

Work Session of the City Council, City of Farmington, New Mexico, held Tuesday, November 3, 2009 at 9:00 a.m. in the Executive Conference Room at City Hall, 800 Municipal Drive, Farmington, New Mexico, in full conformity with the rules, regulations and ordinances of the municipality.

At such meeting the following were present, constituting a quorum:

MAYOR	William E. Standley
COUNCILORS	Dan Darnell Mary M. Fischer George F. Sharpe
ABSENT	Jason Sandel, Councilor

Constituting all the members of the Governing Body.

Also present were:

CITY MANAGER	Rob Mayes
ASSISTANT CITY MANAGER	Bob Campbell
CITY ATTORNEY	Jay B. Burnham
CITY CLERK	Dianne Fuhrman
DEPUTY CITY CLERK	Melody Coyner

#### LA PLATA RANCH PLANNED UNIT DEVELOPMENT

Mayor Standley reminded the Council that action upon Petition Nos. PD 09-02, ANX 09-01, MTP 09-01, the Annexation/Development Agreement and the application for preliminary approval for La Plata Ranch Public Improvement District were tabled at the October 6, 2009 Work Session to afford staff the opportunity to further negotiate an agreement on the proposed Annexation/Development Agreement, including the cost-sharing for construction of the spine road.

Providing opening remarks, City Manager Rob Mayes stated that staff met with Paul Silverman of Geltmore LLC, a representative of the petitioner, to discuss their willingness to participate in the cost of the infrastructure improvements that are not a direct benefit to the proposed development but are necessary for the region due to the additional traffic, etc. that will be generated by the development. He briefly reviewed the "Cost Sharing Summary Table" that outlines the infrastructure improvements and proposed cost-sharing options and asked for Council direction on how to proceed.

The Mayor read a portion of the letter that was submitted by the San Juan County Home Builders Association concerning Public Improvement Districts ("PIDs") and Tax Increment Development Districts ("TIDDs") and the need for them to be applied fairly and to be useful to the entire community.

Community Development Director Michael Sullivan briefly reviewed the subject items, noting that the PID Application is a preliminary application and that if the petitioner wishes to proceed, they must submit a final and full PID application for Council approval, along with the \$50,000 application fee.

In response to inquiry from Councilor Darnell, Mr. Mayes stated that the La Plata lift station upgrade is a budgeted improvement for the greater region, not just the proposed development.

Councilor Darnell expressed support for the development.

Discussion followed concerning location and cost-sharing of the off-site sewer extension, utilities in the spine road and intersection improvements.

Councilor Sharpe stated that because the City has budgeted for future improvements to the La Plata lift station and the intersection of

Piñon Hills Boulevard and La Plata Highway, he would support the City assuming a bigger share of the cost of making those improvements now. In addition, he stated that he will not support the City subsidizing the utilities in the development, including the spine road, unless the City decides to increase the size of the utilities.

Mr. Silverman contended that this is a proposed annexation requiring basic infrastructure that should be provided by the City, noting that the petitioner is requesting that the City pay \$4.4 million for the basic infrastructure improvements.

In response to inquiry from Councilor Fischer, Mr. Mayes stated that any commitment by San Juan County ("County") concerning cost-sharing of the proposed infrastructure improvements is dependent on the City's decision. Mr. Silverman stated he is willing to take the risk that the County will participate and he asked that the City participate only to the extent of its share of the tax stream.

Following lengthy discussion, it was the consensus of a majority of the Council that:

- 1) the City will pay 100 percent the La Plata lift station upgrade;
- 2) the City will pay for the cost to extend the sewer to the entrance of the proposed La Plata Ranch subdivision. The developer will finance up to 50 percent of the cost, per the proposed tax revenue reimbursement plan, and the developer will pay for (not subject to reimbursement) a front footage calculation based on the formulas contained in the existing "Main Line Extension" policy;
- 3) the developer will pay 100 percent of the cost to build the spine road to "collector" status to serve the development. If the City decides to upgrade the spine road to "minor arterial" status, the City and San Juan County ("County") will pay 100 percent of only the additional incremental cost for the upgrade, subject to the 60/40 City/County split proposal. The developer will finance 100 percent of the cost, per the proposed tax revenue reimbursement plan;
- 4) the cost of extending electric utility service will follow the existing cost-sharing policy adopted by the City Council for all developers. The developer will pay for all utilities not associated with the City;
- 5) the developer will pay 100 percent of the cost to construct the appropriate-sized sewer line to serve the development. If the City desires any "over sizing" not attributable to the development, the entire cost of the sewer line should be prorated based on the desired "over sizing" percentage with the City and County to pay this prorated percentage, subject to the 60/40 City/County split proposal. The developer shall finance 100 percent of the cost, per the proposed tax revenue reimbursement plan;
- 6) the developer shall pay 100 percent of the cost to build a "low water" crossing to serve the development. If the City decides to upgrade to a "high water" crossing, the City and County will pay 100 percent of only the additional incremental cost for the upgrade, subject to the 60/40 City/County split proposal. The developer shall finance 100 percent of the cost, per the proposed tax revenue reimbursement plan;
- 7) the City will pay 100 percent of regional traffic infrastructure improvement costs for off-site traffic control upgrades (Piñon Hills Boulevard & 30<sup>th</sup> Street, Piñon Hills Boulevard & La Plata Highway and Main Street & La Plata Highway) at the timing and option of the City; and
- 8) the cost-sharing for on-site traffic control upgrades (south entrance/Piñon Hills Boulevard & "Spine Road" and north entrance/La Plata Highway & "Spine Road") will be determined by the required Traffic Impact Analysis ("TIA") to be provided by the developer. The developer will pay 100 percent of impact generated by the development and the City and County will pay 100 percent of the balance, subject to the 60/40 City/County split proposal. The developer will finance 100 percent of the cost as per the proposed tax revenue reimbursement plan.

Councilor Fischer stated that she is uncomfortable with the proposed cost-sharing proposal. As a result, she announced that she cannot support the proposed development.

Councilor Fischer left the meeting at 10:30 a.m.

Following further discussion, a motion was made by Councilor Darnell, seconded by Councilor Sharpe to table action upon Petition Nos. PD 09-02, ANX 09-01, MTP 09-01, the Annexation/Development Agreement and the La Plata Ranch Public Improvement District (application for preliminary approval) to the November 10, 2009 regular City Council meeting to afford staff further opportunity to negotiate an agreement on the proposed Annexation/Development Agreement based on the consensus reached at today's meeting. The roll was called with the following result:

Those voting aye:	Dan Darnell George F. Sharpe
Those absent:	Mary M. Fischer Jason Sandel

The presiding officer thereupon declared that two Councilors having voted in favor thereof, the said motion carried.

RECESS

The Mayor called a recess at 10:40 a.m.

The Meeting was reconvened by the Mayor at 10:45 a.m. with Councilors Darnell and Sharpe being present.

AMERICA RECYCLES DAY PROCLAMATION

Mayor Standley presented Farmington Clean and Beautiful Coordinator Debra Homer, with a proclamation declaring November 15, 2009 as "America Recycles Day." Ms. Homer recognized Waste Management Four Corners Route Manager Joe Salas, Water Resource Specialist Paul Montoia and Downtown Coordinator Elizabeth Isenberg for their assistance in the recent "Dumpster Weekend" at Berg Park.

QUARTERLY FINANCIAL REVIEW

Utilizing a powerpoint presentation to display financial data that he provided to the Council, Administrative Services Director Andy Mason reviewed the FY10 First Quarter Financial Report for the period ending September 30, 2009. He noted that gross receipts tax revenues for the first quarter are 17.3 percent below those received for the same period last year. He also reported that revenues in the General Fund are 5.2 percent under budget and expenditures are 4.8 percent over budget; revenues in the Electric Fund exceeded expenses by \$6.7 million; revenues in the Water Fund exceeded expenses by \$1.17 million; and that revenues in the Wastewater Fund exceeded expenses by \$100,000.

Councilor Darnell expressed appreciation to staff for closely monitoring revenues and expenditures and stated that he has received no negative feedback concerning the elimination of positions through attrition.

COUNCIL BUSINESS

Medal of Honor Memorial Dedication

Mayor Standley announced that dedication of the Medal of Honor Memorial at the All Veterans Memorial Park will take place at 1:00 p.m. on Saturday, November 7, 2009 and commended staff for their efforts in completing the project.

Marine Corps Birthday

Mayor Standley announced that the Marine Corps will celebrate its 234<sup>th</sup> birthday on November 10, 2009.

Veterans' Day

Mayor Standley announced that Applebee's will be offering free meals on Veteran's Day to all U.S. military veterans and active duty personnel to honor them for their service to our country.

Mayoral Election

Mayor Standley announced that he will not run for re-election in 2010. He contended that it should be an easy transition for the newly elected Mayor because of the knowledge and skill of City personnel. Councilor Sharpe thanked the Mayor for his 12 years of service to the City. He lead the Council and staff in a round of applause.

Public Safety

Mayor Standley stressed the importance of public safety in the community and contended that, contrary to recent news articles, the Police and Fire Departments are well-trained, ethical organizations, and he thanked Deputy Fire Chief Terry Page for assuming the duties of Interim Fire Chief.

There being no further business to come before the Council, a motion was made by Councilor Darnell, seconded by Councilor Sharpe to adjourn the meeting at 11:20 a.m. The roll was called with the following result:

Those voting aye:	Dan Darnell George Sharpe
Those voting nay:	None
Those absent:	Mary M. Fischer Jason Sandel

The presiding officer thereupon declared that two Councilors having voted in favor thereof, the said motion carried.

APPROVED this 24th day of November, 2009.

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William E. Standley, Mayor

SEAL

ATTEST:

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Dianne Fuhrman, City Clerk