

**MINUTES OF THE REGULAR MEETING OF  
THE ELOY CITY COUNCIL  
CITY OF ELOY  
628 NORTH MAIN STREET  
FEBRUARY 12, 2018  
6:00 P.M.**

**Staff Present:** Harvey Krauss-City Manager; Stephen R. Cooper-City Attorney; Mary Myers-City Clerk; Jon Vlaming-Community Development Director; Brian Wright-Finance Director; Paul Anchondo-Community Services Director; Keith Brown-Public Works Director/City Engineer; Bryan Jerome-Police Lieutenant

**I. CALL TO ORDER**

Mayor Joel Belloc called the meeting to order at approximately 6:01 p.m.

**II. INVOCATION**

Invocation was given by Pastor Gabriel Bustamante.

**III. PLEDGE OF ALLEGIANCE**

Councilmember Snyder led Council and the public in the Pledge of Allegiance.

**IV. ROLL CALL**

Council Members Present: Councilmember Jose Garcia; Councilmember J.W. Tidwell; Vice Mayor Micah Powell; Councilmember Dan Snyder; Mayor Joel Belloc; Councilmember JoAnne Galindo; Councilmember Andrew Rodriguez

Council Members Absent: None

**V. COMMUNICATIONS**

- Councilmember Tidwell congratulated Mr. Anchondo and his staff for doing an outstanding job hosting the city's annual father/daughter banquet last week.

- Councilmember Snyder conveyed that he recently read in the newspaper that local high school student, Andres Jimenez won the state wrestling championship. He wanted to publicly congratulate Mr. Jimenez on his win.
- Councilmember Snyder gave a brief overview of his attendance at the last two Pinal Partnership breakfasts. There was discussion on Propositions 417 and 418 and housing in Pinal County. He said he was rather disappointed that the focus of the housing was geared around what was going in Maricopa and Santan Valley only. When asked about housing for Casa Grande, Eloy and Coolidge, the developers who were at the meeting said they did not look at these communities. Councilmember Snyder said it doesn't appear that housing to support job growth Pinal County will not be focused in this area.
- Councilmember Galindo, who also attended the meetings gave a brief overview of the discussions. She pointed out that it was reported that a lot of the land in Eloy will be taken out of the flood zone designation. She believes this has been a deterrent with developers looking at developing housing in the area. She also mentioned developers look at schools as well when looking to build in the area. She stressed the importance of the city working with the schools to help attract more people and bring housing to the community. Councilmember Galindo publicly thanked Ms. Jordan Rose for making sure Eloy was acknowledged and included in the discussions. Councilmember Galindo conveyed that she knows everyone has busy schedules and work, but encouraged Council to attend county meetings where every community is represented to make sure Eloy is represented as well. She said the only way the community is going to be acknowledged is if representation is at the table.
- Mayor Belloc conveyed that an RTA board meeting was held last week, followed by a CAG meeting. One of the things that came up was that Eloy needed to appoint a citizen to represent the city on the citizen input committee. He said the city engineer, Mr. Brown has been appointed as the city's representative for the management committee.
- Mayor Belloc said there will be a legislative session February 22<sup>nd</sup> at the League of Arizona Cities and Towns office, starting at 10am and invited Council to attend.
- Mayor Belloc stated the Pinal County Alliance has invited Council to attend its annual luncheon, February 21<sup>st</sup>, 11:30am-1:30pm at the Property in Casa Grande.
- Mr. Krauss reminded Council that city offices will be closed February 19<sup>th</sup> in observance of President's Day.
- Mr. Krauss said staff would like to hold a budget work session March 19<sup>th</sup> at 6pm to review revenue and enterprise funds.

## **VI. APPEARANCES FROM THE FLOOR**

None

**VII. EXECUTIVE SESSION**

No executive session needed tonight.

**VIII. CONSENT AGENDA**

Agenda Item

Subject

- A. Approval of Minutes: 1/22/18 (regular).
- B. Council accept a Warranty Deed from Theresa Mao for conveyance of property for the Tohono 2 Lift Station.

Motion by Vice Mayor Powell, seconded by Councilmember Rodriguez to approve the Consent Agenda items as presented, passed unanimously by roll call vote.

