Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the PHOENIX CITY COUNCIL TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE and to the general public, that the PHOENIX CITY COUNCIL TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE will hold a meeting open to the public on Tuesday, September 9, 2014 at 9:00 a.m., located at Phoenix City Hall, 1st Floor Atrium, Assembly Rooms A, B, & C, 200 West Washington Street, Phoenix, Arizona.

One or more Subcommittee members may participate via teleconference. The agenda for the meeting is as follows (items may be discussed in a different sequence than posted):

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<tbody>
<tr>
<td>1.</td>
<td><strong>Call to Order</strong></td>
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<tr>
<td>2.</td>
<td><strong>Review and Approval of the June 10, 2014 Transportation and Infrastructure Subcommittee Meeting Minutes.</strong></td>
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**Items 3-4 are for Information Only. Although no presentation is planned, staff will be available to answer questions.**

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<td>3.</td>
<td><strong>Metro, Regional Public Transportation Authority, and Maricopa Association of Governments Meetings</strong>&lt;br&gt;This report provides the Subcommittee with copies of past and/or upcoming meeting agendas or minutes for METRO light rail, Valley Metro/Regional Public Transit Authority (RPTA), and the Maricopa Association of Governments (MAG).&lt;br&gt;This item is for information only.</td>
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<td>4.</td>
<td><strong>Proposed Northern Area Infrastructure Phasing Plan – Infrastructure Limit Line Replacement</strong>&lt;br&gt;This report provides information on the proposed replacement for the Infrastructure Limit Line and requests input on proceeding with the comprehensive Northern Area Infrastructure Phasing Plan policy and maps.&lt;br&gt;This item is for information only.</td>
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**Items 5-6 are for Consent Action. Although no presentation is planned, staff will be available to answer questions.**

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<td>5.</td>
<td><strong>Water and Wastewater Research Program</strong>&lt;br&gt;This report provides a summary of the Water and Wastewater Research Program fees and requests the Subcommittee recommend City Council approval for continued participation in the programs for fiscal year 2014-15 at a total cost of $285,556.&lt;br&gt;This item is for consent.</td>
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<td><strong>American Waterworks Association, National Association of Clean Water Agencies and Western Urban Water Coalition Annual Fees</strong></td>
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<td>This item is for consent.</td>
<td>This report provides a summary of the American Waterworks Association, National Association of Clean Water Agencies, and the Western Urban Water Coalition annual fees, and requests the Subcommittee recommend City Council approval for continued participation in these programs for fiscal year 2014-15 at a total cost of $63,810.</td>
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**Items 7-9 are for information, discussion and possible action.**

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<tr>
<th></th>
<th><strong>Draft Infrastructure Financing Plan (Impact Fee Program) and Water Resources Acquisition Fee Update</strong></th>
<th>Alan Stephenson, Planning and Development</th>
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<tbody>
<tr>
<td>This item is for information, discussion and possible action.</td>
<td>This report provides information regarding updates to the Impact Fee Program and the Water Resources Acquisition Fee, and requests the Subcommittee recommend City Council approval of the Draft Infrastructure Financing Plan and the Water Resources Acquisition Fee Update.</td>
<td>Page 23</td>
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<td><strong>Phoenix Central Station Development Agreement with Smith Partners, LLC</strong></td>
<td>Christine Mackay, Community and Economic Development</td>
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<td></td>
<td>Maria Hyatt, Public Transit</td>
<td>Page 37</td>
</tr>
<tr>
<td>This item is for information, discussion and possible action.</td>
<td>This report requests the Subcommittee recommend City Council authorization to enter into a Development Agreement, ground lease, easements and other agreements as necessary with Smith Partners, LLC for a transit-oriented development project at Phoenix Central Station.</td>
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<td><strong>Transportation Public Involvement Plan</strong></td>
<td>Maria Hyatt, Public Transit</td>
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<td></td>
<td>This report provides information on the public involvement plan developed by staff for the Citizens Committee on the Future of Phoenix Transportation, and requests the Subcommittee recommend City Council approval of the plan.</td>
<td>Page 41</td>
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<td>This item is for information, discussion and possible action.</td>
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**Item 10 is for information and discussion only.**

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<th><strong>Concrete Reservoir and Steel Tank Rehabilitation Programs</strong></th>
<th>Kathryn Sorensen, Water Services</th>
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<tbody>
<tr>
<td>This item is for information and discussion only.</td>
<td>This report provides information on the Water Services Department’s concrete reservoir and steel tank rehabilitation programs.</td>
<td>Page 45</td>
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</tbody>
</table>
11. **Call to the Public:** Consideration, discussion, and concerns from the public. Those wishing to address the Subcommittee need not request permission in advance. Action taken as a result of the public comment will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date.

   Chair Williams

12. **Request for Future Agenda Items**

13. **Adjournment**

   Chair Williams

For further information, please call Rita Marko, Management Assistant, City Manager’s Office, at 602-262-7684 or Gabriel Morales at 602-534-9222.

**Persons paid to lobby on behalf of persons or organizations other than themselves shall register with the City Clerk prior to lobbying or within five business days thereafter, and must register annually to continue lobbying. If you have any questions about registration or whether or not you must register, please contact the City Clerk’s Office at 602-262-6811.**

For reasonable accommodations, call Rita Marko at 602-262-7684 or Gabriel Morales at 602-534-9222 as early as possible to coordinate needed arrangements.

September 4, 2014
1. **Call to Order**

Chairwoman Williams called the meeting to order at 10:05 a.m. with Councilman Gates and Councilwoman Gallego.
2. **Review and Approval of the May 13, 2014 Transportation and Infrastructure Subcommittee Meeting Minutes**

Councilman Gates moved to approve the minutes from the May 13, 2014 Transportation and Infrastructure Subcommittee meeting. Councilwoman Gallego seconded the motion, which passed 3:0.

3. **Metro, Regional Public Transportation Authority, and Maricopa Association of Governments Meetings**

This item was for information only.

Dianne Barker spoke in favor of multimodal transportation and better outreach strategies to collect opinions as part of the public outreach process.

4. **Western Urban Water Coalition 2014 Annual Dues**

Councilman Gates moved to approve the item. Councilwoman Gallego seconded the motion, which passed 3:0.

5. **Fiscal Year 2014-2015 Assessment for the Arizona Municipal Water Users’ Association**

Councilman Gates moved to approve the item. Councilwoman Gallego seconded the motion, which passed 3:0.

Councilwoman Pastor joined the meeting at 10:09 a.m.

6. **Authorization to Enter into Agreements with Smith Partners, LLC Regarding Phoenix Central Station**

Acting Community and Economic Development Director Hank Marshall introduced Acting Public Transit Director Maria Hyatt and Deputy Community and Economic Development Director Scott Sumners. Mr. Marshall also acknowledged Bill Smith with Smithfield Properties in the audience. Mr. Marshall gave a brief introduction to the item to provide an update on the results of a request for proposals (RFP) for the development of Phoenix Central Station.

Ms. Hyatt discussed the history of Central Station, including construction projects since 1998.

Mr. Sumners noted the issuance of the RFP in late 2013 resulting in two proposals. He summarized the evaluation process highlighting the 12 panel members representing city staff and community members. He stated the panel recommended proceeding into negotiations with Smith Partners, LLC.

Mr. Sumners described several projects recently completed by Smith Partners, LLC in Phoenix and Chicago and the proposed development at Central Station to
include a 34-story tower with 476 apartments, a parking garage, a dog park and transit facilities to cost approximately $82 million.

Ms. Hyatt explained plans to continue transit operations with the implementation of the project, and pointed out there would be no impact to light rail.

