



CITY OF NEEDLES

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Mayor Edward T. Paget, M.D.
Vice Mayor Jeff Williams
Councilmember Robert Richardson, M.D.
Councilmember Louise Evans
Councilmember Shawn Gudmundson
Councilmember Tona Belt
Councilmember Clayton Hazlewood
City Manager Rick Daniels

MEMORANDUM

TO: Honorable Mayor & Council Members,
Boards and Commissions, and
Interested Parties

FROM: Rick Daniels, City Manager 

SUBJECT: Manager's Report

DATE: April 26, 2017

City Mgr: ** See attached Economic Development in Needles 2013-2016 Presentation to Chamber of Commerce General Membership Meeting March 23, 2017

City Clerk: ** Preparing 2017/2018 budget
** Contacting past due business license accounts
** Codifying the Municipal Code and Zoning Code
** Processing new business licenses
** Responding to record requests

Finance: ** F18 budget meetings have been set with the managers
** Candidates for five open city positions are actively being sought

Utilities: ** Water: Working on fire hydrants for the last four weeks with all being removed and repair kits installed. Locations include:
1) Columbus Dr @ Taco Bell
2) 2103 Needles Hwy
3) 1932 J St (Buy Rite Market)
4) 800 San Clemente
5) 600 San Clemente
6) Corner of Orange and N. Erin
** Installed new hydrant at the Elks Lodge
** Six other hydrants were repaired with frozen caps and minor repairs

Planning: ** Updated medical marijuana business application to include statement of electric transmission fees for line upgrades and substations
** Disseminated revised deposit agreements to medical marijuana applicants for their signatures – document revised to remove statements on replenishment requirements
** Developed power point presentation for Planning Commission to discuss possible permitting of medical marijuana manufacturing with volatile chemicals
** Updated excel spreadsheets reflecting proposed medical marijuana businesses, and various project requirements of each project
** Took possession of one parcel map proposing a 10-lot parcel split – proposed for future medical marijuana businesses

- ** Met with developers pursuing commercial business near Jack Smith Park
- ** Processed invoices for payments applicable to medical marijuana projects
- ** Processed payments for 2 properties going thru purchase/sales process, requesting payoff of lien to then process "release of liens" and remove obligation from County records
- ** Responding to questions via email, telephone, related to planning and zoning, medical marijuana businesses, and code enforcement

- Public Works:
- ** Moved two connex containers, a 40 foot and 20 foot, from the old fire station to the public works yard - completed April 3
 - ** Installing three Needles 4X8 decorative signs at corner of Marina Dr and River Road, corner of N K St and Bridge St and the corner of N Needles Hwy and Columbus St. These signs are for the Nineteenth Hole Bar & Grill Restaurant at the pro shop - completed April 4 except for the sign at N K St and Needles HWY which will be installed as soon as construction is completed
 - ** Replacing sidewalk tiles at the city council chambers
 - ** Continue to cleanup roads after the past wind storms
 - ** Filling potholes out on N Needles Hwy when time allows
 - ** Repairing water cuts on pavement where the water department has repaired water leaks on roads
 - ** Continue routine weed control throughout town using work release help
 - ** Continue painting stops, legends, and sidewalk crossings on streets as well as replacing missing and broken street signs and markers
 - ** Installing traffic signs on Hospitality Lane, N K St and by the civic center
 - ** The city yard fencing has been completed and will be rearranging and organizing the city yard as time allows

- Engineering: ** See attached capital projects status

- Golf: ** March revenue and rounds:
2016 - total revenue \$66,908; total rounds 2,691
2017 - total revenue \$77,201; total rounds 4,316

- Recreation: ** Preparing for the summer programs which include summer day camp and peewee basketball
- ** Preparing budget for 2017-18 fiscal year
 - ** Facility rentals for January – March 2017:
Jack Smith Park: one 1hr rental @ \$16/hr
Three 2hr rentals @ \$16/hr.
Full day rental for 2 days @ \$150/day (1/2 price for non-profit – Chamber of Commerce)
 - Duke Watkins: one 2hr rental @ \$16hr
 - Rodeo grounds: one 5hr rental of dance area @ \$200

- Aquatics: ** General maintenance continuing
- ** City engineer inspected the slide for the upcoming season. Minor repairs (rust/paint) are needed and should be able to be taken care of in-house
 - ** Interior of the restrooms has been repaired and looking into outside roof repair that is needed
 - ** Topock Elementary PE swim began this month with the NUSD starting April 24
 - ** Advertising for lifeguards with interviews to be held the beginning of May for any needed positions

Honorable Mayor & Council Members, Boards and Commissions, and Interested Parties

April 26, 2017

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** Open swim begins June 3. The Park & Recreation Commission approved a change in weekend hours of operation to be 2:00 p.m. to 6 p.m. (previously was 12 noon to 4:00 p.m.) to accommodate the Sand Sharks home swim meets.

