

Meeting Minutes

City Council Work Session

December 9, 2024 | 4:30 p.m.
Council Chambers Conference Room
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Mayor Kevin Hartke at 4:30 p.m.

Roll Call

Council Attendance

Mayor Kevin Hartke
Vice Mayor OD Harris
*Councilmember Angel Encinas
Councilmember Christine Ellis
Councilmember Mark Stewart
Councilmember Matt Orlando
Councilmember Jane Poston

Appointee Attendance

Joshua Wright, City Manager
Kelly Schwab, City Attorney
Dana DeLong, City Clerk

*Councilmember Encinas arrived at 4:43 p.m.

Staff in Attendance

Tadd Wille, Assistant City Manager
Dawn Lang, Deputy City Manager / Chief Financial Officer
Andy Bass, Deputy City Manager
Alexis Apodaca, Mayor & Council Public Affairs Senior Manager
Matt Burdick, Communications & Public Affairs Director
Cherie Stone, Government Relations Senior Program Manager
Ryan Peters, Strategic Initiative Director

Discussion

1. Presentation and Discussion of the City's Legislative Agenda to Provide Guidance for Advocacy Activities at the State Legislature and the Federal Government During the 2025 Legislative Session

MAYOR HARTKE called for a staff presentation.

JOSHUA WRIGHT, City Manager, introduced the discussion item

RYAN PETERS, Strategic Initiatives Director, presented the following presentation.

- 2025 Legislative Agenda
- 2025 Session Overview
 - Opening Day
 - Themes
 - Ongoing information
- Legislative Leadership
 - Senate
 - Senator Petersen, President
 - Senator Shope, President Pro Tem
 - Senator Shamp, Majority Leader
 - Senator Carroll, Majority Whip
 - Senator Sundareshan, Minority Leader
 - Senator Bravo, Assistant Minority Leader
 - Senator Gabaldon, Minority Whip
 - House
 - Representative Montenegro, Speaker
 - Representative Carter, Speaker Pro Tem
 - Representative Carbone, Majority Leader
 - Representative Willoughby, Majority Whip
 - Representative De Los Santos, Assistant Minority Leader
 - Representative Gutierrez, Assistant Minority Leader
 - Representative Crews, Minority Whip
 - Representative Travers, Minority Whip
- Legislative Delegation
 - LD 12
 - Senator Mitzi Epstein
 - Rep. Patty Contreras
 - Rep. Stacey Travers
 - LD 13
 - Senator JD Mesnard
 - Rep. Juile Willoughby
 - Rep. Jeff Weninger
 - LD 14
 - Senator Warren Petersen
 - Rep. Laurin Hendrix
 - Rep. Khyll Powell

COUNCILMEMBER ELLIS asked about LD14.

MR. PETERS said LD14 represents the southeast portion of Chandler's boundaries. There is one new member in the district. LD12 and LD13 have greater representation within Chandler.

MAYOR HARTKE asked if all representatives are invited to the Special Joint Meeting of December 16, 2024.

MR. PETERS said all LD12, LD13, and LD14 legislators are invited.

MR. PETERS continued the presentation.

- Legislative Principles
 - Protect Local Authority
 - Preserve Local Revenues

COUNCILMEMBER STEWART asked if there were concerns about expedited entitlements on church properties under certain conditions.

MR. PETERS said it has not been developed yet.

MAYOR HARTKE said it may be a great idea, but developments must conform to neighborhood standards and not give a total exemption on design standards.

MR. PETERS added that further development of this idea will ensure no loopholes for expedited entitlements.

COUNCILMEMBER POSTON asked where Chandler is at on this idea.

MR. WRIGHT said this was discussed in a previous housing strategy discussion, where there was not a general consensus on what action to take at the time. This has been considered in a housing plan to study other municipalities' housing actions. It may be effective to work with the state on this.

MAYOR HARTKE commented that there is the possibility for this idea to move forward.

COUNCILMEMBER STEWART said that if Chandler can lead this idea, that could be beneficial.

MR. WRIGHT said if there is an interest in revisiting this idea, it can be revisited later.

MR. PETERS continued the presentation.

COUNCILMEMBER ORLANDO commented that in terms of water supply, converting agricultural lands to residential development does not include multifamily housing, businesses, or industrial areas. Mixed use may lead to increased water use compared to agricultural use.

