

PRESCOTT CITY COUNCIL
COUNCIL JOINT STUDY
SESSION/SPECIAL MEETING
PRESCOTT, ARIZONA
JULY 18, 2006

A JOINT STUDY SESSION/SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, JULY 18, 2006, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Mayor Simmons opened the meeting at 3:00 P.M. and asked City Clerk Elizabeth Burke to call the roll, which was as follows:

Present:

Mayor Simmons
Councilman Bell
Councilman Blair
Councilman Lamerson
Councilman Luzius
Councilman Roecker
Councilwoman Suttles

Absent:

None

□ SUMMARY OF CURRENT OR RECENT EVENTS

Manager Steve Norwood wanted to clarify the project to bring water from Paulden to Prescott had been estimated a couple of years ago at \$80 million; that figure was an engineer's estimate based on limited information and over the past 18-24 months construction costs have increased from 30-50%; it wasn't known if the water would need to be treated to bring down arsenic levels; or how much it would cost to have electric power brought in for the project (\$6 million); and there would be at least \$30 million in contingencies that were factored in for inflation and cost increases. The projected cost of \$170 million was a big number and he knew everyone was suffering sticker shock.

I. PROCLAMATIONS:

A. July 2006 as *Sister City International Month*

Mayor Simmons read the proclamation and presented it to Bob Greninger of the Prescott Sister City Organization.

Bob Greninger thanked the Council for the proclamation and added there were 50 Caborcans arriving this week to spend the weekend in Prescott; it was the 50th

anniversary of Sister City International; the Prescott Sister City organization was formed in 1972 and was one of the most active in the country.

II. PRESENTATIONS:

A. Introduction of newly-promoted staff of Prescott Police Department

Police Chief Randy Oaks thanked Council for supporting their budget requests and the opportunity to reorganize the department and introduced those members of his staff that had been recently promoted. They were:

- Mike Kabbel was promoted to Deputy Chief and would command the Support Division; he had been with the department 16 years and wasn't in attendance today due to the birth of a baby boy this morning.
- Lieutenant Andy Reinhardt had been with the Mesa Police Department for 21 years and was the only appointment from the outside; he would serve as Patrol Bureau Commander.
- Kevin Perlak was promoted to Sergeant and had been with the City for 11 years.
- Jon Brambila was promoted to Sergeant; had been with the City for 7 years and would run the newly created Training/Recruiting Bureau.
- Jeff Hemphill was promoted to Sergeant; had been with the City for 12 years and would run the Patrol squad.
- Three Supervisors were promoted within the Regional Communications Center – Vivian Marcott who had been with the City 10 years; Gail Hosea who had been with the City 3 years; and Yasmine Sealy who was a new employee.

III. DISCUSSION ITEMS

Mayor Simmons announced Item N was being removed from the agenda and they were moving Item I to the beginning of the agenda.

Item I was presented:

I. Approval of Final Plat for Lakeview Plaza, comprising 13 lots on approximately 14.25 acres, located South of Willow Creek Road and Willow Lake Road intersection, FP06-009.

Community Development Director Tom Guice presented the (Subdivision Exception) Final Plat of Lakeview Plaza; at the time of Preliminary Plat access

points were a primary concern; there would be three accesses off Willow Creek Road, another off Willow Lake Road and access off Mogollon Road; the Final Plat would act as the plat of dedication and abandonment for right-of-way abandoned by the City on Willow Creek Road in exchange for land on Mogollon Road for increased right-of-way for the City; the property was initially zoned in the late 1980's; the project was consistent with the General Plan and the Willow Lake South Area Plan; the developer requested a waiver to subdivision requirements for a grading and drainage plan and this was a reasonable request for a commercial development.

A. Approval of Participating Library Agreement with Orme School for purposes of sharing library resources and automation services as provided by the City and the Yavapai Library Network.

Recreation Services Director Jim McCasland explained the Orme School wished to join the Yavapai Library Network and would join 39 other libraries already in the network; all paid their appropriate share of the costs for the network.

B. Approval of recommended expenditure of Acker Trust funds to Yavapai College Artists in Residence Program \$10,000; Prescott Symphony Guild – Music Memory Program \$1,235; Prescott Fine Arts Association – Scholarship Competition \$4,900; Tsunami on the Square \$1,900 and the Elks Opera House Foundation \$5,100.