Mr. Sumners gave an update on the status of the negotiations. He detailed some of the complexity in minimizing the impact to transit operations during construction, providing replacement space for transit operations, entering into a lease with the developer and coordinating with transit agencies such as the Regional Public Transportation Authority and Federal Transit Administration.

Mr. Sumners discussed the expected revenue generation for the City, including one-time construction sales tax of $1.6 million and annual tax revenues from residential and commercial rent of $250,000, as well as operational cost savings of $75,000 per year due to eliminated maintenance.

Mr. Sumners said he expected construction to begin in 2015 or 2016 and conclude in 2017 or 2018. He said the next steps are to meet with neighborhood organizations, work with the developer and the FTA, and to follow up with City Council at a date to be determined.

Jeff Sherman and Suzanne Day submitted cards in favor of the item.

Joseph Perez encouraged the developers to consider the impacts of buses on bicycles and pedestrians when planning and developing the site.

Tim Sierakowski asked about the appraised value of the site. Mr. Sumners said the site was appraised at just over $6 million, including the facilities. Mr. Sierakowski asked about the return on investment and what would happen if the property went into default. Mr. Sumners explained the site would continue to be owned by the City, and any default would result in City ownership of any improvements made.

Greta Rogers expressed concerns over the revenue expected for the property and the methods for negotiating leases.

Councilwoman Pastor clarified the date Central Station was moved and the date renovations were completed on the property. She also expressed her desire for the item to return to the subcommittee to present the results of negotiations.

Councilwoman Gallego asked about shade structures, the number of buses that could be accommodated and bicycle infrastructure. Ms. Hyatt discussed possibilities for moving the shade amenities, plans to avoid any backups for bus traffic and that any additional bicycle infrastructure would be the result of negotiations.

Councilman Gates asked about impacts on light rail. Ms. Hyatt said no impact is anticipated. Councilman Gates also discussed the importance of lease terms,
maximizing revenue, the addition of a dog park, and the caliber of the developer, Smith Partners, LLC.

Councilwoman Williams asked if the City had federal approval to move forward. Ms. Hyatt noted FTA approval would be necessary once negotiations conclude.

7. **Phoenix Bicycle Master Plan**

Mr. Naimark noted staff recommended to postpone the item to the fall.

Haley Ritter spoke in favor of establishing priorities to improve streets for bicyclists and pedestrians.

Paul Loomans expressed support for better bicycle infrastructure and safety of bicyclists and motorists.

The following residents submitted cards in favor of the item, but did not speak:
- Bryan Bazley
- Lisa Parks
- Sean Sweat
- Susan Bookspan
- Nicole Underwood
- Suzanne Day
- Jeff Sherman
- Steve Dreiseszun

8. **Complete Streets Ordinances**

Acting Street Transportation Director Ray Dovalina introduced Special Projects Administrator Mark Melnychenko and Jon Ford representing the Complete Streets Working Group.

Mr. Melnychenko described Complete Streets as a project supporting a safe, accessible, balanced transportation system providing for all modes of transportation.

Mr. Ford characterized the working group as well-rounded, including residents, planners, community impact and health experts, city staff and members of pedestrian, cycling and transit advocacy groups. He also thanked the subcommittee for input provided in April 2014.

Mr. Melnychenko discussed changes made since staff presented to the subcommittee in April. He said opting to move forward with ordinances helped codify and strengthen the Complete Streets initiative. He explained Ordinance S will establish guiding principles laying the foundation of the Complete Streets Initiative. Ordinance G will create a Complete Streets Advisory Board consisting of 11 voting members and seven nonvoting members represented by staff from various departments.
Marvin Rochelle expressed concerns related to laws prohibiting the use of powered wheelchairs in bicycle lanes. He said he felt the law violated his constitutional rights as he sometimes needed to use the bicycle lane to access businesses. Councilwoman Williams noted her observation of bus stops requiring access from the street.

Councilwoman Gallego requested public feedback on the proposed length of time of two years to establish performance metrics.

Feliciano Vera, chairman of the City’s bicycling and Pedestrian Ad Hoc Task Force spoke in favor of the item noting the potential loss of talent from those in the millennial generation, who are less interested in owning or commuting by car.

Mike Cartsonis spoke in favor of the item on behalf of AARP.

John Walker spoke in favor of the item.

Greta Rogers noted her support, but expressed concerns about the lack of timelines, goals, and plan to complete the changes or source of funding.

Serena Unrein spoke in favor of the item noting the drop in driving per capita.

David Dube spoke in favor of the item citing public health.

Haley Ritter expressed support for the item voting the benefit of better pedestrian and bicycle access for those with disabilities that prevent motor vehicle use.

Brian Bazley spoke in favor of the item which he believed would help create a safer environment.

Stacey Champion spoke in favor of the item citing the likely reduction in costs to the City. She also agreed with Councilwoman Gallego about the importance of performance measures.

Suzanne Day said she supported the item and encouraged implementing it in all areas of the City, not just the central core.

Joseph Perez spoke in favor of the item highlighting the need for better bicycle infrastructure downtown.

Thomas Tapero suggested adding a green element to involve the natural environment. He also discussed the need for better street maintenance.

The following residents submitted cards in favor of the item, but did not speak:

- Justin Graham
- Paul Loomans
- Suzanne Day
- Lisa Parks
- Jon Ford
- Trina Spangle
- Kenneth Steel
- Nicole Underwood
- Susan Bookspan
- Jeff Sherman
Councilwoman Williams asked whether Complete Streets applied to all streets. Mr. Melnychenko confirmed that it included all streets, including neighborhoods.

Councilman Gates proposed changing Section 2(c) of Ordinance G to reflect that vacancies for an unexpired term should be appointed by the Councilmember who appointed them. He also proposed a 10-year sunset date on the Complete Streets Advisory Board with the ability to request City Council to extend for another ten years as needed. Additionally, he proposed clarifying the quorum as based on voting members not all appointed members, on page 28.

Councilwoman Williams noted concerns related to costs which had been identified as $300 million to $500 million worth of repairs and the need for a funding source. She also expressed the desire for an implementation plan and for emphasis on making bike lanes continuous.

Councilman Gates agreed with Councilwoman Williams and stated his support of the ordinances, which provide flexibility in developing a plan of action.

Councilwoman Pastor called for a Complete Streets Master Plan.

Councilwoman Gallego expressed support for including the Public Transit Department in the Complete Streets Advisory Board. She also requested membership not be decided by each council district as it could increase the difficulty in representing all desired constituencies, including pedestrians, bicyclists, public transportation, youth and seniors. Mr. Melnychenko said staff would work closely with the City Council to ensure diverse demographics would be represented.

Councilwoman Pastor stated her support for including each district in the process because each district represents different interests. Councilwoman Williams echoed her request for each district to be given an appointment.

Councilwoman Gallego questioned the two year time frame for establishing performance metrics and encouraged a shorter timeline.

Councilman Gates moved to approve the item with the changes he proposed to Section 2(c), the 10 year sunset for the advisory board, clarification of quorum and with changing the timeline for establishing performance measures to one year. Councilwoman Pastor seconded the motion, which passed 4:0.
9. Transmission Main Inspection and Assessment

Deputy City Manager Rick Naimark introduced Assistant Water Services Director Troy Hayes, Deputy Water Services Director Amee Conroy and Civil Engineer III Eric French.

Ms. Conroy discussed the transmission main inspection and assessment program designed to avoid large failures. She gave examples of significant failures in the past and the goal to prevent critical main failures. She provided details about the City’s water mains: including 6,900 miles of pipes, 609 of those miles being 16 inches or larger, 250 miles of 42 inch pipe and 140 of those being pre-stressed concrete cylinder pipe (PCCP). She said 32 miles of large PCCP are critical areas that have not been assessed.