MR. PETERS agreed that there has been some pushback regarding groundwater usage. It is beneficial to have an assured designated 100-year water supply. Equitable municipal water providers are essential. There is a balance between preserving aquifer health and encouraging water use reduction.

VICE MAYOR HARRIS asked if there have been conversations about land use due to schools downsizing their properties.

MR. PETERS said there has been some talk, but nothing has been formalized. Outside of the urban area, the land use is more open. Within the urban area, some state statutes need to change. Chandler Unified School District has mentioned this topic in the past.

VICE MAYOR HARRIS asked about charter school land use.

MR. PETERS said most conversations have not included charter schools in the land use discussion and he continued the presentation.

MAYOR HARTKE commented that a number of people at a recent legislative discussion had concerns about Proposition 123.

COUNCILMEMBER STEWART asked for an overview of Proposition 123.

MR. PETERS explained that Proposition 123 is a dedicated funding source for classroom expenditures sourced from the State Land Trust fund.

CHERIE STONE, Government Relations Senior Program Manager, continued the presentation.

- Fiscal Sustainability
 - Preserve State-Shared Revenue at current levels and support the backfill of previous state revenue cuts
 - Protect authority of local governments to determine and establish appropriate revenue sources
 - Encourage the Legislature to consider the fiscal impact of unfunded mandates

COUNCILMEMBER ELLIS asked if the minimum wage will be increased, stating that this will affect small business owners.

MS. STONE said the minimum wage will be increased.

COUNCILMEMBER ORLANDO asked what the consensus is regarding the backfill of previous state revenues.

MR. PETERS said the League has been putting together a strategy, this effort will be continued but expect a difficult path forward.

MAYOR HARTKE asked what the total amount is.

MR. PETERS said the total amount estimated was around \$200 million.

VICE MAYOR HARRIS asked about the grocery tax discussion.

MS. STONE said there was discussions previously about eliminating the food tax. This concept has not been revisited, but it is not off the table.

MS. STONE continued the presentation.

- Fiscal Sustainability
 - Residential rental tax preemption was signed by the Governor, effective January 2025
 - State-Shared Revenue and other municipal revenue sources remain vulnerable
 - The City of Chandler has continued to maintain a low cost of living for residents and endured challenging economic conditions due to a diverse tax base
- Transportation
 - Support regionally coordinated transportation planning efforts
 - Defend against actions that seek to limit local control and consideration in the transportation decision-making process

VICE MAYOR HARRIS requested to see the Flex Program grow and expand in Chandler. South Chandler has the opportunity to grow its transportation options. Communicating street closures with outside partners is essential.

MR. PETERS said MAG is undertaking the development of policies with the transit lifecycle program and the arterial lifecycle program. One thing in consideration is to include the Flex Program within these programs to expand the circulator funds to include flexible transit spending. The region picks up the cost, and some of the total amount is paid locally. The higher the local share, the more projects can be done. There are some maintenance opportunities at the local level.

VICE MAYOR HARRIS asked about the potential expansion of Hunt Highway in south Chandler. There is room for improvement on the roadway and speed mitigation.

MR. PETERS noted that there are some solutions to consider such as traffic calming measures.

MS. STONE continued the presentation.

- Economic Development
 - Support efforts that increase Chandler's economic competitiveness and strengthen Chandler's economic ecosystem
 - Encourage the establishment and diversification of economic development tools particularly to help infill, redevelopment, and adaptive reuse projects
 - Preserve local authority on development projects
- Neighborhoods
 - Support measures that enhance the quality of life in Chandler's neighborhoods
 - Protect the rights of residents to actively engage with their local governments in public policy matters
- Public Safety
 - Preserve and strengthen the ability of local governments to strategically plan for and respond to emergencies

COUNCILMEMBER POSTON asked if there was any ideas in this area to be aware of.

MS. STONE said there has not been anything specific brought up, but generally promoting a regional workforce pipeline to generate personnel.

MR. PETERS added that technology in public safety continues to be a state-wide concern.

COUNCILMEMBER ORLANDO asked about pension reform.

MR. PETERS said there has been some discussion of returning to previous versions of the PSPRS system to entice new police employees. There are some fiscal challenges with this proposal but there is interest.

COUNCILMEMBER STEWART asked if there is a position for Council to take on this topic.

MR. PETERS said it is too early to define a position.

MS. STONE continued the presentation.