** Preparing budget for 2017-18 fiscal year

Jack Smith
Park:

** Open seven days a week beginning April 1. Revenue is on target for the season

** Preparing budget for 2017-18 fiscal year

Animal Cntrl:

** With the help of "networking" with other animal agencies in Kingman and Flagstaff, our shelter has gone from beyond capacity down to very low numbers of animals

** Spring rabies was a huge success with 73 animals vaccinated and 60 dogs licensed

attachments

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**Economic Development in Needles
2013-2016
Presentation to Chamber of Commerce
General Membership Meeting
March 23, 2017**

Background

In 2013 the City was still feeling the effects of the 2008 recession which saw multiple store closures, decline in population and tremendous loss of property valuation.

Economic Development is any activity that raises the overall wealth of the community by attracting new monies from outside of the community. Government's role in Economic Development is to facilitate and expedite private investment to attract investors and create certainty of time and process for projects. Investment capital investment is drawn to certainty and stability.

The Council directed that an Economic Development Strategic Plan be developed which found:

- Strengths/Opportunities-Location along I-40 Interstate, BNSF, Route 66, and the Colorado River.
- Weakness/Threats-Location next to states with better taxing structures, development permitting requirements, small population, and isolation.
- Property Values dropped \$45M from 2008 –2016
- Demographics:
 - From 1970 to 2010
 - Needles did not grow
 - Havasu grew over 50,000
 - Bullhead grew 40,000
 - Mohave Valley grew 20,000
 - Laughlin grew 10,000
 - Disproportionate number of persons receiving government assistance,
 - Needles median household income is \$29,950 compared to SB Co. of \$42,875, and in excess of \$56,000 in CA,

- 17% of children live in poverty compared to 3-6% in communities nearby,
- 52% homeownership,
- Low value housing stock, and
- Aging Infrastructure

Economic Development Strategic Plan requires:

- Singularity of action which involves stakeholders operating in collaboration,
- Clean up the community,
- Low crime to attract new residents,
- Support existing businesses by attracting visitors,
- Attract new businesses by attracting new residential growth,
- Assure full range of health care services,
- Recruit new retail,
- Market the very low utility rates to utility dependent industries, and
- Support high performing k-12 and community college education and workforce training.

Retail:

- Secured 99 Cent Store in vacant Bash's space,
- Secured Dollar General,
- Relocated Amtrak,
- Secured Route 66 Auto, and
- Secured Colorado River Liquor

2015 Council Goals

- Assure Long Term Fiscal Stability
 - Maintain Balanced Budget and Cost Control
- Increase Economic Development
 - Attract Renewable Energy Enterprises
 - Increase Route 66 Tourism
 - Establish Inland Port and Other Intermodal Opportunities
 - Double Population
- Increase Responsiveness of City Hall
 - Streamline Development Process Reducing Red Tape and Decrease Costs
- Improve Transportation
 - Improve Rt. 66, I-10, No. Needles Highway, and U.S. 95
 - Develop Infrastructure Capital Improvement Program
- Regional Cooperation
 - Work with San Bernardino County and Other Tri-State Entities
 - Work with the Fort Mohave Indian Tribe

The Plan is Producing Results

- Population Growth
 - 2010-14 grew 6 people
 - 2014-16 grew 123 people
- Sales Tax Same Store Sales Q4 2015 to 2016
 - CA 1.5%
 - LA Co 1.2%
 - Orange Co 1.2%
 - Riverside Co 3%
 - SD Co 2.6%
 - Imperial Co -12.5%
 - SB Co 1.4%
 - So Cal 1.4%
 - Needles had the highest Q4 2015-Q4 2016 growth (22.4%) in San Bernardino County, 7 jurisdictions had negative growth.
 - 4 year trend of 16% increase
 - Growth in
 - Fuel
 - Food and Drugs
 - Auto and Transportation
 - Business and Industry
 - General Consumer Goods
 - Building and Construction
- Household Income is up 5.8% 2015 -16
- Transportation projects
 - I-40/J Street Interconnect,
 - North Needles Highway reconstruct,
 - Coronado Street overlay
 - Safe Routes to School and Block Grant Sidewalks,
- Bill Yoney Substation replacement for Bush Street Substation
- Route 66 Marketing Plan has been completed,
- New National Monuments creates opportunities