Mr. French described PCCP and what staff looks for when assessing the pipes for potential failure. He further explained the six-to nine-month process for shutting down mains and performing the inspections. He also showed examples of pipes successfully identified as failing that were able to be repaired or replaced.

Ms. Conroy said staff had been working on this program since 2003 with up to 86 miles of inspections completed, 48 of those completed in the past three years. Of the 48 miles, she said 6.7 miles have been rehabilitated. She stated staff set a goal of inspecting all 140 miles by 2021, including re-inspecting some sections, and of developing a plan for inspecting an additional 459 miles of 16 inches or larger transmission mains.

Councilwoman Williams asked how many manufacturers made. Ms. Conroy explained most of the pipe was made by one company. Councilwoman Williams asked if the cracks in the pipes affect the quality of water passing through them. Ms. Conroy explained water quality would be impacted if the pipes ruptured, but had no impact prior to rupture.

Councilwoman Williams asked if technology could be better used to help assist the identification of potential pipe failures. Mr. Naimark said staff would look into further technological enhancements to assist in the process.

10. Call to the Public

David Tapley spoke in favor of bicycle infrastructure and a change in the way people think of streets as designed for motorists only.

Greta Rogers spoke in favor of raising revenue and for deadlines set by the committee related to the Complete Streets item.
11. **Request for Future Agenda Items**

Councilwoman Williams requested an item addressing an inventory of bus shelters, including any needed repairs and lack of wheelchair accessibility. She also requested that staff recommend to the subcommittee a plan on addressing problems expected to arise in the next 10, 15 and 25 years related to water issues as part of a citizens’ committee.

Councilwoman Pastor requested staff bring an item to the subcommittee on street landscaping in the near future. Councilwoman Williams requested that cost and water usage be added to that item.

12. **Adjournment**

Chairwoman Williams adjourned the meeting at 12:02 p.m.

Respectfully submitted.

Spencer Self
Management Assistant II
TO: Rick Naimark  
Deputy City Manager

FROM: Albert Santana  
Light Rail Project Administrator

SUBJECT: METRO, REGIONAL PUBLIC TRANSPORTATION AUTHORITY, AND MARICOPA ASSOCIATION OF GOVERNMENTS MEETINGS

This report provides the Transportation and Infrastructure Subcommittee with copies of past and/or upcoming meeting agendas/summaries for METRO light rail, Valley Metro/Regional Public Transportation Authority (RPTA), and the Maricopa Association of Governments (MAG). This item is for information only.

THE ISSUE

Within Maricopa County, there are several agencies with different charges relating to public transit and transportation planning.

Valley Metro/RPTA: In 1993, the Regional Public Transportation Authority Board adopted the name Valley Metro as the identity for the regional transit system in metropolitan Phoenix. Under the “Valley Metro” brand, local governments fund the Valley-wide transit system which the public sees on the streets today. Valley Metro Board member agencies include Avondale, Buckeye, Chandler, El Mirage, Gilbert, Glendale, Goodyear, Maricopa County, Mesa, Peoria, Phoenix, Queen Creek, Scottsdale, Surprise, and Tempe. Councilwoman Thelda Williams serves as Phoenix’s representative on the RPTA Board of Directors.

METRO: METRO is the brand name for Valley Metro Rail Inc., a nonprofit, public corporation charged with the design, construction, and operation of the Valley’s light rail system. The cities that participate financially in the light rail system each have a representative on the METRO Board of Directors. Cities on the board include Chandler, Glendale, Mesa, Phoenix, and Tempe. METRO is structured on a “pay-to-play basis” with voting power allocated based on investment in the system. Councilwoman Thelda Williams serves as Phoenix’s representative and is the current chair of the METRO Board of Directors.

The Maricopa Association of Governments (MAG): MAG is a Council of Governments that serves as the regional agency for the metropolitan Phoenix area. When MAG was formed in 1967, elected officials recognized the need for long-range planning and policy development on a regional scale. Issues such as transportation, air quality, and human services affect residents beyond the borders of individual jurisdictions. MAG is the designated metropolitan planning organization (MPO) for transportation planning in the Maricopa County region. Mayor Stanton serves as Phoenix’s representative.
OTHER INFORMATION

The goal of staff is to provide the Transportation and Infrastructure Subcommittee with agendas for future meetings of these bodies. Meeting dates do not coincide and agendas are not available until close to the meeting date. However, prior to reaching each Board of Directors meeting, most agenda items are reviewed by staff committees which include City of Phoenix members. An attachment to the Subcommittee packet will provide meeting agendas and/or additional information for previous and upcoming METRO, RPTA and MAG meetings.

RECOMMENDATION

This item is for discussion only. No Council action is required.

Attachments
TO: Rick Naimark  
Deputy City Manager  
FROM: Alan Stephenson  
Planning and Development Director  
SUBJECT: PROPOSED NORTHERN AREA INFRASTRUCTURE PHASING PLAN -- INFRASTRUCTURE LIMIT LINE REPLACEMENT

This report provides information to the Transportation and Infrastructure (T&I) Subcommittee regarding the proposed replacement for the Infrastructure Limit Line and requests input on proceeding with the comprehensive Northern Area Infrastructure Phasing Plan policy and maps.

THE ISSUE

The Infrastructure Limit Line (ILL) was adopted in 1999, concurrent with the creation of the North Black Canyon Corridor (NBCC) Plan by the Planning Department. The ILL encompasses an area bounded by the CAP on the south, I-17 on the west, Cloud Road on the north, and (approximately) the 7th Avenue alignment on the east.

The ILL no longer serves the purpose for which it was created, which was to steer development in the northern growth area of the City into a specific area to maximize the efficiency of public and private investment in infrastructure. Much of the area within the ILL has been developed, and an alternative growth plan is necessary.

The Planning and Development Department, in conjunction with Street Transportation and Water Services Departments, has developed a draft plan to replace the ILL - the Northern Area Infrastructure Phasing Plan (NAIPP).

Northern Area Infrastructure Phasing Plan (NAIPP)

The NAIPP is based on the same general goals as the ILL, but relies on a somewhat different method of administration. Instead of drawing a hard line and prohibiting development outside of the boundary, the NAIPP identifies development areas in the northern area of the City and classifies each into phasing categories, which are defined as follows:

**Phase 1:** Ready for development.
- Most regional facilities are in place and infrastructure requirements to accommodate new development will largely be local in nature.

**Phase 1a:** Ready for development, conditioned on assurance of additional infrastructure provision by developer.
- Requires **Infrastructure Study and Sequencing Plan (ISSP)** to be approved prior to Preliminary Site Approval.
Some major regional infrastructure improvements will be required to accommodate new development.

**Phase 2:** Needs substantial infrastructure investment by developer prior to development.
- Requires Development Agreement with City which outlines infrastructure provision and financial commitments of developer.
- Requires ISSP to be approved as part of the Development Agreement, prior to Preliminary Site Approval.
- Significant regional infrastructure improvements will be required to accommodate new development.

**Phase 3:** Needs extensive infrastructure provision by developer, together with City resources and commitments, prior to development.
- Requires General Plan Amendment to be approved by City Council.
- Requires Development Agreement with City which outlines infrastructure provision and financial commitments of developer.
- Requires ISSP to be approved as part of the Development Agreement, prior to Preliminary Site Approval.
- Extremely large regional infrastructure improvements will be required to accommodate new development.

The main difference between the existing ILL and the proposed NAIPP is that development is not just focused on one area in the north part of the city; instead, the process by which permission to develop is defined by the Phase Category assigned to the land in question. The overall goal is still to steer development to the parcels where infrastructure provision is the lowest cost to both the developer and the City and where additional operational costs to the City are not excessive. However, should both the City and a private developer agree that an area assigned as Phase 1a or 2 is now ready for development, a clear process for review and approval has been established to facilitate that development. In addition, as infrastructure is extended over time, the City will re-evaluate the categories assigned to areas in the NAIPP and will revise them to reflect conditions at that time. The ILL does not have this type of flexibility; all proposed development outside of the ILL requires a General Plan Amendment (GPA); a major undertaking. Only Phase 3 of the proposed NAIPP retains the requirement for a GPA.

A map showing the proposed NAIPP is attached to this report and illustrates the aforementioned Phase descriptions. Staff has been working with the Arizona State Land Department to develop this proposal since it controls much of the land affected by the NAIPP.

**Approval Process**

A General Plan Amendment will be processed to remove the existing ILL, and define the area subject to the NAIPP. A written policy, including the maps showing the phase assigned to each parcel and the development process required for each Phase shown in the NAIPP, will be approved concurrently.
OTHER INFORMATION

The Infrastructure Limit Line (ILL) was adopted in 1999 as General Plan Amendment GPA-NG-1-97-1-2.

The ILL was originally created because the City does not have the financial resources necessary to extend backbone facilities into all vacant areas of the City and must limit capital improvements to locations that maximize the use of infrastructure investments. More specifically, the City tries to ensure that infrastructure and new development takes place in a rational and efficient sequence that results in the new facilities being paid for using impact fees and developer contributions, and that avoids facilities being extended into areas that cannot fully use or pay for the necessary infrastructure and operating costs in a reasonable timeframe. The ILL implemented this strategy by concentrating both new infrastructure and new development in a specific part of North Gateway Village.

Now that almost 15 years of development has occurred within the Infrastructure Limit Line, few major parcels remain available for development, and additional infrastructure capacity and new development is now being contemplated beyond the current boundary of the ILL. In addition, the NBCC Plan encourages City Council to formally review the ILL boundary after 10 years or once 65% of the area has developed.

RECOMMENDATION

This item is for information and discussion only. Staff requests input on proceeding with the comprehensive Northern Area Infrastructure Phasing Plan policy and maps. Upon completion by staff, these items will progress through the public hearing process which includes review by Village Planning Committees, Planning Commission, T&I Subcommittee, and the full City Council.

Attachments:

Attachment A - Map of Northern Area Infrastructure Phasing Plan -- Proposed
This report provides the Transportation & Infrastructure Subcommittee with a summary of the Water and Wastewater Research Program fees and requests the Subcommittee recommend City Council approval for continued participation in the programs for fiscal year 2014-15 at a total cost of $285,556.

THE ISSUE

The Water Services Department has participated in several research endeavors with the Water Research Foundation (WaterRF), Water Environment Research Foundation (WERF), and WateReuse Research Foundation (WRRF) for more than 10 years. The WaterRF is a member-supported, international, non-profit organization that sponsors research to assist water utilities, public health agencies, and other professionals to provide safe and affordable drinking water to consumers. WERF, formed in 1989, is dedicated to wastewater collection and treatment issues as well as stormwater research. WRRF, formed in 1993, focuses on the advancement of water reuse, recycling, reclamation, and desalination. Collectively the focus of these research organizations covers all aspects of drinking water treatment and distribution, wastewater collection and treatment, and non-potable water aspects such as reclaimed and reused water that are managed by the Water Services Department. As a participant in these programs, the City of Phoenix benefits in a variety of ways including:

- **Reports** – The City is entitled to a free copy of all final products (reports, software, online interactive tools), and has unlimited access to PDF versions of all final reports, workshop proceedings, and online communities of practice. Some of the reports used by staff in 2013-14 included:
  - Matrix Effects on Cryptosporidium Oocyst Recovery
  - Prioritizing Water Main Replacement and Rehabilitation
  - A Decision Tool for Earthy/Musty Taste and Odor Control

- **Webcasts** – Each research organization offers free webinars to subscribers based on current research projects, which allows for timely access to research results, direct interaction with researchers and the opportunity for professional educational development credits. Some of the webcasts viewed by staff in 2013-14 included:
  - Advances in PAC Adsorption for DBP Precursor and Micropollutant Removal
Developing Surveillance and Response Systems for Water Distribution System.

- Expert Assistance – Internal and external subject matter experts are available to aid subscribers in acquiring up-to-date information to address issues.

- Yearly Assessment – Each year the City provides topics/issues to be researched as well as completes the yearly project survey to indicate the research issues most important to the City that should be funded.

- Participating Utility – The City participates in research projects by providing data to be included in research or by serving as a case study to validate research.

- Project Advisory Committee – Each research project has a team of experts called the Project Advisory Committee (PAC). On several projects, City staff has been invited to participate on a PAC due to the City’s expertise in an area.

- Tailored Collaboration – Tailored Collaboration Programs allow for subscribers to submit a specific research project proposal for funding. These research projects are more specialized or regional in nature. The City has used this program on several occasions to further local water and wastewater research.

Participation with these research programs allows the City to access a variety of resources and information to address drinking water, wastewater, and water reclamation issues in an effective and efficient manner. Without these resources, the City would have to research and develop solutions without the benefit of the larger water community and at a much higher cost.

RECOMMENDATION

Staff recommends the City of Phoenix continue its financial participation in the Water Research Foundation (WaterRF), Water Environment Research Foundation (WERF) and the WateReuse Research Foundation (WRRF). For fiscal year 2014-15, the City of Phoenix’s participation cost would be $210,788, $42,768 and $32,000, respectively for a total combined participation cost of $285,556.
Transportation and Infrastructure Subcommittee, September 9, 2014, Item #6

CITY COUNCIL REPORT

TO: Rick Naimark
Deputy City Manager

FROM: Kathryn Sorensen
Water Services Director

SUBJECT: AMERICAN WATERWORKS ASSOCIATION (AWWA), NATIONAL ASSOCIATION OF CLEAN WATER AGENCIES (NACWA), AND WESTERN URBAN WATER COALITION (WUWC) ANNUAL FEES

This report provides the Transportation & Infrastructure Subcommittee a summary of the American Waterworks Association (AWWA), National Association of Clean Water Agencies (NACWA), and the Western Urban Water Coalition (WUWC) annual fees, and requests the Subcommittee recommend City Council approval for continued participation in these programs for fiscal year 2014-15 at a total cost of $63,810.

THE ISSUE

The Water Services Department participates in three water industry professional associations: American Waterworks Association (AWWA), National Association of Clean Water Agencies (NACWA) and Western Urban Water Coalition (WUWC). These organizations provide a variety of benefits to the City including assistance to improve day-to-day operations, professional development opportunities for staff, public outreach efforts, and ongoing updates to keep staff informed about regulatory issues well in advance of action being taken.

AWWA, established in 1881, is the oldest and largest nonprofit, scientific and educational organization dedicated to safe and sustainable drinking water. AWWA advances public health, safety and welfare by uniting the efforts of the water community. Some of the resources available from AWWA include:

- Publications – AWWA Standards, operator training manuals, books, and monthly publications focused on today’s operational and engineering challenges are available for purchase. Updates of all AWWA Standards are included with the yearly fee as well as discounted pricing on all other materials for City employees.
- Training – AWWA offers a variety of training opportunities including webcasts, specialty conferences, and online training classes. City employees are eligible for member pricing, which provides cost savings on event registration and trainings. In 2013, the Utility Management Conference was held in the Phoenix area, and several City staff served as presenters and/or moderators at the event.
- Public communications tools – Public advisories are sent to all utilities to keep them informed about water-related news. These public advisories often include suggested language or strategies to help Phoenix respond to media inquiries.
- Advocacy – AWWA helps to form a united voice on drinking water issues and standards. Utility alerts are provided periodically throughout the year to ensure timely updates on regulatory issues.
NACWA was established in 1970 with a focus on issues dealing with the Clean Water Act related to wastewater collection and treatment. NACWA provides a variety of publications and professional development and training opportunities focused on emerging and evolving legislative and regulatory environmental initiatives. The information provided by NACWA is utilized by City staff and lobbying teams to formulate the City’s policy messages on national issues. In addition, NACWA offers opportunities to collaborate with colleagues around the country to help shape national policy.

The City of Phoenix has been a member of WUWC since its inception in 1992. WUWC was established by municipal water utilities in the west to promote an understanding of the unique water supply needs, challenges, and values for the largest western cities and to help secure sound national water policies, programs, and regulations. Of particular importance this year are issues arising from the 14-year drought on the Colorado River and the growing demands for Colorado River water supplies. Participating in WUWC provides Phoenix with a forum to work face-to-face with other major municipal providers that rely on the Colorado River. Through WUWC, the City is able to develop a better understanding of problems others are facing, articulate the problems the City is facing, and develop strong working relationships that enhance the ability to effect positive outcomes to the growing concerns on the Colorado River.

Participation in AWWA, NACWA and WUWC allows the City to access a variety of publications and training to ensure City staff is prepared to provide safe, affordable drinking water and environmentally safe wastewater as well as protect our natural water resources. In addition, participation ensures the City is well informed on future regulatory issues that may impact the financial and operational sustainability of the City.

RECOMMENDATION

Staff recommends the City of Phoenix continue its financial participation in the American Waterworks Association (AWWA), National Association of Clean Water Agencies (NACWA), and Western Urban Water Coalition (WUWC). For fiscal year 2014-15, the City of Phoenix participation cost is $22,878, $38,810, and $25,000, respectively for a total combined participation cost of $63,810.
This report provides information to the Transportation and Infrastructure (T&I) Subcommittee regarding updates to the Impact Fee Program and the Water Resources Acquisition Fee, and requests the T&I Subcommittee recommend City Council approval of the Draft Infrastructure Financing Plan and the Water Resources Acquisition Fee Update.

THE ISSUE

The City of Phoenix Development Impact Fee Program is guided by the Infrastructure Financing Plan (IFP), which is a document created as a requirement of State of Arizona statutes regarding impact fees. The IFP provides the calculations and methodologies for determining impact fees, as well as establishes the qualifying infrastructure improvements which may be funded by impact fees.

The IFP was last updated in 2012, in accordance with Senate Bill 1525, which had been approved in April 2011. The current update is in accordance with the City’s regular three-year update cycle. Population and employment projections, costs, credits, and demand for infrastructure have been revised and updated, and some additional revisions have been proposed.

The IFP update process requires a minimum of two public hearings and two Council actions. The first public hearing was held at the City Council Formal Meeting on August 27, 2014. No Council action was permitted at that time per State statute, which requires a minimum 30 days after a public hearing prior to any Council action.

The Water Resources Acquisition (WRA) Fees are also being updated by the Water Services Department in conjunction with the IFP update. The WRA Fees are governed by the same statutes as the City’s impact fees.

OTHER INFORMATION

Land Use Assumptions

Land Use Assumptions (LUA) are the basis for projecting what infrastructure is needed within the ten year impact fee planning period 2015-2024. The LUA are based on official Maricopa Association of Governments’ employment and population projections, with some additional analysis by Water Services Department staff and Planning &
Development Department Staff. The Planning Commission unanimously approved the LUA on December 10, 2013.

Changes to Impact Fee Service Areas

There are currently 14 different impact fee service areas, although currently only the Wastewater impact fee has different fees for all service areas. The Draft IFP seeks to consolidate existing fee areas for ease of administration. One slight boundary change has been made, between the Northeast and Northwest service areas, to reflect the actual area infrastructure to which future facilities will connect.

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<th>New Service Area</th>
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<tr>
<td>North Gateway--West</td>
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<td>North Gateway--North Black Canyon Corridor</td>
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<tr>
<td>Ahwatukee East</td>
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</table>

Rio Vista Village Expansion

This update to the IFP proposes to expand the collection of impact fees into the Rio Vista Village. The area has seen steady growth over the past decade, and more is projected in the ten-year impact fee planning period. However, the area is currently at capacity in terms of infrastructure (particularly roads, water, and wastewater), and additional funding is necessary to permit further growth in the area. See Attachment B for a map of the proposed expansion area.

Major Arterials Fee Revisions

This update to the IFP proposes to significantly change the existing Roadway Facilities impact fee, which includes renaming it to the Major Arterials impact fee. The current Roadway Facilities fee does not fund any street paving, only bridges, culverts, and a few other roadway incidentals are included. This has not worked well for either the City, who cannot fund street projects with Roadway impact fees, or developers, which cannot get any impact fee credits for road construction projects.
The Major Arterials impact fee proposes to include roads, which are designated as “major arterials” on the adopted Street Classification Map. However, the costs included would be limited to capacity-expanding improvements (grading, paving, medians, signage, striping) but not Rights of Way, curbs, gutter, sidewalk, landscaping, and street lighting. By limiting the construction components, the proposed impact fees are lower, and costs that are typically absorbed by private development remain as such. In short, this method “pre-awards” impact fee credits by not charging for certain components in the first place.

It should be noted that no Major Arterials fee is proposed to be collected in Ahwatukee West, which currently is charged a Roadway Facilities fee. No new major arterial streets are proposed for the area within the State-limited ten-year planning period.

**Parks Impact Fee “Reboot”**

The existing Parks impact fee does not collect all of the funds necessary to provide the desired number of Parks facilities in the impact fee service areas. City Council adopted a fee schedule lower than originally proposed by staff in both 2006 and 2009. The existing fee schedule is based upon the 2009 fee schedule, but was updated in 2012 solely to comply with changes to State of Arizona impact fee statutes.

This update to the IFP proposes a full “reboot” of the Parks impact fees to include all of the facilities made necessary from projected development (including correcting some existing deficiencies), which results in a significantly higher Parks impact fee. Even with the higher fee schedule, additional capital funding would be required to fully complete all of the necessary Parks within the ten-year planning period. It should be noted that a newer provision of State impact fee statutes permits a future property owner to request a refund of an impact fee if a facility included in the IFP is not completed as proposed within the ten-year planning period.

**Other Revisions**

The Police, Fire Protection, Libraries, Storm Drainage, Water, and Wastewater Impact fees, and the Water Resource Acquisition Fee, have also been revised. The changes to Police, Fire Protection, Libraries, and Storm Drainage have generally been updated to reflect revised costs, projections, and project status (i.e. fully-funded projects removed). The Water and Wastewater fees have been updated similarly, but with additional changes such as: using “buy-in” method (based upon proportionate share of all facilities necessary to provide service to new development), revised water meter size scales, and basing both the Water and Wastewater fees on water meter size. These changes, while extensive, do not significantly change the overall proposed fees from what is currently charged.

**Impact Fee Ad Hoc Committee**

The Impact Fee Ad Hoc Committee, appointed by the City Manager, is comprised of various stakeholders in the development process, and includes representation from the Parks Board, Homebuilders’ Association of Central Arizona, Valley Partnership, Arizona State Land Department, plus individual commercial and residential developers and
consulting firms. The Committee has provided valuable guidance regarding the proposed impact fee program revisions.

A series of six two-hour meetings were held in July and August of 2014, where Planning and Development Department staff (with the assistance of staff from other City departments) worked with the Ad Hoc Committee to solicit input, provide clarifications, and research suggestions from committee members. At the end of the meetings, the Ad Hoc Committee was tasked with making a recommendation regarding the proposed changes to the T&I Subcommittee. These recommendations will be provided in a follow-up City Council report.*

One change has already been completed by staff based upon an early Ad Hoc Committee recommendation, and subsequent advice from the Law Department. The Draft IFP originally proposed that both Parks and Libraries impact fees be charged only to residential development; however, the proposed fee schedules have been revised to charge proportionate fees for all types of development.

*Proposed Impact Fees

Attachment A provides proposed impact fees noting the difference between the existing and proposed impact fees for each service area. The Draft IFP, WRA Fee Update, and other associated information is available on the Planning Division’s website at https://www.phoenix.gov/pdd/pz under “Development Impact Fees.”

*Update Schedule

The anticipated timeline for this update to the IFP is in accordance with State of Arizona statutes, and is as follows:

June 26, 2014: Draft IFP and WRA Fee Update published on phoenix.gov

August 27, 2014: First Public Hearing (min, 60 days after publishing)

September 9, 2014: T&I Subcommittee Presentation, including recommendations from Impact Fee Ad Hoc Committee.

October 1, 2014: First Council Action, on Draft IFP and WRA Fee Update (min. 30, max. 60 days after first public hearing)

November 5, 2014: Second Public Hearing (min. 30 days after Final IFP posted online)

December 17, 2014: Second Council Action, on Final IFP (min. 30, max. 60 days after second public hearing)

March 2, 2015: Effective Date of Final IFP (min. 75 days after adoption).
RECOMMENDATION

Staff requests the T&I Subcommittee recommend City Council approval of the Draft Infrastructure Financing Plan and the Water Resources Acquisition Fee Update.

Attachments:

Attachment A - Comparative Impact Fee Table (current and proposed)

Attachment B - Map of Existing Impact Fee Areas

Attachment C - Map of Proposed Impact Fee Areas

Attachment D - Map of WRA Fee Areas
## Proposed Net Impact Fees 8.27.14: Draft IFP

### DRAFT Net impact fees 2015

| Service                        | Northwest* | | | Northeast* | | |
|--------------------------------|------------|---|---|-------------|---|
| Fire Protection                | $328       | $514 | $328 | $541 |
| Libraries                      | $0         | $189 | $53 | $231 |
| Parks                          | $2,968     | $5,651 | $1,613 | $4,827 |
| Police                         | $177       | $493 | $177 | $505 |
| Major Arterials (Roadways)     | $3,403     | $2,421 | $1,273 | $2,206 |
| Storm Drainage                 | 0          | 0    | 0    | 0    |
| Wastewater                     | $5,439     | $3,052 | $3,178 | $3,052 |
| Water                          | $5,110     | $5,917 | $5,110 | $5,917 |
| WRAF**                         | $950       | $780 | $950 | $780 |
| **Total Net Impact Fees per EDU** | **$18,375** | **$19,017** | **$12,682** | **$18,059** |

| Service                        | Southwest* | | | Ahwatukee* | | |
|--------------------------------|------------|---|---|-------------|---|
| Fire Protection                | $293       | $634 | $372 | $557 |
| Libraries                      | $46        | $111 | $183 | $316 |
| Parks                          | $2,011     | $4,397 | $977 | $5,302 |
| Police                         | $170       | $490 | $149 | $462 |
| Major Arterials (Roadways)     | $1,591     | $626 | $1,834 | $0 |
| Storm Drainage                 | $842       | $1,278 | $0    | $0 |
| Wastewater                     | $3,357     | $3,104 | $1,729 | $1,221 |
| Water                          | $2,726     | $3,531 | $2,726 | $3,531 |
| WRAF**                         | $78        | 0    | $639 | $780 |
| **Total Net Impact Fees per EDU** | **$11,114** | **$14,171** | **$8,609** | **$12,169** |

* Notes:
Northwest = North Gateway NBCC
Northeast = Desert View
Southwest = Estrella South
Ahwatukee = Ahwatukee West

** Water Resource Acquisition Fee shows Off-Project, North of Jomax for both Northwest and Northeast areas. For Southwest, On-Project is used, and for Ahwatukee, Off-Project, South of Jomax is used.
This report provides additional information to the Transportation and Infrastructure (T&I) Subcommittee regarding revisions to the Draft Infrastructure Financing Plan and the Water Resources Acquisition Fee Update proposed by the Impact Fee Ad Hoc Committee, and requests the T&I Subcommittee recommend City Council approval of the Draft Infrastructure Financing Plan and the Water Resources Acquisition Fee Update because it complies with Arizona Revised Statutes. The exact fees per this recommendation are shown in Attachment A (Column C).

**THE ISSUE**

On August 28, 2014, the Impact Fee Ad Hoc Committee made a recommendation regarding the Draft Infrastructure Financing Plan (IFP) and Water Resources Acquisition (WRA) Fee Update, which included several proposed revisions to the Parks, Libraries, Fire, and Police impact fees. This memo outlines changes requested by the Ad Hoc Committee.

**Parks Impact Fee Changes**

The Ad Hoc Committee recommended that the Parks fees be revised with the primary goal of lowering the proposed fees (which were significantly higher than existing fees as proposed in the Draft IFP), and to continue the practice of charging the fees to all uses.

The existing Parks impact fee does not collect all of the funds necessary to provide the desired number of Parks facilities in the impact fee service areas. City Council adopted a fee schedule lower than originally proposed by staff in both 2006 and 2009. The existing fee schedule is based upon the 2009 fee schedule, but was updated in 2012 solely to comply with changes to State of Arizona impact fee statutes.

The Draft IFP, as published, proposed a full “reboot” of the Parks impact fees to include all of the facilities made necessary from projected development at the desired Parks planning standard, and also proposed charging only residential development. This resulted in a significantly higher Parks impact fee proposed in the Draft IFP. But even with the higher fee schedule, additional non-impact fee capital funding of approximately $300 million would be required to fully complete all of the necessary Parks (which must include correcting existing deficiencies using this methodology) within the ten-year planning period. It should be noted that a newer provision of State impact fee statutes
permits a future property owner to request a refund of an impact fee if a facility included in the IFP is not completed as proposed within the ten-year planning period.

During the series of meetings which occurred in July and August of 2014, the Impact Fee Ad Hoc Committee requested to review alternative Parks fees which 1) continue the current practice of charging all uses; and 2) provide Parks at the same standard as is currently provided in each service area. Staff made both revisions and presented the alternative fees to the Ad Hoc Committee on September 28, 2014.

The Ad Hoc Committee noted that the September 28 alternative still proposed fees that are higher than existing Parks fees, with the exception of the Northwest fee area. The final Ad Hoc recommendation was to request another alternative ("Ad Hoc Final Recommendation"), which would bring Parks fees closer to the existing fees, while maintaining the City’s ability to provide the facilities included in the IFP. The Ad Hoc Final Recommendation is shown in Column C in Attachment A.

The Ad Hoc Final Recommendation fee schedule would remove funding for community centers, and a small amount of debt service, from the Parks impact fee program and brings fees closer to existing Parks fees. The fees would be lower in the Northwest, but slightly higher than existing fees in the other three fee service areas.

The Ad Hoc Final Recommendation also would require additional, non-impact fee capital funding to fully complete all of the necessary Parks over the ten year planning period, but a smaller amount than proposed in the Draft IFP (approximately $80 million). The Ad Hoc Final Recommendation complies with State requirements and generally accepted impact fee methodology for calculating impact fees.

**Other Impact Fee Changes**

The Ad Hoc committee recommended that the Libraries fees be revised to be consistent with the revisions requested for the Parks fees, which include continuing to charge the fees to all uses. Since Libraries impact fees were calculated using a very similar methodology to the Parks impact fee, and also were proposed to be charged only to residential uses, the Ad Hoc Committee recommended that the Libraries fee be revised to be charged to all uses, and to provide library facilities at the same standard as is provided in each fee area. These revisions are reflected in the Ad Hoc Final Recommendation shown in Attachment A.