**IX. BUSINESS**

- A. APPROVAL OF AN APPLICATION BY VICTOR GRANADO FOR A MINOR GENERAL PLAN AMENDMENT ON 0.344 ± ACRES FROM MEDIUM DENSITY RESIDENTIAL (MDR) TO HIGH DENSITY RESIDENTIAL (HDR). SUBJECT PROPERTY IS LOCATED AT 108 E. 8TH STREET AT THE NORTHWEST CORNER OF 8TH STREET AND MYERS BOULEVARD, PINAL COUNTY ASSESSOR'S PARCEL NUMBER: 405-03-095A IN A PORTION OF SECTION 6, TOWNSHIP 8 SOUTH, RANGE 8 EAST OF G&SRB&M, PINAL COUNTY, ARIZONA (PROJECT NAME: GRANADO'S B&B).**

**Staff Cover Sheet Report:** *Council approve a Minor General Plan Amendment (Case No. GPA17-000) on approximately 0.344 ± acres, Pinal County Assessor's number: 405-03-095A, changing the land use designation from Medium Density Residential (MDR) to High Density Residential (HDR).*

*This request, if approved, would amend the Eloy General Plan Land Use Plan from approximately 0.344± acres of Medium Density Residential (MDR) to High Density Residential (HDR). The intent of this request is to allow for the change in use of the existing structure from single family residential to a Bed and Breakfast. The Bed and Breakfast use is intended to provide proximate lodging/meal services to primarily support the visitors to the City and Region.*

**STAFF FINDINGS:**

*Staff has reviewed this use and finds it is compatible with the adjacent future land uses of the surrounding area based on the facts that:*

- 1. The proposed use is located at the intersection of two roads (8th Street and Myers Boulevard) that function as local roadways in the Downtown.*
- 2. No expansion of the livable area is contemplated and it currently contains three bedrooms, so the provision of off-street parking for the additional 3-5 vehicles is considered adequate.*
- 3. This property is located ½ block east of Main Street and could provide potential patrons for existing and future retail and service businesses.*

*Notification of the November 15, 2017, December 14, 2017 and January 25, 2018 public hearings required for this proposed Minor General Plan Amendment have been completed in accordance with the notice requirements set forth in the Eloy General Plan.*

*The proposed Minor General Plan Amendment will constitute an improvement to the Eloy General Plan. The minor amendment will enhance and not adversely affect the public's health, safety, or welfare. The designation of the parcel for High Density Residential land use establishes consistency with the proposed use on this property.*

***FISCAL IMPACT:***

*The fiscal impact of changing this use would result in the generation of sales tax from the nightly rental of rooms.*

Mr. Vlaming provided Council and the public with a verbal overview of a proposed request from Mr. Victor Granado for a minor general plan amendment for a single family home he wish to renovate to a bed and breakfast at the corner of 8<sup>th</sup> Street and Myers Blvd.

Mayor Belloc asked Mr. Vlaming if this request has gone before the Planning and Zoning (P&Z) Commission for recommendation.

Mr. Vlaming said yes; this item as well as the two items following have been before the P&Z Commission and unanimously recommended for approval.

Councilmember Galindo conveyed that she asked Mr. Krauss to provide her with a report on how many calls the police department had to that area and was very concerned about the number of calls. She pointed out that the report shows from May 2016 through 2017 there were 18 calls to this address. Councilmember Galindo asserted that the calls pertained to disturbances, assaults, fights, threats, harassments and child abuse which really concerns her. She wanted to know if the P&Z Commission look into this.

Mr. Vlaming said no. He said staff does not particularly contact the police department to check these kinds of things.

Councilmember Galindo said she would understand if the calls were related to burglaries, break-ins or if Mr. Granado had been a victim of these calls, but they are not.

Mr. Victor Granado came forward to address Councilmember Galindo's comment.

Mr. Granado conveyed that as a landlord, he no control over other people's behavior. If the police needs to be called to control a situation involving the tenants, it will be done. He said he should not be blamed for the behavior of his tenants because he has no control over them. He pointed out that his home is not even a business yet; however he has several rooms that he's been renting out.

