

**THE WORKSESSION
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD DECEMBER 14, 2015 AT 5:30 P.M.
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 5:35 p.m. with the Pledge of Allegiance.

ROLL CALL:

Present were: Mayor Toney D. King, Councilmembers Pat Boyle, Jeff Cook, Joe Konrad, Chris Moncada and David Lambert. Absent was: Vice Mayor Lori McGoffin.

NEW BUSINESS:

1. **Discuss the Villages of Vigneto Community Master Plan (CMP) Community Facilities District (CFD) formation of a CFD and Board selection, Development Agreement (DA) Community Facilities District (CFD) policies and procedures, Special Districts and Revitalization District**

City Manager William Stephens stated this worksession was being held for additional discussion and education regarding the proposed Villages of Vigneto development.

Mr. Stephens stated that Mr. Guckenberger was available to join the meeting via telephone, with Mayor King stating Mr. Guckenberger should join the meeting.

Mr. Stephens stated there are a number of issues that still need to be addressed, however, the Community Facilities District (CFD) policies and procedures have been worked on by the City of Benson and El Dorado and a draft policy and procedures document is ready for Mayor and Council to consider.

City Attorney Paul Loucks stated about a month ago he was instructed to start preparing the draft CFD policies and procedures and that he had been working with Mr. Guckenberger and City Staff in the preparation of the draft CFD policies and procedures which are before Mayor and Council to consider. Mr. Loucks stated as part of the process, El Dorado was also consulted for their input on the CFD policies and procedures. Mr. Loucks stated a memorandum had been sent to Mayor and Council from Mr. Guckenberger with five issues of the draft CFD policies and procedures that should be addressed with Mayor and Council at this worksession.

The memorandum from Mr. Guckenberger will be retained as part of the Council packet.

Mr. Guckenberger addressed the first two items on the memorandum:

1. Fees and Deposits. What is a reasonable application fee and on-going costs reimbursement that is both sufficient for the City to review the CFO application without being prohibitive? The City's draft contained an application fee that was blank and a deposit for costs that was \$25,000. The developer would like a smaller \$5,000 fee "deposit." I believe a \$5,000 non-refundable application fee and a retainer for costs in the amount of \$25,000 (to be refilled monthly) would be appropriate, but given the size and scope of the project, should that deposit amount be increased to \$50,000 if we have multiple districts in the same application?
2. Other Special Districts and other land-use related costs. How about other, albeit related costs, such as development agreement revisions? How is City planning to cover those (and CMP review)? Can we expand the policy to include review of revitalization districts that are sought by the applicant (and cover those costs) but exclude other zoning and land use review costs (the Developer's preference)?

Mayor and Council discussed items one and two.

After discussion the consensus of Mayor and Council is that there should be a smaller application fee, a set amount for staff costs and a set amount for third-party costs.

Mr. Guckenberger addressed item three on the memorandum:

3. Board. As proposed, the City's policy follows the CFD statutory scheme which allows outside boards on CFDs in excess of 600 acres. Your financial advisor is opposed to outside boards even when permitted by statute. The Developer would like the policies to include additional details regarding filling on-going vacancies and having developer input in that process (although the City would have final say). Does that cause any concern? Would a more appropriate term be "landowner" that would contemplate future residents having input as well as the Developer?

Mayor and Council discussed item three. After discussion, the consensus of Mayor and Council is that it should be left as it is under the current statute.

Mr. Guckenberger addressed item four on the memorandum:

4. Financial Forecast: The Developer has asked to strike the requirement of a showing of its financial strength and ability to pay taxes and assessments during the development period in the CFD application? What, if anything, does the City feel like it needs in the way of Developer disclosure on financial strength?

Mayor and Council discussed item four. After discussion, the consensus of Mayor and Council is that this item should be re-worded or removed from the CFD policies and procedures.

Item five on the memorandum was not addressed by Mayor and Council.

5. Bond Requirements (Article 4 of the Policy): The Developer would rather the Arizona statutes control and has largely struck these sections. To put potentially more restrictive requirements in the policy at this time may be unnecessarily restrictive. Your financial advisor believes having standards in excess of the statutory protections is warranted. At inception, this is difficult to forecast.

DEPARTMENT REPORTS: None

ADJOURNMENT:

Councilmember Konrad moved to adjourn at 7:08 p.m. Seconded by Councilmember Moncada. Motion passed 6-0.

ATTEST:

Vicki L. Vivian, CMC, City Clerk

Toney D. King, Sr., Mayor