

SUBMITTED BY: Luis Pedroza, Deputy City Manager

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager

FOCUS AREA: Other / NA

**ORGANIZATIONAL
IMPROVEMENTS:**

SUBJECT: **RESOLUTION NO. 25-1659**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the execution of an **AGREEMENT** to **EXTEND UTILITIES INSIDE** of **CITY LIMITS** allowing developers and existing property owners to connect to city services with an option for the city to perform the work charging cost reimbursement and development impact fees.

EXECUTIVE SUMMARY:

The Mayor and Council approved the outside of city limits utilities extension agreement in February 26, 2025 Special meeting. The proposed inside of city limits agreement provides the similar terms for inside city development and existing home owners.

BACKGROUND:

The city has received interest to extend utilities to develop vacant parcels inside of city limits. In addition, interest in connecting existing homes to sewer service in areas that homeowners/developers chose not to connect at time their homes were constructed. With the new city CIP crew, small water/sewer utility extensions are feasible and within the city's capacity. The in-city agreement is very similar to the out of city agreement except some differences:

- In city agreement charges impact fees instead of connection fees, which are same in cost.
- In city agreements propose not to charge labor costs for existing homes asking to connect to sewer that are currently connected to water.
- For developers, city shall charge labor and materials costs and any other associated costs such as permits (if needed) or engineering.
- No annexation agreement for in city, for obvious reasons.

The agreement incentivizes new construction and allows the city to be paid for all costs incurred so as to not affect or pass on the costs to existing rate payers.

DISCUSSION:

Staff recommends approval of this template agreement. The approval of this template agreement allows for the City Manager to execute agreements with future developers/customers who wish to connect to city water and sewer infrastructure.

FISCAL IMPACT:

None.

Fiscal Year: 2024/2025

Amount Requested:

Budgeted: Y / N

Account (s):

“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE RESOLUTION NO. 25-1659.”