Councilmember Galindo disagreed with Mr. Granado's statement that he's not responsible for the tenants' behavior.

Mr. Granado said he's responsible to an extent to resolve the problem, but he tries to be selective as he can to rent to the right people.

Councilmember Galindo asked Mr. Granado if he's currently operating a business at this location now.

Mr. Granado said technically, no. He spoke to Mr. Krauss a couple of years ago about a bed and breakfast and was told that it was okay for him to rent out the studios at that time. He said he rents out rooms at his house occasionally, but not overnight like what he wants to do with the bed and breakfast.

Mayor Belloc asked Mr. Granado if he plans to sell liquor at the bed and breakfast.

Mr. Granado said no.

Councilmember Galindo said while she appreciates Mr. Granado wanting to bring a business in the city, she is very concerned about the violations and the way it's been overseen the last year and half.

Mr. Granado said if he's approved he will be able to rent overnight, weekly and monthly and that there will not be any permanent tenants. He said he is bothered that his place is being looked at like a bar or nightclub. Mr. Granado said he can only do so much to make the place secure, safe and peaceful.

Vice Mayor Powell pointed out that crime is everywhere and it doesn't matter where you live.

Mayor Belloc wanted to know the target date for opening the business if the request is approved tonight.

Mr. Granado anticipates his business to be up and operational by fall 2018.

Councilmember Galindo told Mr. Granado that she hopes he doesn't think her concerns are personally against him as a business owner. She said she would love to see the city grow and more businesses come in, but her concern is that this is an area of high crime. Councilmember Galindo said she wants good, productive and safe businesses in the city which is what she's looking at.

Mr. Granado agreed with Councilmember Galindo, but pointed out that the police department is capable of dealing with any situation that may arise.

Vice Mayor Powell said Circle K has called the police numerous times for thefts and fights in the parking lot; yet the city is not going to close Circle K down because of this.

Mr. Granado said all he can do is move forward and be a good, responsible business owner in the community.

Councilmember Snyder asked Mr. Vlaming if there were any comments or concerns from the public during the public hearings for this request.

Mr. Vlaming said no.

Councilmember Tidwell asked Mr. Granado if he was involved with any of the fights or assaults that took place at his address last year.

Mr. Granado said no.

Councilmember Tidwell said Council should not hold Mr. Granado responsible for what other people are doing at the location. He said the city might as well close down the Circle K if the police has to go there for thefts.

Councilmember Garcia stated the last call out at Mr. Granado's location was last September. He asked Mr. Granado what he had done to make his place a safer place the last five months.

Mr. Granado conveyed that he's evicted some of the tenants and now have different tenants. He pointed out that his current tenants will have to move once he is approved and his bed and breakfast is operational.

Councilmember Galindo said she would like to respond to the Circle K comment. She conveyed that Circle K is a business that operates through their clerks. If a clerk sells tobacco to underage kids, Circle K fires that clerk.

Councilmember Rodriguez told Mr. Granado that when he types in his address, there is a person at that address who is a sex offender and shares the same last name. He told Mr. Granado that by law he has to let people know who are staying at his place.

Mr. Granado said once his business is operational, his son will not be living there. He told Council that he will not discriminate against a sex offender who wants to rent a room overnight or a bank robber or murderer. He is not there to judge anyone; his business is no different than sex offenders or bank robbers walking into a Circle K. Mr. Granado said the only thing he can do is run his business the best he can.

Vice Mayor Powell asked staff if the city has the authority to pull Mr. Granado's business license if there is continuous problems at the location.

Mr. Vlaming conveyed that the business license can be pulled, but noted there are six conditions under the Conditional Use Permit (IX-C) for Mr. Granado. One of those conditions is condition #5 which states, "*That the Conditional Use Permit shall be reviewed by the City within five (5) years from the date of Council approval for re-approval, re-approval with conditions or denial.*" Mr. Vlaming said Council can amend this to be a shorter period if this is something Council wants to consider tonight. He pointed out that the item being discussed now pertains to the minor general plan amendment. This sets the stage for the rezoning, then the Conditional Use Permit (CUP) which is the third order of business tonight.