The Ad Hoc committee also recommended that both the Fire and Police fees be revised to reduce the future land costs by including land purchases only at the same rate that is typically provided with existing stations.

The Ad Hoc Committee recommended that the land costs in both the Fire and Police impact fees be reduced to provide only the typical amount of land provided for Fire and Police stations, respectively, as opposed to the standard prototype typically purchased (many older facilities are provided on smaller parcels of land). These revisions are reflected in the Ad Hoc Final Recommendation (Attachment A).
Other Impact Fee Categories and the WRA Fee

The Ad Hoc Committee did not recommend any changes to the Draft IFP and WRA Fee Update as they relate to the proposed revisions to the Major Arterials, Storm Drainage, Water, and Wastewater impact fees, and the Water Resource Acquisition Fee.

Proposed Impact Fees

Attachment A compares the following fee schedules:

   Column A: existing fees currently charged in each service area;
   Column B: fees as proposed in the Draft IFP and WRAF Update 6.27.2014;
   Column C: fees as proposed per the Final Ad Hoc Committee Recommendation.

RECOMMENDATION

Staff requests the T&I Subcommittee recommend City Council approval of the Draft Infrastructure Financing Plan and the Water Resources Acquisition Fee Update as it complies with State requirements and generally accepted impact fee methodology for calculating impact fees. The revised fees per the recommendation are shown in Attachment A (Column C).

Attachment:

A: Comparative Impact Fee Table (current, Draft IFP, and per Final Ad Hoc Committee Recommendation)
### Attachment A: Existing and Proposed Impact Fees

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<th>Column B</th>
<th>Column C</th>
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</table>

Column A = existing fees charged by the City  
Column B = as proposed in Draft IFP 6.26.2014  
Column C = Parks, Libraries, Fire, and Police revised per Final Ad Hoc recommendation
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This report requests the Transportation and Infrastructure Subcommittee recommend City Council authorization to enter into a Development Agreement, ground lease, easements and other agreements as necessary (collectively, the Agreements) with Smith Partners, LLC (Developer), for a transit-oriented development project at Phoenix Central Station.

THE ISSUE

On October 30, 2013, City Council authorized issuance of a Request for Proposals (RFP) to develop, finance, construct and manage a multi-modal, mixed-use, high-rise, transit-oriented development project at the City-owned Central Station property located at 300 North Central Avenue. Staff worked with various City, transit and community stakeholders to seek input on this solicitation, and included their feedback in developing the RFP requirements and evaluation criteria approved by the City Council on December 18, 2013.

The RFP was issued in December 2013 with proposals due February 2014. Two proposals were received: 1) Forum Capital, LC + AIG Global Real Estate; and 2) Smith Partners, LLC. A 12-member panel evaluated the proposals, conducted interviews and developed consensus scores. The panel included representatives from the Citizens Transit Commission, Downtown Voices Coalition, Roosevelt Action Association, Evans Churchill Community Association, Downtown Phoenix Partnership, ASU, RED Development and City staff. The panel scored Smith Partners proposal highest, and recommended proceeding to negotiations.

Over the summer, staff negotiated business terms with Smith Partners. To assure the Public Transit Department’s satisfactory continuing control of the site for transit purposes, the City will continue to own and use portions of the site for transit purposes
and will receive shared revenues that support transit purposes. Proposed major business terms are as follows:

1) Developer shall privately finance and construct the project to include approximately 475 apartments, 475 parking spaces and 30,000 square feet of commercial space, plus replacement Public Transit office space, transit amenities and other public improvements.

2) City and Developer shall enter into a Development Agreement within 6 months of City Council and Federal Transit Administration (FTA) authorization. Developer shall start construction within 18 months thereafter, unless Developer requests, and City approves, a two-year extension of the start date for unforeseen market conditions. With City approval, Developer may construct the project in two phases, if financing requires, provided that the first phase includes the Public Transit office space and a residential tower of at least 20 stories, and 200 apartments. If the Project is phased, the site for the second phase shall be a separate parcel, and construction of the second phase shall start within two years of the finish date for the first phase. Construction of each phase must be completed no later than 30 months after starting. If Developer does not meet these deadlines, the City may terminate the Development Agreement and pursue alternative uses and development options for any undeveloped portion of the site.

3) Developer shall pay City a portion of the net revenue generated by the project for 99 years, based on a formula to be included in the Agreements. These revenues are estimated to average $190,000 annually.

4) Developer will be responsible for all utility, maintenance activities and costs for the entire property, for a period of 99 years. These savings are estimated to average $135,000 per year.

5) For the tower portion of the project only, City and Developer shall enter into Government Property Lease Excise Tax agreements not to exceed 25 years. Developer shall make annual lease payments to the City, the sum of which shall be equivalent to the current appraised value of the leased land, on a net present value basis. These revenues are estimated to average $110,000 per year. The Agreements may include an option for Developer or its lenders to acquire title to the tower sites.

6) For the garage portion of the project, a condominium ownership entity shall be established to efficiently manage and operate the garage. The developer will build the garage at its expense. City and Developer shall each own portions of the building as required to comply with FTA requirements, and to facilitate the building’s efficient use and operation. City and Developer shall enter into 99-year Agreements that facilitate Developer’s access and use of the garage to provide parking for the residential units at no net cost to Developer, City’s use of the Public Transit office space at no cost, and City’s use of the 30,000 square feet of commercial space will cost $1 per year. City and Developer shall pay proportionate Common Area Maintenance (CAM) fees for these spaces.
7) City shall reimburse Developer up to $2,500,000 for City-approved public improvements constructed in compliance with Arizona Revised Statutes Title 34, payable in ten (10) equal annual installments beginning upon completion of construction from existing funds already deposited in the Downtown Community Reinvestment Fund. These improvements include the Public Transit facilities, shade for transit customers uses, landscaping in public spaces and other public transit amenities to be replaced on the site. In addition, the City shall provide adequate water and sewer infrastructure to the edge of the site, and shall reimburse Developer for costs over $300,000 for the potential removal of underground parking garage remnants on the site, provided that City’s reimbursement costs shall not exceed $300,000.

OTHER INFORMATION

All Tower Parcel lease payments shall be deposited into the Public Transit Department operating budget, pursuant to FTA requirements. The revenue share payments shall be distributed between the Public Transit Department operating budget and the Downtown Community Reinvestment Fund. The Agreements will include other terms and conditions as needed, and deadlines for performance benchmarks may be modified at the City’s discretion.

In summary, the estimate for average annual City revenues and cost avoidance for the project is about $1.3 million. This project is expected to generate $1,400,000 in City construction sales tax revenues. Upon its opening, in addition to the lease payments and revenue sharing, this project is projected to generate $240,000 in annual City sales tax revenues. These revenues and savings will continue and escalate into future years. Finally, the 30,000 square feet of City controlled ground floor commercial space can rent for a minimum of $10 per square foot per year, or $300,000 per year.

If approved by the City Council, these terms will be presented to the FTA for concurrence and approval prior to entering into Agreements.

RECOMMENDATION

Staff requests the Transportation and Infrastructure Subcommittee recommend City Council authorization to enter into a Development Agreement, ground lease, easements and other agreements with Smith Partners, LLC, for a transit-oriented development project at Phoenix Central Station as described above and otherwise necessary or appropriate.
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TO: Rick Naimark  
Deputy City Manager  
FROM: Maria Hyatt  
Public Transit Director  
Ray Dovalina, PE  
Acting Street Transportation Director  

SUBJECT: TRANSPORTATION PUBLIC INVOLVEMENT PLAN  

This report provides information on the public involvement plan developed by staff for the Citizens Committee on the Future of Phoenix Transportation, and requests the Transportation and Infrastructure Subcommittee recommend City Council approval of the plan.  

