

City of Glendale Council Workshop Agenda

August 5, 2014 - 1:30 p.m.

Welcome!

We are glad you have chosen to attend this meeting. We welcome your interest and encourage you to attend again.

Form of Government

The City of Glendale has a Council-Manager form of government. Policy is set by the elected Council and administered by the Council-appointed City Manager. The Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of six electoral districts and are elected by the voters of their respective districts (see map on back).

Voting Meetings and Workshop Sessions

Voting meetings are held for Council to take official action. These meetings are held on the second and fourth Tuesday of each month at 6:00 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 West Glendale Avenue. **Workshop sessions** provide Council with an opportunity to hear presentations by staff on topics that may come before Council for official action. These meetings are generally held on the first and third Tuesday of each month at 1:30 p.m. in Room B3 of the Glendale Municipal Office complex.

Special voting meetings and workshop sessions are called for and held as needed.

Executive Sessions

Council may convene to an executive session to receive legal advice, discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive sessions will be held in Room B3 of the Council Chambers. As provided by state statute, executive sessions are closed to the public.

Regular City Council meetings are telecast live. Repeat broadcasts are telecast the second and fourth week of the month - Wednesday at 2:30 p.m., Thursday at 8:00 a.m., Friday at 8:00 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 1:30 p.m. on Glendale Channel 11.

If you have any questions about the agenda, please call the City Manager's Office at (623)930-2870. If you have a concern you would like to discuss with your District Councilmember, please call the City Council Office at (623)930-2249



For special accommodations or interpreter assistance, please contact the City Manager's Office at (623)930-2870 at least one business day prior to this meeting. TDD (623)930-2197.

Para acomodacion especial o traductor de español, por favor llame a la oficina del administador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.

Councilmembers

Cactus District - Ian Hugh
Cholla District - Manuel D. Martinez
Ocotillo District - Norma S. Alvarez
Sahuaro District - Gary D. Sherwood
Yucca District - Samuel U. Chavira



MAYOR JERRY P. WEIERS

Vice Mayor Yvonne J. Knaack - Barrel District

Appointed City Staff

Brenda S. Fischer - City Manager
Michael D. Bailey - City Attorney
Pamela Hanna - City Clerk
Elizabeth Finn - City Judge

Meeting Agendas

Generally, paper copies of Council agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting from the City Clerk Department inside Glendale City Hall. Additionally, the agenda and all supporting documents are posted to the city's website, www.glendaleaz.com

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

How to Participate

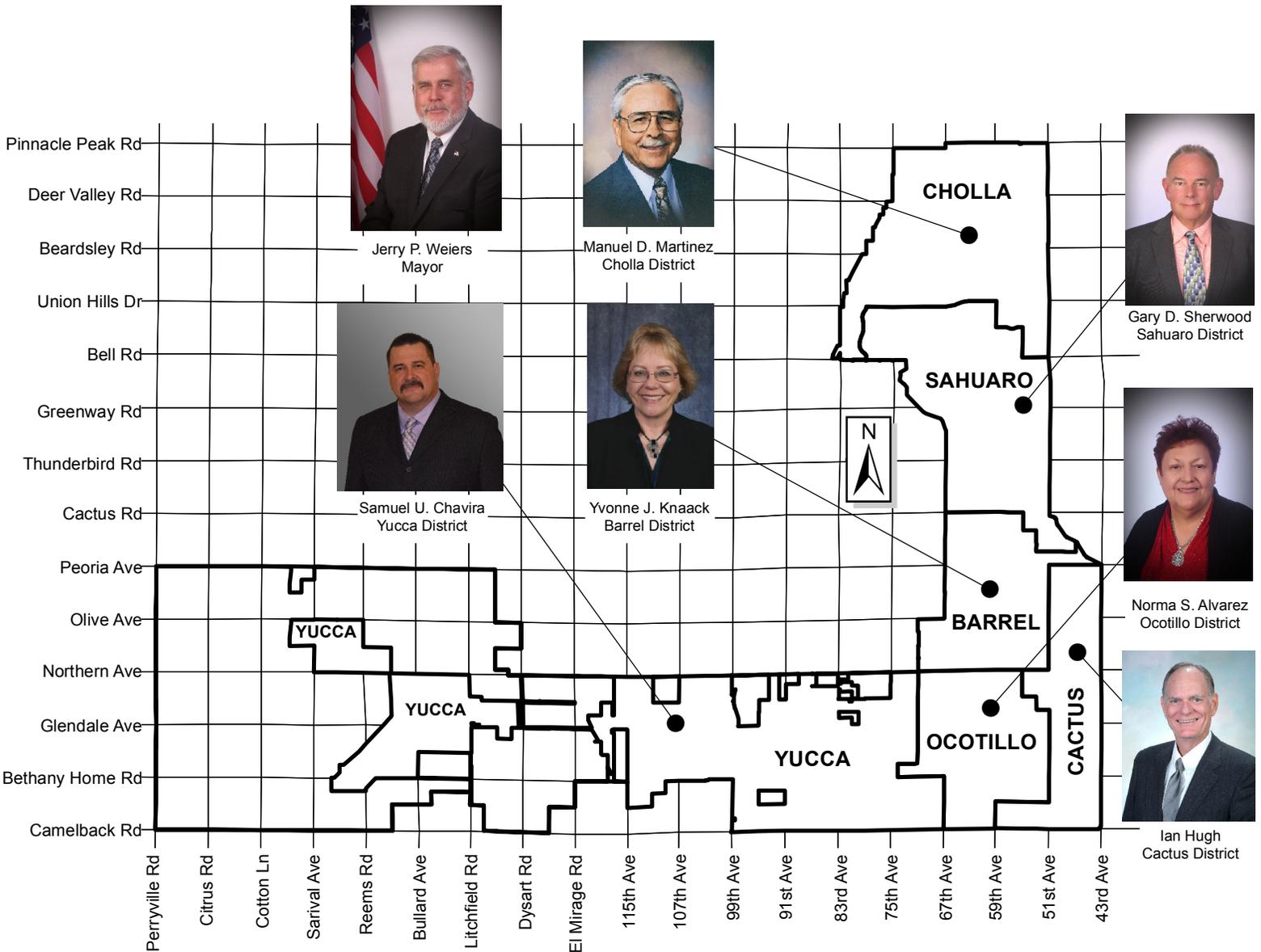
Voting Meeting - The Glendale City Council values citizen comments and input. If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a blue Citizen Comments Card. Public hearings are also held on certain agenda items. If you wish to speak on a particular item listed on the agenda, please fill out a gold Public Hearing Speakers Card. Your name will be called when the Public Hearing on the item has been opened or Citizen Comments portion of the agenda is reached. **Workshop Sessions** - There is no Citizen Comments portion on the workshop agenda.

When speaking at the Podium - Please state your name and the city in which you reside. If you reside in the City of Glendale, please state the Council District you live in.

Regular Workshop meetings are telecast live. Repeat broadcasts are telecast the first and third week of the month - Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.



Council District Boundaries





GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers – Room B3
5850 West Glendale Avenue
August 5, 2014
1:30 p.m.

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

CALL TO ORDER

WORKSHOP SESSION

1. COUNCIL ITEM OF SPECIAL INTEREST: ARIZONA SPORTS AND TOURISM AUTHORITY UPDATE REGARDING CAMELBACK RANCH SPRING TRAINING FACILITY FUNDING

PRESENTED BY: Michael D. Bailey, City Attorney
Tom Sadler, President/CEO, Arizona Sports and Tourism Authority

2. 2015 LEAGUE OF ARIZONA CITIES AND TOWNS RESOLUTIONS

PRESENTED BY: Brent Stoddard, Director, Intergovernmental Programs

3. ANNEXATION DISCUSSION

PRESENTED BY: Sam McAllen, Director, Development Services
Jon M. Froke, AICP, Planning Director, Development Services

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.

EXECUTIVE SESSION

1. LEGAL MATTERS

- A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))
- B. The City Council will meet with the City Attorney and City Manager to receive legal advice, consider its position and provide instruction and direction to the City Attorney and City Manager regarding the City's position in connection with the property at or near 91st and Northern Avenues. (A.R.S. § 38-431.03(A)(3)(4))
- C. Council will meet to discuss and consider records exempt by law from public inspection and are specifically required to be maintained as confidential by state or federal law. (A.R.S. § 38-431.03(A)(4))

2. LEGAL MATTERS – PROPERTY & CONTRACTS

- A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position regarding contracts that are the subject of negotiations, and in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation, in connection with digital billboard license agreements with Lamar Central Outdoor, LLC and Lamar Advertising, Company, Inc. (A.R.S. § 38-431.03(A)(3)(4))

3. PERSONNEL MATTERS

- A. Various terms have expired on boards, commissions and other bodies. The City Council will be discussing appointments involving the following boards, commissions and other bodies. (A.R.S. § 38-431.03 (A)(1))

- 1. Arts Commission
- 2. Audit Committee
- 3. Aviation Advisory Commission
- 4. Board of Adjustment
- 5. Citizens Bicycle Advisory Committee
- 6. Citizens Transportation Oversight Commission
- 7. Commission on Neighborhoods
- 8. Commission on Persons with Disabilities
- 9. Community Development Advisory Committee
- 10. Glendale Municipal Property Corporation
- 11. Historic Preservation Commission
- 12. Industrial Development Authority
- 13. Judicial Selection Advisory Board

14. Library Advisory Board
15. Parks and Recreation Advisory Commission
16. Personnel Board
17. Planning Commission
18. Public Safety Personnel Retirement Board/Fire
19. Public Safety Personnel Retirement Board/Police
20. Risk Management/Workers Compensation Trust Fund Board
21. Water Services Advisory Commission

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Brenda S. Fischer, ICMA-CM
City Manager



WORKSHOP COUNCIL REPORT

Meeting Date: **8/5/2014**
Meeting Type: **Workshop**
Title: **COUNCIL ITEM OF SPECIAL INTEREST: ARIZONA SPORTS AND TOURISM AUTHORITY UPDATE REGARDING CAMELBACK RANCH SPRING TRAINING FACILITY FUNDING**
Staff Contact: **Michael D. Bailey, City Attorney**
Presented by: **Tom Sadler, President/CEO Arizona Sports and Tourism Authority**

Purpose and Policy Guidance

At the request of the Glendale City Council, the Arizona Sports and Tourism Authority (AZSTA) has been invited to make a workshop presentation regarding the status of funding for Cactus League facilities and to specifically address revenue streams and funding sources for the city-owned Camelback Ranch Spring Training Facility. This report and presentation is for Council information only.

Attachments

None



WORKSHOP COUNCIL REPORT

Meeting Date: **8/5/2014**
Meeting Type: **Workshop**
Title: **2015 LEAGUE OF ARIZONA CITIES AND TOWNS RESOLUTIONS**
Staff Contact: **Brent Stoddard, Intergovernmental Programs Director**
Presented by: **Brent Stoddard, Intergovernmental Programs Director**

Purpose and Policy Guidance

This is a request for the City Council to review and provide guidance on the proposed resolutions which will be voted on at the August 19, 2014 League of Arizona Cities and Towns (LACT) Resolutions Committee meeting.

Background

Each year, the League of Arizona Cities and Towns solicits resolutions from municipalities to be considered by the League Resolutions Committee. At the Committee meeting each of the 91 cities and towns will have an opportunity to state their position and vote as appropriate on each resolution. The Mayor of each city represents their municipality on the Committee.

The resolutions were initially reviewed by a League Resolutions Subcommittee which was made up of various Mayors on the Executive Committee on June 17, 2014. That Subcommittee made initial recommendations about which resolutions should be adopted by the full Resolutions Committee, which should be amended or combined, and which should not move forward in the process.

The final adopted resolutions will become part of the LACT's Municipal Policy Statement, and incorporated into the League's 2015 Legislative Agenda.

Analysis

On June 17, 2014, the League of Arizona Cities and Towns convened a Resolutions Subcommittee, Chaired by Mayor Mark S. Nexsen of Lake Havasu City, to review the proposed resolutions and make recommendations to the full Resolutions Committee. The subcommittee categorized the resolutions into the following areas: recommend adoption, recommend for adoption with amendments, not recommended, and significant municipal issue. The significant municipal issue category is intended to recognize issues that are important to cities but not appropriate for the League as a whole to seek legislation. The subcommittee also considered and recommended adopting 2 League staff proposed resolutions. The full Resolutions Committee, composed of representatives from each of Arizona's 91 cities and towns, is scheduled to meet on August 19 at the League's Annual Conference to consider the recommendations made by the subcommittee.



WORKSHOP COUNCIL REPORT

At the August 5 workshop meeting, Council will be asked to provide guidance on all of this year's proposed resolutions. Mayor Weiers will represent Glendale's Council recommended positions at the meeting of the full Resolution Committee.

The tables below show a summary of the proposed resolutions and are organized by the Resolutions Subcommittee recommended actions. The chart also contains Glendale city staff recommended positions. The 2015 Proposed Resolutions packet includes the full text of each resolution as well as more detailed information and staff comments to support the staff recommended position. In all but one instance, Glendale staff recommends concurring with the recommendation made by the subcommittee. Please see resolution packet for more information on the staff recommended position on resolution #8.

Subcommittee Recommend Adoption

The subcommittee recommended that these resolutions be adopted and incorporated into the League's 2015 Legislative Agenda.

#	Summary	Staff Recommended Position
1	Creation of Enhanced Municipal Services Districts as a new type of improvement district not restricted to slum or blight.	Support
2	Revenue Allocation District - any incremental increase in revenue streams above the base could be used by the district to fund public improvements within the district. Allows anticipated revenues to be used to finance components of projects.	Support
3	Encourage the development of commercial and industrial zoned parcels primarily through property tax incentives that support speculative development.	Support
4	Make retention and detention basins eligible for operation and maintenance cost payments through an improvement district.	Support
5	Establish a mechanism enabling local government to create renewable energy and conservation financing districts.	Support
6	Stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns and to restore HURF funding to FY2008 levels.	Support



WORKSHOP COUNCIL REPORT

7	HURF revenue study committee to develop recommendations for new or expanded revenue streams.	Support
8	Authorize municipalities to use a sampling method to determine population estimates and housing vacancy rates for mid-decennial population updates.	Oppose
9	Restore the Arizona State Park Heritage Fund.	Support
10	Make the requirements for annexation a more simple and flexible process.	Support
11	Place reasonable limits on the frequency of requests for public records and on requests that are overbroad or abusive.	Support
12	Permanently allow cities and towns to calculate the majority of votes cast for a municipal office based on the total number of votes cast for that office.	Support
13	Pass legislation or engage in other activities that support and advocate for resources to improve Arizona's ports of entry with Mexico and related infrastructure.	Support
14	Support the long-term retention of Arizona's military installations.	Support

Subcommittee Recommend with Amendments

The subcommittee identified these resolutions as impacting municipalities, but will have amendments offered at the Resolutions Committee meeting. The resolutions on this list will be discussed, debated, and voted on individually. The subcommittee recommended adopting each of these resolutions after incorporating the recommended amendments.

#	Summary	Staff Recommended Position
15	Appropriate \$20 million to the Greater Arizona Development Authority (GADA) infrastructure fund, restoring its original statutory mandate and pre-FY2008 funding level. Insulate the fund from future sweeps.	Support w/Amendment



WORKSHOP COUNCIL REPORT

16	(Include one representative from both a large city and a small non-metropolitan city on the PSPRS and ASRS Boards.)	Support merge with #17
17	Explore mechanisms to improve public safety pensions that create an economically sustainable retirement system, SUCH AS INCLUDING ONE REPRESENTATIVE FROM BOTH A LARGE CITY AND A SMALL NON-METROPOLITAN CITY ON THE PSPRS and ASRS BOARDs.	Support merge with #16
18	Reduce the shortage of health care professionals in Arizona, INCLUDING ADDRESSING THE ISSUE OF RESIDENCY.	Support w/Amendment

Subcommittee Not Recommended

The subcommittee recommended that these resolutions not be adopted for various reasons including that they may be too confined to one community, be contrary to core principles, or be out of line with agreements with other stakeholders.

#	Summary	Staff Recommended Position
19	Allow the state of Arizona to partner with cities for the operation and maintenance of Arizona State Parks under long-term leases.	Not Support

Significant Municipal Issue (SMI)

The subcommittee recommended categorizing these resolutions as significant municipal issues. This category recognizes important issues to an individual city or group of cities, but does not require the League to seek legislation. Instead, the League may study the issues or work through state agencies to look for administrative solutions.

#	Summary	Staff Recommended Position
20	Restore AZ Housing Trust Fund.	Support as SMI
21	Ban the use of a cell phone, smart phone or similar data devices with one or both hands while in control as the driver of a motorized vehicle, except in the case of an emergency.	Support as SMI



WORKSHOP COUNCIL REPORT

League Staff Recommendations

The following resolutions were recommended by League staff in an effort to enhance the 2014 Legislative Agenda. The Resolutions Subcommittee reviewed and recommended adopting both of the League staff recommended resolutions.

League #	Summary	Staff Recommended Position
1	Require legislation to preclude the Arizona Department of Transportation (ADOT) from requiring cities and towns to completely indemnify ADOT in order to obtain access to certain federal funds.	Support
2	Support legislation to streamline the implementation of development impact fees including, but not limited to, expansion and clarification of allowable uses, shorter implementation time frames and reduction of complexity and ambiguity.	Support

Previous Related Council Action

The City Council provided direction on last year's League resolutions at the August 20, 2013 Council workshop.

The City Council approved the State Legislative agenda on January 7, 2014 which serves as the city's priorities during the legislative session.

Community Benefit/Public Involvement

The resolutions should ensure that the Legislature will preserve and enhance the city's ability to deliver quality and cost-effective services to citizens of incorporated municipalities, by retaining local decision-making authority and maintaining state legislative and voter commitments for revenue sources.

Attachments

League Resolution Packet



2015 Proposed Resolutions

To Be Voted on

By the Resolutions Committee

On August 19, 2014

Table of Contents

Subcommittee recommends adoption.....3

Subcommittee recommends adoption with amendments....37

Subcommittee not recommended for passage.....44

Subcommittee recommends significant municipal issue.....47

League staff proposed resolutions.....51

Subcommittee Recommends Adoption

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #1

Amend ARS 48-575 to allow an Enhanced Municipal Services District (District) to be formed anywhere within a city or town’s jurisdiction and make additional changes to guarantee that all participants in the district voluntarily join.

Submitted by: City of Lake Havasu City, City of Kingman, City of Bullhead City, City of Winslow, City of Tucson, City of Page

* * * * *

A. Purpose and Effect of Resolution

An Enhanced Municipal Services District is a type of municipal improvement district that is authorized “to provide public service within the district at a higher level or greater degree than provided in the remainder of the community, including such services as public safety, fire protection, refuse collection, street and sidewalk cleaning or landscape maintenance in public areas, planning, promotion, transportation and public parking.” A District can be useful in providing a mechanism for additional cities services to businesses, such as more frequent trash service or landscaping of rights-of-way, without forcing the other taxpayers to subsidize those costs. Additionally, a District may be used to promote the members of the District, which helps ensure their continued success.

Current law requires Districts to be formed in *designated areas*, which are defined as areas of the municipality that are either designated as a slum or blighted area or as a pocket of poverty or a neighborhood strategy area by the United States Department of Housing and Urban Development. Because of this requirement, many property owners are unwilling to participate in the formation of these districts even though such a district would greatly aid in promoting and maintaining key retail areas in cities in towns like downtown areas and historic neighborhoods. Additionally, there may be areas within a city or town that are not a slum or blighted area, but would simply like the ability to pay their jurisdiction for additional services.

B. Relevance to Municipal Policy

This resolution will provide all cities and towns with an opportunity to aide, retain, promote and attract local business owners, which keeps jobs in their community and provides revenue to the city or town.

C. Fiscal Impact to Cities and Towns

Being a voluntary District, only the property owners that participate in the formation of these districts would be impacted by them. Participating property/business owners would likely experience increased revenue as the purpose of the District is to foster economic activity and help promote and preserve existing businesses.

D. Fiscal Impact to the State

There is no direct fiscal impact to the state. The state may see an increase in revenue, as the District would help foster increased economic activity and jobs, leading to increased tax revenue.

E. Contact Information

Name: Charlie Cassens Title: City Manager, Lake Havasu City

Phone: 928-453-4141 Email: cassenc@lhcaz.gov

Reviewed by: Finance, Economic Development

Staff Recommendation: Support

Comments: This resolution would allow the formation of an Enhanced Municipal Services District anywhere within a municipality and it would eliminate the requirement that the district be within a slum or blighted area. Additionally, it would not require everyone within a district to participate.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #2

Assist the legislature and Governor in the passage of a bill that enables Arizona cities and towns to invest future revenues in economic development projects through the formation of REVENUE ALLOCATION DISTRICTS.

Submitted by: City of Lake Havasu City, City of Bullhead City, City of Kingman, City of Winslow, City of Page

* * * * *

A. Purpose and Effect of Resolution

Large-scale economic development projects are a tremendous catalyst for job creation and economic growth in Arizona cities and towns. When large projects are constructed, they generate increased TPT and new property tax receipts. In some cases, a halo effect is created when property values and economic activity in adjacent areas of the city also increase as a result of their proximity to the new development.

However, in today’s financial environment, financing the upfront costs of large projects, which often include substantial public components, can often be difficult, if not daunting. Creating a Revenue Allocation District may help solve this dilemma by allowing anticipated revenues from a completed project to be used to finance key components of the project itself.