Mr. Krauss conveyed there are three separate items; the land use designation change; the rezoning of property and thirdly the CUP. Council can review the use permit within five years; however, there needs to be more specific criteria as to why the Council would revoke it.

Mr. Vlaming conveyed this is similar to what the city dealt with in Mr. Curtis' case about two years ago for his bed and breakfast (Roadrunner) located at Shedd and Tumbleweed Roads. He went through the same process that Mr. Granado is going through tonight.

Mr. Granado said he would welcome this, but perceives his project as an undesirable business. He wanted to know how many other businesses have come across something like this; where there are extra conditions.

Mr. Vlaming said the Roadrunner bed and breakfast he just mentioned had conditions as well.

It was at this time Mayor Belloc called for a motion.

Motion by Councilmember Tidwell, seconded by Vice Mayor Powell to approve an application by Victor Granado for a minor General Plan Amendment on 0.344± acres from Medium Density Residential (MDR) to High Density Residential (HDR). Subject property is located at 108 E. 8th Street at the northwest corner of 8th Street and Myers Boulevard, Pinal County Assessor's Parcel Number: 405-03-095A in a portion of Section 6, Township 8 South, Range 8 East of G&SRB&M, Pinal County, Arizona (Project Name: Granado's B&B), passed by the following votes:

Yay: Councilmember Rodriguez; Vice Mayor Powell; Mayor Belloc; Councilmember Snyder; Councilmember Garcia; Councilmember Tidwell

Nay: Councilmember Galindo

**B. ADOPTION OF ORDINANCE NO.: 18-875, APPROVING AN APPLICATION SUBMITTED BY VICTOR GRANADO TO REZONE APPROXIMATELY 0.344 ± ACRES FROM R1-6 (MEDIUM DENSITY RESIDENTIAL) WITH A COMMUNITY CORE (CC) OVERLAY DISTRICT TO R-4 (HIGH DENSITY RESIDENTIAL) WITH A COMMUNITY CORE (CC) OVERLAY DISTRICT. SUBJECT PROPERTY IS LOCATED AT 108 E. 8TH STREET AT THE NORTHWEST CORNER OF 8TH STREET AND MYERS BOULEVARD, PINAL COUNTY ASSESSOR'S PARCEL NUMBER: 405-03-095A IN A PORTION OF SECTION 6, TOWNSHIP 8 SOUTH, RANGE 8 EAST OF G&SRB&M, PINAL COUNTY, ARIZONA (PROJECT NAME: GRANADO'S B&B).**

**Cover Sheet Staff Report:** *Council adopt Ordinance No.: 18-875 approving the rezoning of approximately 0.344 acres from R1-6 (Medium Density Residential) with a Community Core (CC) Overlay District to R-4 (High Density Residential) with a Community Core (CC) Overlay District to allow the operation of a Bed and Breakfast establishment.*

*This proposed rezoning would change the zoning district designation from R1-6 (Medium Density Residential) with a Community Core (CC) Overlay District to R-4 (High Density Residential) with a Community Core (CC) Overlay District. Subject property is located at 108 E. 8th Street at the northwest corner of 8th Street and Myers Boulevard, Pinal County Assessor's Parcel Number: 405-03-095A in a portion of Section 6, Township 8 South, Range 8 East of G&SRB&M, Pinal County, Arizona (Project Name: Granado's B&B).*

*If recommended for approval, the proposed rezoning will be in conformance with the Eloy General Plan. (If Case No. GPA17-009 is recommended for approval for a Minor General Plan Amendment). If approved, this request will not adversely affect the public's health, safety, or welfare.*



**STAFF FINDINGS:**

*Notification of the November 15, 2017, December 14, 2017 and January 25, 2018 public hearings required for this proposed rezoning has been completed in accordance with the notice requirements set forth in the Eloy Zoning Ordinance.*

*Staff has reviewed this rezoning request and finds it is compatible with the adjacent zoning district layout as shown on the City's adopted Zoning Map based on the fact that:*

*The proposed use is located at the intersection of two roads (8th Street and Myers Boulevard) that function as local roadways in the Downtown.*

*No expansion of the livable area is contemplated and it currently contains three bedrooms, so the provision of off-street parking for the additional 3-5 vehicles is considered adequate.*

*This property is located ½ block east of Main Street and could provide potential patrons for existing and future retail and service businesses.*

**FISCAL IMPACT:**

*The fiscal impact of changing this use would result in the generation of sales tax from the nightly rental of rooms.*

Motion by Councilmember Tidwell, seconded by Councilmember Garcia to read Ordinance No. 18-875 by title only, passed unanimously.