- Land Use Planning
 - Protect local authority in land use planning
 - Support efforts that promote organized growth
 - Oppose efforts that seek to obstruct growth management
- Water and Environmental Resources
 - Support the wise use and conservation of our natural resources
 - Preserve Chandler's long-term investments and planning in water resources and infrastructure

- Protect Chandler's ability to provide safe and reliable water resources and wastewater services to our residents

COUNCILMEMBER ELLIS asked about water conservation efforts.

MS. STONE said that part of the subject is to foster conservation efforts at a local level and incentivize wise water use.

MAYOR HARTKE asked if there is expected to be more collaboration at a federal level on projects such as this.

MS. STONE said the consultants would be able to provide more information.

COUNCILMEMBER STEWART said water conservation has been a focus for years. Chandler should continue to be forward thinking in investing in water infrastructure.

MR. PETERS said grant money will be utilized for messaging regarding water security and resources. Chandler will continue to focus on water security operations that make sense for the city.

MAYOR HARTKE said water operations may be up to the choice of the cities who need alternate water sources.

MR. PETERS agreed and mentioned maintaining secure water reserves up to standard.

MS. STONE continued the presentation.

- Federal Overview
 - President-Elect Trump returning to the White House
 - New Administration
 - Agency Changes
 - Republicans maintain majority in the House
 - Current Speaker Mike Johnson
 - New Leadership Elected January 3
 - Republicans gain majority in the Senate
 - Senator Schumer, Minority Leader
 - Senator John Thune, Majority Leader
 - Senator Gallego
 - Senator Kelly
 - Rep. Biggs (CD 5)
 - Rep. Stanton (CD 4)
 - Rep. Hamadeh
 - Rep. Ansari

- Rep. Grijalva
- Rep. Ciscomani
- Rep. Crane
- Rep. Schweikert
- Rep. Gosar

COUNCILMEMBER ELLIS asked about the topic of immigration which will come down to cities and states.

MS. STONE said that the administration has not proposed any policies, the one piece of news has been placing tariffs on Mexican imports.

COUNCILMEMBER ELLIS asked if the state will be making provisions for immigration.

MR. PETERS said the upcoming administration may focus on immigration, but currently there is speculation on what the mechanics of an immigration policy would look like. There is not enough information right now.

VICE MAYOR HARRIS requested an update about possible changes in the future.

MR. WRIGHT said forthcoming information will be shared with Council.

KELLY SCHWAB, City Attorney, added that there is litigation in other states regarding immigration law, which may change the implementation of new state law.

MR. PETERS added that with the new administration, there is a change in staff and ideas. There will be a learning curve for the next year.

VICE MAYOR HARRIS asked for information about the state and federal lobbyists.

MS. STONE continued the presentation.

- Federal Priorities
 - Pursue federal funding for City projects and programs
 - Support CHIPS Act implementation and funding
 - Encourage regulatory actions that support Chandler's housing initiatives
 - Support Low-Income Housing Tax Credit expansion
 - Encourage increased investments in the Chandler Airport
 - Support the perseveration of municipal bond tax exemptions

COUNCILMEMBER POSTON asked what changes may be forthcoming for HUD.

MS. STONE said that changes may be forthcoming for many federal agencies, but there have not been any specific changes mentioned for HUD.

COUNCILMEMBER STEWART asked about the low-income housing tax credit.

MR. PETERS said the tax credit goes to the developer to help offset the project financing.

COUNCILMEMBER STEWART asked where the revenue is made up.

MR. PETERS said the project costs are reduced to reduce rents charged.

COUNCILMEMBER STEWART asked if it was a tax cut.

MR. PETERS said it is like a tax credit.

COUNCILMEMBER ORLANDO explained the government funds a percent of the project as it is a credit, similar to education tax credits.

COUNCILMEMBER STEWART asked if Chandler would focus on expanding the low-income housing tax credit program.

MR. PETERS said yes, the cost of projects can be aided if it is a low-income housing tax credit eligible project.

COUNCILMEMBER ORLANDO mentioned maintaining Chandler's existing projects and pursuing new applications of state and federal partnerships.

- Thank You

Public Comment

None.

Adjourn

The meeting was adjourned at 5:47 p.m.

ATTEST: _____
City Clerk

Mayor

Approval Date of Minutes: January 23, 2025

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the City Council of Chandler, Arizona, held on the 9th day of December 2024. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this _____ day of January, 2025.

City Clerk