

MINUTES
REGULAR WORKSESSION
CITY COUNCIL OF THE CITY OF YUMA, ARIZONA
CITY COUNCIL CHAMBERS - YUMA CITY HALL
ONE CITY PLAZA, YUMA, ARIZONA
December 6, 2016
6:00 p.m.

CALL TO ORDER

Mayor Nicholls called the Regular City Council Worksession to order at 6:05 p.m.

Councilmembers Present: Thomas, Knight, Craft, Miller, Wright, and Mayor Nicholls
Councilmembers Absent: Shelton
Staffmembers Present: City Administrator, Gregory K. Wilkinson
Neighborhood Services Manager, Rhonda Lee-James
Deputy City Administrator, Ricky Rinehart
Utilities Director, Jay Simonton
Director of Engineering, Josh Scott
Various department heads or their representatives
City Attorney, Steven W. Moore
City Clerk, Lynda Bushong

I. GOOD NEIGHBOR NEXT DOOR PROGRAM

Lee-James explained that the Good Neighbor Next Door Program (GNND) allows the Federal Housing Administration (FHA) to sell foreclosed homes in certain neighborhoods at 50% of the home's list price to law enforcement officers, Pre-K through 12th grade teachers, firefighters and emergency medical technicians in exchange for the buyer's commitment to live in the home for 36 months as their sole residence. Interested buyers should find a local realtor to work with and seek pre-approval for a home loan through a financial institution.

The City initially began looking into GNND run in conjunction with the Mesa Heights Revitalization Area. While it was found that GNND would not necessarily coincide with Mesa Heights, it broadened the area of consideration to various other parts of the City. Foreclosed homes in qualifying areas are only available for a period of seven days, and property listings change weekly. Homes that are not sold to an eligible buyer are then made available to other agencies including nonprofit organizations, and may be available for purchase, rehabilitation, and sale by the City.

Craft noted that when he was first made aware of the program buyers purchased the homes at full price but there was a second mortgage that slowly went away over the years. He asked if selling homes at 50% of the list price could affect the appraised values of the rest of the neighborhood. **Lee-James** explained that there is still a second mortgage involved with requirements including maintaining the home as the primary residence and paying the property taxes for a period of 36 months.

Knight asked if homes not purchased by one of the four groups that qualify for the program could potentially be purchased by the City and used to relocate some of the residents of Mesa Heights who have had their homes condemned, even if Mesa Heights is not included in the program. **Lee-James** stated that some portions of Mesa Heights are included in the program, and there are still a number of

single-family homes in that area that would qualify. The City would have an opportunity to obtain homes that were not purchased in order to rehabilitate them and resell them to interested homeowners who may need some extra assistance.

Mayor Nicholls asked how police officer is defined with regard to program eligibility. **Lee-James** stated that it is any law enforcement officer who has the power to arrest.

II. REGULAR CITY COUNCIL MEETING AGENDA OF DECEMBER 7, 2016

Motion Consent Agenda Item B.8 – Request for Proposal/Offer (RFP/RFO): Sale of Property 4-1/2 E and 36th Street (authorize negotiation of sale of property with ST Partners, LLC) (City Administration)

Knight asked if ST Partners was the only company to respond to the RFP. **Rinehart** confirmed they were. **Knight** asked if the selling price of \$1.90 per square foot is equal to or greater than the appraised value of the property. **Rinehart** stated that it is greater than the appraised value of the property. **Knight** asked if it is known how many jobs this food processing plant will bring to Yuma. **Rinehart** stated that the initial proposal stated that they would start off with somewhere around 175 full-time jobs. These positions would be year-round and would all be hired locally except for the management team that will come in initially to start up the facility. **Knight** asked if the starting pay will be at minimum wage or higher. **Rinehart** stated that the starting pay will be higher than minimum wage. **Knight** asked if the company has plans to expand in the future. **Rinehart** explained that the proposal did provide an outline of a future expansion, which is likely to bring additional job opportunities.

Wright asked if the sale of the property is for a full 17 acres. **Rinehart** stated that is correct. **Wright** asked how the public was made aware that the property was for sale even though the City has not yet declared it as surplus. **Rinehart** explained that the RFP/RFO was disseminated via the City's normal process. **Wilkinson** added that the RFP/RFO was put out for a period of three weeks. **Wright** asked when this took place. **Rinehart** stated that the advertisement was placed on October 27, 2017. **Wright** asked if the currently unpaved roads will be the responsibility of the developer or the City. **Rinehart** stated that it will be the responsibility of both; the City has been awarded a grant that will help with the infrastructure that will be required in that area. **Wright** asked if the total of the proceeds from the sale and the grant will be below the requirements set forth by Title IX. **Moore** stated that the Yuma City Charter takes precedence in this matter.

Motion Consent Agenda Item B.3 – Bid Award: Transit Van and Closed Circuit Television (CCTV) Mobile Video System (authorize purchase for a total cost of \$127,792.71) (Utilities)

Knight recalled a similar item coming before City Council in the past. **Simonton** stated that the City has two such units, and one was replaced about a year ago. **Knight** asked what the life expectancy is of this type of equipment. **Simonton** stated that they are hoping to get at least 10 years out of it, adding that the current units are over 10 years old. **Craft** asked if this unit is any different than the current equipment. **Simonton** explained that the equipment being replaced is contained in a trailer that is towed by a pickup truck. They are asking to replace it with a unit inside a van because it is easier to maneuver in alleys and other tight spaces than a trailer.

Resolution Consent Agenda R2016-038 – Facilities Maintenance Agreement: Fernando Castro (for encroachment onto Lawler Lateral right-of-way during construction and landscaping) (Engineering)

Knight asked if the license from the Yuma County Water Users' Association (YCWUA) has an expiration date or if it is perpetual unless terminated as described within the document. **Scott** stated that YCWUA license agreements typically do not have an expiration date. YCWUA may terminate based on several clauses in the agreement, and the City is then responsible to return the right-of-way to its original condition.

Adoption of Ordinances Consent Agenda O2016-038 – Declare Property Surplus and Authorize Sale Through a Competitive Bid Process: Avenue 4-1/2E and 36th Street (approximately 17 acres of City-owned real property) (City Administration)

Wright asked if there is other surplus property in close proximity to the property being declared surplus by this ordinance. **Wilkinson** explained that this is the only parcel in this area that the City is looking to surplus at this time. The rest has been set aside for future construction and other uses. **Wright** expressed concern that the City may be disposing of property that it may find it needs it to accommodate future growth, for example for a fire station or other need. **Wilkinson** stated that there is already property in that area designated for a fire station. **Mayor Nicholls** expressed his support of getting this parcel of City-owned property back on the tax roll along with the potential investment and jobs being added to the community.

Adoption of Ordinances Consent Agenda O2016-038 – Declare Property Surplus and Authorize Sale: Northeast Corner of 1st Street and Madison Avenue (property is subject to the Yuma Riverfront Master Development and Disposition Agreement) (YCNHA)

Wright asked if this property may be needed for future expansion of the Main Street Water Treatment Plant (WTP) or other locations along the riverfront. **Wilkinson** stated that there are no plans to expand the Main Street WTP; the next expansion that is being planned is for the Agua Viva WTP. **Wright** asked if Main Street WTP has enough capacity to accommodate future development along the riverfront. **Wilkinson** explained that the City's water treatment plants are interconnected so that their capacity can be adjusted to provide whatever is needed. **Wright** asked how it was determined that this property should be declared surplus. **Mayor Nicholls** stated that surplus does not mean that it is without value, it just means that the City does not have a municipal use for it. He opined that it is in the City's best interest to dispose of excess property and get it back on the tax roll and provide the community with additional development opportunities. As it is, this property does not generate any revenue for the City.

Wright asked why the City chose to declare this property surplus as opposed to the vacant property across from the county jail. **Mayor Nicholls** stated that this property was selected because someone showed an interest in the property. **Wright** opined that this property is a part of the Master Development and Disposition Agreement and the City would receive more revenue from leasing it than by selling it. **Mayor Nicholls** expressed his belief that the City should not be in the business of leasing property because it puts the City in competition with the citizens of Yuma and that is an unfair competition. The best use of this property is to get it in the hands of a private citizen and allow them to

invest in the property which will increase the value of the property for the purposes of property tax. This is a natural way to grow the City's tax base and to revitalize the downtown area.

Motion (Craft/Thomas): To schedule a Special City Council Meeting on December 8, 2016, at 5:30 p.m. for the purpose of discussion and possible action on an Intergovernmental Agreement with Arizona State Parks. Voice vote: **approved** 6-0

III. EXECUTIVE SESSION

Motion (Craft/Knight): To adjourn the meeting to Executive Session. Voice vote: **adopted** 6-0. The meeting adjourned at 6:45 p.m.

Lynda L. Bushong, City Clerk

APPROVED:

Douglas J. Nicholls, Mayor