both of which would be very small and costly, or proceed with a development of the roadway under contract agreement.

It was determined that improvement districts would not work in this matter and we pursued a voluntary contractual arrangement between Allied Waste, Jerry Buesing, H12 and the City. Our scaled back concept involved only constructing the south half of Armstrong and constructing the full roadway on Hamilton Street including water, sewer, and reclaim water from Germann to Armstrong. This would allow the trash truck access off of McQueen to go down Armstrong and south of Hamilton into the Allied facility and also exit back onto Hamilton and exit west on Germann to Arizona Avenue taking a large majority of the traffic away from Germann. This would also be advantageous for Jerry Buesing's operations to have a portion of the truck traffic utilizing Germann stay off of Tumbleweed frontage.

The total project costs estimates were approximately \$2.8 million dollars. The City in order to encourage the land owners to participate in this agreement proposed that the City purchase the necessary right of way and then everyone participate equitably in the infrastructure construction. The following table lists the projected costs for each property under the agreement with Jerry Buesing and HF12 having their costs reflect their expense after they received reimbursement for right-of-way.

Property Owner	Cost to Develop	ROW Credit	Property Owner Pays	
<b>Buesing</b>	\$ 677,000	\$ 405,000	\$ 272,000	
<b>Allied</b>	\$ 769,000	\$ 28,000	\$ 741,000	
<b>HF12</b>	\$ 615,000	\$ 225,000	\$ 390,000	
<b>City</b>	\$ 768,000	-----	\$ 768,000	
			\$ 658,000	for land
			\$ 2,829,000	

Because HF12 was in the city and the City made the decision not to pursue an improvement district, I proposed to HF12 we would provide for a seven-year payback with interest on their infrastructure costs. HF12 has agreed to this arrangement. As far as Buesing, we did request that he pay all of his cash upfront and also enter into an annexation agreement. We also identified future land uses that would be acceptable to us once his concrete recycling operation moved or was discontinued at this site. At this point, Mr. Buesing has not responded positively or negatively to the proposed terms. I proposed to Allied Waste that they would pay their costs of up front and also agree to annex into the city within twenty-four months after receiving the CO on their initial construction of their transfer station. Allied Waste verbally said they would agree but with conditions. As of the writing of this memo I have not received feedback as to what those conditions might be.

Given the responses to date, it would appear that we are not, at this time, able to proceed with a roadway and utility alternative of Armstrong/Hamilton if the city is anticipating an equitable sharing agreement of the construction costs, and also wants to maintain its' position of no water and sewer service to properties outside of the city unless they are willing to annex at some future date.

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As to the original goal of not having truck traffic on Germann, it should be noted that one of the stipulations in the approval by the County was that Allied Waste controlled trash trucks would enter from the west and exit to the west thus minimizing some of the truck traffic on Germann Road in front of Tumbleweed Park. The stipulation did not address other companies that may utilize the transfer station not under control of Allied Waste. Additionally, Allied Waste is required when the Armstrong/Hamilton route is put in to utilize that routing but is not required to participate in the construction of the routing.