The city clerk read the ordinance title into the record.

Motion by Councilmember Tidwell, seconded by Councilmember Snyder to adopt Ordinance No. 18-875, passed by the following roll call votes:

Yay: Councilmember Rodriguez, Councilmember Snyder, Councilmember Tidwell, Councilmember Garcia, Vice Mayor Powell, Mayor Belloc

Nay: Councilmember Galindo

- C. APPROVAL OF A CONDITIONAL USE PERMIT (CUP) REQUEST BY MR. VICTOR GRANADO TO ALLOW THE OPERATION OF A BED AND BREAKFAST ESTABLISHMENT AS PERMITTED ONLY UNDER THE R-4 (HIGH DENSITY RESIDENTIAL) ZONING DISTRICT WITH A COMMUNITY CORE OVERLAY. SUBJECT PROPERTY IS LOCATED AT 108 E. 8TH STREET AT THE NORTHWEST CORNER OF 8TH STREET AND MYERS BOULEVARD, PINAL COUNTY ASSESSOR'S PARCEL**

**NUMBER: 405-03-095A IN A PORTION OF SECTION 6, TOWNSHIP 8 SOUTH, RANGE 8 EAST OF G&SRB&M, PINAL COUNTY, ARIZONA (PROJECT NAME: GRANADO'S B&B).**

**Staff Cover Sheet Report:** *Council approve a Conditional Use Permit (CUP) request by Mr. Victor Granado to allow a Bed & Breakfast operation located at 108 E. 8th Street, Pinal County Assessor's Parcel Number: 405-03-095A, subject to the six (6) stipulations listed below:*

1. *That the Conditional Use Permit shall be subject only to the parcel (identified above) owned by Mr. Victor Granado;*
2. *That signage may be erected (under separate permit) that clearly identifies the type of business and/or businesses, hours of operation, physical address as per Chapter 21, Article XVI;*
3. *That at a minimum one bedroom and the entrances to the residence be in compliance with the Americans with Disability Act (ADA);*
4. *That a landscape plan shall be submitted and approved by the Community Development Director prior to the approval of a business license, and that all landscaping shall be installed within six (6) months of Council approval of this Conditional Use Permit;*
5. *That the Conditional Use Permit shall be reviewed by the City within five (5) years from the date of Council approval for re-approval, re-approval with conditions or denial; and*
6. *Amendments to the Conditional Use Permit shall be processed in the same manner as the original application, except that the Zoning Administrator may authorize minor amendments.*

*Conditional uses are those uses which are generally compatible with the land uses permitted by right in a particular zoning district. However such uses require specific scrutiny to ensure that the location, building design and configuration, vehicle ingress/egress and parking and proposed activities are compatible and do not create nuisances for adjacent property owners.*

**STAFF FINDINGS:**

*Staff has reviewed this use and finds it is compatible with the adjacent existing and future land uses of the surrounding area based on the facts that:*

*The proposed use is located at the intersection of two roads (8th Street and Myers Boulevard) that function as local roadways in the Downtown.*

*No expansion of the livable area is contemplated and it currently contains three bedrooms, so the provision of off-street parking for the additional 3-5 vehicles is considered adequate. Vehicular egress and access occurs directly on 8th Street and Myers Boulevard.*

*This property is located ½ block east of Main Street and could provide potential patrons for existing and future retail and service businesses.*

*The request for a Conditional Use Permit is subject to prior Mayor and Eloy City Council approval of the applicants' Minor General Plan Amendment (Case No.: GPA17-009) request and Rezoning (Case No.: RZ17-010) request. A Bed and Breakfast operation may be allowed, with a Conditional Use Permit, in the R-4 zoning district. If approved, this CUP request would be in conformance with the Eloy General Plan and the Eloy Zoning Ordinance.*

*Notification of the public hearing for the requested CUP was provided at least fifteen (15) days prior to the public hearing through its publication in the Eloy Enterprise, copy of the notice has been sent via regular mail to the property owners within three hundred (300) feet and posting of the Planning and Zoning Commission meeting agenda has occurred at the official City posting locations.*

***FISCAL IMPACT:***

*The fiscal impact of changing this use would result in the generation of sales tax from the nightly rental of rooms.*

Mr. Cooper conveyed there are six conditions to the CUP that was recommended for approval by the P&Z Commission. Should Council decide to modify any of the conditions, Mr. Cooper said the applicant, Mr. Granado will need to agree on record to the modification(s).

Mr. Cooper said Council has several options; choose to table the item; approve as written or modify the length of time for the Council review. He said if there is a concern with regards to the calls for service at that location, Council can consider adding an additional stipulation which would be that in the event of excessive calls for police or emergency services, the CUP may be subject to review of revocation by the city.

Mayor Belloc asked if five years the norm for CUPs.

Mr. Vlaming said it's a reasonable starting point, but it's certainly within the Council's prevue to shorten or lengthen.

Councilmember Galindo asked Mr. Vlaming if there has ever been a condition about checking calls for service by police that would be imposed on these kinds of permits.

Mr. Vlaming conveyed that since his employment with the city, the only CUP similar to this one tonight is the one he referenced to earlier which was the Roadrunner bed and breakfast. In that case, the use and home was vacant for a significant amount of time. So this was not an issue in that particular case.

Mayor Belloc pointed out that in all the years that he has served on the Council, he has never ran into a discussion such as this in reference to these type of issues.

Councilmember Tidwell asked staff if this is approved tonight, will Mr. Granado be required to get a business license and a certificate of occupancy.

Mr. Vlaming said Mr. Granado will be required to obtain a business license.

Mr. Krauss said if Mr. Granado makes any building modifications, he will need a certificate of occupancy prior to securing a business license.

Vice Mayor Powell asked staff is Mr. Granado currently in compliance with city codes for a bed and breakfast.

Mr. Vlaming conveyed that determination will be made once the use becomes official. The chief building official will go onto the property and make that determination based on what he sees on the property.

Mr. Krauss pointed out that one of the conditions is the make the facility ADA compliant. This will require some modifications which will require a permit which will take some time.

Councilmember Galindo wanted to know what would be the difference between that and how Mr. Granado is currently operating the property.

Mr. Vlaming said the property is currently a private single family residence and does not have to be ADA compliant.

Councilmember Snyder conveyed the conditions and use permit does not appear to be strenuous. Therefore, he would like to amend the review from five years to three years to make sure the conditions are completed.

Mayor Belloc asked Mr. Granado if he was in agreement with amending condition #5; the review period from five years to three years for the CUP.

Mr. Granado said he does not see a problem with this, but wanted to know how many times the police would have to be called before he is in violation of the order.

Councilmember Snyder stated police calls are not one of the stipulations.

Mayor Belloc told Mr. Granado that the use permit will be reviewed within three years if he is in agreement.

Mr. Granado agreed to the modified conditions.

Motion by Councilmember Snyder, seconded by Councilmember Tidwell to approve a Conditional Use Permit request by Mr. Victor Granado and to modify condition #5 to read as follows, "*That the Conditional Use Permit shall be reviewed by the City within ~~five (5) years~~ three (3) years from the date of Council approval for re-approval with conditions or denial,*" passed by the following roll call votes:

Yay: Councilmember Tidwell; Vice Mayor Powell; Councilmember Snyder; Councilmember Garcia; Councilmember Rodriguez; Mayor Belloc

Nay: Councilmember Galindo

NOTE: Mayor Belloc excused himself from the rest of the meeting at approximately 7:13 p.m. Vice Mayor Powell presided over the rest of the Council meeting.