Greatest Opportunities

- Medical Marijuana Cultivation: If, If, If.....
 - Revenue from a 22,000 square foot cultivation building
 - \$9-15M gross revenue cultivation building generates \$900,000 in Business Development Tax
 - 20-25 workers building,
 - \$18-25/hour means \$780,000 in new payroll,
 - 40 construction jobs over 4-6 months to construct the building with employees needing overnight and meals, and
 - \$4-5M valuation with new property taxes.
 - 9 projects already approved will add \$19M in new valuation.
 - Projects with applications under review will add \$125M in new valuation
 - Others with applications in preparation will add another \$300 – 500M in new valuation.
 - New Revenue Enables
 - Ability to repave every street in town,
 - Replace every water line,
 - Replace every sewer line,
 - Improve parks and recreation facilities,
 - Improve public buildings including the El Garces,
 - Further upgrade the electric system,
 - Establish a housing rehabilitation assistance fund to rehabilitate 100 homes in 5-7 years. and
 - Enhance Public Safety
 - 2016 crime data shows;
 - 4:49 – 3:49 response time drop last year
 - 785 arrests last year, 16% of population!
 - 400% increase in illegal drug use arrests

- 130% increase in assaults 48% were domestic
 - Similar increases statewide due to prison population reduction and downgrading felony offenses to misdemeanors.
 - Law enforcement strategy must be to make it uncomfortable for criminals to be in Needles
- New obligations created by medical marijuana industry:
 - Code Enforcement must assure full compliance at all times,
 - Code Enforcement, Finance, Water and Electric staff increases,
 - In-house City Engineer, City Planner, and Building Official, and
 - Additional law enforcement focusing initially on youth drug prevention and intervention.
- New housing is needed to capture new families:
 - New housing will attract new retail,
 - 3500 home builders in tri state have been contacted about:
 - Inactive subdivisions,
 - Vacant lots,
 - Dilapidated housing demo/rehabilitation, and
 - New Multi-family.
- New industry recruitment is needed;
 - High utility users such as cold storage, server farms, plastic injection molding, etc.
 - PG&E remediation project will create 100 construction jobs for the next 5 years and 30-50 long term operations personnel,

- Park Moabi has notified the City that they can double their operation with an upgrade in power availability, and
- Jack Smith Park area represents new tourism related and housing opportunities.

- New retail discussions
 - Hotel,
 - Denny's RE,
 - J Street Shopping,
 - Motel 6 Remodel, and
 - Grocery.

Conclusion

There is now reason for optimism for this community with new jobs, housing, and retail opportunities if we adjust our eyes up to the horizon, and we work in collaboration and cooperation with our public agency partners and citizenry.

April 2017



**City of Needles
California**

Capital projects STATUS

- ❖ **Bill Yoney to Cure Farms Substation Intertie Project** The Project Plan has been finalized and approvals from Utility Board and City Council have been received. Engineering has received permits to cross Interstation 40 & BNSF Railroad. Materials have been ordered. Outsource Utility Contractors has initiated the construction. The crew has been working on Needles Hwy between Broadway and K Street to relocate and install power poles to be in line with the I-40 project as well as the intertie project.

- ❖ **ATP Sidewalks Project** This is in design. The project will replace or add sidewalks on portions of Lilly Hill Drive, Bailey Ave, Washington St, Park Ave, Highland Street, L Street, W. Broadway, Cibola St and E. Broadway.

Design is 75% complete as of 03/01/2017. Design has been submitted to the City for review. City Staff, has reviewed and made comments and has been returned to City Engineer for corrections. Corrections will be made by the contract engineer and be sent to Cal-Trans for their review than advertisement will be conducted in July or August 2017, Council award in September and construction beginning in October 2017.

- ❖ **Measure I – Reconstruction** of Coronado from J Street to Peru St. This project has been surveyed and design is at 100%. The city completed utility review & has returned to the City Engineer who will deliver final drawings & specifications for bidding April 2017. Advertising is scheduled for April 26th, Job Walk – May 9th, Open Bid May 18th. Construction to begin in early June.

- ❖ **C.D.B.G. Sidewalks** – Sidewalk improvements on N. Bailey Ave & South side of Washington Street near the schools is ready for bidding. Scheduled bidding process to be advertise April 26th, Job Walk – May 9th, Open Bid May 18th. Construction to begin in early June.

- ❖ **Sanbag TDA Article 3 Transit** Bus Stop Access Improvements is being added to the ATP sidewalks project which is scheduled to be out to bid in August 2017.

- ❖ **Lillyhill Booster Rehab. – Phase I:** Involves moving the Electrical Panel outside of the existing small building as it is currently a Confided Entry situation. This project has been forwarded to the city engineer for final design of the Cabinet Replacement & Radio Controls. This project will be out to bid May 17th, Job Walk – May 30th, Open Bid June 8th. Construction to begin in early July.

- ❖ **I-40 Connector Project** – Construction is over 50% complete. Pavement on Broadway between L Street & J Street has been completed, as well as J Street from Third Street to Broadway. These streets should be open as soon as temporary striping is put in place. The railroad overpass will be receiving a 2-1/2" asphalt cap. The remainder of Broadway and Needles Highway will receive a complete grinding, base, compacting and pave with 5-1/2" of asphalt. Completion is estimated to be completed in late May.

❖ **K Street Lift Station** – This project is currently awaiting Capital Project funding availability. Design has been 75% completed and will be ready for bidding once sufficient funds in the Wastewater Asset Replacement Fund are available. The City is moving forward with property purchase to get the new lift station out of the Right-of-Way of North K Street. This project will be out to bid May 17th, Job Walk – May 30th, Open Bid June 8th. Construction to begin in mid-July.

❖ **Rio Buena Vista Subdivision Utilities Upgrade Feasibility Study** – Feasibility Study for is complete and accepted by the Utility Board and City Council. The report concludes that it will take a \$10,000 deposit to begin the Special District formation process for Water & Sewer services; Streets will be excluded. A resident survey is being conducted the letter will and be sent out to the residents in late April.

❖ **North Needles Hwy Project** – This project is being completed by the county of San Bernardino. This project is bid award is scheduled for the County Board of Supervisor the second meeting in May 2017. Construction will be starting July – August 2017. This project begins at Broadway Ave & Needles Hwy (where the City's I-40 project is currently working) and will extend to the West on Needles Hwy and end 600' North of I-40 entrance / exit ramps.

❖ **Rebuild River Road Sewer Lift Station** – This project is being done by the City Crews with additional help of Contractor ESUI for labor. City has purchased Sump Pumps & New Wet Well to install at location. Construction is about 80% complete, but awaiting some parts. Should be completed before the end of May.

❖ **Firehouse Substation**

Capital Improvement project to build the second Electric Substation on Needles Hwy on the old bowling alley site. Location is North of I-40 freeway entrance / exit near Balboa Place & Needles Hwy. This will be an exact duplicate of the Bush Street substation later renamed Bill Yoney Substation that was just completed. The new substation is being privately funded.

This substation will be phase in 6 phases; Phase 1 – Entitlements & Permits, Phase 2 – Grading, Phase 3 – Fencing, Phase 4 – Concrete, Phase 5 – Material Purchase & Phase 6 – Contract Labor.

This project status is at Phase 1, Design & Permits. Approvals were presented at the Board of Public Utilities 03/28/2017 & City Council 04/18/2017. Construction will be initiated upon receipt of developer funds sufficient to construct.

❖ **Cure Farms Substation**

Capital Improvement project to build the third Electric Substation on East of E. Broadway Ave near Ice Plant Road behind the 99 cents shopping center. This will be an exact duplicate of the Bush Street substation later renamed Bill Yoney Substation that was just completed. The new substation is being privately funded.

This substation will be phase in 6 phases with; Phase 1 – Entitlements & Permits, Phase 2 – Grading, Phase 3 – Fencing, Phase 4 – Concrete, Phase 5 – Material Purchase & Phase 6 – Contract Labor. This project status is at Phase 1 – Design & Permits. Approvals were presented

at the Board of Public Utilities 03/28/2017 & City Council 04/18/2017. Construction will be initiated upon receipt of developer funds sufficient to construct.

- ❖ **Electric Transmission (Mohave) Line Re-Build** Project cost estimating is underway. Project will not be undertaken until sufficient deposits are available.

- ❖ **230 kV Transmission Line.** An RFP for a public-private-partnership was issued with two proposals were submitted. Those are under review. The NPUA is also considering a WAPA loan, rate proceeds from new businesses, and working with the Bureau of Reclamation for their construction. Project will not be constructed until a financial plan is prepared and approved.

Projects Completed

- ❖ East End of El Garces Floor
- ❖ S Street C.I.P.P. Lining
- ❖ Golf Course Cart Barn
- ❖ Turf Removal Project
- ❖ City Public Works Fencing
- ❖ Bill Yoney Substation – Staking, Grading, Fencing, Concrete & Assembly

Projects Added

- ❖ Rebuild River Road Sewer Lift Station
- ❖ Firehouse Substation
- ❖ Cure Farms Substation
- ❖ Electric Transmission (Mohave) Line Re-Build
- ❖ 230KV
- ❖ Bill Yoney Substation to Cure Farms Substation