Recreation Services Director Jim McCasland explained the Acker Trust Board received grant applications each year from music organizations for use of Acker Trust funds; all applicants made presentations to the Acker Trust Board and the Board would make their recommendations to the Council.

The organizations and amounts being recommended by the Board were:

Yavapai College Artist in Residency Program	\$10,000
Prescott Symphony Guild – Music Memory Program	\$ 1,235
Prescott Fine Arts Association – Scholarship Competition	\$ 4,900
Tsunami on the Square	\$ 1,900
Elks Opera House Foundation	<u>\$ 5,100</u>
	\$ 23,135

Mr. McCasland continued the Yavapai College Artists in Residency Program brought artists into the schools where they would hold workshops and children also went to the college to listen to performances; the Music Memory Program provided the money to buy tickets for local children to attend performances; the Prescott Fine Arts Association had a scholarship program and the money was used for music lessons or other music related activities; Tsunami on the Square would provide at-risk children with musical education and this was their first application for a grant; the Elks Opera House would hold musical events with

performances by and for local children and the funds paid the cost of having the event in the Elks Theatre.

C. Adoption of Ordinance No. 4546 - An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona approving a ground lease with WLD L.L.C. on .9 acres of airport property for an aircraft storage hangar development.

Airport Manager Rick Severson explained the ground lease was a 25-year lease with one 10-year option, for the construction of one 23,500 square foot hangar building containing nine hangar units for aircraft storage and the value of improvements was estimated to be \$1 million; the proposed rate for the lease was 42 cents per square foot per year with annual CPI adjustment.

Councilman Roecker asked if there was anything in the lease regarding environmental impacts during the lease of 25 years and Mr. Severson responded they were responsible for cleaning up any spills and any hazardous waste.

D. Adoption of Ordinance No. 4547 - An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona approving an aviation ground lease with Neil W. Kleine R.L.T. on .2778 acres of airport property for an aircraft storage hangar development.

Airport Manager Rick Severson explained this lease would have the same terms and conditions as the lease with WLD, L.L.C., and the value of improvements was estimated to be \$406,000 for the construction of one 7,200 square foot hangar for aircraft storage.

E. Approval of issuance of a purchase order in the amount of \$410,730.20 to Mohave Educational Services Cooperative for design and construction of the Water Production/Distribution Warehouse, to be accomplished by Centennial Contractors Enterprises, Inc., utilizing the job order contracting process.

Public Works Director Craig McConnell explained this project was budgeted in the Capital Improvement Projects; services provided by this contract were the design and construction drawings, construction of the building and supervision of the process; City employees would do some of the work such as utility lines; the City would pay the impact fees; and delivery time on the building was 180 calendar days; Ron Miller was the project manager for this project.

Councilwoman Suttles asked if an existing building was being taken down on Sundog Ranch Road and Mr. McConnell responded this was a new 6,000 square foot steel engineered building that would be put on a vacant lot next to the blue City building on Sundog Ranch Road; and this building would be beige.

Councilwoman Suttles asked the use of the warehouse and Ron Miller explained the Fleet Maintenance Building was being expanded and this new building was intended to allow the water department to move their warehouse facility and functions to the Sundog Ranch Road location and be out of the way of the new Fleet Maintenance building.

F. Approval of Amendment No. 1 to Contract #2005-231 with Black & Veatch Corporation in the amount of \$5,924,588.00 for Phases II (Preliminary and Final Design) and III (Construction Contract Bidding and Evaluation Services) for the Big Chino Water Delivery Pipeline, Paulden Pump Station, Chino Valley Water Production Facility Modifications, and Intermediate Storage Tanks Project.

Jim Holt, Project Manager for the Big Chino Water Ranch, explained this item was Amendment No. 1 to the Black and Veatch contract to begin Phases II and III of the project.

