

MINUTES

The City of Douglas Mayor and Council met in a Special Meeting on Wednesday, February 12, 2025, at 5:30 p.m., at City Hall Council Chamber, 425 10th Street. The Honorable Mayor Jose Grijalva called the meeting to order.

1. **CALL TO ORDER.** 5:15 p.m.
2. **ROLL CALL.**

	PRESENT	ABSENT
MAYOR, JOSE GRIJALVA	X	
MAYOR PRO TEMPORE, DANYA ACOSTA	X	
COUNCILMEMBER, MELISSA RODRIGUEZ	X	
COUNCILMEMBER, JOSE MONTANO	X	
COUNCILMEMBER, RAY SHELTON	X	
COUNCILMEMBER, MICHAEL BALDENEGRO	X	
COUNCILMEMBER, RICHARD C. ACOSTA	X	
CITY MANAGER, ANA URQUIJO	X	
CITY ATTORNEY, DENIS FITZGIBBONS	X	
CITY TREASURER, ALEJANDRO MARTINEZ	X	
CITY CLERK, ALMA ANDRADE	X	

3. **PERSONS WISHING TO ADDRESS THE COUNCIL IN WRITING OR VERBALLY ON ANY ITEM NOT ON THE AGENDA.**

Ms. Andrade stated no public participation forms were submitted.

4. **DISCUSSION/DECISION on PUBLIC HEARING.**

A. The purpose of the public hearing is to allow public participation regarding the **ANNEXATION** of **67 parcels** located in the **SOUTHEASTERN** portion of the **SUNNYSIDE FIRE DISTRICT AREA**.

Xenia Gonzalez introduced a brief presentation on the item, mentioning that Yazmin Cuevas, Luis Pedroza, and herself would present together.

Yasmin Cuevas presented the proposed annexation of a 67-parcel area in the southeastern portion of the Sunnyside Fire District into the City of Douglas. She highlighted the benefits, including improved city services (fire, police, sewer, and garbage collection), support for economic development, and enhanced community connectivity. She also provided an annexation map outlining the affected area from 20th to 23rd Street and Applewhite.

Luis Pedroza provided a financial analysis of the projected impact of annexing the properties, forecasting a revenue increase of approximately \$834,000 over ten years, primarily due to population growth and increased state-shared revenues, licenses, and franchise fees. Additional revenue would come from enterprise funds, including sewer, water, and sanitation services, though water revenue would decrease as annexed residents would pay lower in-city rates. One-time impact fees from new developments and sanitation services would further contribute to revenue. After accounting for service costs, the net income over ten years is estimated at \$1.1 million. Additionally, annexed residents would benefit from lower property taxes and reduced water and sewer rates.

Ms. Gonzalez outlined the annexation timeline, stating that a blank petition was filed with the Cochise County Recorder's Office on January 21, 2025 to initiate the process. A public notice was published in the Sierra Vista Herald and republished on February 5, 2025 to correct a date. Letters were sent to property owners on February 6, 2025. Following the public hearing, the city can now begin collecting petition signatures, with a one-year deadline to secure signatures from more than 50% of property owners and at least 50% of assessed property values for the annexation to proceed.

Council members raised several questions and concerns:

- Council Member Shelton asked if residents were given specific figures on how much less they would pay for water, sewer, and taxes. Ms. Cuevas responded that the letters stated costs would go down but did not include specific numbers.
- Council Member Baldenegro inquired about the cost to the city for infrastructure improvements like sewer lines, curbing, and streetlights. Mr. Pedroza provided some cost estimates and mentioned plans to use CDBG grants for improvements.
- Council Member Montaña expressed concern about the cost-benefit ratio, noting that while revenue was projected at \$1.1 million over 10 years, infrastructure costs could be much higher.
- Council Member D. Acosta suggested highlighting potential property insurance benefits for residents.
- Mayor Grijalva emphasized the importance of transparency in communicating benefits to residents and addressing potential distrust about the city's motivations.

Mr. Pedroza addressed questions about grandfathering existing structures and livestock, as well as the potential for future annexations.

B. ANNEXATION – Small scale Sunnyside Fire District (67 parcels)

Mayor Grijalva provided an opportunity for the public to comment.

Mr. Greg Jones, 2522 E. 23rd Street, Douglas, AZ.

- expressed concerns about dividing the neighborhood down the middle of the street and the fairness of providing services to one side but not the other. He also raised issues about completing existing projects before starting new annexations.

Mayor Grijalva and council members acknowledged the need to balance taking care of current areas within the city while also pursuing growth opportunities. He discussed the importance of providing detailed information to residents and ensuring that the annexation process is beneficial for both the city and the affected residents.

Council members and staff discussed various aspects of the proposal, including:

- The potential timeline for infrastructure improvements.
- Grandfathering in existing structures and livestock.
- The need to provide detailed information to residents about benefits.
- Considering expanding the annexation area to include both sides of 23rd Street.
- Balancing annexation efforts with addressing existing city needs.

Ms. Urquijo provided historical context on the city's annexation strategy, explaining that this was part of a staggered approach aimed at growth over time.

5. ADJOURNMENT.

Motion by Council Member Shelton, second by Council Member D. Acosta to adjourn the meeting at 6:03 p.m.


Cynthia Acuña Robles, Deputy City Clerk