For example, if Lake Havasu City wanted to encourage redevelopment of the English Village area around the London Bridge, the city could form a Revenue Allocation District around the area with the consent of 51 percent of the landowners within the District. The pre-construction dollar amount of TPT and property tax collections from within the English Village District would establish the base on the date that district was formed. In future years, any incremental increase in either of these revenue streams above the base could be used by the District to fund public improvements within the district. Most importantly, the District would have the authority to issue bonds to help finance the project and those bonds would be repaid by new revenue generated within that District.

B. Relevance to Municipal Policy

Promoting economic development and job creation is important to every city in the state of Arizona. Revenue Allocation Districts would give cities another option for supporting these projects. For those cities’ proposals or projects that are pending financing, this legislation could serve as a catalyst for economic development. For cities that choose not to use this tool, this legislation would have no impact.

C. Fiscal Impact to Cities and Towns

The legislation calls for districts to capture only the city portion of NEW revenue that is generated as a result of a project being built. Other taxing jurisdictions such as schools and community colleges would not be affected. Municipal taxpayers located outside the District would be held harmless.

D. Fiscal Impact to the State

No state funds would be involved in the funding of a District because the legislation pertains only to the city portion of the TPT and property tax. However, the state would receive increased income tax collections from the new employees that work within the District in addition to increased corporate income tax receipts from the companies that move into the District.

E. Contact Information

Name: Charlie Cassens Title: City Manager, Lake Havasu City

Phone: 928-453-4141 Email: cassensc@lhcaz.gov

Reviewed by: Finance, Economic Development

Staff Recommendation: Support

Comments: The City of Peoria ran this legislation the last few sessions and it even got to the Governor's desk where she vetoed it. A new Governor may be more supportive.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #3

Promote state legislation that provides Cities and Towns with tools to encourage the development of commercial and industrial zoned parcels primarily through property tax incentives that support speculative development.

Submitted by: Tri-City Council of Mohave County: City of Bullhead City, City of Lake Havasu City, City of Kingman

* * * * *

A. Purpose and Effect of Resolution

Many Arizona communities suffer from a lack of standing inventory of ready-to-occupy commercial buildings that businesses looking to relocate to the state are seeking. This legislation would seek to incentivize speculative commercial building by removing the property tax-related financial pressure of investing in a commercial parcel that may stand vacant for an unpredictable period of time.

B. Relevance to Municipal Policy

Supporting the development of speculative construction allows municipalities to increase the inventory of ready-to-occupy structures that many businesses looking to locate to Arizona are asking for. Relieving the tax-related financial stress associated with speculative building, communities will increase the offering of available structures for immediate commercial use. The communities, builders and the state will enjoy the economic benefits of the added construction and related jobs, as well as the long-term economic benefits related to the business enterprises it will attract.

C. Fiscal Impact to Cities and Towns

Any proposal developed by this resolution will be optional, meaning that there will be no fiscal impact to cities and towns that do not choose to participate. Those that are successful in inducing speculative commercial construction will experience positive fiscal results from the construction. Those communities will also be better positioned to attract a business that is looking to relocate, but not ready or willing to build.

D. Fiscal Impact to the State

The state will benefit from the construction-related tax revenues and the subsequent commercial and/or industrial enterprise that is later generated by the availability of real inventory. There are no fiscal impacts to the state related to the reduction of property taxes because such taxes are only assessed at the local level.

E. Contact Information

Name: Toby Cotter _____ Title: City Manager, City of Bullhead City

Phone: 928-763-0122 _____ Email: tcotter@bullheadcity.com

Reviewed by: Economic Development, Planning

Staff Recommendation: Support

Comments: A similar resolution was introduced last year which Glendale opposed because they had suggested freezing the rate at pre-construction levels until the building was fully leased. They have since removed that provision and in addition would make it optional for a city to participate. An addition option could be to make this available to rural communities only.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #4

Amends A.R.S. § 48-574 to authorize retention and detention basin improvement districts to levy and expend money to operate, maintain, repair and improve retention and detention basins within a municipality.

Submitted by: City of Yuma, City of Apache Junction

* * * * *

A. Purpose and Effect of Resolution

A.R.S. § 48-574 currently authorizes improvement districts for the operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities, parking and parkways. The proposed statutory change makes retention and detention basins eligible for operation and maintenance cost payment through an improvement district.

Under current state law, improvement districts are not specifically authorized to maintain retention and detention basins. As a result, off-site retention, which benefits only a small, localized area, is often subsidized by landowners outside of the area receiving the benefit (and who may already bear the burden of on-site retention on their parcel). Alternatively, under current law, a municipality could require the formation of a homeowner’s or neighborhood association to maintain basins. Permitting a developer the flexibility to form an improvement district would allocate such costs directly to and in proportion to the benefit without the requirement of a homeowner’s or neighborhood association.

The proposed legislation would allow operation, maintenance, improvement and repair costs for retention and detention basins to be included in the tax levy as part of a property owner’s tax bill in accordance with assessed value or assessment of each lot within the improvement district in proportion to the benefit to each lot. The district would not have the authority to issue improvement bonds or to engage in any activity other than operation, maintenance, repair and improvement of the retention and/or detention basin.

B. Relevance to Municipal Policy

Improvement districts are prevalent across the state. A uniform process that allows cities and towns to more fairly distribute the perpetual maintenance costs of retention and detention basins will provide long-term cumulative savings to municipalities, provide developers with an alternative to homeowner’s or neighborhood associations, and facilitate ease of payment for homeowners.

C. Fiscal Impact to Cities and Towns

Cities and towns that approve retention and detention basin improvement districts would realize savings that could be spent for other improvements or services.

D. Fiscal Impact to the State

There is no fiscal impact to the state.

E. Contact Information

Name: Steven W. Moore _____

Title: City Attorney _____

Phone: (928) 373-5050 _____

Email: Steve.Moore@YumaAZ.gov _____

Reviewed by: Planning

Staff Recommendation: Support

Comments: Currently, operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities and parking and roadways can be funded through an improvement district. This would add off-site retention and detention basins as an eligible project. While we are not opposed to the general concept, there is some concern that if the actual legislation is not worded correctly it could potentially allow another sub-city taxing authority and transfer enforcement of standards on individuals to cities rather than HOA's. Staff will monitor this if it becomes draft legislation.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #5

Request and encourage the Arizona State Legislature to establish a mechanism enabling local government to establish renewable energy and conservation financing districts. In addition, encourage the Arizona State Legislature to identify and define energy efficiency, renewable energy and water conservation as a public benefit that enhances the public good and promotes the health, safety, prosperity, security, and general welfare of the community.

Submitted by: City of Flagstaff, City of Tucson

* * * * *

A. Purpose and Effect of Resolution

Renewable energy and conservation financing district authority enables local government to create a financing mechanism to provide up front funds to commercial property owners for energy efficiency, renewable energy, and water conservation improvements. Property owners can opt in to finance energy efficiency improvements, renewable energy installation, and water conservation improvements on their property and repay financing through a property assessment.

Energy efficiency, renewable energy and water conservation create an opportunity to utilize our nation’s resources wisely and secure reliable, clean, and safe energy. In the current economic climate the upfront financial commitment necessary to implement energy efficiency, renewable energy, and water conservation improvements is often a barrier for property owners. A voluntary renewable energy and conservation financing district can remove these barriers.

In Arizona, energy efficiency, water conservation and renewable energy financing programs have significant potential to stimulate the state’s economy, create jobs and transition residents to sustainable energy use and production. Such programs can deliver benefits beyond energy independence, including new sources of workforce stabilization and development, increase value and comfort of buildings, provide protection from increasing energy costs and enhance community awareness.

Energy efficiency, water conservation and renewable energy financing programs have been developed in numerous communities across the nation. At least 30 states have passed enabling legislation that allows local government to establish property assessed energy efficiency, water conservation and renewable energy financing districts, defines energy efficiency, water conservation and renewable energy as a public benefit, and grants the authority to issue bonds.

The federal government currently encourages the installation and use of renewable energy through a series of federal tax incentives and credits. Arizona also has several tax incentive-based programs to encourage the production of renewable energy. These incentives collectively make renewable energy projects more affordable only after installation but do little to address the upfront financial commitment.

Improving the energy efficiency of existing structures and deploying renewable energy installations supports adopted Arizona House Bill 2638 (2007), which requires towns, cities, and counties with a population greater than 150,000 to adopt an energy element to their planning policies that will encourage and provide incentives for the efficient use of energy and requires that community general plans contain an assessment that identifies policies and practices that will provide for the greater use of renewable energy sources.

This resolution also supports Arizona regulated utilities' efforts to meet the Arizona Corporation Commission's Renewable Energy Standard that requires 15 percent of their energy generation to come from renewable resources by 2025.

B. Relevance to Municipal Policy

This resolution would support municipalities that choose to promote energy efficiency, renewable energy and water conservation practices within their communities. Many Arizona communities are working to improve the efficiency of existing building stock in the residential and commercial sectors to promote sustainability and help protect community members from rising energy costs.

C. Fiscal Impact to Cities and Towns

Renewable energy and conservation financing district authority would allow local governments to proactively provide a mechanism for property owners to decrease their fossil fuel use and increase energy cost savings. Energy efficiency, renewable energy and water conservation financing programs can remove upfront financial barriers for property owners that would like to develop energy efficiency, renewable energy and water conservation projects. With enabling legislation, local governments could voluntarily elect to establish energy efficiency, renewable energy and water conservation financing program and participation in the program would be completely voluntary for interested property owners. There would be no fiscal impact on the city or town.

D. Fiscal Impact to the State

There are no fiscal impacts to the State. Energy district authority would allow for opt-in energy efficiency and renewable energy financing programs at the fiscal responsibility of the property owner.

E. Contact Information

Name: Nicole Woodman / Jerene Watson

Title: Sustainability Manager / Deputy City Manager

Phone: 928-213-2149 / 98-213-2073

Email: jerenewatson@flagstaffaz.gov

Reviewed by: Environmental Resources

Staff Recommendation: Support

Comments: Glendale is consistently in support of additional tools and resources, and while we are not opposed to the general concept, there is some concern that if the actual legislation is not worded correctly it could create unintended consequences of establishing strict renewable energy goals that could create negative impacts on the operation of Navajo Generating Station which supplies 95 percent of the power to pump Colorado river water to users in central Arizona. Staff will monitor this as it becomes draft legislation. With the ongoing debate over cities taxing districts and the unresolved debate over solar energy, it is unlikely that the legislature will create new special districts with bonding authority particularly one related to alternative energy.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #6

Urges the Legislature to stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns and urges to restore HURF funding to FY2008 levels.

Submitted by: City of Yuma, City of Sedona, City of Apache Junction, City of Winslow

* * * * *

A. Purpose and Effect of Resolution

HURF funds come from a number of sources including use fuel taxes, motor carrier fees, vehicle license taxes and motor vehicle registration fees. Statutes provide a method of distributing these funds among the state, counties, and cities for the purpose of construction, improvements and maintenance of streets and roadways within their jurisdictions. The State has swept portions of these revenues each year since FY2008, mainly to support Arizona Department of Public Safety (DPS). These sweeps affect every municipality and county in the state. As a result of these sweeps, more than 38 percent of Yuma’s major roadways are in poor or below average condition. Delayed maintenance on streets has caused many streets to now need total replacement, at a much greater cost. The poor condition of transportation infrastructure is a detriment to attracting new commerce and industry.

In addition to the direct impact on cities’ streets and roadways, this slowdown and halt of street construction and maintenance has cost jobs. The Arizona chapter of the Associated General Contractors estimated in 2011 that 42,000 jobs have been lost due to the lack of highway construction. This loss has had a negative impact on the economic viability of the State.

B. Relevance to Municipal Policy

The longer the attention to street maintenance is neglected, the more costly it becomes to bring streets up to even average condition. Many Arizona counties, cities and towns experience a significant rise in population during the winter months. The declining street infrastructure negatively affects the states’ tourism industry and makes other warm states more attractive to these visitors.

C. Fiscal Impact to Cities and Towns

The sweeps have touched every county, city and town in Arizona. There are no replacement revenues for cities to tap. As maintenance is delayed, the cost rises. Restoring full HURF funding to local jurisdictions will allow much needed street replacement, repair, and maintenance.

D. Fiscal Impact to the State

Reinstating the statutory distribution of HURF monies, including the funds to be allocated to DPS pursuant to statutes, may require the State find other sources of revenue for DPS.

E. Contact Information

Name: Steven W. Moore _____

Title: City Attorney _____

Phone: (928) 373-5050 _____

Email: Steve.Moore@YumaAZ.gov _____

Reviewed by: Transportation

Staff Recommendation: Support

Comments: While we were successful in getting some HURF restored this last session and will continue to try to reverse the HURF sweeps, it is unlikely that we will be returning to the FY 2008 levels of funding anytime soon as the legislature is facing a significant financial funding cliff.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #7

Urges the Legislature to find a sustainable revenue collection system that will increase revenue into the Highway User Revenue Fund. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up to date alternative revenue collection system necessary to expand and maintain Arizona’s transportation network now and into the future.

Submitted by: City of Kingman, City of Apache Junction, City of Bullhead City, Town of Camp Verde, Town of Clifton, City of Lake Havasu City, City of Somerton, City of Page, Town of Payson, City of Sierra Vista, City of Tombstone, City of Winslow

* * * * *

A. Purpose and Effect of Resolution

Investment in our transportation system is absolutely vital for Arizona’s economic expansion and the safety of our traveling public. The quality of Arizona’s transportation infrastructure directly affects the quality of life of Arizonans through mobility, safety and jobs. To be successful, commerce, economic development and international trade depend on quality transportation systems. Good quality roads are an integral part of tourism, one of Arizona’s top economic drivers. Infrastructure enhances accessibility of tourists to different parts of our state. More specifically, transportation is an essential component of successful tourism development that creates an impression of our state, induces the creation of attractions and encourages the growth of existing ones.

The quality of Arizona’s transportation infrastructure continues to deteriorate. Revenue going into the Highway User Revenue Fund (HURF) has decreased substantially and over the past several years, hundreds of millions of dollars have been diverted from the already declining HURF fund. Arizona’s transportation funding levels, while once average, now ranks 42nd in the nation. Modernization of how we pay for infrastructure needs to be reviewed to secure adequate and sustainable funding. Transferring of HURF revenues to pay for other government programs needs to stop. Arizona cannot afford to slip further behind.

- Transportation revenue collection continues to decline. Gasoline tax has lost its value over the past decade. And gas and fuel tax revenues will continue to decrease over time due to the increased fuel efficiency of the fleet. With more fuel efficient fleet, increasing the gasoline tax may not be a viable solution to sustain our current and future infrastructure needs. HURF revenues for 2013 of nearly \$1.2 billion were \$200 million less than 2007 and even less when compared to 2004.
- According to ADOT’s numbers, fuel tax revenues collected in FY 2013 totaled \$647.9 million. In FY 2004 \$642.5 million in fuel taxes were collected – that’s less than a percent difference over a span of 10 years, yet the rate of inflation over this period of time is 23.9 percent.
- Due to our state’s critical transportation funding gap, highway construction has become increasingly reliant on Washington. However, federal transportation dollars are drying up as well; it is expected that there will be no federal funding for new projects in fiscal year 2015 and beyond. Arizona currently receives roughly \$675 million in federal highway funding. The continuation of receiving federal assistance remains highly volatile.
- Americans pump less gas these days, have a greater dependence on mass transit and live in walkable communities where they walk to services, schools and jobs. With persistently high gas prices, fuel efficient cars like hybrids and electric cars are important factors for consumers. According to the University of Michigan, vehicles manufactured in the month of February 2014 averaged 25.2 mpg, a

drastic improvement compared to 16.9 mpg in 1991 – the last time AZ gas taxes were addressed.

- The 2013 ASCE report card for Arizona’s infrastructure reflects 52 percent of Arizona roads were rated in poor to mediocre condition, and driving on these poor roads costs Arizona motorists almost \$887 million per year in vehicle repair and operating costs. Additionally the report reflects 3.2 percent of Arizona bridges are structurally deficient and 9.2 percent are functionally obsolete.

Arizona’s HURF revenue collection system is clearly outdated, running a budget based on a 1991 tax. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up – to-date alternative revenue collection system necessary to expand and maintain Arizona’s transportation network now and into the future. *Examples* of possible alternative revenue sources the committee can explore include, but are not limited to:

- Increase to the current taxing rates.
- Implement some sort of indexing mechanism.
- Move to a vehicle miles traveled tax.
- Implement a transportation-targeted state and local sales tax.
- Permit cities and towns to collect their own gas tax.

Example of possible study committee composition can include a 19-member team representing all regions of Arizona and from the following groups: state, county and local government officials, League staff, business, labor and advocates for motorists, to name a few.

Our recommended timeline is for the study committee to be appointed in the 2015 legislative session, with a report of its findings and recommendations to the Governor and the legislature on or before December 1, 2015.

B. Relevance to Municipal Policy

Arizona is at a crucial decision point for transportation funding; our transportation system is in trouble. Allowing our roads to crumble, losing jobs and tourists and endangering the public is a disastrous plan, when we could secure adequate, sustainable transportation funding. Cities and towns across our state are struggling with a backlog of pavement preservation projects and dwindling transportation revenues.

Arizona's gasoline tax has stood at 18 cents per gallon for nearly 23 years. Over those years, the average rate of inflation is 2.63 percent making that 18 cents now worth what a dime was in 1991. Had the rate of inflation been kept up, that 18 cents tax would be .33 cents today. The buying power to construct new transportation improvements and maintain the existing transportation infrastructure has diminished due to inflation. Growth, changes to fuel saving automotive technology and driving habits are resulting in less revenue to repair our crumbling transportation infrastructure. Infrastructure is deteriorating on a yearly basis resulting in escalating and unaffordable costs for repair; it’s reached a tipping point!

Fundamental responsibility for transportation decision-making should be at the local level. Municipalities should have the ability to set their own priorities in transportation investment that satisfy local needs and objectives. Maintaining and expanding our vital transportation infrastructure is critical for economic growth in our communities. With the overwhelming amount of economic activity that occurs in cities and towns, investing in infrastructure at the local level will create jobs, encourage tourism, and attract out-of-state businesses and to keep local businesses in our communities.

C. Fiscal Impact to Cities and Towns

Streets, roads and bridges are critical assets for local government. HURF revenues are our primary source of street funding. While we appreciate the inclusion of some restored HURF revenue in the recently adopted state budget, over the past decade, more than \$200 million in city and town HURF funds have been transferred to DPS. These legislative sweeps have been devastating to local governments. Sweeps need to stop and be redirected back to their intended use.

Local roads comprise over 75 percent of the nation's pavement. Roughly half of all HURF revenues are directed to county and municipal road programs. Mohave County alone has seen its HURF dollars reduced by 20 percent, losing \$5.9 million which has contributed to 80 percent of its road network reaching or surpassing its pavement service life.

Declining revenues and HURF sweeps have greatly affected the City of Kingman's transportation infrastructure program:

- Kingman has an increasing backlog of annual maintenance needs with a current estimated shortfall of approximately \$11 million.
- A funding gap of \$26.5 million is required to complete Kingman's much needed short term transportation projects.
- Kingman's 20 year Long Range Transportation Projects, which considers such factors as pavement conditions, congestion levels and safety performance, are estimated to have a \$365.9 million funding gap between needs and revenues.

Appointment of a HURF revenue study committee can review approaches to implement a set of revenue measures that address the transportation infrastructure funding shortfalls experienced by cities and towns across Arizona.

D. Fiscal Impact to the State

Economic development and job growth continue to be cited as top priorities of public, local and state government officials, legislators and the Governor. Both are dependent on quality and capacity of our transportation infrastructure.

Infrastructure investment means higher economic activity for the construction industry. During the recession, Arizona construction jobs were slashed from 250, 000 to 120,000.

Maintenance in the state's transportation infrastructure already in place is not being adequately addressed. Last year's five-year program update provided \$150 million per year for maintenance while ADOT's pavement preservation staff estimate they need roughly \$260 million. ADOT estimates its system has \$18.4 billion worth of assets that would cost over \$100 billion to replace.

Due to declining transportation revenues, last year's ADOT five-year plan update required \$350 million in previously planned highway construction and maintenance activity. ADOT has had to cut or defer \$537 million in needed infrastructure projects, current revenue collection is woefully deficient.

The state's 25-year Long Range Transportation Plan, which considers such factors as pavement conditions, congestion levels and safety performance, projects a \$63 billion gap between needs and revenues. Appointment of a HURF revenue study committee can review approaches to implement a set of revenue measures that address the transportation infrastructure funding shortfalls experienced by the state to properly fund vital infrastructure.

E. Contact Information

Name: Jackie Walker Title: Intergov & Human Resources/Risk Mgt

Phone: 928-753-8107 Email: jwalker@cityofkingman.gov

Reviewed by: Transportation

Staff Recommendation: Support

Comments: The timing is appropriate for a review on a statewide perspective. With a new Governor and the potential for a new ADOT director, it is an opportunity for a fresh conversation on a very old issue. Additionally, it isn't likely that we will be seeing the level of transportation funding from the federal government increase so it is important that the state have a plan in place that will meet our transportation needs.

Resolution #8

Requests the Legislature amend statute ARS 42-5033.01 to authorize municipalities options in lieu of conducting a special census to determine population estimates and housing vacancy rates for mid-decennial population updates.

Submitted by: Town of Prescott Valley, City of Page, Town of Chino Valley

* * * * *

A. Purpose and Effect of Resolution

In 2003, the Arizona State Legislature passed SB 1209 which gave municipalities three options in lieu of conducting a special census to calculate their population estimate for shared revenue purposes. Those options included using their population estimate from the 2000 census, contracting with the Census Bureau to conduct a sample survey or using a population estimate approved by the Director of the Department of Economic Security.

The 2010 census was conducted in the midst of the worst economy this country has seen since the great depression. It was a time of high foreclosures and residents abandoning their homes because they were upside down on their mortgage. This resulted in the census reporting dramatically higher vacancy rates, and lower population numbers, for many cities.

The effect of this resolution would allow municipalities similar options afforded to all jurisdictions throughout the past 30 years to determine 2015 population estimates, thereby offering a reasonable alternative to the very costly door-to-door census count.

B. Relevance to Municipal Policy

Currently, the only option cities and towns have to update population estimates used to distribute state shared revenues mid-decade is to conduct a special census.

C. Fiscal Impact to Cities and Towns

Cities and Towns with abnormally high vacancy rates in 2010 are being negatively impacted by inaccurate population estimates used to determine state shared revenues. Enabling municipalities to correct vacancy rates from 2010 and use other methods for population estimates in 2015 would more accurately portray municipal populations; thereby impacting state shared revenue for each jurisdiction.

D. Fiscal Impact to the State

There is no fiscal impact to the state. Any population changes made would simply re-allocate the distribution of state shared revenues between municipalities to reflect a more accurate population estimate.

E. Contact Information

Name: Larry Tarkowski

Title: Town Manager

Phone: 928-759-3100

Email: ltarkowski@pvaz.net

Reviewed by: Planning

Staff Recommendation: Oppose

Comments: If this resolution had been law and we were using the states unreliable population numbers for 2013 distribution purposes, it would have resulted in a loss of over \$870,000 a year in state shared revenues that the City of Glendale collects.

Cities are currently already authorized in state statute to pay for and conduct an official census survey to update their mid-decade numbers. However, this proposal would allow cities to bypass the census and use state population estimates that are flawed and unreliable.

Following the 2000 Census, the cities that make up the MAG region determined that the statewide growth was so exponential that there needed to be another official census survey conducted in 2005 to accurately represent the booming population. The MAG cities immediately began budgeting for the census survey that costs nearly \$8.3 million. The census survey resulted in over 73% of the state's incorporated population being updated through the most credible census instrument, not state estimates.

The MAG cities made the decision after the 2010 census update that they would not conduct a mid-decade census update as there was not a population boom or shift occurring that would justify the expense. The MAG cities recently reiterated that they will not be conducting a joint countywide mid-decade census survey. With no official census update conducted, this resolution would result in 100% of the state's population being estimated using only a state population instrument that is simply not accurate enough to be distributing over \$1.5 Billion of state shared revenues.

While a few communities throughout the state may be experiencing some growth, there is not a significant statewide shift in population as was occurring in 1995 and 2005, that would justify cities paying millions of dollars for a census update and the state's estimates are not credible enough to be basing billions of dollars of state shared revenues on. As cities statewide begin to come out of the prolonged recession, this is not the appropriate time to be shifting the financial ground underneath their feet. If individual cities wish to update their population figure they need to do so using the authorization already in state statute through a census survey.

Population Change: 2000 - 2005
Maricopa County: Incorporated Jurisdictions

City/Town	July 1, 2000	July 1, 2005	Change 00-05	% Change*
Apache Junction(Maricopa only)	275	275	0	↓ 0.00%
Avondale	36,395	68,585	32,190	↑ 88.45%
Buckeye	6,655	23,955	17,300	↑ 259.95%
Carefree	2,965	3,655	690	↑ 23.27%
Cave Creek	3,765	4,745	980	↑ 26.03%
Chandler	178,655	229,460	50,805	↑ 28.44%
El Mirage	8,385	31,935	23,550	↑ 280.86%
Fountain Hills	20,490	24,345	3,855	↑ 18.81%
Gila Bend	1,990	1,805	-185	↓ -9.30%
Gilbert	111,600	171,015	59,415	↑ 53.24%
Glendale	219,625	241,915	22,290	↓ 10.15%
Goodyear	19,605	45,495	25,890	↑ 132.06%
Gudadalupe	5,230	5,555	325	↓ 6.21%
Litchfield Park	3,820	4,400	580	↓ 15.18%
Mesa	401,180	447,570	46,390	↓ 11.56%
Paradise Valley	13,725	13,830	105	↓ 0.77%
Peoria(Maricopa only)	110,015	137,045	27,030	↑ 24.57%
Phoenix	1,326,080	1,470,395	144,315	↓ 10.88%
Queen Creek(Maricopa only)	4,300	15,210	10,910	↑ 253.72%
Scottsdale	204,195	234,400	30,205	↓ 14.79%
Surprise	32,460	85,930	53,470	↑ 164.73%
Tempe	158,825	165,700	6,875	↓ 4.33%
Tolleson	4,995	6,490	1,495	↑ 29.93%
Wickenburg	5,095	5,940	845	↓ 16.58%
Youngtown	3,010	6,010	3,000	↑ 99.67%
Maricopa County Total	2,883,335	3,445,660	562,325	19.50%
Arizona Total	4,083,425	4,777,785	694,360	17.00%

Sources: U.S. Bureau of the Census, 2000 Decennial Census; Arizona Department of Administration, Office of Employment and Population Statistics, 2005 Population Estimates; 2005 Estimates benchmarked to 2005 Special Census Survey for Maricopa County cities.

*Note: Arrows for percent population change indicate whether percent change from 2000 to 2005 is higher or lower than the State total (17.0%) for the Incorporated Area population.

-- DRAFT - Subject to Change --

**Table 1: Changes in Shared Revenue
if 2013 population estimates were used instead of 2010 Census
for MAG Member Agencies**

CITY/TOWN	Population			State Shared Revenue Distribution			
	Population 2010 Census	Population 2013 Estimate*	Pct Chg**	Total Distribution with 2010 Census	Total Distribution with 2013 Estimate	Change	Pct Chg
APACHE JUNCTION	35,840	37,623	↑ 4.97%	\$11,703,692	\$11,882,768	\$179,077	↑ 1.53%
AVONDALE	76,238	77,511	↓ 1.67%	\$23,351,619	\$22,998,886	(\$352,733)	↓ -1.51%
BUCKEYE	50,876	56,460	↑ 10.98%	\$15,583,265	\$16,752,682	\$1,169,416	↑ 7.50%
CAREFREE	3,363	3,424	↑ 1.81%	\$1,030,083	\$1,015,961	(\$14,122)	↓ -1.37%
CAVE CREEK	5,015	5,228	↑ 4.25%	\$1,536,089	\$1,551,240	\$15,151	↑ 0.99%
CHANDLER	236,326	246,197	↑ 4.18%	\$72,386,405	\$73,051,010	\$664,604	↑ 0.92%
EL MIRAGE	31,797	32,472	↓ 2.12%	\$9,739,388	\$9,635,017	(\$104,370)	↓ -1.07%
FLORENCE	25,536	25,512	↓ -0.09%	\$8,338,880	\$8,065,236	(\$273,644)	↓ -3.28%
FOUNTAIN HILLS	22,489	22,893	↓ 1.80%	\$6,888,357	\$6,792,758	(\$95,599)	↓ -1.39%
GILA BEND	1,922	1,948	↓ 1.35%	\$588,707	\$578,006	(\$10,700)	↓ -1.82%
GILBERT	208,352	227,603	↑ 9.24%	\$63,817,999	\$67,533,841	\$3,715,842	↑ 5.82%
GLENDALE	226,721	231,109	↓ 1.94%	\$69,444,404	\$68,574,133	(\$870,271)	↓ -1.25%
GOODYEAR	65,275	72,275	↑ 10.72%	\$19,993,664	\$21,445,272	\$1,451,608	↑ 7.26%
GUADALUPE	5,523	6,019	↑ 8.98%	\$1,691,689	\$1,785,944	\$94,255	↑ 5.57%
LITCHFIELD PARK	5,476	5,759	↑ 5.17%	\$1,677,293	\$1,708,797	\$31,504	↑ 1.88%
MARICOPA	43,482	46,140	↑ 6.11%	\$14,199,216	\$14,572,760	\$373,543	↑ 2.63%
MESA	439,041	450,310	↓ 2.57%	\$134,477,797	\$133,614,951	(\$862,846)	↓ -0.64%
PARADISE VALLEY	12,820	13,282	↑ 3.60%	\$3,926,753	\$3,941,005	\$14,252	↑ 0.36%
PEORIA	154,065	160,552	↑ 4.21%	\$47,189,948	\$47,638,621	\$448,674	↑ 0.95%
PHOENIX	1,447,128	1,485,751	↓ 2.67%	\$443,253,786	\$440,848,631	(\$2,405,154)	↓ -0.54%
QUEEN CREEK	26,361	29,510	↑ 11.95%	\$8,074,347	\$8,756,140	\$681,793	↑ 8.44%
SCOTTSDALE	217,385	222,213	↓ 2.22%	\$66,584,797	\$65,934,532	(\$650,265)	↓ -0.98%
SURPRISE	117,517	121,629	↑ 3.50%	\$35,995,334	\$36,089,478	\$94,145	↑ 0.26%
TEMPE	161,719	165,158	↓ 2.13%	\$49,534,360	\$49,005,303	(\$529,057)	↓ -1.07%
TOLLESON	6,545	6,632	↓ 1.33%	\$2,004,727	\$1,967,832	(\$36,895)	↓ -1.84%
WICKENBURG	6,363	6,511	↓ 2.33%	\$1,948,980	\$1,931,929	(\$17,051)	↓ -0.87%
YOUNGTOWN	6,156	6,236	↓ 1.30%	\$1,885,576	\$1,850,332	(\$35,245)	↓ -1.87%
MARICOPA COUNTY	3,534,473	3,656,682	↑ 3.46%	1,082,605,365	1,085,002,302	\$2,396,937	↑ 0.22%
MAG TOTAL	3,639,331	3,765,957	↑ 3.48%	\$1,116,847,154	\$1,119,523,066	\$2,675,912	↑ 0.24%
ARIZONA TOTAL	5,024,437	5,182,796	↑ 3.15%	\$1,581,329,000	\$1,581,329,000		

Sources: U.S. Bureau of the Census, 2010 Decennial Census; Arizona Department of Administration, Office of Employment and Population Statistics, 2013 Population Estimates; Revenue data and methodology from FY2015 shared revenue budget estimates by the Arizona League of Cities and Towns.

*Note 1: If the 2013 population estimate is less than the 2010 Census population, then the 2010 Census population is used.

**Note 2: Arrows for percent population change indicate whether percent change from 2010 to 2013 is higher or lower than the State total for the Incorporated Area population.

-- DRAFT - Subject to Change --

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #9

Urges the authorization of expenditure and full appropriations through the reenactment of repealed ARS 41-501, 503 and 504 to restore the Arizona State Park Heritage Funds.

Submitted by: City of Sedona, City of Kingman, City of Bullhead City, Town of Camp Verde, City of Cottonwood, City of Lake Havasu City, City of Globe, City of Winslow, City of Page, City of Flagstaff

* * * * *

A. Purpose and Effect of Resolution

The Arizona State Parks (ASP) Board Heritage Fund that was established in November 1990 by voter initiative provides up to \$10 million annually to ASP from Arizona Lottery proceeds (A.R.S. §41-503). There were three competitive grant programs offered annually from the Heritage Fund dollars to provide opportunities for the public to enjoy parks and outdoor recreation and to help preserve natural and cultural resources. 17 percent of the State Parks Heritage Fund revenues were available annually (up to \$1.7 million) through the Historic Preservation (HP) Grant Program. 35 percent of the revenues (up to \$3.5 million) were available through the Local, Regional and State Parks (LRSP) Grant Program and 5 percent of the revenues (up to \$500,000) went to the Trails Heritage Fund, of which 95 percent was available through the competitive grant program.

Since 2009, sweeps of the Heritage Fund resulted in the discontinuation of the Heritage Fund Grant Programs due to lack of funding. The Heritage Fund Grant Programs were an important source of funding, through the LRSP in particular, to Cities and Towns for their ability to enhance and expand local park sites. The sweep of Heritage Funds directly impacts the ability of Cities and Towns to provide funds to conserve our state’s natural, cultural and historic resources and shifts costs to Cities and Towns that are the burden of the state and benefit the state.

Not only were the remaining Heritage Funds eliminated – funds that were used for Capital Improvements to the Arizona State Parks – but also the Legislature fully repealed the funding mechanism for Heritage Funds through the repeal of authorizing statutes A.R.S. 41-501, 41-503, and 41-504 effective on July 1, 2011. The FY 12 State Budget swept the remaining \$2,090,000 of the Enhancement Fund, which eliminated the amount available for Capital Programs and left ASP with no capital funds available to repair structural emergencies. Without reauthorization of the related statutes, there is no vehicle to appropriate funds and the future of not only local funding but also the entirety of Arizona State Parks hangs in the balance. The inability to fund needed Capital Improvements and even emergency repairs puts ASP at a dangerous financial precipice.

B. Relevance to Municipal Policy

Approval of this resolution and resulting policy changes would provide a vehicle for funding to continue municipalities and the states’ ability to provide and enhance the conservation of our state’s natural, cultural and historic resources. It would shift the responsibility for these programs back to the state and reinforce the voter-approved initiative that originally placed the burden on the state

C. Fiscal Impact to Cities and Towns

Reenactment of Arizona Heritage Fund appropriations would have a significant positive impact on recreational opportunities; environmental education for the K-12 curriculum and enrichment for educators; grants and research; as well as response to and help with ameliorating human-wildlife conflicts in urban areas. It also would positively impact the viability of State Parks as the sweep of funds has left ASP without funds for capital improvements or for any structural emergency. The loss of Heritage Funds has a direct impact on Cities and Towns due to the economic impact of State Parks as evidenced in the “The Economic Impact of Arizona State Parks 2007,” study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.

D. Fiscal Impact to the State

The restoration of Arizona Heritage Fund dollars to pre-2009 levels would require \$10 million, which previously had been authorized from Arizona Lottery proceeds per A.R.S. §41-503.

E. Contact Information

Name: Nicholas R Gioello Title: Assistant to the City Manager & Government Relations Manager
Phone: 928-203-5100 Email: ngioello@sedonaaz.gov

Reviewed by: Parks and Recreation

Staff Recommendation: Support

Comments: Glendale has utilized Heritage Funds in the past to assist with building-out its existing parks system. The last grant before the fund was cut was a grant to construct bike/pedestrian bridges over the Grand Canal as it meanders through the Grand Canal Linear Park near 83rd – 91st and Bethany.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #10

Develop and pass legislation to make the requirements for annexation a more simple and flexible process.

Submitted by: City of Yuma, Town of Oro Valley, City of Bullhead City, Town of Marana, Town of Wickenburg

* * * * *

A. Purpose and Effect of Resolution

The annexation process is cumbersome and needs examination. This resolution proposes to advocate for reasonable solutions to the annexation dilemma.

Excessive signature requirements are a deterrent to annexation. Cities and towns are required to obtain signatures from utility companies and other entities that do not own real property in the proposed annexation area. Cities and towns are also required to meet an assessed valuation threshold, but when the city or town does not levy a property tax, the value of the property is irrelevant.

Over time, cities created county islands by annexing around the areas that did not meet the statutory signature requirements for annexation. This has resulted in pockets of non-incorporated areas dotted throughout cities. These county islands do not receive the same level of public services, such as improved infrastructure, water and sewer services, sanitation, and public safety and emergency services, as the property as close as next door. An unintended consequence is that when an emergency arises in an unincorporated area that is wholly within or adjoining a city’s boundaries, there is often confusion over which agency should respond. For example, when emergency assistance calls from an unincorporated area are received by a city, there may be delays in responding while the call is routed to the county. Or, both jurisdictions may respond to a public safety event when the boundaries are not readily known, and in the worst case neither may respond.

The irony is that unincorporated areas contribute to a city’s economy, but cannot participate in decisions affecting their community and, at the same time, create burdens on cities that adjoin or surround them and on the counties they look to for services. This resolution seeks to alleviate this situation and will benefit all property owners within a city’s annexation area and county islands.

The League, interested members, and other stakeholders should convene to discuss these problematic areas and design legislation that will enhance the annexation process without undue burden to any one party.

B. Relevance to Municipal Policy

Statutes regarding municipal annexation have become more complicated over time. Simplifying the annexation process to allow cities and towns to provide important urban services within their boundaries is good policy. Annexation also fosters civic engagement in the democratic process and a sense of shared responsibility for our communities.

C. Fiscal Impact to Cities and Towns

Residents living in unincorporated areas are affected by decisions made by cities and towns, yet they have no voice in the governing process. Reducing the unincorporated population is a key strategy for cities and counties

to maintain fiscal stability. Annexation allows cities and towns a way to expand their retail sales tax base providing greater fiscal stability. This increased governance capacity ensures that cities and towns are able to provide adequate services to all Arizona citizens. If legislation moves forward that allows greater flexibility in annexing county islands, it would be up to cities and towns themselves to determine when and if they annex these areas. Those communities that choose to move forward will need to extend their services to newly annexed areas. Those costs would be different for each community. But nothing in the legislation should require a city or town to annex county islands if they feel they cannot provide services.

D. Fiscal Impact to the State

There is no fiscal impact to the State when it comes to which local government provides local services. Minor adjustments in state-shared revenues would be made based on population changes, but it would be a reshuffling of the total allocation, not an increase in state revenues to local government. Eliminating barriers to annexation would also encourage economic development, which would ultimately result in increased revenue to the sSate.

E. Contact Information

Name: Steven W. Moore _____

Title: City Attorney _____

Phone: (928) 373-5050 _____

Email: Steve.Moore@YumaAZ.gov _____

Reviewed by: Planning

Staff Recommendation: Support

Comments: This resolution attempts to remove some of the barriers to annexation which in turn will improve the ability of cities to deliver services. Since 2002, the City of Glendale has been decreasing the size of county islands in the city's municipal planning area. The proposed changes would allow for the existing county islands to be further reduced at the appropriate time. There were some minor legislative changes made to the annexation process last session, this resolution would continue that effort.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution # 11

Urges the Legislature to amend A.R.S. § 39-121.01 to allow cities and towns to place reasonable balances on public record requests that are overbroad or abusive and on the frequency on requests. Such limitations may include placing reasonable limitations on the number of requests from individuals or groups within a specified, reasonable period of time.

Submitted by: City of Yuma, City of Apache Junction

* * * * *

A. Purpose and Effect of Resolution

This Resolution seeks amendments to public records access laws that will allow cities and towns to facilitate and maintain timely and complete citizen’s access to public records while discouraging frequent, overbroad or abusive requests.¹

Municipalities receive and process thousands of requests for public records each year. Most of these requests are reasonable, coming from the media and persons who may or may not make other requests, but who seek specific and limited information. However, there are times when filling these requests is delayed because of frequent, extensive or excessive numbers of requests of other persons. Requests from these few individuals require a significant and disproportionate amount of staff time to locate, review, redact and prepare voluminous amounts of documents or materials from multiple departments for inspection and/or copying. In some cases, the requesting party doesn’t review the records after having been notified they are available for inspection. This creates unnecessary work for employees, delays other important work (including filling public records requests from other persons) and drains the public coffers.

Some requests by these individuals are overbroad, such as requests for “All documents, e-mail, memoranda, etc. pertaining to the city action....” These documents can cover many years, require production of hundreds or thousands of documents and involve research and review by several City departments. Again, after spending many hours locating, assembling, redacting and copying these records, some are never inspected by the requestor.

Municipalities also receive and process numerous requests for public records from only a few individuals. As an example, Yuma received 46 requests in 44 business days from a single individual, including nine filed in one day, while 25 other filed requests of the same individual waited to be reviewed. A single individual is responsible for the following statistics:

<u>Year</u>	<u>Number of requests</u>
2008	114
2009	120
2010	85

¹ Nothing in this Resolution is intended to limit media access to public records.

2011	155
2012	81
2013	163
2014 (as of May 7)	36

This resolution requests amendment of Title 39 to give municipalities the ability, in limited instances, to place reasonable restrictions on the number or frequency of requests made by a single individual. It also requests to limit certain requests such as those with a broad scope or ones that cover an extensive time period and those where the individual is unwilling to narrow the request. Such restrictions will allow cities to both comply with the spirit and intent of public records laws, while discouraging the frequent, numerous, overbroad or abusive requests. These limited restrictions will discourage abusive requests while maintaining public records access for all citizens. Those individuals making frequent, numerous or overbroad requests may be limited in the number of requests accepted within a specified time and have new requests held until all previous requests have been inspected. Additional requests beyond these numbers would still be filled, however, the taxpayer would not have to continue bear costs of over-burdensome requests.

B. Relevance to Municipal Policy

Transparency is an essential component of a responsive, representative government. Cities endeavor at all times to be open, accessible and responsive to their citizens. Making records available for inspection by the public and the media is important to maintaining transparency and trust in government. Most citizens and the media are conscientious and purposeful in their requests. However, requests by a few individuals that are overbroad or abusive and require disproportionate amounts of city-wide staff time do not further the goal of transparency and will hurt citizen access to, and the availability of, public records.

C. Fiscal Impact to Cities and Towns

Cities will still respond to public records requests in the spirit of transparency and openness in government. Allowing cities some relief from abusive public records requests or to identify potentially abusive practices will free staff to perform other governmental functions.

D. Fiscal Impact to the State

There will be no fiscal impact to the State. However an amendment could include public records requests of the State, which will result in savings.

E. Contact Information

Name: Steven W. Moore _____ Title: City Attorney _____

Phone: (928) 373-5050 _____ Email: Steve.Moore@YumaAZ.gov _____

Reviewed by: Attorney, Communications, Clerk

Staff Recommendation: Support

Comments: We have seen similar public record resolutions in the past which we have opposed. However last session the League took a different approach and worked closely with the newspaper association and was able to come to an agreement on language that would keep public records accessible to everyone while allowing the

cities to manage burdensome requests. The bill failed in the last few hours of the session because the amendment that went to the floor didn't reflect the agreement that was reached and both the league and the newspapers asked members to oppose it for that reason. This year's resolution is meant to continue that effort and it appears that there could be some modest changes made to the public records statute next session. The subcommittee recommended supporting this resolution to continue the compromise effort with the stakeholders that was almost completed last year. Another potential opportunity could be that the resolution includes an opportunity to make a statutory change that expands a municipality's ability to charge for the records.

Staff recommends supporting the resolution as long as it is a continuation of the joint effort of the newspapers association and the League. If attempts are made to hinder the public's ability to access public records we would oppose. The City of Glendale works directly with entities that submit broad requests in order to achieve further clarity and to provide the information in a timely manner.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #12

Requests that the Legislature amend statute (A.R.S. § 9-821.01) to allow cities and towns to calculate the majority of votes cast for a municipal office based on the total number of votes cast for that office.

Submitted by: Town of Gilbert, Town of Queen Creek, City of Lake Havasu City, Town of Clifton, Town of Oro Valley, City of Bullhead City, Town of Snowflake, City of St. Johns

* * * * *

A. Purpose and Effect of Resolution

During the 2010 Legislative session, the Legislature amended A.R.S. § 9-821.01 to allow cities and towns to adopt an ordinance to provide that the total of all votes tabulated for mayoral candidates constitutes the total number of votes cast at the election for purposes of calculating whether a candidate for Mayor or City Council has received the majority of votes. This amendment was necessary in order to ensure that the majority vote threshold was based off only those voters who chose to vote on the local portion of the ballot when state offices were also included.

In the 2012 Legislative Session, the Legislature passed HB 2826 Consolidated Election Dates, Political Subdivisions, which required municipal elections to occur at the same time as the election of state officials. Unfortunately, HB 2826 did not address the issue of the majority vote threshold in races for Council in municipalities which have Mayors who serve a four-year term or those that do not directly elect their Mayor. Therefore, at these elections, the majority threshold to win outright in the primary for Council candidates would be based on the total number of votes cast in the election, regardless of whether those votes were cast for state or local office. Since this vote threshold would likely be unachievable for a Council candidate and the winner(s) would not be determined at the primary, it could force cities and towns the unnecessary expense of having to fund a run-off/general election to determine the winner(s).

During the 2014 Legislative Session, the Legislature passed HB 2126 which recalculated the majority vote threshold for Council candidates to be based off the total number of votes cast in the local election, divided by the number of seats and then by two, but this was only a temporary fix for the 2014 election. This resolution would seek to codify the same methodology used in HB 2126, permanently, making the majority vote calculation threshold consistent for all cities and towns.

B. Relevance to Municipal Policy

The proposed resolution would affect non-charter cities and towns throughout the State that have four-year Mayoral terms or do not directly elect their Mayor. The resolution would establish a consistent method that would be applied to all municipal candidates for office at every election, rather than requiring a higher number of votes to achieve a majority for elections when the office of Mayor is not included on the ballot. Without the new calculation method and in years when the office of Mayor is not included on the ballot, cities and towns could be required to hold a run-off/general election as they will likely not have any candidate achieve the existing majority vote threshold.

C. Fiscal Impact to Cities and Towns

Without this resolution, affected cities and towns could be required to go to the additional expense of holding a

general election. If adopted, this expense could be avoided if candidates receive a majority of votes and are declared elected to municipal office in a primary election.

D. Fiscal Impact to the State

The proposed resolution does not have a fiscal impact to the State.

E. Contact Information

Name: Leah Hubbard Rhineheimer Title: Intergovernmental Relations Director

Phone: (480) 503-6773 Email: leah.hubbard@gilbertaz.gov

Reviewed by: Clerk

Staff Recommendation: Support

Comments: During the last session the Legislature passed HB 2126 which recalculated the majority vote threshold for Council candidates to be based off the total number of votes cast in the local election, divided by the number of seats and then by two, but this was only a temporary fix for the 2014 election. This resolution is a needed cleanup bill to make the changes permanent.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #13

The City of Douglas along with the co-sponsor cities urge the Governor and the State Legislature to develop and pass legislation or engage in other activities that support and advocate for the dedication of resources to improve Arizona’s ports of entry with Mexico and related infrastructure and will enhance international trade and improve the global competitiveness for Arizona with Mexico.

Submitted by: City of Douglas, City of Bisbee, City of Sierra Vista, Town of Marana, City of Yuma

* * * * *

A. Purpose and Effect of Resolution:

Mexico is Arizona’s top trading partner. Our shared border is the gateway for \$26 billion worth of imports and exports and 44 million people (crossings) each year. Mexican visitors spend approximately \$7.3 million each day in Arizona, which provides an annual impact of \$2.3 billion. Trade with Mexico supports six million jobs in the U.S. and tens of thousands jobs in Arizona. In addition, Mexico is now the third-ranked commercial partner of the U.S. and the second largest market for U.S. exports.

Despite this wealth of opportunity, recent studies show that competing Border States such as Texas are far outpacing Arizona when it comes to developing trade relations with Mexico. While Arizona exports to Mexico totaled about \$5.7 billion in 2011, in Texas, the total was \$87 billion. Mexico is the 13th largest economy in the world, and in 2010, Mexico invested an unprecedented five percent of its Gross Domestic Product (GDP) in infrastructure.

Arizona’s ports of entry face significant challenges, including aging infrastructure and an often inadequate number of customs and border protection agents needed to staff these facilities. A heavy focus on security has impacted the tourism industry by diverting investments from needed improvements and leaving a multibillion dollar deficit in border infrastructure.

With 23 million northbound visitor border crossings and 373,000 northbound truck crossings, long waits at the border and congestion north of our ports of entry suppress economic development. In addition, greater emphasis is needed in upgrading southbound passenger vehicle and pedestrian crossings. According to the Arizona State University North American Center for Transborder Studies, needed enhancements include staffing, technology infrastructure and communications.

Through the Arizona League of Cities and Towns, Arizona’s cities and towns should unite in support of legislation or other policy measures that will enhance international trade and improve the global competitiveness for Arizona with Mexico, the 13th largest economy in the world and this State’s number one trading partner.

B. Relevance to Municipal Policy:

The vast majority of the economic benefit generated by trade passing through Arizona’s ports of entry is realized within the State’s cities and towns.

The logistics centers, warehousing and distribution facilities and value-added manufacturing centers for these commodities are located primarily within the State’s cities and towns, along with the associated sustainable

wage jobs that are created as a result of this economic activity. The economic multiplier effect that these jobs create adds to the prosperity in these communities and enhances tax revenue at a time when every dollar of local revenue is precious to the sustainability of cities and towns. Enhancing trade opportunities with Mexico will only further stimulate the economies in Arizona's cities and towns.

C. Fiscal Impact to Cities and Town:

As described above, enhancing international trade and improving the global competitiveness for Arizona with Mexico will have a positive fiscal impact to cities and towns. Border communities bore the burden of well over 900 million legal crossings every year. Recognizing the desperate need to improve our ports and witnessing the significant delays by the federal government to dedicate resources to these projects will mean that state, local agencies and municipalities will need to step in and contribute resources to prevent further harm to the straggling state economy.

D. Fiscal Impact to the State:

Similarly, supporting the requested legislation and policies will have a positive fiscal impact to the State and will further diversify our economic base. Failure to do so will sustain the advantage that other border states currently enjoy over Arizona.

The border is clearly a dynamic region that attracts all aspects of social, economic, commercial and cultural likes of our state and in many ways the entire nation. Without the allocation of federal funding towards POEs and the continuing dramatic reduction in border crossing traffic and increase in border wait times, Arizona will be at a physical and economic security disadvantage.

E. Contact Information

Name: Ana Urquijo

Title: Deputy City Manager

Phone: 520-458-3315

Email: Ana.Urquijo@douglasaz.gov

Reviewed by: Economic Development

Staff Recommendation: Support

Comments: Mexico is an important trading partner to Arizona and the rest of the United States. Improving the ports of entry along the Arizona-Mexico border can further economic development opportunities throughout the state.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #14

Urges the Governor and the State Legislature to develop and pass legislation that supports the long-term retention of Arizona’s military installations and provides opportunities to use the synergies connected to the military operations in the attraction of new or expanded governmental and non-governmental missions or businesses.

Submitted by: City of Sierra Vista, City of Bisbee, Town of Marana, City of Peoria, City of Yuma

* * * * *

A. Purpose and Effect of Resolution

Arizona’s military sector is an essential component of the state economy and most local economies within the state. There are five major military installations in Arizona, plus four principal National Guard operations. According to a 2008 report by The Maguire Group, commissioned by the Arizona Department of Commerce at the time, it is conservatively estimated that this sector produces over 96,000 direct, indirect and induced jobs in the state, with over \$9.1 billion in economic impact.

The Maguire report further quantified the amount of revenue Arizona’s military installations contribute directly to state and local governments at just over \$400 million annually, split nearly evenly between the two. In general, jobs connected to the military are especially valuable to the Arizona economy because they are largely unaffected by routine economic cycles, which means revenues associated with their presence are more stable. The Maguire report noted “Arizona would do well to guard this economic asset and preserve its viability.” It further stated “Maintaining these operations and the jobs and economic output they support should be a priority of state and local government.”

Support from Arizona’s local governments, through the Arizona League of Cities and Towns, for legislation that could enhance military effectiveness or protect against efforts to erode military missions is critical in the state’s long term success retaining Luke AFB, Davis-Monthan AFB, Fort Huachuca, Marine Corp Air Station Yuma and the Yuma Army Proving Ground. As federal budget reductions continue, each of the existing installations and their supporting contractors remain at risk of potential impacts, both small and large.

Arizona’s cities and towns must be unified in our support for the military, working together to identify opportunities to demonstrate that support through such things as: encouraging officials from state and local government to elevate needs identified by military installations for legislative action; supporting the continued activity and existence of the Governor’s Military Affairs Commission; supporting funding for economic development efforts at the state level to attract new/expanded military and military-connected missions and businesses; encouraging the use and continued funding of the Military Installation Funds (MIF) to help mitigate encroachment; and supporting legislative proposals regarding state land transfers to reduce potential encroachment around military installations.

B. Relevance to Municipal Policy

At a time in which every dollar of local revenue is even more precious to cities and towns, we must guard against inadvertent or blatant measures that could jeopardize existing military installations and the over \$200 million it directly contributes to local government. Encroachment is a major issue across the state and is not

only associated with new subdivisions. Water use, electromagnetic interference, lighting, airspace and other issues can ultimately affect military missions or could result in the state's five major bases not being considered for realigned missions in the future.

The Maguire study excluded military-related businesses such as Raytheon, Boeing and those associated with the redeveloped Williams Center in Gilbert, which take advantage of synergies with the state's military community but separately add hundreds of millions more in economic impact to the state and local economies. If the military missions are not retained, then opportunities to grow or expand these types of businesses and the resulting impact on the state and local economy could be missed.

C. Fiscal Impact to Cities and Towns

Failure to protect such a valuable asset to the state will have a direct and potentially devastating effect on local government. The military industry directly contributes approximately \$200 million in tax revenues annually to local government alone.

D. Fiscal Impact to the State

Similarly, Arizona's military installations contribute about \$200 million in revenue annually to the state government. Any loss of missions could erode that revenue, as well as impact future expansion opportunities for both military and non-military missions.

E. Contact Information

Name: Mary Jacobs Title: Assistant City Manager

Phone: 520-458-3315 Email: Mary.Jacobs@SierraVistaAZ.gov

Reviewed by: Intergovernmental Programs

Staff Recommendation: Support

Comments: Luke Air Force Base is an asset to Glendale and the rest of Arizona. This resolution promotes municipal support of all military installations throughout the state and their respective missions. This is critical as the federal government looks towards another round of Base Realignment and Closure (BRAC).

Subcommittee Recommends Adoption with Amendments

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #15

Requests the Legislature appropriate \$20 million to the Greater Arizona Development Authority (GADA) infrastructure fund, restoring its original statutory mandate and pre-FY2008 funding level. Further requests the Legislature insulate the GADA fund from future sweeps.

Submitted by: City of Apache Junction, Town of Chino Valley, Town of Queen Creek, Town of Sahuarita

* * * * *

A. Purpose and Effect of Resolution

Adoption of this resolution will:

- Support economic development in small, rural and tribal communities through infrastructure investment
- Address an urgent need to upgrade deteriorating infrastructure
- Provide affordable financing for smaller municipalities
- Create a sustainable source of funding for Arizona’s infrastructure needs

In FY1997, the State created the Greater Arizona Development Authority to fund the infrastructure needs of small, rural and tribal communities across the State of Arizona. Since that time, GADA has leveraged an initial State appropriation of \$20 million to successfully finance 84 projects, totaling \$575 million.

Since FY2008, the State has swept unrestricted GADA fund balances into the General Fund. This has significantly diminished the ability of small cities and towns to plan and execute capital improvement projects. The practice has negatively impacted every municipality with a population of fewer than 50,000 residents and every county with a population of fewer than 200,000 residents. Infrastructure investment plays a critical role in the economic viability of our communities not only in terms of future development, but also in terms of retaining existing employers and industry.

B. Relevance to Municipal Policy

Infrastructure investment creates jobs, builds better communities and makes the State of Arizona a safer and more productive place to live. The GADA fund has provided financing for a wide variety of infrastructure projects, including public safety, road improvements, wastewater system improvements, community centers, libraries, parks and recreation facilities and municipal service buildings. The projects are as unique and varied as the communities themselves. The projects have included new initiatives as well as renovations to dangerous and outdated infrastructure. Maintaining and improving infrastructure creates viable communities where people want to live, work and visit.

C. Fiscal Impact to Cities and Towns

Not only has GADA been able to provide access to bond markets for municipalities with unproven and weaker credits, but GADA’s strong bond rating has resulted in lower interest rates for the borrower. Further, GADA has provided for significantly lower issuance costs for municipalities. The lower costs have been accomplished through direct subsidies as well as cost allocation across a pool of participants. To date these lower interest rates, subsidies and allocations have totaled almost \$18.5 million or an average of approximately \$250k in

savings per financing. These savings are significant for small, rural and tribal communities.

Failure to pass this resolution will drive up the cost of infrastructure financing for many of our small municipalities.

D. Fiscal Impact to the State

To date, GADA has leveraged an initial \$20 million in appropriations from the State into \$575 million in infrastructure projects. This represents a net cost avoidance to the State and its taxpayers of \$555 million in direct capital investment. This also represents an effective leverage rate of almost 30:1. That is to say, for every \$1 of State appropriation, GADA has successfully provided almost \$30 of infrastructure investment in our communities.

Reinstatement of the GADA fund, with statutory insulation from future sweeps, will allow GADA to provide future infrastructure loans from cash flow.

E. Contact Information

Name: Matt Busby

Title: Asst. to the City Manager

Phone: 480-474-5096

Email: mbusby@AJCity.Net

Reviewed by: Economic Development, Finance

Staff Recommendation: Support

Comments: This resolution would provide additional needed financing tools and resources to small, rural communities in the State but would not be available to large cities like Glendale.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #16 (To be merged with Resolution #17)

Urge the Governor and State Legislature to amend A.R.S §38-848.3 and A.R.S §38-713a1b to include one representative from a large city along with one representative from a small non-metropolitan city on the Public Safety Retirement System Board of Trustees and the Arizona State Retirement System Board.

Submitted by: City of Sierra Vista, City of Apache Junction

* * * * *

A. Purpose and Effect of Resolution

This resolution seeks to add more balanced representation of local government to both the Public Safety Personnel Retirement System Board of Trustees as well as the Arizona State Retirement System Board. Currently, Small municipalities in the state are being impacted by the decisions being made to reform the public safety retirement system. Including members from a large and small city will allow a broader perspective on discussions as it relates to proposed changes to the system.

B. Relevance to Municipal Policy

Cities and towns across the state are being significantly impacted by the pension issue, particularly the PSPRS system decisions. Small communities with smaller police and fire departments are particularly hard hit with major increases, and several smaller rural communities are among the highest percentage of contributions in the state. The City of Bisbee pays 64.7 percent and Prescott 59.66 percent of their respective public safety payroll toward PSPRS. Making sure small rural communities have a voice at the table is important.

C. Fiscal Impact to Cities and Towns

This resolution has no fiscal impact to the Cities and Towns directly. However, Arizona Cities and Towns are keenly affected by the decisions of both retirement bodies. Therefore, it is essential that the perspective of municipalities be considered in system-wide decisions.

D. Fiscal Impact to the State

This resolution has no fiscal impact to the State.

E. Contact Information

Name: Mary Jacobs Title: Assistant City Manager

Phone: 520-439-2147 Email: Mary.Jacobs@SierraVistaAZ.gov

Reviewed by: Fire, Police, Human Resources

Staff Recommendation: Support

Comments: This resolution will be combined with resolution #17 to create more of a comprehensive approach towards getting the largest contributors to the fund, the cities, additional seats on the PSPRS Board. It may be difficult to add a city to the ASRS Board without adding a school representative since they are the largest contributor to that fund.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #17 (To be merged with Resolution #16)

Adopt further improvements to Arizona’s public safety retirement system that will promote affordability for taxpayers while providing for the benefit promised to workers. These improvements should include a plan to effectively deal with the problem of unfunded liability, bringing a balance within a reasonable period of time while ensuring that Arizona remains competitive in its ability recruit and retain talented public safety employees.

Submitted by: City of Flagstaff, Town of Paradise Valley

* * * * *

A. Purpose and Effect of Resolution

Explore mechanisms to improve public safety pensions for both employer and employees that create an economically sustainable retirement system that protect taxpayers.

B. Relevance to Municipal Policy

Need for sound financial planning and budgeting and use of the taxpayer dollars. How cities spend the taxpayers’ money is one of its most important responsibilities and a significant factor in garnering the trust of our citizens.

C. Fiscal Impact to Cities and Towns

The disparate fiscal impact on each of the municipalities varies widely and creates challenges in budgeting and planning for the future. The current unfunded liability and increasing contribution rates for the public employee retirement systems are not financially sustainable and create a heavy burden on local governments to continue to fund pensions.

D. Fiscal Impact to the State

Leveling the state contribution to be applied more uniformly across municipalities could be an impact to the State budget. The anticipated costs associated with decreasing unfunded liability will have a big impact on state and local budgets for years to come and is an essential component of any pension reform measure.

E. Contact Information

Name: Michelle D’Andrea/Jerene Watson

Title: City Attorney/Deputy City Manager

Phone: 928-213-2044/928-213-2073

Email: jerenewatson@flagstaffaz.gov

Reviewed by: Fire, Police, Human Resources

Staff Recommendation: Support

Comments: This resolution will be combined with resolution #16 to create more of a comprehensive approach towards getting the largest contributors to the fund, the cities, additional seats on the PSPRS Board. It may be difficult to add a city to the ASRS Board without adding a school representative since they are the largest contributor to that fund.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #18

Urges the Governor and the State Legislature to develop and pass legislation that supports efforts to reduce the shortage of health care professionals in the State of Arizona. The League encourages the Legislature to consider: expanding the level of Graduate Medical Education (GME) funding; expanding medical school capacity within the state universities; addressing issues affecting the attraction and retention of physicians and other health care professionals, from out-of-state; reducing obstacles to medical practice in Arizona; and addressing any other major issues that affect a physician's, and other health care professionals, decision to locate or remain in Arizona to practice.

Submitted by: City of Sierra Vista, Town of Wickenburg, City of Bisbee

* * * * *

A. Purpose and Effect of Resolution

Part II of the 2005 Arizona Physician Workforce Study, conducted by specialists from the University of Arizona and Arizona State University, identified that since 1992 to 2004, Arizona's physician supply is not keeping up with its population growth. The situation has not gotten any better. Arizona has 219 physicians per 100,000 people, well below the national average of 293 per 100,000. Rural communities in the state are affected by the shortage even more with one county at under 60 physicians per 100,000. Specialty physicians are particularly difficult to recruit and retain. By way of example, the city of Sierra Vista's regional hospital is now the only location in all of Cochise County in which a woman can deliver a baby outside of a setting in which emergency services are available. In addition, as the Baby Boomer population ages, more of the older doctors in rural communities will retire, potentially exacerbating the situation.

Since approximately 60 percent of physicians who complete their training in Arizona teaching hospitals remain practicing within the state, enhancing the Graduate Medical Education (GME) program is a critical component to addressing this shortfall and has been identified by previous gubernatorial task forces. Also recommended were efforts to reduce obstacles to medical practice in Arizona. Recruitment and retention of physicians is hampered throughout the state by higher professional liability premiums as compared to other states,. This is certainly an obstacle needing attention. Recent actions to reduce funding to the State's Medicaid program will only exacerbate the issue statewide. Now, more than ever, action is needed to retain existing physicians and ensure Arizona is a desirable place to practice for others.

B. Relevance to Municipal Policy

Health care is a key component of the overall quality of life for any community. It is an attraction and retention component for business and military activities, both of which are the backbone of the state's economy. An adequate supply of physicians is the foundation of quality healthcare and although most barriers to physician recruitment and retention are beyond the direct control of local government, the health of our citizens should be a strong consideration for local legislative input and advocacy. The National League of Cities has incorporated citizen health in its overall federal legislative platform by developing and advocating for health programs for children and youth.

C. Fiscal Impact to Cities and Towns

There should be no negative fiscal impact on Cities and Towns. To the contrary, not only will there be an intrinsic gain to Cities and Towns in overall quality of life of their residents if accessibility to health care is improved, but all communities in the state can use improved health care as an economic development tool in the future.

D. Fiscal Impact to the State

There are some solutions such as investing in the graduate medical program that will require additional investment by the state in medical education. However, some recommendations can be implemented with little to no effect on state finances. But like the cities and towns, improvement in access to health care results in an improvement in the ability of the State to attract corporations who value health care access as a major factor in relocation to Arizona. In addition, more physicians in the rural areas of the state will reduce the number of trips on already overcrowded roadways residents from those areas make to the Phoenix or Tucson metropolitan areas to seek treatment.

E. Contact Information

Name: Mary Jacobs Title: Assistant City Manager

Phone: 520-458-3315 Email: Mary.Jacobs@SierraVistaAZ.gov

Reviewed by: Intergovernmental Programs

Staff Recommendation: Support

Comments: Sierra Vista has run this resolution since Janet Napolitano was governor. Some progress has been made. For example, U of A has expanded their medical school program in the Valley. However, to really make progress would require that significantly more money be invested in education for medical professionals. Additionally, tort reform is cited as something that would make the state more desirable for medical professionals.

Subcommittee Not Recommended For Passage

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #19

Urges the Legislature and the Governor to partner with cities and towns for the operation and maintenance of Arizona State Parks (ASP) under long term leases, for a nominal amount, and to participate financially by providing for a dedicated funding mechanism to share a portion of the costs.

Submitted by: City of Yuma, City of Apache Junction, City of Flagstaff, City of Sierra Vista

* * * * *

A. Purpose and Effect of Resolution

When the State became unable to continue full support of its parks, local governments and non-profit groups in Arizona stepped up to the plate and entered into short-term agreements to operate and maintain the parks in or near their jurisdictions (Alamo Lake, Boyce Thompson Arboretum, Fort Verde, Homolovi, Jerome, Lost Dutchman, Lyman Lake, McFarland, Picacho Peak, Red Rock, Riordan Mansion, Roper Lake, Tombstone Courthouse, Tonto Natural Bridge, Tubac Presidio, Yuma Territorial Prison State Historic Park, Yuma Quartermaster Depot State Historic Park) so Arizona residents and visitors alike could continue to enjoy the rich recreational experiences that state parks provide. These Agreements have proven to be successful. However, the State has been reluctant to enter into leases for longer than three years. In order to make the current partnerships between the State and local governments more viable over time and to encourage partnerships with both public and private non-profit organizations, longer term leases (such as 10 years) and a continuing, dedicated and reliable funding stream from the State, local governments and non-profits will be needed.

Longer term leases and a dedicated funding stream will assure that Arizona’s State Parks remain open to the public as a recreational, environmental and cultural benefit that supports and generates tourism and provides important revenue to not only local, but also to the regional and statewide economies. In addition, the availability of the State Parks System will continue to provide a high quality of life for Arizona residents and serve as an attraction to new residents.

B. Relevance to Municipal Policy

State Parks are essential to the rural economies and people of Arizona. The continued threat to their operation leaves a continued threat to the weakened local economies in rural Arizona. In addition, Arizona’s natural environment, including access to the environment through availability of State Parks across the state, draws millions of tourists to Arizona, benefiting every entity that relies on tourism as part of its economy.

Increasingly, ASP is reliant on partnerships with local governments to make its state parks viable. This comes at a time when local resources are shrinking.

C. Fiscal Impact to Cities and Towns (Newer statistics are not available.)

Visitors’ expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

D. Fiscal Impact to the State

The economic benefit of the State Park System is statewide. Calculated at the state level for FY07, the total

economic impact of Arizona State Parks (direct, indirect and induced) on the state was \$266,436,582. This total state income resulted in 2,397 direct jobs and 950 indirect jobs for a total of 3,347 jobs statewide. The jobs provided were generated directly through State Parks employment, as well as indirectly for the tourism industry that is supported and enhanced by the existence of State Parks.

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

(Economic figures cited are from "The Economic Impact of Arizona State Parks 2007" study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.)

E. Contact Information

Name: Steven W. Moore

Title: City Attorney

Phone: (928) 373-5050

Email: Steve.Moore@YumaAZ.gov

Reviewed by: Intergovernmental Programs, Parks and Recreation

Staff Recommendation: Not Support

Comments: The first half of the resolution is not needed because state statute already allows local governments to enter into short term (3 year) agreements with the State. Cities stepped up and kept State Parks open when the legislature cut funding during the Great Recession. The State was very resistant last session to any effort that would be seen as trying to permanently take over their stewardship of the parks. We are working closely with the state to keep parks open so there is not the need to "go to war" over this with them at this time. Additionally, this resolution also asks that the State create a funding mechanism to assist in keeping the parks open and maintained. We shouldn't be calling on the state to create new funding when we are going to be focusing our energy on them not taking our funds to backfill their looming fiscal cliff.

Significant Municipal Issues

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #20

Support the restoration of funding to the Arizona Housing Trust Fund.

Submitted by: City of Flagstaff, Town of Chino Valley, City of Prescott Valley

* * * * *

A. Purpose and Effect of Resolution

Created in 1988 to provide a flexible funding source to assist in meeting the needs of low-income households in Arizona, the Housing Trust fund is funded from the sale of unclaimed property, such as stocks or savings accounts abandoned by the owner, often due to a death without a will. The Housing Trust Fund was initially funded by 35 percent of unclaimed property proceeds and then increased over time to 55 percent to better address rural housing needs. Prior to the Great Recession, the Housing Trust Fund received over \$30 million annually. Due to state budgetary constraints, in 2010 the Housing Trust Fund was capped at \$2.5 million.

B. Relevance to Municipal Policy

Cities and towns as well as non-profits are eligible to apply to receive an allocation of the Housing Trust Fund to further housing objectives within their communities. Restoration of funding to the Trust Fund will enable a greater number of grant applications to be funded and other funding to be leveraged.

C. Fiscal Impact to Cities and Towns

Funding from the Housing Trust Fund has the potential to bring much needed funding to communities to address housing needs, either through the city, town or a non-profit application for use to further local housing objectives.

D. Fiscal Impact to the State

When the Housing Trust Fund was capped at \$2.5 million in 2010, the funding from the sale of unclaimed property was reallocated to other areas. Restoration of funding to the Trust Fund will potentially pull funding away from the areas to which it was reallocated.

E. Contact Information

Name: Sarah Darr

Title: Housing Manager

Phone: 928-213-2745

Email: saradarr@flagstaffaz.gov

Reviewed by: Neighborhood Revitalization

Staff Recommendation: Support

Comments: While we do not access these funds directly, the funding has been critical to our partners in the financing of some our most recent multi-housing projects. Historically, funding has come from a percentage of unclaimed property and other related funds. The request would be to reinstate the funding mechanism that has existed for many years. The danger, of course, is the legislature could decide to utilize other, more critical resources, such as state shared revenue. It is appropriate for this issue to remain a significant municipal issue.

LEAGUE OF ARIZONA CITIES & TOWNS

Resolution #21

Urges the Legislature to pass legislation that bans the use of cell phones, smart phones or similar data devices with one or both hands, particularly texting, while in control as the driver of a motorized vehicle.

Submitted by: City of Sedona, City of Bullhead City, City of Kingman

* * * * *

A. Purpose and Effect of Resolution

The purpose of this legislation is to ban the unsafe practice of using a cell phone, smart phone or similar data devices with one or both hands while in control as the driver of a motorized vehicle, except in the case of an emergency. The effect would be to limit the distraction of the vehicle driver, thereby improving public safety while driving on public and private roads, thoroughfares and highways.

According to the National Highway Transportation Safety Administration (NHTSA), 43 states including D.C. Puerto Rico, Guam and the U.S. Virgin Islands ban text messaging for all drivers. 12 states including D.C., Puerto Rico, Guam and the U.S. Virgin Islands prohibit all drivers from using handheld cell phones while driving.

In 2009, several large scale naturalistic driving studies conducted by Virginia Tech Transportation Institute concluded the following concerning the use of cell phones and texting while driving:

For light vehicles or cars:

- Dialing a cell phone made the risk of crash or near-crash event 2.8 times as high as non-distracted driving;
- Talking or listening to a cell phone made the risk of crash or near-crash event 1.3 times as high as non-distracted driving; and
- Reaching for an object such as an electronic device made the risk of crash or near-crash event 1.4 times as high as non-distracted driving.

For heavy vehicles or trucks:

- For heavy vehicles or trucks:
- Dialing a cell phone made the risk of crash or near-crash event 5.9 times as high as non-distracted driving;
- Talking or listening to a cell phone made the risk of crash or near-crash event 1.0 times as high as non-distracted driving;
- Use of, or reach for, an electronic device made the risk of crash or near-crash event 6.7 times as high as non-distracted driving; and
- Text messaging made the risk of crash or near-crash event 23.2 times as high as non-distracted driving.

Virginia Tech Transportation Institute also found that when a driver of a vehicle is texting, five seconds is the average time your eyes are off the road. When traveling at 55mph, five seconds is enough time to cover the length of a football field.

The NHTSA states the following facts (February 2014, Traffic Safety Facts Research Note DOT HS 811 884):

- The percentage of drivers holding cell phones to their ears while driving stood at 5 percent in 2012. This rate translates into an estimated 660,000 vehicles driven by people using hand-held cell phones at a typical daylight moment in 2012. It also translates into an estimated 9 percent of the vehicles whose drivers were using some type of phone (either hand-held or hands-free) at a typical daylight moment in 2012.
- Hand-held cell phone use continued to be highest among 16- to 24-year-olds.
- The percentage of drivers visibly manipulating handheld devices while driving increased from 1.3 percent in 2011 to 1.5 percent in 2012.
- Since 2007, the percentages of drivers' visibly manipulating hand-held devices while driving has been significantly higher among drivers age 16 to 24 than those of other age groups.

Multiple studies have concluded that using cell/smart phone or similar data devices with one or both hands while in control as the driver of a motorized vehicle-- and especially the practice of texting-- dramatically escalates the distraction rate of a driver and leads to statistically higher rates of injuries and fatalities in motorized vehicle accidents. Studies have also shown that young drivers, ages 16 to 24 have the highest rates of cell phone usage while driving a vehicle compared to all other age groups.

B. Relevance to Municipal Policy

A comprehensive statewide ban on the use of cell/smart phones with one or both hands including texting while driving a motorized vehicle would be easy for all municipalities across the state to consistently enforce a law that would improve public safety and save lives. It will also give citizens greater comfort in knowing that hands-on cell/smart phone usage is prohibited everywhere at all times instead of learning which towns/cities/counties have bans in place and the differences of the laws in each jurisdiction. Having one consistent policy across the state should improve the chance for voluntary compliance among citizens.

C. Fiscal Impact to Cities and Towns

The fiscal impacts are unknown, however the decline in serious vehicular accidents, injury and death as a result of such legislation should have a positive impact on the need for emergency response personnel and municipal services, thus freeing up emergency personnel and equipment for other emergencies.

D. Fiscal Impact to the State

It is anticipated there would be little if any fiscal impact to the state from such a ban.

E. Contact Information

Name: Nicholas Gioello Title: Assistant to the City Manager & Government Relations Manager

Phone: 928-203-5100 Email: ngioello@sedonaaz.gov

Reviewed by: Police, Transportation

Staff Recommendation: Support

Comments: While the State does have laws on the books to deal with distracted driving, this resolution would attempt to make some local laws uniform across the state. This item should remain a significant municipal issue.

League of Arizona Cities & Towns

2015 Resolution Submissions

League Staff Recommendations

1	Support legislation to preclude the Arizona Department of Transportation (ADOT) from requiring cities and towns to completely indemnify ADOT in order to obtain access to certain federal funds.	Recommend for Adoption
2	Support legislation to streamline the implementation of development impact fees including, but not limited to, expansion and clarification of allowable uses, shorter implementation time frames, and reduction of complexity and ambiguity.	Recommend for Adoption

Reviewed by: Intergovernmental Programs

Staff Recommendation: Support



WORKSHOP COUNCIL REPORT

Meeting Date: **8/5/2014**
Meeting Type: **Workshop**
Title: **ANNEXATION DISCUSSION**
Staff Contact: **Sam McAllen, Director, Development Services Department**
Presented by: **Sam McAllen, Director, Development Services Department**
Jon M. Froke, AICP, Planning Director

Purpose and Policy Guidance

Staff will provide an update to the Council concerning the City's Annexation Policy. Staff will also update the Council concerning the adopted Pre-Annexation and Development Agreement (PADA) with the Loop 303 Corridor Group and will discuss the proposed Zanjero Pass, Granite Vista and Marbella Ranch development projects.

Staff is seeking guidance from Council concerning the following matters:

- Possible annexation of properties located in and around the Loop 303 (State Route 303 Loop).
- Direction on annexing future residential properties in the Municipal Planning Area (MPA).

Background

Annexation is the process by which a city may assume jurisdiction over unincorporated territory adjacent to its boundaries. The process of annexation is set forth in state law; however, the decision to annex property is at the discretion of the local jurisdiction, in this case, the City Council.

Several reasons for annexation include: Businesses and residences receive municipal services; orderly development occurs along municipal boundaries; development is subject to municipal codes, subdivision requirements, and zoning ordinances; and the potential for increased revenue to the municipality including state shared revenue.

Council adopted Glendale's first Annexation Policy on December 16, 2003, and amended it on July 12, 2005.

The current Annexation Policy includes the following items:

- Viable private companies will provide water and sewer service for any annexed area located beyond the city's existing service area which would include properties west of 115th Avenue.
- The city will proactively pursue voluntary annexation in the Loop 303 Corridor.



WORKSHOP COUNCIL REPORT

- Consideration will be given to annexation requests submitted from any location within the MPA.

Most of the area within the city's MPA south of Peoria Avenue, west of 115th Avenue, north of Camelback Road, and east of Perryville Road lies within the service boundaries for private utility companies. Private water and sewer providers have extended their utility lines into portions of this area.

Current Council direction, as incorporated in the Annexation Policy, is that viable private companies will provide water and sewer services for any annexed area located beyond the city's existing service area.

The provision of providing water and sewer services in the area west of 115th Avenue by viable private providers benefits the city in that the city's 100 year assured water supply will not be used to serve the area and there typically will be no city capital expenditures for water and sewer infrastructure. The land owner will need to obtain an assured water supply from the Arizona Department of Water Resources (ADWR) as part of the development process to ensure there are adequate water resources. The area west of 115th Avenue is within Glendale's Maricopa Association of Government's (MAG) 208 Planning Area, which provides for review of sewer line extensions by the city.

Analysis

The existing Annexation Policy supports the promotion of sound growth management methods achieving reasonable, responsible growth. The Annexation Policy provides that consideration will be given to annexation requests submitted from any location within the MPA. The Annexation Policy defines two types of annexations, undeveloped areas and developed areas and the policy for annexation of each.

Annexation represents an opportunity for the Council to continue to protect Luke Air Force base by controlling the land uses and the types of development that will take place in the area and ensure that one of Arizona's most important economic engines is surrounded by compatible land uses in the future.

A rational and consistent methodology is provided in the Annexation Policy for making annexation decisions; however, it should be amended from time to time to reflect current conditions, such as requiring economic impact studies with each request. Annexation requests may sometimes include small parcels, rights-of-way and slivers of land to adjust the city limits line. In these types of situations an economic impact study would not be required. Annexation Policy amendments identified at the January 21, 2014 Workshop, at the August 5, 2014 Workshop and by staff will be included when the Annexation Policy is updated and presented to City Council later this year.



WORKSHOP COUNCIL REPORT

Zanjero Pass is included in the Pre-Annexation Development Agreement (PADA) for property located at the northeast corner of Olive Avenue and Citrus Road. The property owner has filed applications with Glendale to entitle the property and develop it under city jurisdiction. These applications are under review and will be brought forward for Council consideration at a later date. Approximately 491 dwelling units are planned on 171 acres. A commercial shopping center of 8.18 acres is planned. The site is not located in the 65 ldn noise contour for Luke Air Force Base.

Granite Vista is a 437 acre property located at the southeast corner of Olive Avenue and Citrus Road. The property owner is currently processing their land use applications through Maricopa County. Approximately 1,200 dwelling units are planned. The site is not located in the 65 ldn noise contour for Luke Air Force Base.

Marbella Ranch is a 252 acre property located at the northwest corner of Glendale Avenue and El Mirage Road. The development is bounded by the Northern Parkway on the north and the 65 ldn noise contour for Luke Air Force Base on the west. This site recently received approvals from Maricopa County to allow approximately 1,260 dwelling units. Residential development is not permitted within the 65 ldn noise contours. Luke Air Force Base has reviewed this project and has noted that it will not negatively impact flying operations in this area.

Staff recommends that:

- Properties within the MPA should be considered for annexation.
- Participating properties within the PADA should be annexed.
- Zanjero Pass should be annexed.
- Granite Vista should be considered for annexation.
- Marbella Ranch should be considered for annexation.

Previous Related Council Action

At the January 21, 2014 City Council Workshop staff provided an Annexation Policy update to the Council. Staff also updated the Council concerning the Pre-Annexation and Development Agreement (PADA) with the Loop 303 Corridor Group. Council noted that staff should continue as they have been doing and look at annexations as they come in. Direction was provided to make minor edits to the Annexation Policy. Those edits will be brought forward for Council consideration in 2014.

On September 24, 2013 City Council approved the assignment of the agreements, including the Wastewater Agreement from Global Water Resources to EPCOR Water, one of the existing private water and sewer providers within Glendale's Municipal Planning Area. This action allows EPCOR to be the water and sewer provider for much of this area.



WORKSHOP COUNCIL REPORT

At the October 23, 2012 City Council Meeting, Council adopted Resolution 4624 which authorized the City of Glendale to enter into a Pre-Annexation Development Agreement and an agreement for Future Wastewater and Recycled Services Agreement (Wastewater Agreement). The PADA was between the city and participating landowners within the Loop 303 Corridor Development Group, while the Wastewater Agreement is between the city and Global Water Resources.

On October 2, 2012, staff made a presentation to the Council concerning the Loop 303 Corridor.

Council approved a memorandum of understanding on March 9, 2010 that would permit Global Water resources, a private sewer company, to provide sewer services in the Loop 303 Corridor area.

At Council Workshop on June 3, 2008 there was discussion regarding the entire MPA. Council provided direction that provision of water and sewer services to the geographic area located west of 115th Avenue would be paid for by property owners in this area with no impact on existing water and sewer customers elsewhere in the city.

On January 15, 2008 staff presented an Annexation and Utilities Update in the Loop 303 Corridor to Council.

On July 12, 2005, following a number of Workshops, City Council adopted the current Annexation Policy, which amended the 2003 version.

On December 6, 2003, following a number of Workshops, City Council adopted an Annexation Policy.

Community Benefit/Public Involvement

Glendale 2025, the City's General Plan, includes specific goals addressing the need for growth management. Annexation is a tool that can be used by the city to direct and manage growth. The Loop 303 Corridor is an opportunity to develop an employment and residential base in this portion of Glendale. Annexation will bring a large area for future rail served industrial development into the city limits. Job creation, employment opportunities, residential opportunities, and private sector investment will be realized in the short and long term in this area.

Annexation of land requires that any future development meet the Glendale General Plan as well as all other development standards for the city, rather than Maricopa County. These improvements may include right-of-way dedications and roads as required by Transportation.



WORKSHOP COUNCIL REPORT

Once annexed, the city is required to provide services. On undeveloped sites, the city has the opportunity to work with the applicant at the time of annexation and zoning to best plan for the provision of city services.

Bringing in new residential development does have the advantage of additional state shared revenue, along with the collection of filing fees and permit fees associated with new development.

Budget and Financial Impacts

The Loop 303 Corridor group completed a fiscal analysis in 2012 which demonstrated the costs for the city will be substantially less than the direct revenues to the city once the Corridor is developed. The fiscal impacts include the general fund, streets, transportation sales tax, and police and fire special revenue funds. There is a positive impact to the city for development of the corridor as a whole. Participating properties outlined in the PADA should be considered for future annexation. Properties that further retail, employment, industrial and residential properties should be considered for future annexation.

The city retained Applied Economics to conduct a 2014 analysis of projected revenues and expenditures, which identified impacts on the MPA. It is difficult to forecast when the commercial and industrial development revenue overtakes the residential costs. There will be a short term cost while the residential is built, but once the commercial / industrial is built there will be a net positive to the city. Revenue impact to Glendale finds that at a 25 year build out scenario in the MPA that the City would realize positive annual revenue of \$1.8 million. Annexation could result in an estimated population increase of approximately 50,800. This will also help secure state shared revenue.

Property west of 115th Avenue will be served by a private water and sewer system. This represents a significant cost savings to the city. Police, fire, sanitation, recycling, transit operations, street lighting, traffic management, and street maintenance will need to be considered as properties are annexed in the MPA. Costs associated with providing these services will be considered as part of the annexation and rezoning process. The city will seek the most cost effective ways to provide these services to future residents through public / private partnerships and other means.

Attachments

Municipal Planning Area Map

Loop 303 Corridor Vicinity Map

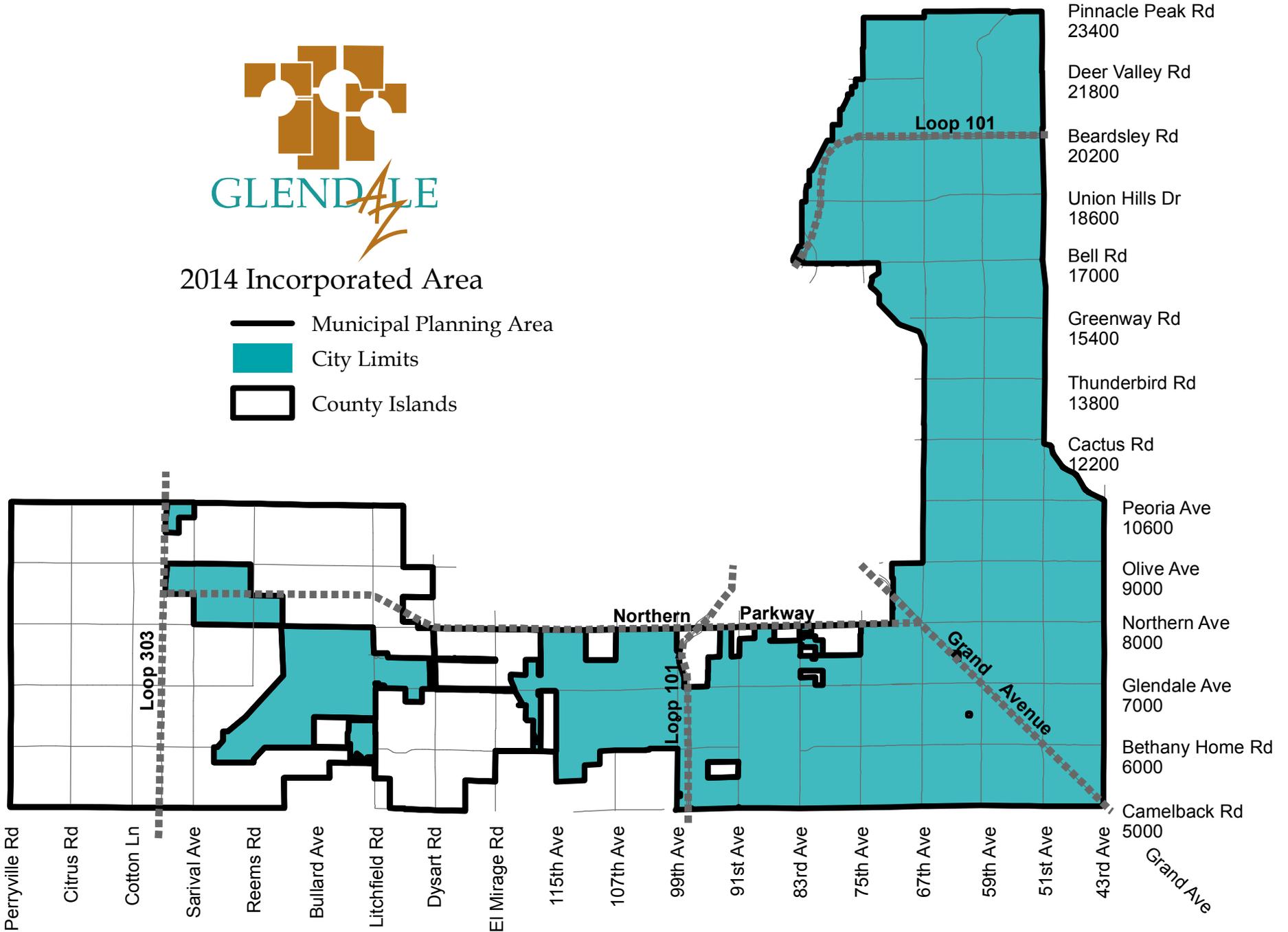
Annexation Policy

Applied Economics Fiscal Impact Analysis



2014 Incorporated Area

-  Municipal Planning Area
-  City Limits
-  County Islands





ANNEXATION POLICY

Adopted by
Glendale City Council
December 16, 2003
- Amended: July 12, 2005 -

Prepared by the Glendale Planning Department

RESOLUTION NO. 3874 NEW SERIES

A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AMENDING THE "ANNEXATION POLICY FOR THE CITY OF GLENDALE"; AND SETTING FORTH AN EFFECTIVE DATE.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLENDALE as follows:

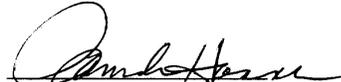
SECTION 1. That the certain document entitled "Annexation Policy for the City of Glendale, Amended July 12, 2005," three copies of which are on file in the office of the City Clerk, is hereby adopted and said copies are ordered to remain on file with the City Clerk.

SECTION 2. That the amended Annexation Policy for the City of Glendale shall become effective upon passage of this resolution by the Glendale City Council.

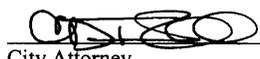
PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Glendale, Maricopa County, Arizona, this 12th day of July, 2005.


MAYOR

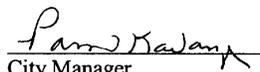
ATTEST:


City Clerk (SEAL)

APPROVED AS TO FORM:


City Attorney

REVIEWED BY:


City Manager

CITY OF GLENDALE ANNEXATION POLICY

AMENDED July 12, 2005

Prepared by Glendale Planning Department



ANNEXATION POLICY

PREFACE

From humble beginnings on June 18, 1910 when the City of Glendale was incorporated to present day, the City of Glendale has grown from 1.01 square miles to approximately 56 square miles in size. Glendale's Municipal Planning Area (MPA) is approximately 100 square miles in size. The MPA includes all of the area in the existing city limits plus the area inside the strip annexation boundaries.

Glendale began as a result of the agricultural activity in the area. The Beet Sugar Factory is exemplary of a significant milestone in the development of Glendale. The completion of Roosevelt Dam in 1911 provided the solution to the valley's unpredictable supply of water and provided a level of stability for area farmers reliant upon irrigation for successful crop growth. In the years since 1910, the City has changed from the agricultural center that it once was into a diverse community that includes agricultural activity, a variety of post secondary educational opportunities, employment cores, a significant medical industry and a variety of housing and recreational opportunities.

The City continues to grow and mature, and has reached a number of important development milestones in the last few years. After years of planning and twenty years of development Arrowhead Ranch is nearing completion. The North Valley Specific Area plan, which includes regional retail development on the north and south sides of Bell Road between Loop 101 and 67th Avenue, is approaching build-out. The Agua Fria Freeway, commonly know as Loop 101, has been completed and the last segment was opened in Glendale in fall 2000. As a result of the completion of the Loop 101 the Agua Fria Town Center is under development and a mixed-use development that includes a multi-purpose arena that will be home to the National Hockey League's Coyotes franchise. Major corporate headquarters are choosing to locate in Glendale due to the amenities the City has to offer and the high quality of life that residents enjoy.

The opening of Loop 101 in 2001, heightened interest in annexation of the remaining unincorporated parcels located east of 115th Avenue. Annexation in the City had occurred sporadically and without the benefit of a written policy or process prior to December 2003. December 16, 2003 marked the adoption of Glendale's first Annexation Policy.

CITY OF GLENDALE ANNEXATION POLICY

AMENDED July 12, 2005

Prepared by Glendale Planning Department

Page 3 of 13

The amendments to the 2003 Annexation Policy are a result of a City Council Workshop series that discussed the future disposition of Glendale's "strip annexation area". The workshop series concluded at a special Saturday workshop on February 12, 2005. At this Special Workshop the Glendale City Council gave three specific points of direction:

1. Viable private companies will provide water and sewer service for any annexed area located beyond the city's existing service area.
2. The City will proactively pursue voluntary annexation in the Loop 303 Corridor.
3. Consideration will be given to annexation requests submitted from any location within the Glendale Municipal Planning Area.

CITY OF GLENDALE ANNEXATION POLICY

AMENDED July 12, 2005

Prepared by Glendale Planning Department

Page 4 of 13

GROWTH MANAGEMENT

Growth management is one of the key areas of emphasis in the State of Arizona's 1998 and 2000 Growing Smarter Legislation. Glendale 2025, the City's General Plan, addresses this concept in Goal 3 of the Growth Areas Element, "Manage growth to achieve reasonable, responsible urban development."

Annexation is a tool that can be used by a city to direct and manage growth.

Annexation is defined as the process by which cities increase their geographical area. There are both benefits and costs associated with annexation. When considering annexation it is imperative that not only the short-term costs be identified but also the long-term benefits. It should be noted that annexations that occur in the near future would result in less short-term costs and greater long-term benefits compared to waiting a number of years to "close-up" the jurisdictional boundaries located east of 115th Avenue.

There are a number of reasons that a city may want to incorporate new areas into its boundaries (long-term benefits), such as:

- Effectively managing urban development
- Allowing for the efficient planning and provision of services
- Creation of a stronger community
- Social and economic benefit to the City
- Increasing the City's economic base and providing additional sources of revenue
- Management and implementation of the City's Transportation Plan
- Assuring high quality development in accordance with City standards

Annexation has costs associated with it as well. These "short-term" costs can include:

- Upgrading service levels in the newly annexed area(s) to the same level and quality that current residents of the City already receive.
- Establishing or extending infrastructure, such as police and fire protection, streets, water and sewer service to the newly annexed area(s). The costs of upgrading infrastructure for developed parcels, once they are annexed, can be addressed through existing City programs for infrastructure improvement or the formation of an improvement district. Undeveloped parcels will include the necessary infrastructure improvements during planning, design and construction

CITY OF GLENDALE ANNEXATION POLICY

AMENDED July 12, 2005

Prepared by Glendale Planning Department

Page 5 of 13

of the project. This exemplifies the concept of “making development pay for itself”.

ANNEXATION POLICY AND PROCESS

The purpose of developing an annexation policy for the City of Glendale is to provide a rational and consistent methodology for making annexation decisions. By employing a prescribed process, the City Council will use consistent criteria provided to use in determining whether or not an individual annexation request will be in the best interest of the City of Glendale.

Glendale is beset with a unique set of circumstances. First, there is the portion of the city that has been incorporated but contains county islands. This area is located east of 115th Avenue, with the exception of Luke Air Force Base. The area up to 115th Avenue has been included in the long-range planning efforts since the 1980's to provide water and sewer services, sanitation services, police and fire protection and other City services and amenities – i.e. library services and parks. Secondly, the Municipal Planning Area (MPA) includes the area west of 115th, which extends from 115th Avenue west to Perryville Road and is generally bounded by Camelback Road on the south and Peoria Avenue on the north. The area west of 115th is delineated by a strip annexation that was completed in 1978.

ANNEXATION TYPES The Annexation Policy outlines the policy and process for two distinct types of annexation requests. The two types of annexation requests are undeveloped areas and developed areas. Consideration will be given to annexation requests submitted from any location within the Glendale Municipal Planning Area.

TYPE ONE: UNDEVELOPED AREA

- ✓ Annexation requests for undeveloped land with or without development master plans previously approved by Maricopa County.

TYPE TWO: DEVELOPED AREAS

- ✓ Annexation requests for existing residential parcels, subdivisions or non-residential sites that have been developed according to Maricopa County requirements. Property owners desiring annexation will be asked to submit written documentation that

CITY OF GLENDALE ANNEXATION POLICY

AMENDED July 12, 2005

Prepared by Glendale Planning Department

indicates that a majority of the affected property owners are interested in annexation.

The intent for both types of annexation request is to facilitate annexation of all sites by working with the respective property owners.

LOOP 303 CORRIDOR

The City will proactively pursue voluntary annexation in the Loop 303 Corridor. The Loop 303 Corridor is bounded by Peoria Avenue on the north, Sarival Avenue on the east, Camelback Road on the south and Cotton Lane on the west.

Proactive pursuit of voluntary annexation means that:

- The City will initiate contact with the property owners in this corridor; and
- Information will be provided to the owners about what it would mean to them to annex into Glendale.

Annexation processes, as outlined in pages 11 to 15 of this policy, will be followed for properties within the Loop 303 Corridor. All other aspects of the Annexation Policy apply to this emphasis area as well.

WATER AND SEWER SERVICE

Viable private companies will provide water and sewer service for any annexed area located beyond the city's existing service area. The City's service area ends at 115th Avenue. This policy is applicable to all annexations that may occur west of 115th Avenue in the area generally referred to as the "strip annexation area". The general boundaries of the strip annexation area are Peoria Avenue, 115th Avenue, Camelback Road and Perryville Road.

DISCLOSURE STATEMENT

The City of Glendale is committed to providing a wide range of publicly funded services to all of the City's residents. In addition to these services a number of improvement programs are available to the City's residents to be used to upgrade existing infrastructure and enhance neighborhoods. In an effort to ensure that property owners annexing into the City have a clear understanding of the services to be provided and programs available an Annexation Disclosure statement has been prepared. The Annexation Disclosure Statement will be provided to the property owners within the proposed annexation area throughout the annexation process. The purpose of the Annexation Disclosure Statement is to provide information regarding the following:

1. Notification to developed areas interested in annexing into the City that infrastructure improvements and the payment of the Municipal Service Fee are required prior to annexation. A Pre-Annexation Agreement is required to outline the specific improvements and fee for each developed area requesting annexation.
2. Clarification of the scope of services to be provided by the City of Glendale at the time of annexation.
3. Providing general information on improvement programs administered by the City that are available to residents of the City of Glendale for upgrading infrastructure or enhancing neighborhoods.
4. The process followed to bring newly annexed properties into compliance with the adopted codes and ordinances of the City of Glendale.

INFRASTRUCTURE IMPROVEMENTS AND MUNICIPAL SERVICE FEE – DEVELOPED AREAS

All **developed** areas requesting annexation will be required to:

1. Upgrade the proposed annexation area's existing infrastructure to comply with the current City of Glendale standards before the adoption of the annexation ordinance, and
2. Pay a Municipal Service Fee (MSF) equal to one year of the City's current property tax based on the assessed valuation of the proposed annexation area. The MSF would include the current primary and secondary property taxes levied by the City.
3. Enter into a Pre-Annexation Agreement with the City of Glendale. The purpose of this Agreement is to clarify the extent of the infrastructure improvements to be accomplished and the amount of the MSF to be paid.

The Council has the authority to waive the MSF and/or selected improvements, which may be accomplished through improvement programs administered by the City, if the annexation is in the best interest of the City. This allows the Council some flexibility so that each developed area requesting annexation can be evaluated on a case-by-case basis.

CITY OF GLENDALE ANNEXATION POLICY

AMENDED July 12, 2005

Prepared by Glendale Planning Department

Page 8 of 13

The intent of the MSF based on the Glendale property tax rates is to try to address the “lag time” encountered between the time an annexation is effective and the provision of city services commences and the first property tax revenue that the City receives. This “lag time” can range from a number of months to perhaps more than one year.

PRE-ANNEXATION OR DEVELOPMENT AGREEMENT

In situations where the City determines that an undeveloped annexation area warrants an agreement that contains more specific information than contained in the Annexation Disclosure Statement, a Pre-Annexation or Development Agreement may be used. The necessity of a Pre-Annexation or Development Agreement will be determined on a case-by-case basis.

A Pre-Annexation Agreement will be required for developed areas requesting annexation. The purpose of the Agreement is to specifically address the infrastructure improvements that must be completed and MSF that must be paid prior to the annexation of the developed area.

COMPLIANCE WITH CITY CODES

Upon annexation into the City of Glendale all properties must comply with the adopted Codes and Ordinances of the City. Code compliance issues are a main area of concern when considering the annexation of developed properties into the City. As part of the Annexation Analysis for a developed area an evaluation of existing code violations would be completed by the City’s Code Compliance Department. Once the initial evaluation has been completed the property owners within the proposed annexation area are informed of the specific violations that exist on their respective properties. All properties within the proposed annexation area must be brought into compliance within one year of the effective date of the annexation. An initial 6-month “grace period” will be allotted to all property owners to voluntarily address the code violations that were identified during the Annexation Analysis. At the end of the “grace period” the properties will be re-inspected and property owners will be cited for any code violation(s) that exist. The property owners will have until the one-year anniversary of the annexation to correct all violations. After that anniversary date the Code Compliance Department will take the appropriate corrective action, generally this means that the issue will go to court.

ANNEXATION PROCESS

TYPE ONE: UNDEVELOPED AREAS

1. **Annexation Pre-application Meeting** – A pre-application meeting similar to those used for other types of planning cases. Actual staff participants may include the planning director, deputy city manager, senior planner/annexation coordinator, and other staff as necessary. The function of this meeting is to make an initial determination regarding whether or not the annexation will meet statutory requirements and to discuss potential development implications associated with annexation. Additionally, at this first meeting the Annexation Disclosure Statement is presented to the property owner/applicant interested in annexation.
2. **Annexation Application**– To initiate the formal review of an area interested in annexation into the City of Glendale the property owner(s) shall submit an Annexation Application to the Planning Department.
3. **Property Acquisition/Annexation Team** – Review of new annexation requests and on-going annexation activity occurs monthly. The purpose of this Team review will be to identify potential impacts that a requested annexation may have on provision of city services, infrastructure, and other city liability issues. This information is used as the basis for the Annexation Analysis.
4. **Annexation Analysis** - An analysis of all potential short-term and long-term costs and long-term benefits of any annexation request will be performed at Council's request. Arizona Revised Statutes annexation criteria are also included as part of the formal analysis. The necessity of a Pre-Annexation or Development Agreement is reviewed at this point and a recommendation is prepared.
5. **City Manager/Management Team (CM/MT) Briefing** – The annexation analysis and the staff recommendation regarding the necessity of a Pre-Annexation Agreement is presented to the CM/MT along with staff and Property Acquisition/Annexation Team comments prior to the annexation request being scheduled for a City Council Workshop.

6. **If a Pre-Annexation or Development Agreement** is deemed necessary, that Agreement is developed prior to the City Council Workshop.
7. **City Council Workshop** – The City Council will be briefed at a workshop study session on the annexation request. Direction will be requested from the City Council regarding the Pre-Annexation or Development Agreement (if applicable), and whether or not to record the blank petition that formally initiates the annexation process.
8. **Pre-Annexation or Development Agreement** (if applicable) is to be finalized and prepared for approval by the City Council.
9. **Recordation of Blank Petition** for Annexation
10. **Public Hearing on the Blank Petition**, within the last 10 days of the required 30-day waiting period.
11. **Collection of Signatures**, after the 30-day waiting period has expired.
12. **Verification** of signatures and assessed valuation percentages [50% +1]
13. **City Council adoption of the Annexation Ordinance.**

TYPE TWO: DEVELOPED AREAS

When dealing with developed areas and potentially large numbers of property owners, the process for annexation is quite different than it is for undeveloped properties. Annexation of developed areas also tends to take significantly longer to accomplish.

1. **Annexation Interest/Disclosure Statement** - Information and education are the initial steps in responding to a developed area that is interested in annexation. Meeting(s) with the property owners of a developed area interested in annexation are the first step. It is vital that the Annexation Disclosure Statement is provided at the first inquiry made and subsequent meetings so that the property owners have accurate information to allow them to reach an informed decision about whether or not to proceed with an annexation request.

CITY OF GLENDALE ANNEXATION POLICY

AMENDED July 12, 2005

Prepared by Glendale Planning Department

Page 11 of 13

2. **Self-Inventory Packet** - The developed area requesting annexation will be required to complete a Self-Inventory Packet to provide an overview of the existing development. The Packet will contain a wide range of questions such as construction date of the subdivision [if applicable], number of existing dwelling units, number of vacant lots, water provider, sewer provider or septic tanks, does the development contain curb, gutter, sidewalks, streetlights and pavement, and other similar questions that will give a general overview of the existing infrastructure.
3. **Neighborhood meeting(s)** are organized when at least 70 percent of the property owners in the developed area are interested in annexation. The number of neighborhood meetings necessary to address property owners' questions and concerns vary greatly and are determined on a case-by-case basis. The Annexation Disclosure Statement is presented to the attendees of these meetings as well as mailed out to all property owners within the proposed annexation area in an effort to educate property owners about the annexation process for developed areas.
4. **Property Management Team** – Review of city owned property and annexation activity occurs monthly. The Team will review the Self-Inventory Packets and provide a preliminary list of infrastructure improvements that would need to be completed by the proposed annexation area.
5. **Annexation Analysis** - An analysis of all potential short-term and long-term costs and long-term benefits of any annexation request. Arizona Revised Statutes annexation criteria are also included as part of the formal analysis. This does not include a complete Code Compliance evaluation at this point in the process. The Code Compliance evaluation will be completed after the infrastructure improvements have been done.
6. **City Manager/Management Team (CM/MT) Briefing** – Presentation and discussion of the annexation request for a developed area, the results of the Property Management Team evaluation of the Self-Inventory Packet and other pertinent information from the Annexation Analysis. CM/MT will provide direction to either proceed to a City Council workshop or to obtain additional information before specific direction can be provided.

CITY OF GLENDALE ANNEXATION POLICY

AMENDED July 12, 2005

Prepared by Glendale Planning Department

Page 12 of 13

7. **City Council Workshop** – The City Council will be briefed at a workshop on the annexation request. Direction will be requested from the City Council regarding the preparation of a Pre-Annexation Agreement and initiation of the formal annexation process, as outlined in the Arizona Revised Statutes.
8. **Pre-Annexation Agreement** - Prepare and present the Pre-Annexation Agreement for approval by the City Council. The Agreement shall include at a minimum: a listing of infrastructure improvements required, verify receipt of payment of the Municipal Service Fee, details on design and constructions standards to be met, how inspection of the improvements will be accomplished, and who the review, permitting, and inspection entity will be for this area.
9. **Infrastructure Improvements** - After the Pre-Annexation Agreement has been fully executed the developed area will proceed and pay for all design, engineering, and construction of the required infrastructure improvements.
10. **Recordation of Blank Petition**
11. **Public Hearing on the Blank Petition**, within the last 10 days of the required 30-day waiting period.
12. **Collection of Signatures**, after the 30-day waiting period has expired.
13. **Verification** of signatures and assessed valuation percentages [50% +1]
14. **City Council adoption of the Annexation Ordinance.**

CITY OF GLENDALE ANNEXATION POLICY

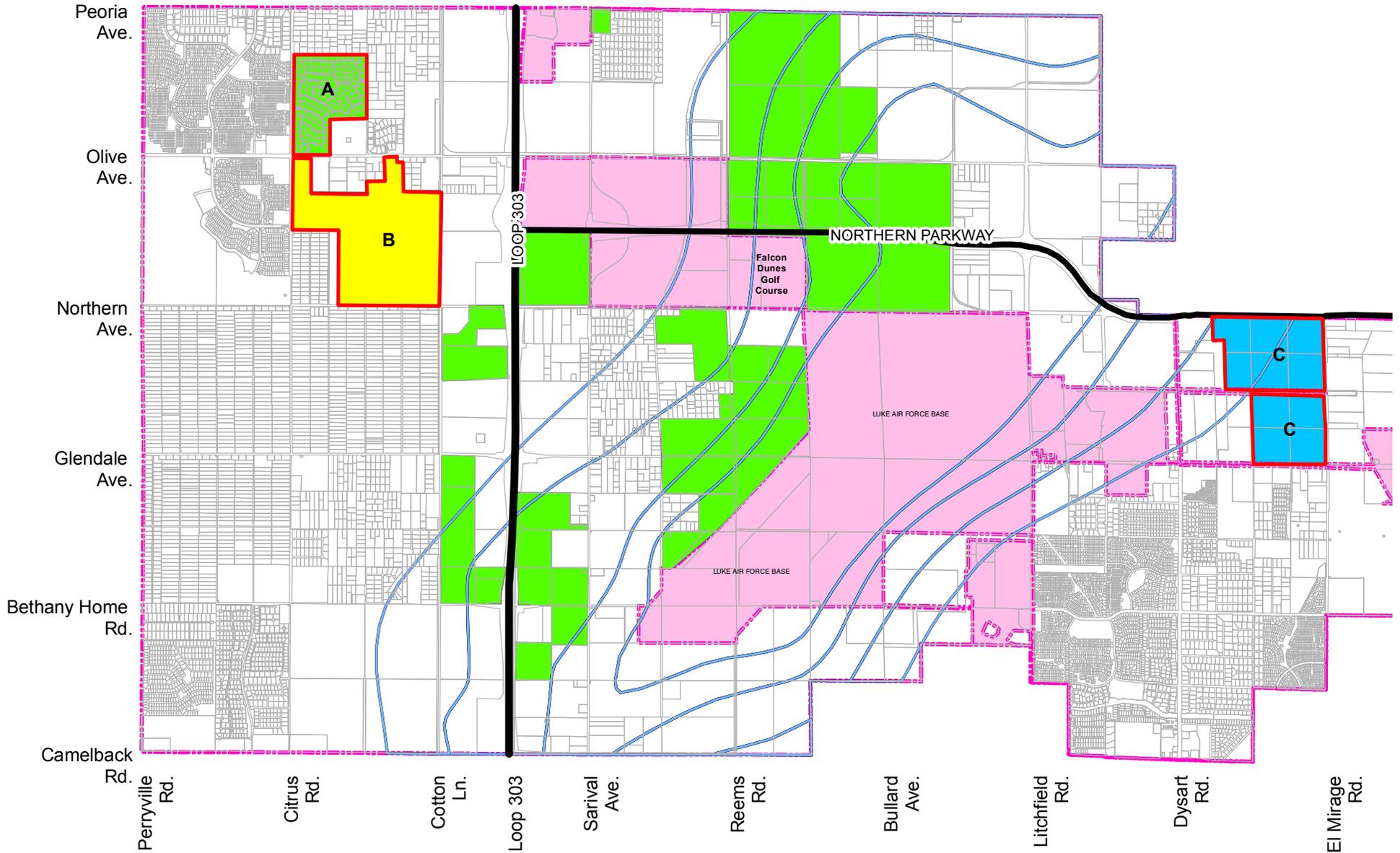
AMENDED July 12, 2005

Prepared by Glendale Planning Department

Page 13 of 13

Loop 303 Corridor & Northern Parkway Area

August 2014



Legend

 City of Glendale

 Annexation Request Participants in Pre Annexation Development Agreement (PADA) Future Annexation

 Granite Vista

 Marbella Ranch

Parcel A - Zanjero Pass
Parcel B - Granite Vista
Parcel C - Marbella Ranch



Planning



**FISCAL IMPACTS OF MARBELLA RANCH
AND THE MUNICIPAL PLANNING
AREA ANNEXATION
ON THE CITY OF GLENDALE**

JULY 2014

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

1.0 INTRODUCTION 3

 1.1 General Approach..... 5

 1.2 Report Organization 5

2.0 METHODOLOGY 6

 2.1 Development Characteristics..... 6

 2.2 Fiscal Assumptions 9

3.0 IMPACT RESULTS 13

 3.1 Impact Results – Marbella Ranch 13

 3.2 Impact Results – Municipal Planning Area Annexation 13

 3.3 Summary 14

APPENDIX A – DETAILED FISCAL RESULTS 15

EXECUTIVE SUMMARY

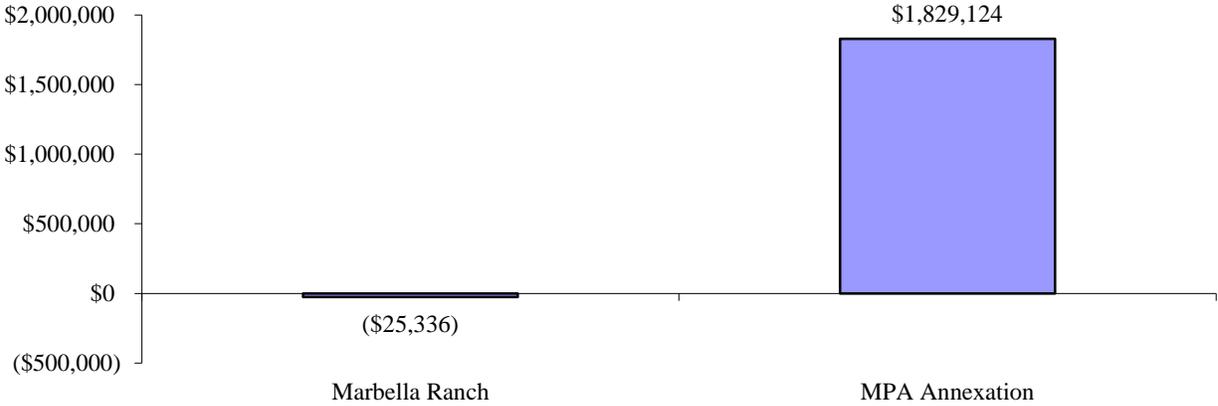
This analysis demonstrates the potential socioeconomic and fiscal impacts of the Marbella Ranch property and the larger Municipal Planning Area annexation on the City of Glendale. The Municipal Planning Area (MPA) annexation area is located west of the existing city limits at 115th Avenue. It extends out to Perryville Road, generally between Peoria Avenue and Camelback Road. The area encompasses about 18,092 net acres. Marbella Ranch includes 252 acres on the northwest corner of Glendale Avenue and El Mirage Road that could be considered for annexation prior to the larger MPA area.

Marbella Ranch is currently vacant and is mostly used as agricultural land. The MPA annexation area has some existing residential development, but the majority is vacant. Future land use for Marbella Ranch would be exclusively residential. Future land uses for the MPA annexation are about 44 percent residential with a variety of density levels, while the remaining nonresidential areas are comprised of industrial development surrounding Luke Air Force Base, with retail/commercial, office, public, and small amount of hotel space in the remaining area. The assumptions about future development are based on MAG future land use information.

The following is a summary of the net fiscal impacts of these proposed annexation areas on the City of Glendale. The fiscal impacts include the General Fund, Streets, Transportation Sales Tax and Police and Fire Special Revenue Funds. This study focuses on operations and maintenance revenues and expenditures. However, if annexed, these areas may require other infrastructure improvements to bring them up to current city standards. The cost of these improvements is not included in the fiscal impacts.

The analysis includes build out impacts for both the Marbella Ranch property and the entire MPA annexation area. The long term net impacts for Marbella Ranch, which would develop as medium high density residential are slightly negative at (\$25,000) per year. The impacts for the MPA annexation area, which includes a significant amount of retail and commercial development, are positive at \$1.8 million per year (Figure 1). The MPA annexation area has a sufficient amount of sales tax generating uses to support the required level of expenditures. While the residents in the Marbella Ranch development would generate additional demand for local retail, the model used in this analysis allocates taxable sales exclusively to nonresidential land uses. Also, given the location of the Marbella Ranch property, it is likely that a significant portion of the retail sales would be captured by other surrounding cities in the short term.

FIGURE 1
Annual Net Impacts
Municipal Planning Area Annexation and Marbella Ranch



Note: Includes General Fund, Streets, Transportation Sales Tax, Police and Fire Special Revenue Funds.

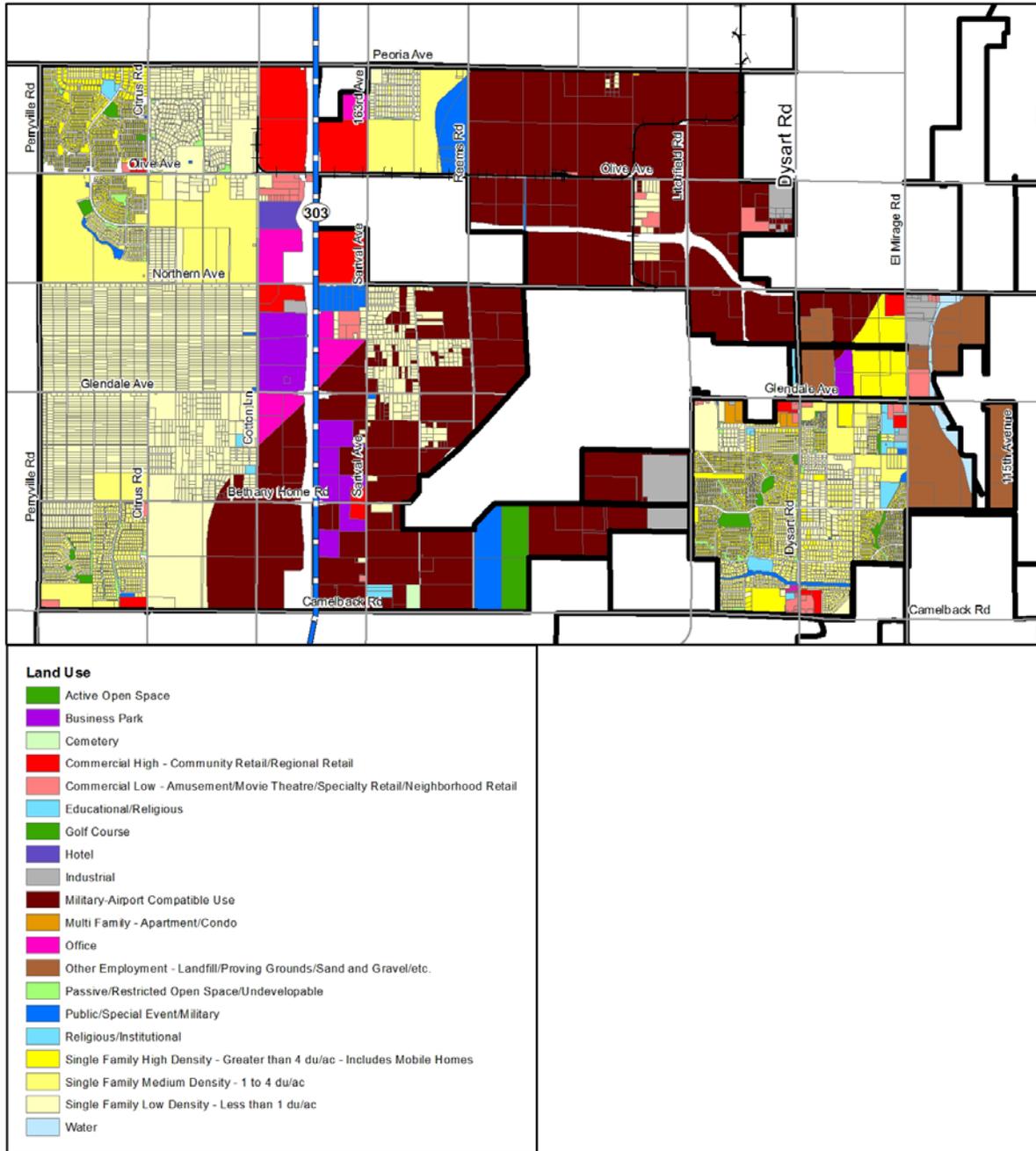
1.0 INTRODUCTION

This analysis demonstrates the potential socioeconomic and fiscal impacts of the MPA annexation and the Marbella Ranch annexation area on the City of Glendale. The 18,092 acre MPA annexation, shown in Figure 2, is located west of 115th Avenue between Camelback Road and Peoria Avenue extending out to Perryville Road. This area includes some existing development, primarily residential, but the majority is vacant. It is projected to include a mix of heavy industrial, warehouse, office, business park and general commercial development covering 5,010 acres, and about 7,924 acres of residential development based on MAG future land use. The projections used in this analysis assume that about 5,070 acres in the military compatible use zone will likely remain in agricultural uses and 88 acres would remain as active open space. The Marbella Ranch property, which is also part of the MPA annexation, includes 252 acres on the northwest corner of Glendale Avenue and El Mirage Road. It is currently undeveloped but is projected to include 1,260 medium density single family housing units.

The impact analysis shows build out conditions for each area. It is likely that the Marbella Ranch property could build out in the next five years, whereas the remainder of the MPA annexation area may not build out for 25 years or more, although the residential portions will likely develop earlier. The mix of development that is projected for the MPA annexation area could result in an estimated 32.6 million square feet of built space and total employment of about 54,600, as well as about 17,700 single and multi-family housing units and an estimated population of about 50,800.

The information and observations contained in this report are based on our present knowledge of the components of development, and of the current physical, socioeconomic and fiscal conditions of the affected areas. Projections made in this report are based on hypothetical assumptions and current public finance policies. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the projections and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to aid the City of Glendale in making decisions relative to the proposed development. All dollar figures should be interpreted as order of magnitude estimates only.

**FIGURE 2
STUDY AREA**



1.1 General Approach

The impact assessment includes revenues and expenditures associated with future development in the annexation areas. It does not specifically include capital costs for new or replacement infrastructure, but does include relevant maintenance costs for items such as arterial and collector streets. The analysis includes the General Fund, Streets, Transportation Sales Tax and Police and Fire Special Revenue Funds.

The basic approach for the analysis is to determine the level and character of future development (measured in non-residential square footage, employment, housing units, population, road miles, etc.), and then to model the revenues and expenditures likely to be associated with that development. Current and historical budgets for the city were reviewed to identify revenue and expenditure line items that would be impacted by the annexation. Once identified, each line item was analyzed to identify a socioeconomic factor that could be used to predict a corresponding impact for the annexation area. For example, road miles are a good indicator of the cost of street maintenance. Therefore, by knowing the number of new road miles in the annexation area, one could estimate the related costs in transportation and field operations departments. Many of the services provided by the city are utilized by both residents and businesses, thus population and employment are drivers for a number of revenue and expenditure items.

1.2 Report Organization

The balance of this report is divided into two sections. Section 2.0 details the methodology and assumptions used in calculating the development characteristics and the fiscal assumptions used to develop the model. Section 3.0 describes the results of the fiscal impact analysis for the annexation areas.

2.0 METHODOLOGY

2.1 Development Characteristics

The annual impact of nonresidential development can be described in terms of employment, nonresidential square footage, assessed value and taxable sales, based on assumptions about the type of development that could be expected to occur in this area. The annual impact of residential development can be described in terms of housing units, population and assessed value. The assumptions used in this analysis are consistent with current development in the City of Glendale. The following sections briefly describe the assumptions used to estimate each of the major characteristics of the annexation area.

Nonresidential development and employment. The MPA annexation area includes 5,010 acres of nonresidential development resulting in about 32.6 million square feet of built space. Projected employment is expected to reach 54,600 by build out based on the number of acres by land use, standard assumptions for floor-area ratios (the ratio of building area to land area), occupancy rates and per employee square footage requirements (Figure 3). The information below details the assumptions used in the model by land use. A summary of future acreage and square footage for the annexation area components is shown in Figure 4.

**FIGURE 3
DEVELOPMENT ASSUMPTIONS**

Land Use	Units Per Acre	HH Size	Sq Ft per		Occupancy	Value per Sq Ft/Unit	Taxable			
			FAR	Employee			Sales Per SF	Percent Retail	Annual Lease	Percent Leased
Residential										
High Density	18.00	2.60	na	na	80%	\$45,934	na	na	na	na
Medium Density Urban	5.50	2.78	na	na	94%	\$227,707	na	na	na	na
Medium Density Suburban	3.00	3.18	na	na	94%	\$227,707	na	na	na	na
Rural Residential	0.77	3.51	na	na	94%	\$202,893	na	na	na	na
Nonresidential										
Neighborhood Commercial	na	na	0.25	945	90%	\$81	\$225	100%	\$14.00	100%
Community Retail	na	na	0.17	400	90%	\$76	\$225	80%	\$16.00	80%
General Commercial (Outdoor Recreation)	na	na	0.01	1,000	100%	\$298	\$100	100%	\$0.00	0%
Heavy Commercial	na	na	0.01	700	95%	\$58	\$110	30%	\$13.50	0%
Hotel/Motel	na	na	0.56	500	100%	\$129	\$0	100%	\$52.18	65%
General Office	na	na	0.33	250	90%	\$117	\$0	0%	\$20.00	75%
Light Industrial/Warehouse	na	na	0.26	1,000	90%	\$64	\$110	10%	\$7.68	75%
Heavy Industrial	na	na	0.16	700	90%	\$74	\$0	0%	\$6.96	50%
Business Park	na	na	0.26	500	90%	\$90	\$0	0%	\$11.64	50%
Institutional	na	na	0.24	1,200	100%	\$134	\$0	0%	\$0.00	0%
Public Facilities	na	na	0.05	2,200	100%	na	\$0	0%	\$0.00	0%
Vacant										
Agriculture	na	na	na	0	na	\$14,658	na	0%	na	na

**FIGURE 4
BUILD OUT LAND USE
MPA ANNEXATION AREA AND MARBELLA RANCH**

	Marbella Ranch		MPA Annexation	
	Gross Acres	Sq Ft/Units	Gross Acres	Sq Ft/Units
Residential				
High Density (12 to 20 units)	0.00	0	45.59	821
Medium Density Urban (3.5 to 5.0 units)	252.00	1,260	1223.40	6,729
Medium Density Suburban (2.5 to 3.5 units)	0.00	0	2269.30	6,808
Rural Residential (0 to 1 units)	0.00	0	4385.43	3,391
Nonresidential				
Neighborhood Commercial	0.00	0	224.08	1,952,185
Community Retail	0.00	0	709.85	4,638,160
General Commercial (Outdoor Recreation)	0.00	0	257.29	85,940
Heavy Commercial	0.00	0	789.91	344,085
Hotel/Motel	0.00	0	57.35	1,249,083
General Office	0.00	0	279.03	3,646,364
Light Industrial/Warehouse	0.00	0	342.47	3,729,498
Heavy Industrial	0.00	0	1,557.10	10,174,091
Business Park	0.00	0	461.63	5,027,151
Institutional	0.00	0	134.57	1,324,782
Public Facilities	0.00	0	197.04	429,153
Vacant/Agriculture				
Agriculture/Open Space	0.00	0	5,069.47	0
Park	0.00	0	88.38	0
Total	252.00	1,260	18,091.89	32,600,493

- **Neighborhood Commercial** – 224.08 acres with 2.0 million square feet of built space based on a floor area ratio of 0.25; 90% long term occupancy rate; 945 square feet per employee and 1,900 employees; \$81 assessed value per square foot; \$225 sales per square foot; annual lease rate of \$14.00 per square foot with 100% of the space leased.
- **Community Retail** – 709.85 acres with 4.6 million square feet based on a floor area ratio of 0.17; 90% long term occupancy rate; 400 square feet per employee and 9,900 employees; \$76 assessed value per square foot; \$225 sales per square foot; annual lease rate of \$16.00 per square foot and 80% of the space available for lease.
- **General Commercial** – 257.29 acres including Arizona Motor Sports and Wildlife World Zoo with a floor area ratio 0.01 and 86,000 square feet; 1,000 square feet per employee and 90 employees; \$298 assessed value per square foot (including land value); \$100 sales per square foot.
- **Heavy Commercial** – 789.91 acres including sand and gravel mining, proving grounds and other low density development with 344,000 square feet based on a floor area ratio of 0.01; 95% long term occupancy rate; 700 square feet per employee and 470 employees; \$58 assessed value per square foot; \$110 sales per square foot on 30% of the square feet. All of the space is assumed to be owner-occupied.
- **Hotel/Motel** – 57.35 acres with 1.2 million square feet based on a floor area ratio of 0.56; 500 square feet per employee and 2,500 employees; \$129 assessed value per square foot; \$52.18 sales per square foot; 65% room occupancy rate.

- **General Office** – 279.03 acres with 3.6 million square feet based on a floor area ratio of 0.33; 90% long term occupancy rate; 250 square feet per employee and 13,100 total employees; \$117 assessed value per square foot; annual lease rate of \$20.00 per square foot and 75% of the space available for lease with the remainder owner-occupied.
- **Light Industrial/Warehouse** – 342.47 acres with 3.7 million square feet based on a floor area ratio of 0.26; 90% long term occupancy rate; 1,000 square feet per employee and 3,400 total employees; \$110 taxable sales per square foot on 10% of the space; \$64 assessed value per square foot; annual lease rate of \$7.68 per square foot with 75% of the space available for lease.
- **Heavy Industrial** – 1,557.10 acres with 10.2 million square feet based on a floor area ratio of 0.16; 90% long term occupancy rate; 700 square feet per employee and 13,100 total employees; \$74 assessed value per square foot; annual lease rate of \$6.96 per square foot with 50% of the space available for lease and the remainder owner-occupied.
- **Business Park** – 461.63 acres with 5.0 million square feet based on a floor area ratio of 0.26; 90% long term occupancy rate; 500 square feet per employee and 9,000 total employees; \$90 assessed value per square foot; annual lease rate of \$11.64 per square foot with 50% of the space available for lease and the remainder owner-occupied.
- **Institutional** – 134.57 acres of religious and educational uses with 1.3 million square feet based on a floor area ratio of 0.24; 100% long term occupancy rate; 1,200 square feet per employee and 1,100 total employees; \$134 assessed value per square foot; and 100% owner-occupied.

Residential Development and Population. The residential portions of the MPA annexation could include 7,923.72 acres of single and multi-family development that could result in a total of 17,700 new units and a population of 50,800. This includes the Marbella Ranch property with 252 acres of medium density residential that could result in 1,260 new units and a population of 3,800 (Figure 5). An occupancy rate of 94 percent was assumed for all single family residential development and 80 percent for multi-family development. The information below details the assumptions used in the model by residential density level.

- **High Density (12 to 20 units)** – 45.59 total acres with 18 units per acre; 2.6 persons per unit with a total of 821 units; average home value of \$45,900 per unit.
- **Medium Density Urban (3.5 to 5 units)** – 1,223.40 total acres with 5.5 units per acre; 2.78 persons per unit with a total of 6,729 units; average home value of \$227,700 per unit.
- **Medium Density Suburban (2.5 to 3.5 units)** – 2,269.3 total acres with 3.0 units per acre; 3.18 persons per unit with a total of 6,808 units; average home value of \$227,700 per unit.
- **Rural Residential (0 to 1 units)** – 4,385.43 total acres with 0.77 units per acre; 3.51 persons per unit with a total of 3,391 units; average existing home value of \$202,900 per unit.

Other Development. The MPA annexation area also includes 88.38 acres of active open space (included in park acres); 5,069.47 acres that is likely to remain in agricultural uses and 197.04 acres of public facilities.

FIGURE 5
SOCIOECONOMIC IMPACTS
MPA ANNEXATION AREA AND MARBELLA RANCH

	Marbella Ranch	MPA Annexation
Housing Units	1,260	17,748
Population	3,766	50,829
Employment	0	54,679
Emp./Pop Ratio	NA	1.08
Total Noresidential Square Feet	0	32,600,492
Retail/Hotel Square Feet	0	8,269,452
Police Staff	0.3	53.7
Officers	0.2	37.6
Additional Staff	0.1	16.2
Taxable Sales (millions)	\$0.00	\$1,682.78
Taxable Hotel/Motel Sales (millions)	\$0.00	\$44.95
Assessed Value (millions)	\$259.70	\$5,497.27
City Maintained Road Miles	2.84	116.22

Sources: Applied Economics, 2014.

2.2 Fiscal Assumptions

The fiscal model created to assess the impacts of the MPA annexation area was based on current and historical budgets for the City of Glendale. Historical trends were analyzed for ten previous fiscal years. The model reflects a long term sales tax rate of 2.2 percent. Revenue and expenditure line items in the General Fund, Streets, Transportation Sales Tax, Police and Fire Special Revenue Funds were included since these funds will be most impacted by the annexation. The model does not include any construction costs for new infrastructure, but does include relevant maintenance costs for the new street miles that would be added as the property develops. Based on the mix of land uses and the miles of existing streets, the model assumes 2.84 total street miles in the Marbella Ranch property and 116.22 street miles in MPA annexation area overall at build out.

Various drivers were tested for each of the revenue and expenditure items in the model. In this way, consistent rates were developed that could be applied to the socioeconomic data for the proposed annexation area. In many cases an average of rates over the past several years was used. It is important to note that current expenditures are below historic levels due to the recession and reduced revenues. In most cases, an average of current and previous years was used in the model to better reflect long term conditions. However, some revenue and expenditure items increased at rates that were less consistent over time, or experienced permanent increases or decreases due to operational or other changes. In these cases, rates from more current budget years were used to accurately reflect current conditions. The rates and basis for all revenue and expenditure line items are shown in Figure 6.

Many of the revenue and expenditure line items are driven by population, or by “service population”, which includes both population and employment. This is because many of the services provided by the City, as well as the various types of revenues that local governments depend on, are proportional to the number of people living and working there. In some cases, population may be weighted more heavily than employment since some services are used proportionally more by residents.

Major line items that are not driven by population or employment include property tax which is a function of assessed value; sales tax which is a function of taxable sales and leases; and a variety of permits and service charges that are a function of construction costs. On the expenditure side, planning is a function of construction value and population, and engineering and building safety are a function of annual construction. Transportation is a function of street miles and population, and the HURF funded portion of Field Operations is a function of street miles. Police is a function of calls for service by type of land use and implied staffing at that call level based on

police department standards in Glendale. Fire costs are based on total cost per acre for similar areas within the existing city and were provided by the fire department.

It is important to note that market conditions over the next 20 years could significantly affect the projected land use and hence property and sales tax revenues resulting from the annexation area. The assumptions used in this analysis are fairly conservative and thus differences between the assumptions and actual conditions are likely to result in higher assessed values rather than lower. Also, since the exact timing for build out of these properties is not known, the fiscal results are presented in current dollars.

FIGURE 6
FISCAL IMPACT MODEL DRIVERS AND RATES
GENERAL FUND, STREETS, TRANSPORTATION SALES TAX AND POLICE AND FIRE SPECIAL REVENUE FUNDS

Revenue/Expenditure Item	Driver	Rate/Basis for Calculation
GENERAL FUND		
Taxes and Fees		
Property Tax	assessed value	0.00215 * ((16% * vacant land value) + (10% * residential value) + (18% * comm/ind value))
City Sales Tax	taxable sales per square foot, retail share	sales per square foot * square footage by type * retail share * 2.2%) + (lease rate * square footage by type * lease share * 2.2%) + (2.2% * 65% * construction value) + (7.2% * hotel/motel sales)
Utility Franchise Fees	service population	\$7.82 * (population + employment)
Cable Franchise Fees	service population	\$4.44 * (population + employment)
Intergovernmental		
State Income Tax	Census population (will be 0 except for res. projects)	\$99.05 per capita, no impact until after Census
State Sales Tax	Census population (will be 0 except for res. projects)	\$83.42 per capita, no impact until after Census
Auto Lieu	population	\$32.89 * population
Highway User Fees	population	\$53.24 * population
LTAf	population	\$2.87 * population
Grants (Transportation)	population	\$2.98 * population
Licenses and Permits		
Sales Tax Licenses	retail employment	\$29.08 * retail employment
Liquor License Fees	retail employment	\$8.39 * retail employment
Business License	employment	\$0.81 * employment
Bus./Prof License	office employment	\$8.25 * office employment
Building Permits	construction value (80%), service population (20%)	(\$0.0047 * construction value) + (\$0.724 * (population + employment))
Traffic Engineering Plan	building permits	2.65% * building permit revenues
Right of Way Permits	building permits	56.27% * building permit revenues
Charges for Services		
Plan Check Fees	building permits	52.6% * building permit revenues
Engineering Plan Check	construction value	\$0.0007 * construction value
Misc CD Fees	building permits	9.26% * building permit revenues
Planning/Zoning Fees	building permits	19.31% * building permit revenues
Library Fines/Fees	population	\$1.80 * population
Staff & Admin Chargebacks	service population	\$16.11 * (population * 2 + employment)
Fire Department Fees	service population	\$7.70 * (population * 2 + employment)
Arena Fees	not modeled	
Recreation Fees	population	\$5.56 * population
Rental Income	service population	\$3.33 * (population + employment)
Fines and Forfeitures		
Court Revenues	service population	\$3.67 * (population * 3 + employment)
Other Revenues		
Misc. Revenue	service population, % of HURFs	\$4.19 * (population * 2 + employment) + (0.13% * HURF revenues)
Transit Revenue	population	\$0.60 * population
Investment Income	previous year ending balance	1.5% * previous year ending balance
City Manager		
City Manager	svc population (pop*2)	\$1.44 * (population*2 + employment)
City Auditor	Finance	17.63% * finance expenditures
City Clerk	service population	\$1.23 * (population*2 + employment)
City Court	service population	\$5.07 * (population*3 + employment)
City Attorney	population	\$14.0 * population
Financial Services		
Administration	other admin svcs	11.72% * other administrative services
Finance	tax revenues	1.45% * tax revenues
Management & Budget	City FTEs @ 0.0036 per (population*2 + employment)	\$487.75 * City FTEs
Lease Pmts/Other Fees	population	\$6.88 * population
HR and Risk Management		
Human Resources	FTE growth	\$2115.16 * City FTE growth
Information Technology		
Information Technology	City FTEs @ 0.0036 per (population*2 + employment)	\$1953.37 * City FTEs
Communication		
Marketing & Communications	service population	\$7.90* (population*2 + employment)
Community and Econ Development		
CD Administration	other community development expenditures	6.88% * development services expenditures
Building Safety	const. value	\$0.0136* construction value
Planning	const. value (80%), svc pop (20%)	(\$0.0035 * construction value) + \$0.382 * (population + employment)
Economic Development	new jobs created	\$214.76 * job growth
Mayor/Council		
Mayor & Council	population growth	\$6.34 * population growth
Intergovernmental Programs	current levels inflated, only impacted for whole city	

FIGURE 6
FISCAL IMPACT MODEL DRIVERS AND RATES
GENERAL FUND, STREETS, TRANSPORTATION SALES TAX AND POLICE AND FIRE SPECIAL REVENUE FUNDS

Revenue/Expenditure Item	Driver	Rate/Basis for Calculation
Public Safety		
Police and Support Services	calls for service based on land use, 1 officer per 965 calls	\$185,628 * police staff
Fire	calls for service for comparable area	\$545.39 per acre
Neighborhood and Human Services		
Code Compliance	service population	\$4.07 * (population + employment)
Community Partnerships	population	\$1.92 * population
Parks, Rec and Library		
Parks & Recreation	population	\$24.68 * population
Park Maintenance	park acres	\$2211.41 * park acres
Library & Arts	population	\$21.17 * population
Public Works		
Field Operations	street miles, City FTEs	(\$73,312 * street centerline miles) + (\$3202.77 * City FTEs)
Engineering	const. value (70%), svc pop (30%)	(\$0.0059 * construction value) + \$1.38 * (population*2 + employment)
Transportation	street miles (80%), service population (20%)	(\$155,788 * street centerline miles) + \$6.07 * (population*2 + employment)
Non-Departmental	City FTEs @ 0.0036 per (population*2 + employment)	\$1002.84 * City FTEs
Transfer to Arena and Stadium	GF revenues	5.33% * general fund revenues
Transfer to MPC Debt	GF revenues	6.18% * general fund revenues
All Other Transfers Out	GF revenues	2.63% * general fund revenues

Note: service population = population + employment.

3.0 IMPACT RESULTS

3.1 Impact Results – Marbella Ranch

At build out, the Marbella Ranch property would result in a small negative fiscal impact to the City of (\$25,000) per year with expenditures exceeding revenues by about 2 percent. Although the property would generate some property taxes as well as state shared revenues, these may not be sufficient to meet the expenditure requirements for the development. In general, service demands tend to be greater for residential development than for nonresidential development.

- With the addition of a total of 1,260 new housing units, the increase in assessed value is estimated at \$259.7 million, resulting in a total of about \$56,000 per year in property tax revenues to the General Fund. Detailed impact results are shown in Appendix A. There would be interim construction sales tax and other construction-related fee revenues that are not included here since they are non-recurring. This analysis is intended to reflect long term annual impacts.
- Other major revenues include state shared income and sales taxes which could total about \$729,000 per year based on current distribution levels and projected population in the development. These allocations are based on Census population and thus the total revenues associated with the residents in this development may not be fully realized by the City until 2021 or later.
- There would be no on-going sales tax revenues from this exclusively residential development. Although these residents may generate demand for stores in Glendale, and in surrounding cities, the model used in this analysis allocates sales tax revenues to retail and commercial land uses where the point of sale occurs to avoid making assumptions about shopping patterns of individual residential developments.
- The largest on-going general fund expenditures for the Marbella Ranch development would be street maintenance (shown in the transportation and field operations line items from the streets and transportation sales tax funds), as well as police and fire services. Annual police and fire costs are estimated at \$212,000 to serve the Marbella Ranch development, based on the level of calls typically generated by residential development in Glendale.
- The Marbella Ranch development would also include an estimated 2.84 miles of additional streets, resulting in about \$326,000 in annual maintenance expenditures in the streets and transportation sales tax funds, as shown in the impact results. This is based on an estimated average maintenance cost of \$229,100 per mile for a 4 to 5 lane street, or half that amount for a 2 to 3 lane street that would be typical in a residential neighborhood, based on information provided by the city transportation department.

3.2 Impact Results – MPA Annexation Area

At build out, the MPA annexation area could generate a small positive net fiscal impact to the City of \$1.8 million per year, with revenues exceeding expenditures by about 3 percent. The property includes a broad mix of uses. It could be about 44 percent residential based on acres, but also includes a sizeable amount of retail/commercial space and industrial development that would generate of both sales and property tax.

- In terms of sales tax, the 7.0 million square feet of general commercial and heavy commercial space plus the neighborhood and community retail could generate taxable sales of \$1.42 billion per year. The hotel/motel space could generate an additional \$45.0 million in taxable sales per year. The hotel/motel sales would generate bed tax at a rate of 5 percent (in addition to regular 2.2 percent sales tax). In addition, lease revenues from retail as well as office, industrial and business park space add another \$261.9 million per year in taxable sales resulting in estimated annual sales and bed tax revenues to the City of \$39.2 million. Sales taxes make up 61 percent of total revenues generated by this annexation area.
- With the addition of 32.6 million square feet of nonresidential space plus 17,700 housing units, assessed

value is estimated at \$5.5 billion, resulting in about \$1.6 million per year in property tax revenues to the General Fund. State shared revenues (income, sales, auto lieu, HURF, LTAF) that are distributed based on population could account for \$14.6 million per year, based on current distribution levels.

- Other significant revenue sources include state shared revenues, utility and cable franchise fees, sales tax licenses, administrative chargebacks and miscellaneous revenues. There would be interim construction sales tax and other construction-related fee revenues that are not included here since they are non-recurring.
- The largest on-going general fund expenditures for this area would be police, fire and street maintenance (shown in the transportation and field operations line items from the streets and transportation sales tax funds). These items make up 72 percent of total expenditures. Annual police and fire service costs for this annexation area are estimated at \$21.1 million at build out based on average costs in the existing city and the projected mix of land uses in the annexation area. There would be additional one-time costs for public safety for stations, vehicles and equipment not shown here that would be paid for through impact fees and other funds. The 116.22 miles of new streets that are projected to be added to this area would result in \$17.4 million in annual maintenance costs based on a rate of \$229,100 per mile for nonresidential streets and half that amount for residential street.

3.2 Summary

Over the long term, the MPA annexation area is projected to develop with a balanced mix of residential and non-residential uses, generating a small positive net fiscal impact on the City of Glendale. The cost of city services is generally less for nonresidential development than for residential development, and the ratio of sales tax generating uses to other types of uses is often the key factor in determining the fiscal impacts. However, it is likely that the development timeline for this area will be fairly long, especially for the industrial areas. In contrast, the Marbella Ranch property will likely build out in the next five years.

The amount of property and sales tax revenues combined with state shared revenues generated by the future development in the MPA annexation area are sufficient to cover the estimated cost of services at build out while the exclusively residential Marbella Ranch development yields a small negative impact. Typically residential development does not generate a positive net impact given the structure of local revenues in Arizona. Although budget conditions in Glendale have changed over the past several years, reducing costs by as much as possible, such that residential development is close to a net neutral impact. However, should future development plans, municipal service costs or market conditions change, the projected impact results could be different.

APPENDIX A
DETAILED FISCAL RESULTS

APPENDIX A
CITY OF GLENDALE ANNUAL NET IMPACT
GENERAL, STREETS, TRANSPORTATION SALES TAX, POLICE & FIRE SPECIAL REVENUE FUNDS
MUNICIPAL PLANNING AREA ANNEXATION AND MARBELLA RANCH

Revenues/Expenditures	Marbella Ranch	MPA Annexation Area
REVENUES	\$1,518,995	\$64,282,410
Taxes and Fees		
Property Tax	\$55,837	\$1,636,918
Sales Tax (2.2%)	\$0	\$39,268,896
Utility Franchise Fees	\$31,254	\$875,504
Cable Franchise Fees	\$17,762	\$497,577
Intergovernmental		
State Income Tax	\$395,901	\$5,342,819
State Sales Tax	\$333,426	\$4,499,695
Auto Lieu Tax	\$131,463	\$1,774,141
Highway Users Revenue	\$212,784	\$2,871,592
LTAF (Lottery)	\$11,474	\$154,845
Grants (Transportation)	\$11,894	\$160,508
Licenses and Permits		
Sales Tax Licenses	\$0	\$455,724
Liquor License Fees	\$0	\$131,469
Business License	\$0	\$46,979
Bus./Prof License	\$0	\$114,963
Capital Lease Proceeds		
Building Permits	\$2,895	\$81,100
Traffic Engineering Plan	\$77	\$2,146
Right of Way Permits	\$1,629	\$45,635
Charges for Services		
Plan Check Fees	\$1,524	\$42,684
Engineering Plan Check	\$0	\$0
Misc CD Fees	\$268	\$7,512
Planning/Zoning Fees	\$559	\$15,660
Library Fines/Fees	\$7,212	\$97,326
Staff & Admin Chargebacks	\$128,806	\$2,673,254
Fire Department Fees	\$30,763	\$861,764
Arena Fees		
Recreation Fees	\$22,212	\$299,759
Rental Income	\$13,311	\$372,881
Fines and Forfeitures		
Court Revenues	\$43,953	\$805,864
Other Revenues		
Misc. Revenue	\$61,600	\$1,074,197
Transit Revenue	\$2,392	\$32,277
Investment Income	\$0	\$38,721
EXPENDITURES	\$1,329,508	\$53,362,221
City Manager		
City Manager	\$11,499	\$238,657
City Auditor	\$268	\$108,098
City Clerk	\$9,800	\$203,391
City Court	\$60,739	\$1,113,629
City Attorney	\$55,918	\$754,636

APPENDIX A
CITY OF GLENDALE ANNUAL NET IMPACT
GENERAL, STREETS, TRANSPORTATION SALES TAX, POLICE & FIRE SPECIAL REVENUE FUNDS
MUNICIPAL PLANNING AREA ANNEXATION AND MARBELLA RANCH

Revenues/Expenditures	Marbella Ranch	MPA Annexation Area
Financial Services		
Administration	\$5,100	\$150,615
Finance	\$1,521	\$613,168
Management & Budget	\$14,511	\$301,171
Lease Pmts/Other Fees	\$27,490	\$370,991
HR and Risk Management		
Human Resources	\$62,930	\$1,306,055
Information Technology		
Information Technology	\$58,116	\$1,206,153
Communication		
Marketing & Communications	\$63,138	\$1,310,376
Community and Econ Development		
CD Administration	\$99	\$2,775
Building Safety	\$0	\$0
Planning	\$1,439	\$40,300
Economic Development	\$0	\$0
Mayor/Council		
Mayor & Council	\$12,663	\$170,892
Intergovernmental Programs	\$0	\$0
Public Safety		
Police	\$66,206	\$10,582,186
Fire	\$145,850	\$10,471,073
Neighborhood and Human Services		
Code Compliance	\$16,283	\$456,143
Community Partnerships	\$7,680	\$103,639
Parks, Rec and Library		
Parks & Recreation	\$98,625	\$1,330,973
Park Maintenance	\$0	\$207,407
Library & Arts	\$84,626	\$1,142,051
Public Works		
Public Works Administration	\$0	\$0
Field Operations	\$205,958	\$7,551,873
Engineering	\$5,500	\$154,062
Transportation	\$283,713	\$12,852,680
Non-Departmental	\$29,836	\$619,226
Transfers		
Transfer to Arena and Stadium Operations	(\$81,008)	(\$3,428,183)
Transfer to MPC Debt	(\$93,924)	(\$3,974,771)
All Other Transfers Out	(\$39,890)	(\$1,688,111)
OVERALL NET OPERATING IMPACT	(\$25,336)	\$1,829,124
as percent of revenue	-2%	3%