Phase II would include:

- Preparation of the preliminary and final design plans;
- Approximately 30 miles of pipeline from Big Chino Water Ranch to Chino Valley Water Production Facility;
- A new Highway 89 pump station;
- A new combined Prescott and Prescott Valley pump station at the Chino Valley Water Production Facility with a new five-million gallon steel water storage reservoir;
- A new pump station and two new three-million gallon steel reservoirs at the intermediate pump station and reservoir site in Prescott;
- The conceptual design for 24" water transmission pipeline which will connect the Chino Valley Water Production Facility to the Prescott Valley Regional Water Transmission Pipeline located south of the Chino Valley.

Phase III would include:

- Assisting the city with the preparation of the construction bidding package and construction contracts.

Other information provided:

- The City of Prescott was a 51.4% partner in this project; Prescott Valley was a 45.9% partner.
- There were four phases to the project –
 - Phase I – Conceptual design; cost estimates; project management, coordination, and communications was complete.
 - Phase II – Preliminary and final design; Construction documents; costs estimates; environmental and other permitting; right-of-way

mapping and descriptions; project management, coordination, and communications.

- Phase III – Advertisement for construction bids and evaluation for award.
- Phase IV – Construction project management, coordination, and communications; certifications.
- Phase II and II tasks were to be completed by January 2008.
- Funding was available for Amendment No. 1 in the amount of \$5,924,588.
- City of Prescott share of the costs was \$3.2 million; Prescott Valley share was \$2.7 million.
- A scope of work and schedule of work was included in the packet.

Councilman Blair asked where the new pump station and two new steel reservoirs would be located and Mr. Holt replied they were looking at a location at the intersection of Willow Creek Road and Pioneer Parkway on the northwest corner of the intersection and were currently in discussions with the land owner; and there was an existing APS substation at the site also.

Howard Mechanic, 309 Bloom Place, commented the City was in violation of the Endangered Species Act and the effects of water pumping wouldn't be seen in the study. He didn't oppose the purchase of the ranch and thought it was the prudent thing to do. He agreed the City needed to import water into the Prescott Active Management Area to reach safe yield. The question was the environmental impact of the project and how it affected the Upper Verde River. The study done by the late Laurie Wirt showed water in the Upper Verde came from the Big Chino and pumping would affect the Verde River. No one knew the effect on the ecosystem.

Mr. Mechanic asked what the rush was to proceed; more information was needed regarding the effects of the project; the City had 2,000 acre feet in their alternate water source account and urged the Council to wait and not approve the \$6 million contract today; Prescott Valley was notified by the State of Arizona they were approved for 2,700 acre feet of water credits which was more than Prescott had and encouraged the City to use the money elsewhere and not build the pipeline until it was needed.

Mayor Simmons responded saying there were goals the City wanted to reach by 2009; there were some people who didn't want to see the City build the pipeline; if the City waited two or three years the costs would increase as was evidenced by the increase in other City projects over last 3 or 4 years.

Councilman Roecker commented the City should stay on schedule and do what was best for the community.

Leslie Hoy, 1880 Coyote Road, said she was not against the pumping but worried about the effects on the Verde Watershed; no one had seen a mitigation plan as yet and it would be prudent not to spend \$6 million without a mitigation plan in place; no one at this point knew if the pipeline would ever be finished or whether water would be pumped into it; she understood the costs of construction were going up, but before spending the money the City should have a public forum for discussion.

Jim Lawrence, 345 High Chaparral Loop, commented the increased costs of the pipeline project were disclosed last week and the reason for the pipeline was to reach safe yield, but he asked how much of the water would be going to safe yield and if the City could afford to reach safe yield; it wouldn't be impact fees paying for it; no one knew the costs of mitigation and the City might not be able to pump any water at all; there were still a lot of unanswered questions.

Mr. Holt responded as soon as the alternative water sources were available the City should be able to move forward.

Councilman Roecker added the City was drilling wells to measure the impacts and no one knew what the impacts of pumping would be; the proper steps would be taken to mitigate at the proper time.

Mr. Holt clarified there were only two groundwater models that could give the City the information needed and new monitoring wells were being drilled.

G. Approval of Final Plat for 6th Street Condominiums Warehouses, 85 units in 10 buildings on 9.9 acres, FP06-001.

Community Development Director Tom Guice explained the Final Plat was for an industrial subdivision of 4.85 acres containing 9 separate buildings providing 49,152 square feet within 80 individually owned tenant spaces and was located at the terminus of Navajo Drive and Sixth Street terminus.

