

***PLEASE NOTE: Since the Glendale City Council does not take formal action at the Workshops, Workshop minutes are not approved by the City Council.**

**MINUTES
CITY OF GLENDALE
CITY COUNCIL WORKSHOP
DECEMBER 18, 2007
1:30 P.M.**

PRESENT: Mayor Elaine M. Scruggs, Vice Mayor Manuel D. Martinez, and Councilmembers Joyce V. Clark, David M. Goulet, Yvonne J. Knaack, and H. Phillip Lieberman

ABSENT: Councilmember Steven E. Frate

ALSO PRESENT: Ed Beasley, City Manager; Pam Kavanaugh, Assistant City Manager; Craig Tindall, City Attorney; and Pamela Hanna, City Clerk

1. FY 2007-08 FIRST QUARTER GENERAL FUND STATUS REPORT ON REVENUES AND EXPENDITURES

CITY STAFF PRESENTING THIS ITEM: Mr. Horatio Skeete, Deputy City Manager; and Ms. Sherry M. Schurhammer, Management & Budget Director

This is a request for the Council to review the Fiscal Year (FY) 2007-08 first quarter report on General Fund (GF) revenue and expenditures.

The FY 2007-08 GF first quarter report is consistent with the Council's goal of ensuring the city's financial stability by conducting timely reviews of expenditures and revenues

In response to Council requests, staff committed to providing quarterly reports on the GF beginning with FY 2003-04.

First Quarter General Fund

The GF's first quarter revenue budget and actuals, as well as a comparison with the first quarter of last FY, are as follows (in 000s):

	FY 2007-08 Annual Budget	FY 2007-08 1st Quarter Budget (straight line)	FY 2007-08 1st Quarter Actuals	% Over (Under) Budget	FY 2006-07 1st Quarter Actuals	% Change FY 2006-07 to FY 2007-08
City Sales Tax	\$67,552	\$16,888	\$15,313	(9%)	\$15,345	-----
State Income Tax	\$34,141	\$8,535	\$8,528	-----	\$6,882	+24%
State Sales Tax	\$24,583	\$6,146	\$5,600	(9%)	\$5,589	-----
State MV In-Lieu	\$10,862	\$2,715	\$2,558	(6%)	\$2,595	(1.5%)
HURF	\$16,986	\$4,247	\$4,066	(4%)	\$4,117	(1%)
Primary Prop Tax	\$3,888	\$972	\$183	(81%)	\$116	+58%
All Other	\$30,318	\$7,579	\$8,186	+8%	\$6,391	+28 %
	\$188,330	\$47,082	\$44,434	(5.5%)	\$41,035	+ 8%

The FY 2007-08 GF revenue budget is \$11.2 million (6.3%) more than FY 2006-07 total GF revenue collections.

The FY 2007-08 first quarter GF revenues are \$3.4 million (8%) more than FY 2006-07 first quarter GF revenues.

The FY 2007-08 first quarter GF revenue receipts are \$2.6 million (5.5%) less than budgeted.

City sales tax collections were \$15.3 million. This amount is approximately \$1.6 million (9%) less than budget. The \$15.3 million is almost even with the FY 2006-07 first quarter GF receipts.

History shows us that the first quarter represents about 23% of a fiscal year's total GF revenue collections. The \$44.4M collected in the 1st quarter of this FY represents 23% of the FY's total GF revenue budget. The \$41M collected in the 1st quarter of last FY

represented 23% of the total GF revenue collected in FY 2006-07. This information tells us that we are in line with the position we were in at the end of the 1st quarter of last FY.

The strongest months for city sales tax collection, based on a 3-year average expressed in percentages, are December, March, April, May, and June.

State-shared revenue collections were \$16.7 million. This amount is approximately \$710,000 (4%) less than budgeted but \$1.6 million (11%) ahead of first quarter receipts for FY 2006-07. The increase over last FY is attributable to increased income tax receipts, which were expected and planned for in this FY's GF revenue budget. The three components of state-shared revenue are shown below:

- o State income tax receipts came in as expected for the first quarter of FY 2007-08 and were \$1.6 million (24%) more than FY 2006-07 first quarter receipts;
- o State sales tax receipts were \$546,000 (9%) less than expected and are \$11,000 more than FY 2006-07 first quarter receipts; and
- o Motor vehicle in-lieu receipts were \$157,000 (6%) less than expected and \$37,000 (1.5%) less than FY 2006-07 first quarter receipts. Approximately 20% of the total revenues collected for the licensing of vehicles are distributed to incorporated cities and towns. The amount distributed is based on an incorporated city's population in relation to the total incorporated population of the county.

HURF revenues are commonly called the gas tax even though there are several other transportation-related fees that comprise this revenue source. Much of this revenue source is based on the volume of fuel sold rather than the price of fuel. HURF receipts were \$181,000 (4%) below budget and \$51,000 (1%) less than FY 2006-07 first quarter receipts.

The All Other category is doing very well primarily because of increased revenue collections for community development fees such as building permits and plan check fees. Compared to last FY, this category is \$1.8 million (28%) ahead in collections. Compared to budget, this category is \$607,000 (8%) ahead. Community development fees were adjusted effective July 1, 2007.

The FY 2007-08 first quarter budget expenditures and actuals for the GF operating and pay-as-you-go (PAYGO) capital expenditures are as follows (in 000s):

	FY 2007-08 Annual Budget	FY 2007-08 1st Quarter Budget	FY 2007-08 1st Quarter Actuals	Amount Under/(Over) Budget
GF Salaries/Benefits	\$117,910	\$31,745	\$30,788	\$957

GF Non-Personnel	\$59,077	\$15,905	\$12,659	\$3,246
GF Debt Service (leases)	\$2,841	\$765	\$438	\$327
PAYGO Capital	\$7,498	\$2,019	\$133	\$1,886
TOTAL	\$187,326	\$50,434	\$44,018	\$6,416

Overall, first quarter actuals were \$6.4 million less than the amount budgeted.

First Quarter Designated Sales Tax Receipts

At the end of the first quarter, the transportation sales tax budget to actuals comparison, as well as last FY's first quarter actuals, are the following:

	FY 2007-08 Annual Budget	FY 2007-08 1st Quarter Budget	FY 2007-08 1st Quarter Actuals	% Over (Under) Budget	FY 2006-07 1st Quarter Actuals	% Change FY 2006-07 to FY 2007-08
Transp Sales Tax	\$27,613	\$6,903	\$6,012	(13%)	\$6,311	(5 %)

The FY 2007-08 first quarter revenues are \$299,000 (5%) less than FY 2006-07 first quarter revenues.

The FY 2007-08 first quarter revenues are \$891,000 (13%) less than the first quarter budget.

At the end of the first quarter, the public safety sales tax receipts were the following (in 000s):

	FY 2007-08 Annual Budget	FY 2007-08 1st Quarter Budget	FY 2007-08 1st Quarter Actuals	% Over (Under) Budget	FY 2006-07 1st Quarter Actuals	% Change FY 2006-07 to FY 2007-08
Police sales tax	\$3,734	\$933	\$802	(14%)	\$843	(5%)
Fire sales tax	\$1,867	\$467	\$401	(14%)	\$421	(5%)
TOTAL	\$5,601	\$1,400	\$1,203	(14%)	\$1,264	(5%)

The FY 2007-08 first quarter public safety sales tax revenues are \$61,000 (5%) less than FY 2006-07 first quarter revenues.

For FY 2007-08, public safety sales tax revenues are \$197,000 (14%) below budget.

The designated sales tax receipts are not included in the GF city sales tax figure provided in the prior section of this report.

New Component of Quarterly Reports

At the April 10, 2007 budget workshop, October 16, 2007, budget workshop, and the November 2007 Council Retreat, Councilmembers requested that a new component be added to the quarterly reports.

The purpose of this new component is to identify projected new expenses such as

- Compensation for existing employees,
- Cost increases for vehicle fuel and utilities such as electricity and water, and
- Operating and maintenance costs for capital projects scheduled to be in operation for the upcoming FY.

This new component also should identify any large-scale projects with significant operating budget expenses that have not been started yet but are scheduled to commence in the near future. The Council asked for a workshop discussion about the estimated operating impact of these projects before any contract awards are brought forward for consideration.

The workshop presentation about the 1st quarter report will include this new component.

The FY 2006-07 first quarter report on the GF was presented to the Council on December 19, 2006.

The FY 2006-07 second quarter report on the GF was presented to the Council on March 20, 2007, along with the FY 2007-08 GF revenue projection.

The FY 2006-07 third quarter report on the GF was presented as a written report to the Council on July 30, 2007.

The FY 2006-07 fourth quarter report on the GF was presented as a written report to the Council on November 15, 2007.

This is a status report on the General Fund covering the first quarter of FY 2007-08. No Council guidance is requested on this report.

Mr. Horatio Skeete, Deputy City Manager; and Ms. Sherry M. Schurhammer, Management & Budget Director, summarized their presentation and asked for any questions.

Mayor Scruggs asked the Councilmember's if they had any questions regarding the revenues before they moved on to the expense phase.

Councilmember Lieberman commented that according to the chart, the city's sales tax was almost identical to what it was a year ago at the same quarter last year. He asked if the new investments at Westgate were bringing in the sales tax to make up for the slump in auto and house sales.

Mr. Skeete stated that they had spent a lot of time and money preparing and laying the ground work for the diversification of the economy. He added that when the housing market was at its best they were also focusing on commercial development.

Councilmember Lieberman noted that new stores such as Cabela's and Walmart most probably had made an impact. Mr. Skeete stated that he was correct. He added that other commercial activity that had opened in the last two years was beginning to pay off.

Councilmember Lieberman commented on the negative economic reports coming out of Mesa and Phoenix and added that it was vital that Glendale maintain adequate revenues. Mr. Skeete stated that they were monitoring the situation and would keep the Council informed on any negative developments. Councilmember Lieberman commented on the drop in revenue in 1992-1994.

Vice Mayor Martinez stated that it was great to see the revenues were ahead of the last year's 1st quarter. He commented that last year the city was not doing as well against the projected budget. Ms. Schurhammer stated that last year at the end of the quarter the City was about 2 ½ % below budget. She further explained that the revenue budget information assumes 25% of the total budgeted revenue comes in each quarter. She said the revenue budget information has been presented this way since the start of these quarterly reports four years ago. However, in reality, the last several years of history shows that revenue comes in more strongly in the second and fourth quarters.

Vice Mayor Martinez commented that by looking at last year's projections against this year, he believed they were not doing as well as hoped. Mr. Skeete stated that staff had gone back and looked at previous years and found that in the last two years the city had been consistently collected 23% of the budgeted revenue in the first quarter. He reiterated that in the 1st quarter the city seldom collects one quarter of the property tax.

He added that he would expect to collect about half of the property tax revenues by the end of the second quarter.

Vice Mayor Martinez asked why the information was presented to them using the one-fourth division formula and not as the revenues come in each quarter or by past budget experience. Mr. Skeete stated that it was a matter of consistency and simplification; however they could review that method.

Councilmember Clark agreed with Vice Mayor Martinez. She suggested taking the first quarter actuals and using them for the first quarter budget. She said that this would cut down on the numbers giving the impression of being under budget. She asked if there might be a better way of presenting this data. Ms. Schurhammer stated that they would be happy to look into it.

Mr. Beasley stated that there was also a timing issue regarding the budget presentation. He asked Mr. Lynch to explain.

Mr. Art Lynch explained how the budget was prepared in the early spring of 2007, which was almost nine months ago. It was developed based on the best information available at that time. As more information becomes available, management would adjust operations numbers to actual revenues coming in and to keep ahead of the trends. He noted that this year the economic situation had changed dramatically with possibly more changes to come. He said that is why Council was provided a number and that number would be adjusted as they receive more information to adjust to the reality.

Councilmember Clark asked a question regarding the HURF figures on the chart. She stated that the last year's 1st quarter actuals for HURF were \$4,117 and for this year they are \$4,066. She said that they were basically down and asked if this was a trend that could be expected for the balance of the year. Ms. Schurhammer stated that the HURF revenue came in more heavily during the last half of the year even more so than the sales taxes. She added that 66% of the revenue came in during the last part of the year partly due to the winter visitor rentals. She noted that despite the rising cost of fuel, HURF revenues had proven to be very resilient and have continued to grow.

Councilmember Clark commented that essentially the next quarter budget numbers would give them a clearer picture of what can be expected for the balance of the year.

Councilmember Lieberman commented on the primary property tax coming in 58% higher than the first quarter of last FY. He asked if this was due to the increase in property values. Ms. Schurhammer stated that he was partially correct. Additionally, there had been some significant commercial development that had been added to the property tax roles for Glendale.

Mayor Scruggs discussed the property tax increase and when the city would receive the revenue.

Councilmember Goulet asked staff if there was any indication that there would be any surprises or problems in the future. Ms. Schurhammer said the first quarter results were not surprising. She noted that the city would get a much clearer picture of where the economy was headed once the second quarter numbers became available.

Councilmember Lieberman asked if the new public safety tax numbers would be presented separately. Ms. Schurhammer said yes; however the report would account for the 1/10th rate and the 4/10th rate together for the public safety sales taxes.

Councilmember Lieberman commented that there would only be two months reported November and December in the second quarter report since the rate adjustment became effective in November 2007.

Councilmember Clark asked a question about the public safety sales tax number. She asked whether the public safety sales tax revenue would come in as expected and wondered if it could be lagging for the year. Ms. Schurhammer reiterated that they were not surprised by the 1st quarter results and would have a better feel for the numbers next quarter.

Mayor Scruggs commented that much of the negative speculations about sales came from the media reporting that sales were down. She stated that it was hard to believe that when in her own experience the stores were extremely busy.

Mayor Scruggs discussed ways for staff to present the figures using historical data instead of using assuming the revenues came in evenly each quarter by using the method of dividing by four, which made the numbers seem below target for the first quarter report. Mr. Skeete said staff would look into that possibility; however because of the unpredictability of revenues, they have a much greater chance of errors in estimating. Mayor Scruggs suggested informing Council about historical data which would be helpful when looking over the figures. She added that Council's concerns came from other cities having difficulties and Council being aware if Glendale was headed down that road and if so, facing that problem head on.

Councilmember Clark agreed with Mayor Scruggs. She added that Glendale does not exist in a bubble and should be prepared if need be. She said that her main concerns were state shared revenues and the sales tax.

Mayor Scruggs had a question regarding the expenditure figures. She asked for clarification on the actual figures verses budgeted numbers. She said that the actual figures seemed very low compared with the budgeted figures. Ms. Schurhammer stated that the Pay-As-You-Go (PAYGO) capital projects typically get off to a slow start because the departments were still putting out contracts and bids during the first quarter.

Mayor Scruggs presented a scenario for Mr. Skeete. She asked if the city were to spend the full amount in salaries and benefits as shown in the first quarter actuals in Pay-As-You-Go projects, then would we have exceeded the revenue amount by \$1.6 million. She inquired if projects were then slowed down so as not to exceed the revenue. Mr. Skeete stated that the normal process would take six to eight weeks, which was a lengthy amount of time. He added that it was not a deliberate action by staff to slow the process down to match the revenue collection for the first quarter, but only the nature of the process. Mayor Scruggs asked Mr. Skeete why place expenditures in the first quarter when it clearly throws everything off. She said it would be more accurate not to have that figure in the first quarter because the money would clearly not be spent because of the lengthy process. Mr. Skeete stated that staff would look into Council's concerns and adjust the method, possibly using history as a guide. Mayor Scruggs suggested using historical data which would make it easier and give everyone a clearer picture.

Ms. Schurhammer reiterated the fact that they typically spend more in the last half of the year than the first half of the year. Councilmember Lieberman stated that he would like to see closer actual numbers rather than an estimate. He noted that the chart seems to be a bit misleading. Councilmember Clark agreed with Councilmember Lieberman.

Mr. Skeete presented an overview of the new component of the quarterly reports. The purpose of this new component was to identify projected new expenses for the upcoming fiscal year. This new component also should identify any large-scale projects with significant operating budget expenses that have not been started yet but are scheduled to commence in the near future.

Ms. Schurhammer discussed the increased ongoing expenses expected for FY2008-09. She said two items reflected Council's decisions made at the October 16, 2007 budget workshop. These items included the planned pay increase for police and fire at \$2.5 million and landscape maintenance for parks and graffiti removal supplies at \$290,000. Also expected in FY2008-09 is a cost increase of \$1.8 million for retirement plan contributions.

Councilmember Clark said the increased ongoing expenses for FY2008-09 discussed so far total \$4.6 million. Ms. Schurhammer stated that her statement was correct.

Ms. Schurhammer continued her presentation by saying the "meet and confer: bullet point on the slide represents discussions currently underway. She said nothing firm has been decided yet so the costs have not been finalized. She also mentioned the big unknowns – whether the city will realize increased cost for health benefits and energy costs like vehicle fuel and utilities like electricity, natural gas, and water. She noted that staff would keep Council informed about any cost increases as more information becomes available. Councilmember Clark asked if there was any idea how much health benefits and energy cost were going to rise. Mr. Skeete said the city expects to receive bids on health benefits in the next couple of weeks and would soon have that information.

Councilmember Clark inquired about vehicle fuel costs. Ms. Schurhammer referred the question to Mr. Ken Reedy, Deputy City Manager for the Public Works Group. Mr. Reedy said it was too early to provide a concrete estimate, however he anticipated possibly a 10% increase. He noted that the ups and downs of fuel cost made it very difficult to assess a firm number. Councilmember Clark asked Mr. Reedy how much the city was currently paying for gas. Mr. Reedy said that the city is paying \$2.85 for diesel and \$2.65 for unleaded fuel. He said those prices reflect no sales tax. Councilmember Clark said she recently paid \$2.75 a gallon.

Councilmember Lieberman asked if the city was buying much diesel fuel. Mr. Reedy said the city was trying to minimize the use of diesel fuel because it was 20 to 30 cents a gallon more.

Mayor Scruggs stated that staff had been able to provide figures for three of the items presented; therefore the projected revenues for Fy2008-09 must grow by 2.5% to meet those three items. Staff agreed. She said this was the type of information Council needed to make informed decisions to move forward.

Councilmember Lieberman said the second quarter report was vital for Council to make informed decisions on the budget.

Ms. Shurhammer continued to the next part of the presentation that dealt with estimated ongoing operating expenses for planned capital improvement projects that would impact the General Fund operating budget. For next fiscal year, FY2008-09, \$729,500 in

additional ongoing expenses are expected for capital projects involving parks and trails projects as well as a project related to the Police Department's communications system.

For FY2009-10, there are two capital projects expected to come on line that would have a significant ongoing impact on the General Fund operating budget. She said the information is being presented now because Council will soon see requests to award contracts related to the design of the capital facilities. The two projects are the new library for the west area and the new courthouse. The full fiscal year impact for the library is \$2.5 million and \$3.8 million for the courthouse. She noted that these two facilities are not expected to open for another two years, so the costs shown on the slide are estimates based on information known today. Ms. Schurhammer said staff would return in another year with more refined estimates. She noted that further discussions about these projects would come in the future when contracts for the designs are brought forward. She said no decisions were required for today.

Mayor Scruggs stated that it was her understanding that they would be approving the design contracts next week, however if the numbers should continue to drop, would they need to reconsider the project. Mr. Skeete stated that they could come back and reevaluate the financial process at any time before the construction contracts were awarded. Mayor Scruggs commented that her concerns centered on the operating costs, not the construction costs. Mr. Skeete said each project was evaluated and the operating costs assessed before any project was completed.

Mayor Scruggs commented on the FY2008-09 estimated ongoing expenses for capital projects of \$729,500. Mayor Scruggs asked Ms. Schurhammer if there would be any impact on the budget concerning the two new projects, the library and courthouse, or anything relating to them such as books or furniture. Ms. Schurhammer stated that no operating budget impact for the west area library and new courthouse is expected next fiscal year, FY2008-09.

Vice Mayor Martinez commented on the new training facility not having the capability for Police basic training. He said his understanding is that the current training center was solely used by the Fire department. He noted that he would like to start budget discussions regarding this item to encompass training for both.

Mr. Beasley asked Chief Conrad to elaborate on this issue. He noted that this issue dealt with issues other than financial aspects.

Chief Conrad stated that there were a number of issues associated with this item. He said any new officers hired would be training at the state academy in Phoenix for this fiscal year as well as the next. He stated that for them to start training at the Glendale Regional Public Safety Training Facility would require some start up costs that are not budgeted for this year or possibly the next fiscal year. He said that the department had been focused on recruiting goals and it did not seem fiscally prudent to also try and start an academy for the basic training at this time.

Vice Mayor Martinez asked if he had any concerns with the way training was done for the newly hired officers. Chief Conrad said no. Vice Mayor Martinez asked if he had done any planning for training at the regional facility for the future. Chief Conrad stated that they had discussed the issue and had come up with a start up cost of \$300,000 to

\$600,000 with a target date contingent on the ability of the state academy to continue to meet the department's needs. He added that using the state's facility was basically free to them and saw no need at this time to incur an expense just so they could train at the regional facility in Glendale. Vice Mayor Martinez commented that it was essential that Council continues to be informed on this issue so they could formulate informed decisions when reviewing the budget.

Mayor Scruggs commented on her concerns of having no plans in the future for police training at the Glendale facility. She said that her vision was for both departments to use the facility, not only the Fire Department. She also noted that the Phoenix facility can at any time with little notice decide to terminate their involvement. She reiterated her concerns on this matter.

Councilmember Knaack agreed with Mayor Scruggs and added that Phoenix was also in the process of hiring and training police personnel that could cause a real problem for Glendale's trainees. She also wondered why future plans were not already in the works should they need the facility in the near future.

Chief Conrad reiterated his concerns with the budget and his decision to make hiring personnel the first priority. Councilmember Knaack reiterated Vice Mayor Martinez sentiments on accumulating information on the cost projection for the facility so Council could make the decision as to whether it could be incorporated into the budget and possibly make it a priority.

Councilmember Lieberman agreed with both the Mayor and Councilmember Knaack. He stated that he felt misled and believed the training facility would be for both police and fire. In addition, he said he was in favor of staff working up the cost in making the facility an operational training center for Glendale and other cities around the state. He said he would like this item to come before Council as part of the March budget discussions. He asked for a budget for start up fees as well as an operational budget.

Chief Conrad said he wanted to make clear that the facility was a fully operational training facility for both police and fire. He said all current Glendale police officers are trained at the training facility. He also said he was excited about the new firing range coming on line in the near future so the department's officers could increase the amount of fire arms training. He said the Police Department uses the facility for advanced officer training that totals at least 40 hours a year (seminars and in-class training). He said the department made the decision not to use the facility for a basic training center because of the start up costs associated with it and also because the department is able to use the Phoenix location. Councilmember Lieberman said it would be prudent for Council to become informed about the start up costs when going over budget plans. He thanked Chief Conrad for his comments.

Councilmember Clark said she agreed with Chief Conrad in light of the predictions recently regarding decreased sales taxes. She agreed with Chief Conrad's first assessment on hiring personnel as his first priority as well as using the facility for advanced training of existing officers as well as being able to utilize Phoenix's training center.

Councilmember Clark commented on the decision to approve the training facility over the west library two years ago. She said she agrees with the importance of funding for public safety; however other areas need attention as well. She added that she believes Glendale's police and fire were well served for the time being and respects Chief Conrad's assessments. She said she also believes that in time, it would also be

appropriate for the facility to serve the basic training of police personnel, however not at the expense of other programs.

Mayor Scruggs asked about the new firing range and when it would become operational. Chief Conrad stated that it would be up and running in a couple of months with no unbudgeted operational cost associated with it.

Mayor Scruggs said direction had been given by the majority of Council to bring forward an operational budget to initiate basic training at the Glendale public safety facility. She said Council will consider this issue as part of the FY2008-09 budget process. In addition, Chief Conrad would also be able to make a presentation to Council on his position on the matter. All were in agreement.

2A. PROPOSED ANNEXATION REQUESTS – ANNEXATION APPLICATION AN-175: NORTHERN GATEWAY - 9899 WEST NORTHERN AVENUE

CITY STAFF PRESENTING THIS ITEM: Mr. Jon Froke, AICP, Interim Deputy City Manager; and Mr. Thomas Ritz, AICP, Senior Planner

This is a request by Financial American Corporation for the City Council to provide guidance concerning an annexation request for approximately 24 acres located at the southeast corner of 99th and Northern Avenues.

Glendale 2025, the City of Glendale'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 annexation will implement Council direction on February 12, 2005 to consider annexation requests anywhere within the Municipal Planning Area.

At this time, the property is currently farmed and there are no buildings on the property.

The existing city limits are adjacent to the property to the north and west, while the Loop 101 is adjacent to the east and an ADOT drainage channel to the south.

The property is outside of the 55 ldn noise contour of the Glendale Municipal Airport and is in line with the northern approach to the Glendale Municipal Airport. Recognizing this, the applicant has obtained a current Determination of No Hazard to Air Navigation letter from the Federal Aviation Administration.

The General Plan designation for the property is Business Park (BP); however the applicant will be requesting a minor amendment to Corporate Commerce Center (CCC) to reflect the proposed mixed use development.

A mixed use development is proposed including office, medical office, hotel, and retail uses. Parking structures are proposed because of the intensity of the development.

The property is currently zoned R-43 (Rural Residential) in the county. After annexation, the city applies the most comparable Glendale zoning district to a newly annexed property compared to the existing county zoning. The most comparable Glendale zoning district is A-1 (Agricultural). This process will occur simultaneously with the annexation.

Once annexed, the development of the site will require the city to provide police, fire, and water, sewer, and sanitation services. Since the property is currently farmed, the city has the opportunity to work with the developer to best plan for the emergency response, utility, and sanitation needs.

The proposed Northern Parkway, including the bypass roadway over the Loop 101, heavily impacts the property. As presently designed, the Northern Parkway will require the acquisition of about four acres of right-of-way at the north end of the property.

In conformance with Council guidance and to achieve the applicant's development objectives, staff will be processing a General Plan map amendment application and a rezoning application on the property simultaneously with the annexation request which will result in approval of new General Plan and zoning classifications in conformance with Glendale's General Plan designation at time of annexation.

The next step in the process, if the Council guides staff to proceed with the annexation, is to record the blank annexation petition and schedule a public hearing for the annexation as required by state statute.

The annexation of this area will require that any future development meet the Glendale General Plan requirements as well as all other development standards for the city.

The annexation of this area will ensure city review of all development for compatibility with existing development in the Loop 101 corridor.

Once developed, the proposed annexation will add to the employment base of the city by providing more jobs than the current farming operations.

Staff is seeking guidance from the Council to continue with the annexation process in accordance with the procedures described in state statutes.

Mayor Scruggs asked Council for any questions or comments on this presentation.

Mayor Scruggs inquired as to a statement on "current land use and police service calls" not being included in this document when it had always been included in the past. Mr. Thomas Ritz, AICP, Senior Planner, stated that the statement had been included when focusing on the new areas west of 115 Avenue. He explained that this area application was deep within the city's traditional service area and the statement was not needed.

Mayor Scruggs asked for any further comments. There were none. She directed staff to move forward with the next step in the annexation process with an evening meeting.

2B. PROPOSED ANNEXATION REQUESTS –ANNEXATION APPLICATION AN-177: REEMS RANCH - 7007 NORTH REEMS ROAD

CITY STAFF PRESENTING THIS ITEM: Jon Froke, AICP, Interim Deputy City Manager; and Thomas Ritz, AICP, Senior Planner

This is a request by Gammage & Burnham, PLLC, for City Council to provide guidance concerning an annexation request on behalf of Reems Ranch LLC for approximately 271 acres located south of the southeast corner of Reems Road and Northern Avenue.

Glendale 2025, the City of Glendale'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 annexation will implement Council direction on February 12, 2005, to consider annexation requests anywhere within the Municipal Planning Area.

At this time the property is currently farmed, with the farm equipment building on the property scheduled to be demolished by the property owner as part of the development process.

Luke Air Force Base and the existing city limits are adjacent to the property to the southeast and east.

The property is entirely within the 70 ldn noise contour for Luke Air Force Base, and all but the northwest corner is also within the 75 ldn noise contour. About half of the property is within the 80 ldn noise contour. The General Plan designation for the property is Luke Compatible Land Use Area, and any development of the property must take into account the property's proximity to Luke Air Force Base.

The Luke Compatible Land Use Area category designation is adjacent to the base and is delineated by the 1988 JLUS 65 ldn noise contour created by military flight operations. The General Plan recognizes and supports the state legislation related to the continued, viable operations of military operations. Residential and other noise sensitive land uses, particularly those that include large gatherings of people, are discouraged in the Luke Compatible Land Use Area. Retention of agricultural uses and future industrial development are supported by this category to afford viable, economic use of the property, and as protection of public health and safety.

The property is currently zoned R-43 (Rural Residential) in the county. After annexation, the city applies the most comparable Glendale zoning district to a newly annexed property compared to the existing county zoning. The most comparable

Glendale zoning district is A-1 (Agricultural). This process will occur simultaneously with the annexation.

The applicant intends to construct an industrial park on the property and will be responsible for insuring that all required noise mitigation measures are installed as part of the development of the property.

Once annexed, the development of the site will require the city to provide police, fire, and sanitation services. Since the property is currently farmed, the city has the opportunity to work with the developer to best plan for the emergency response and sanitation needs.

Based on the current land use and Police calls for service for this property, no additional Police staffing is currently needed. The existing west side beat officer(s) will be able to respond to any additional calls. Once this property is developed and reaches build-out as projected, this area may require 0.46 of an officer is needed in patrol. The Police department uses a formula based on the current comparable land use and the "calls for service" average, to calculate any additional patrol staffing needed. Each year staffing needs will be reassessed during the annual staffing study.

The Fire department utilizes a model that defines when a population within a four minute travel-time, geographic area averages 1,000 calls for service annually, it then warrants a fire station sited within that service area. Several factors that can influence the need to establish a station sooner or later than normally anticipated are: location of automatic aid or contract-service providers and their capacities within or near the service area; type of occupancies located within the service area, i. e., residential, retail, light commercial, heavy commercial or industrial/hazardous use; natural or manmade barriers; or a policy decision to expedite or delay fire station siting. Based on current population, there is no need for a fire station at this time. Fire protection, Hazmat and Emergency Medical Services can be implemented in a stair-step fashion. The first phase would be placing a temporary modular building with a crew of two firefighters located to best serve the annexation areas. The development and calls for service will drive the location of a permanent fire station(s) and the addition of full time employees. However, Fire department staff will continue to analyze the area and report to Council annually.

The southeastern part of the property is within the flood plain, and the applicant has engaged an engineer to reconfigure the flood plain as part of the future development.

In conformance with Council guidance and to achieve the applicant's development objectives, staff will be processing a rezoning application on the property simultaneously with the annexation request which will result in approval of a new zoning classification in conformance with Glendale's General Plan designation at the time of annexation.

As the property is west of 115th Avenue, the adopted City of Glendale annexation policy states that viable private providers will provide water and sewer service to the property.

The next step in the process, if the Council guides staff to proceed with the annexation, is to record the blank annexation petition and schedule a public hearing for the annexation as required by state statute.

The annexation of this area will require that any future development meet the Glendale General Plan requirements as well as all other development standards for the city.

Annexation of this area will ensure city review of all development for compatibility with the mission of Luke Air Force Base.

Once developed, the proposed annexation will add to the employment base of the city by providing more jobs than the current farming operations.

Staff is seeking guidance from the Council to continue with the annexation process in accordance with the procedures proscribed in state statutes.

Mayor Scruggs asked for any questions or comments. There were none. She directed staff to move forward with the next step in the annexation process with an evening meeting. She thanked the staff and applicants for all their work on the process of annexation applications.

ADJOURNMENT

The meeting was adjourned at 3:15 p.m.