**D. AUTHORIZE THE CITY TO ENTER INTO A LETTER OF INTENT WITH THE PINAL COUNTY FEDERAL CREDIT UNION FOR A LEASE AGREEMENT TO OPERATE A SELF-SERVICE CREDIT UNION WITHIN ELOY'S NEW CITY HALL.**

**Staff Cover Sheet Report:** *Council authorize the City to enter into a Letter of Intent with the Pinal County Federal Credit Union for a lease agreement to operate a self-service credit union within Eloy's new city hall.*

*The Pinal County Federal Credit Union (PCFCU) has expressed interest in locating a facility within Eloy. In lieu of developing a stand-alone facility, staff has proposed to lease a portion of the new city hall to PCFCU to operate a self-service credit union. Over the past several months staff has been negotiating the terms and conditions under which the PCFCU would consider leasing space from the City. Approximately 500 square feet was originally planned in city hall; however, around 70 square feet of this space was recently allocated for an equipment room to serve the PCFCU as well as city offices.*

*The proposed lease terms would provide that the PCFCU lease space at \$15.00 per square foot plus \$4.00 per square foot to cover common maintenance expenses. An increase of up to 3% per year may be added to the lease payments as well as annual maintenance expenses. The initial term would be five years with two twenty-four (24) month lease options. The PCFCU would be responsible for the cost of any tenant improvements, and be responsible for its electrical expenses. The base rent would include City water costs and sanitation services. The PCFCU may install a stand-alone automatic teller machine (ATM) on the exterior of the property as well as signage with the location and design being subject to the approval of City staff.*

*The PCFCU has requested to have a first right of refusal to lease any space to a*

*similar financial institution controlled by the City within one mile of the new city hall.*

***FISCAL IMPACT:***

*Assuming 430 square feet of rentable space, the first year's rental payment to the City would be \$8,170.00. The second year of the lease would generate a projected rental payment of \$8,415.10.*

Mr. Krauss reviewed the proposed lease agreement with Pinal County Federal Credit Union (PCFCU) with Council. He said all improvements to the space will be done by the credit union (sheet rocking, installation of electrical, carpeting, etc.).

Vice Mayor Powell asked will the credit union be responsible for installing security cameras.

Mr. Krauss said yes.

Ms. Alice Wilcox, CEO of the credit union conveyed they are extremely excited to come to Eloy.

Councilmember Galindo wanted to know what would be the requirements for membership in Eloy.

Ms. Wilcox stated PCFCU already has members from Eloy, but is chartered to have members that either live, work, worship or attend school anywhere in Pinal County along with a number of employment groups that expand beyond the border of Pinal County. Ms. Wilcox said the Eloy branch will be considered an interactive branch and will be the first of its kind for the credit union. There will be at least one staff member on site but it will be automated.

Councilmember Snyder asked about the hours of operation.

Ms. Wilcox conveyed that hours of operation will be Monday through Friday, from 8am to 5pm. She hopes eventually to have the branch open on Saturdays.

Councilmember Snyder wanted to know if this will be outside access only.

Mr. Krauss said yes.

Motion by Councilmember Garcia, seconded by Councilmember Rodriguez to authorize the city to enter into a Letter of Intent with the Pinal County Federal Credit Union for a lease agreement to operate a self-service credit union within Eloy's new city hall, passed unanimously by roll call vote.

**X. INFORMATIONAL ITEMS**

**A. January Financial Report**


Councilmember Tidwell expressed concern that most of the departments are spending more than the percentage of their budget than the city has received in revenues. The city received 39.7% of its budget, yet most of the departments have spent 40%-50%. He said this tells him that departments are overspending what the city has received. Councilmember Tidwell said the departments are within their budget but not within the city receipts.

**B. January Checklist Report**

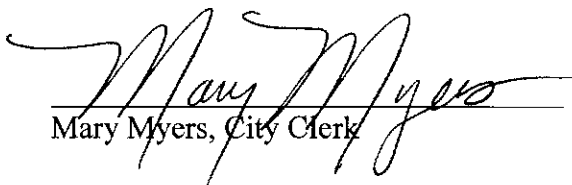
No questions and/or comments from Council.

**XI. ADJOURNMENT**

There being no further business, Vice Mayor Powell adjourned the meeting at approximately 7:24 p.m.

  
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Joel G. Belloc, Mayor

ATTEST:

  
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Mary Myers, City Clerk