H. Approval of Site Plan for the Shops at the Boulders consisting of 38,000 square feet of commercial buildings on 5.58 acres, located at the northwest corner of Willow Creek Road and Gail Gardner Way, SI05-003.

Community Development Director Tom Guice explained a development agreement existed that required the site plan to be brought to Council for review; the project was in the Willow Creek Overlay District; a request to waive the Residential Protection Standard due to an existing subdivision open space which served as a buffer and would allow placing the building closer to the property line shielding the residents of the subdivision from the visual effects of the activities and having to look at the back of the buildings; the waiver was an administrative action but staff wanted Council to be aware of the request; a berm would e

required; the Planning and Zoning Commission voted unanimously to approve the site plan.

Council comments:

- Better to tuck the building back into the property and waive the Residential Protection Standard.
- Concerns over blasting and giving the neighbors protection.
- Noise from unloading trucks and parking lot cleaners.

Don Wigal, 1639 Morning Stone Drive, wanted to address noise and said Wal-Mart cleaned their parking lot about midnight and continued until early morning; Chili's Restaurant was coming in as part of this new development and would bring in large trucks between Midnight and 7:00 A.M. and Council should take into consideration the noise ordinance; noise from cars wasn't a problem but there should be a regulation or reference in the noise ordinance to this type of activity; he liked to sleep at night. Mr. Wigal suggested placing CC&R's on the development.

Mayor Simmons asked Manager Steve Norwood if the City was reviewing the noise ordinance and Mr. Norwood responded staff was looking at nuisance types of things and motorcycles, but it was in the very preliminary stage.

Jason Gisi, representative, commented there would be less blasting of his site, and wouldn't be as much as the Wal-Mart blasting because testing showed they were in an older formation of granite and he thought the majority of excavation could be done by a trackhoe; there would be some blasting in the harder rock and they would work with the Homeowners Association when the blasting would be done and they would perform pre-blast surveys on the homes in the area; they wanted to be cooperative with the neighborhood.

Mr. Gisi continued Chili's would be the anchor tenant on the corner and the pad in the far north corner that abutted to the commercial building was a dental office; there would be two shop buildings in the middle and possibly another restaurant; there was no drive-through freight lane in the back and no loading docks; there were small wings on the end for delivery trucks that would use handtrucks to go in and out of the restaurant. He agreed to consider taking a look at placing CC&R's on the property.

Mr. Guice concluded saying this wasn't final approval and the site plan review was a condition of zoning; there would be another opportunity for Council to see the final plat.

- I. Approval of Final Plat for Lakeview Plaza, comprising 13 lots on approximately 14.25 acres, located South of Willow Creek Road and Willow Lake Road intersection, FP06-009.**

Item I was discussed at the beginning of the meeting.

- J. Approval of Final Plat for Cloudstone Unit III, Phase 1, consisting of 52 lots on 41.24 acres located south of Rosser and west of Blooming Hills Drive, FP05-023.**

Community Development Director Tom Guice explained the Final Plat was significantly changed from the Preliminary Plat; the preliminary plat contained 80 townhome units and 16 large estate lots; the Final Plat contains 52 lots for single family homes; the amount of grading was reduced and there was close to 40% open space which included a public trail easement.

Councilman Blair asked about the significant changes and Mr. Guice responded they were in the design of the subdivision, but the roadways had not changed and the Planning and Zoning Commission had recommended approval of the Grading and Landscape Remediation plans with conditions and staff would monitor the plantings.

Councilman Luzius asked about the roadway grades and when a traffic light would be installed. Mr. Guice replied the developer had requested a waiver of the grade which was approved by Council and a traffic light would be installed when warrants were met.

- K. Approval of Preliminary Plat for Cloudstone Unit III, Phase 2, comprising 23 lots on 10.53 acres located south of Rosser and west of Blooming Hills Drive, SP05-005.**

Community Development Director Tom Guice explained this was the Preliminary Plat for Cloudstone, Unit III, Phase 2 and was a Planned Area Development; the Planning and Zoning Commission had vote 6-0 in favor of approving the plat with conditions of approval for the grading and landscaping plans; the plat was in compliance with the General Plan and Willow Lake South Area Plan; and the Land Development Code required 25% open space and this plat showed 29%.