THE ISSUE  

Public involvement will be a key component in the work of the Citizens Committee on the Future of Phoenix Transportation. The plan outlines the main goals for public involvement, the primary methods of conducting outreach and communicating with interested parties, and the provision of information to the Committee and City Council.  

Outreach conducted by city staff should generate an accurate picture of resident and user preferences related to the Phoenix transportation system, highlighting needs for transit service across multiple modes, and preferences for transportation infrastructure. To garner feedback on these needs and preferences, staff will work with the Committee to meet the following goals:  

- Gather public feedback on the current state of the City’s transportation system, including areas of success and areas for improvement, reaching as broad and diverse a population as possible.  
- Provide the public with multiple opportunities and mechanisms to offer input on the current system and improvements.  
- Give regular updates to the Committee and City Council on the progress of outreach activities, highlighting recurring themes.  
- Modify and adapt outreach activities based on resident, Committee, and City Council feedback.  
- Produce a comprehensive report on feedback received to guide the creation of a citywide transportation plan based on expressed resident and user needs.
To accomplish the above goals, City staff will employ several methods to ensure that people who wish to provide feedback have ample opportunities to do so. The methods staff will use include:

- **Committee meetings** – Public information staff will promote the Committee’s meetings as an opportunity for public comments on the progress of the plan.
- **Talktransportation.org** – City staff has established a website based on the successful model of MyPlanPHX, an online engagement platform hosted by the Planning and Development Department via Mindmixer, to generate ideas for the city’s transportation system and provide direct communication to interested individuals. Staff will also work with Planning and Development to invite current MyPlanPHX participants to engage in the transportation planning process and will follow up on ideas already generated through the creation of the City’s draft General Plan.
- **Community-based organization engagement** – Staff has identified a preliminary list of community-based organizations to engage in initial outreach that incorporates groups that work with low-income individuals, minority and limited English proficiency populations, people with disabilities, and faith-based groups. Staff will add to this engagement list throughout the outreach process.
- **City boards and commissions** – Staff will engage established boards and commissions, including regional planning councils and relevant commissions, such as the Mayor’s Commission on Disability Issues, to ensure we capitalize on related discussions and inform staff.
- **Public meetings** – Staff will arrange and host meetings to give residents the opportunity to provide direct input and obtain updates on the outreach and planning process.
- **Community events** – Staff has established an initial list of community events at which to garner feedback.
- **Site visits and onboard surveys** – Staff will make presentations at transit facilities and other sites to meet residents in their communities, during early morning and evening hours. Additionally, as feasible with operations, staff will collaborate with Valley Metro to conduct onboard surveys of riders.

In addition to these methods of outreach, staff will work with City Council offices and the Public Information Office to make the best use of city communication channels such as:

- **Bus and transit shelter signage** – Transit staff is in the process of developing bus signage, shelter posters and additional promotional material to encourage passengers to comment via talktransportation.org.
- **Phoenix TV** – Staff will work with Council offices and Committee members to provide regular updates on PHXTV (Phoenix Channel 11).
- **PAYS (Phoenix at Your Service)** – Staff will utilize Phoenix’s semi-monthly city services bill newsletter to provide updates on the planning process and highlight opportunities for involvement.
- **City social media and e-mail lists** – Currently the city has more than 20,000 people engaged via social media and the City’s e-mail lists. Staff will reach out to these individuals to engage via talktransportation.org and related public meetings.
• Spanish-language media – The City provides multiple avenues to reach Spanish-language populations, including newspaper columns and radio programming.
• Media events – Staff will work to develop media events to highlight outreach activities and progress of the plan

As part of the work to organize and analyze information generated from outreach to the public, the Public Transit Department contacted faculty at Arizona State University’s (ASU) School of Public Affairs and its School of Nutrition and Health Promotion. ASU has offered to support the outreach effort both through sharing engagement opportunities with students, and by incorporating research support as part of fall coursework. As part of these courses, graduate students will assist in developing and answering research questions based on the Committee’s goals and data needs. The research results will then be presented to the Committee.

RECOMMENDATION

The proposed plan was approved unanimously at the Aug. 26 meeting of the Citizens Committee on the Future of Phoenix Transportation.

Staff requests the Transportation and Infrastructure Subcommittee recommend City Council approval of the public involvement plan as described, with any additional recommendations to be incorporated as the outreach process progresses.
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This report provides information to the Transportation and Infrastructure Subcommittee on the Water Services Department’s concrete reservoir and steel tank rehabilitation programs.

**THE ISSUE**

The City of Phoenix water system includes 23 concrete reservoirs at 15 sites and 35 steel tanks at 31 sites that serve as potable water storage for 76 pressure zones. The concrete reservoirs range in size from 1.5 million gallons to 40 million gallons (total storage volume of 402.4 million gallons) and are located at water treatment plants as well as other locations throughout the water system. The steel tanks range in size from 10,000 gallons to 5 million gallons (total storage volume of 48.25 million gallons) and are located at remote sites throughout the water system. The City’s potable water storage facilities have a wide age range with the oldest concrete reservoir dating back to the 1940s, while new facilities are currently under construction. The majority of these facilities are approximately 40 to 50 years old. The average life span of a concrete reservoir is 50 years with proper maintenance. The average life span of a steel tank is 25 years with proper maintenance.

**Concrete Reservoir Rehabilitation Program**

Since 1998, the Water Services Department has been assessing and rehabilitating concrete reservoirs. The emphasis of the early programs was replacing metal roofs and adding polypropylene liners and baffle walls at the water treatment plants’ storage reservoirs. These modifications extended reservoir life and addressed water loss and water quality concerns.

As remote concrete reservoirs began to be assessed in the mid-2000s, the Department identified two reservoirs with more severe structural issues including roofing systems that require complete replacement. Accordingly, of the 21 concrete reservoirs that are 5 years or older, the Department has replaced or rehabilitated 16.

The Department is currently assessing or has plans to assess the remaining 5 reservoirs by 2018. Over the last ten years, the City has spent approximately $76.5 million on the replacement or rehabilitation of concrete reservoirs in the water system. Currently, there is approximately $40.7 million budgeted for this program over the next ten years.
Steel Tank Rehabilitation Program
The first steel tank assessment started in 1999 and was completed in 2001, during which all 35 steel tanks were inspected and tanks needing improvements were identified. A rehabilitation program was established to address these concerns. In 2003 the Department started a phased approach to rehabilitating or replacing steel tanks.

In 2012, the Department started a programmatic approach that includes initial high level assessments and priority rankings. This was followed by complete tank inspections and the immediate repair of easy to correct issues, with corrosion protection coating and system repairs. Based on these inspections, the highest priority tanks are rehabilitated and warranty inspections are performed less than 12 months after the project is completed.

Changes have been implemented to ensure the useful life of the tanks are maximized. The Department has reevaluated coating specifications, the type of cathodic protection systems used, and has implemented a full-time, third party inspection during protective coating applications. A detailed rehabilitation and assessment schedule based on the priority list has also been implemented, and an inspection cycle has been developed to ensure the City gets the most life out of the protective coating systems and the tanks themselves. Over the last 10 years, the City has spent approximately $27.4 million on the rehabilitation or replacement of steel tanks in the water system. Currently, there is approximately $36.9 million budgeted for this program over the next 10 years.

OTHER INFORMATION

The purpose of potable water storage within the water system is to help maintain adequate water pressure, provide water for peak customer demand periods throughout the day and other peak demand events such as fires. They also provide redundancy within the system in times of localized water system outages, such as water main breaks.

RECOMMENDATION

This report is for information and discussion only.