Paddie Braden, 1755 Pacific Avenue, welcomed the new neighbors and hoped they wouldn't see the amount of grading as in the first phases; they would all share Rosser Street and Blooming Hills Drive and looked forward to a light at that intersection.

Councilman Luzius asked when Blooming Hills Drive would connect with Highway 89 and Terry Clayton, development representative, responded they

didn't control any property to the south of their subdivision and he didn't know when it would connect.

- L. Award of CDBG construction contract to T & T Glass & Mirror for window replacement at the West Yavapai Guidance Clinic, 642 Dameron Street in an amount not to exceed \$10,241.42 (CDBG #138-05).**

Grants Administrator Linda Hartmann explained the award of this bid would complete the CDBG grant; there was \$11,691.14 left to cover the cost of window replacement; this was the third time this project was bid and one bid was received from T & T Glass and Mirror in the amount of \$10,241.42; staff was recommending the award of this contract.

- M. Adoption of Ordinance No. 4548 - An ordinance of the Mayor and Council accepting the dedication of a public sewer easement on a parcel south of Northridge Drive and west of Blooming Hills Estates.**

Councilman Luzius declared a conflict of interest as his wife was employed by Carrington Homes.

Item N was removed from the agenda (it was less than \$20,000 and didn't require Council approval)

- N. Award of bid for purchase and delivery of bread products for the Manzanita Grille at Antelope Hills Golf Course, in an amount not to exceed \$10,000.00.**

- O. Public Hearing (July 25) and consideration of a liquor license application from Jana Lynn Harris, for a new Series 7, *Beer and Wine Bar*, License for The Big Easy located at 141 North Cortez Street.**

Clerk Elizabeth Burke explained the public hearing would be held next Tuesday, and the business was changing the Series of liquor license; it currently held a Series 10, Beer and Wine Store license which allowed consumers to purchase beer and wine for consumption off premises and the new application was for a Series 7, Beer and Wine Bar license, which would allow customers to consume beer or wine on the premises in addition to off-premises.

- P. Public Hearing (July 25) and consideration of a liquor license application from Jason Barclay Morris, Agent for Arizona CVS Stores, L.L.C., for the Person Transfer of a Series 9, *Liquor Store*, License for CVS/Pharmacy #9343 located at 506 Miller Valley Road.**

Clerk Elizabeth Burke explained the public hearing would be held next Tuesday; the CVS/Pharmacy store was the Osco Store on Miller Valley Road; the business was changing names as well as an agent change.

- Q. Appointments (July 25) to the Advisory & Appeals Board, Board of Adjustment, Fire Board of Appeal and Prescott Preservation Commission.**

Clerk Elizabeth Burke explained four of the City boards had member terms expiring and all of the members requested to be reappointed.

- R. Approval of Minutes of the Prescott City Council Workshop of July 11, 2006, and the Prescott City Council Study Session/Voting Session of July 11, 2006.**

- S. Selection of items to be placed on the Consent Agenda for the Regular Meeting of July 25, 2006.**

Councilman Roecker presented the Consent Agent – Items A, B, C, D, E, G, I, J, K, L, and R.

IV. ADJOURNMENT OF STUDY SESSION

There being no further business to come before the Prescott City Council at their Study Session, Mayor Simmons ADJOURNED the meeting at 4:42 P.M.

SPECIAL MEETING

- I. Call to Order

Mayor Simmons called the meeting to order at 4:50 P.M.

Councilwoman Suttles MOVED TO RECESS into Executive Session, which was SECONDED by Councilman Roecker. The motion passed unanimously. The Prescott City Council recessed into Executive Session at 4:50 P.M.

II. Executive Session:

A. Discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property, pursuant to A.R.S. §38-431.03(A)(7)

1. Open space property located in the general vicinity of the Granite Dells area.

III. Adjournment of Special Meeting

There being no further business to come before the Prescott City Council at their Special Meeting, Mayor Simmons ADJOURNED the meeting at 5:00 P.M.

ROWLE P. SIMMONS, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session/Special Meeting of the City Council of the City of Prescott, Arizona held on the 18th day of July, 2006. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2006.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk