

PRESCOTT CITY COUNCIL
REGULAR COUNCIL MEETING
PRESCOTT, ARIZONA
AUGUST 29, 2006

A REGULAR MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, AUGUST 29, 2006, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Mayor Simmons opened the meeting at 3:00 P.M. and asked Councilman Lamerson to lead the Pledge of Allegiance.

Mayor Simmons 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

Nothing was presented.

I. PUBLIC COMMENTS:

A. Warren Parkes re Upcoming Air Show.

Mr. Parkes presented a preview of the Arizona Skyfest 06 events, stating that he expected a turnout of 20,000 to 25,000 spectators which would be higher than the 18,000 that turned out for last year's event which was held in October. There would be more parking available this year; there was lots of things for children and adults to see and do and kids 12 and under could get in free while adults paid \$10 if purchased before the event, or \$12 at the gate. Two pieces of Dave Neuman's artwork would be raffled off and the money would go to Math and Science classes in Prescott.

II. PRESENTATIONS

A. Introduction of new businesses.

Dave Maurer, CEO of Prescott Chamber of Commerce introduced the following businesses:

1. Lewis Marketing and Public Relations
2. Spires Bindery
3. Megling Graphic Design
4. Loan Emporium
5. DeLovely Cosmetic Apothecary

III. CONSENT AGENDA

Mayor Simmons announced Items D and J were being removed from the Consent Agenda.

Councilman Luzius MOVED to ADOPT the Consent Agenda, Items III-A through III-M, excluding Items D and J, which was SECONDED by Councilman Roecker. The motion carried unanimously.

- A. Authorize payment to Dell, Inc. in the amount of \$39,291.02 to purchase 33 new computers for the downtown library.**
- B. Ken Lindley Field Tennis Courts**
 1. Award playing surface bid in the amount of \$62,936.00 to General Acrylics.
 2. Award contract in the amount of \$30,188.00 to American Fence.
- C. Authorize staff to enter into a contract with 3D/International for design and construction services of a ten-acre park in an amount not to exceed \$781,000.00. (per Mohave Educational Services Cooperative)**
- D. Removed from Consent Agenda**
- E. Adopt Ordinance No. 4550 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting the granting and dedication of certain streets and public rights-of-way within the Heritage Subdivision, as public roadway.**
- F. Authorize purchase of an aerial lift (bucket) truck for street maintenance and operations from Terex Utilities in the total amount of \$61,968.00 as detailed by their proposal dated August 2, 2006.**

- G. Approve contract/agreement with Sigma Communications Reverse 911 for the purchase and installation of Reverse 911 hardware and software in the amount of \$57,962.72 under GSA Contract #GS-35-F-023S.**

- H. Willow Creek Heights Subdivision:**
 - 1. Adopt Ordinance No. 4552 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the zoning of that certain property described as Parcel No. 106-20-23 located north of Lakeview Drive and west of Broken Spear from SF-35 to SF-18 in the City of Prescott.**

 - 2. Approve Preliminary Plat for the Willow Creek Heights Subdivision, creating five lots on five acres located at 748 South Lakeview Drive (SP06-005).**

 - 3. Approve Water Service Agreement for 1.40 acre feet with the Benson Family Trust for the Willow Creek Heights Subdivision, located at 748 South Lakeview Drive.**

- I. Approve replat revising a portion of Tract C, Prescott Airpark, Unit II, creating two lots from one, located at 6737 Corsair (RE06-022).**

- J. Removed from Consent Agenda**

- K. Award contract with Empire Machinery in the amount of \$44,327.26 to repair the D-9 Bulldozer for Solid Waste.**

- L. Adopt Resolution No. 3770 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into an amendment to an Intergovernmental Agreement with Yavapai County, amending Contract #95,099, and Resolution No. 2815, to provide for relocation of the County’s Waste Tire Collection Site to City property specified in this amendment to the IGA, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.**

- M. Approve Minutes of the Prescott City Council Study Session of August 1, 2006, the Prescott City Council Regular Meeting of August 8, 2006, and the Prescott City Council Study Session of August 15, 2006.**

Mayor Simmons presented Item D for consideration:

D. Authorize issuance of purchase order to Mohave Educational Services Cooperative in the amount of \$189,809.37 for construction of sidewalk enhancements along the north side of Goodwin Street between McCormick Street and Summit Avenue

Councilman Luzius asked the following questions:

- Where did the money come from to pay for the 8 decorative lamps at \$200 each and the \$10,000 for the installation, for a total of \$26,000?
 - Mr. Nietupski responded the funds would come from the 1% Sales Tax.
- There was no decorative lighting between Granite and McCormick Street, why put them between McCormick Street and Summit Street?
 - Mr. Nietupski replied this was an extension of the downtown enhancement project and McCormick Street and Goodwin Street would be addressed in the future.
- Why not consider the lighting as off-site improvements instead?
 - Mr. Nietupski said the lights were put in by the City in past years and the City would pay for these as a continuation of the downtown project.

Councilman Lamerson asked if there was a benefit to putting in the decorative lights versus regular street lights and asked if they cost extra. Mr. Nietupski responded it was a priority of a previous Council to put in decorative street lights in the downtown area and lights would have to be put along there anyway. The City would have to pay APS to put in an intersection light that could cost \$3,000 on its own.

Councilwoman Suttles MOVED to AUTHORIZE the issuance of a purchase order to Mohave Educational Services Cooperative in the amount of \$189,809.37 for construction of sidewalk enhancements along the north side of Goodwin Street between McCormick Street and Summit Avenue, which was SECONDED by Councilman Bell. The motion passed unanimously.

Mayor Simmons presented Item J for consideration:

- J. Adopt Resolution No. 3761 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, rescinding Resolution Number 3582 and adopting a new resolution establishing and adopting a Council policy establishing application and review fees for annexations.**

Councilman Luzius questioned the reason for the original annexation fee of \$750 that had been adopted a year and a half ago but evidently wasn't what the Council really wanted. Now, he said, the amount suggested was \$25,000 and he asked if the amount could be adjusted.

Community Development Director Tom Guice responded the fees listed were only proposed but suggested the Council adopt the resolution as recommended at this time; it was difficult to estimate a fee as each annexation was different and the complexity of a development plan would vary; an annexation might be easy or very time consuming and staff would monitor the fees and in the future would suggest increasing or decreasing them.

Councilwoman Suttles MOVED to ADOPT Resolution No. 3761, which was SECONDED by Councilman Blair. The motion passed unanimously.

IV. REGULAR AGENDA

A. Homestead Subdivision:

- 1. Public Hearing (August 29) and Adoption of Ordinance No. 4551 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the zoning of that certain property located east of Senator Highway and West of Summer Field in the City of Prescott.**

Community Development Director Tom Guice reported the following:

- Today was the Public Hearing for the rezoning from SF-35 to SF-18 of approximately 18-1/2 acres located east of Senator Highway and west of Summer Field to be known as The Homestead;
- One acre already was zoned SF-12;
- The subdivision would consist of 36 lots on approximately 19-1/2 acres;
- A Water Service Agreement would be required for 12.5 acre feet to serve this subdivision;
- The Planning and Zoning Commission approved the rezoning and preliminary plat by a vote of 4-3.

- There had been opposition to the rezoning and the plat at higher density (36 lots) and the protests would require a supermajority vote of Council.

Councilman Blair asked what the zoning was on the surrounding properties before they were developed and Mr. Guice responded SF-35, 2 acre zoning.

Mr. Guice continued State Statutes required the City to do one of three things to notify the public of an upcoming public hearing, (1) advertise a legal notice in the newspaper, (2) post a notice on the property, or, (3) mail public hearing notices to all residents within 300 feet of property. The City did all three notifications, actually hand delivering the notices because of the change of date in Council meetings and notices were sent to residents outside the required area.

Carl Tenney, Agent for the property owners, Tenney Feed and Livestock Co., which were his brother and sister, Harold Tenney and Jeanine Tenney Brown, addressed the Council. He showed a map of the property which was bordered on the north by Acker Park, on the east by the Foothills Subdivision, on the south by unsubdivided property in the County, and on the west by Summit Pointe Estates.

Mr. Tenney continued that the Planning and Zoning Commission and City staff were recommending approval of the proposed plans; the plans had been revised following neighborhood concerns; an alternate access was included; brush on Nathan Lane had been cut and they had been responsive to traffic concerns.

Mr. Tenney continued, stating that the property had been continuously occupied by the Tenney Family since the 1920's and some of the land had been sold off over the years and the remaining 19 acres was left to be developed. Mr. Tenney showed an area map of the other subdivisions already established and those were SF-35 and rezoned when the subdivision was ready to be developed; the Tenney family was asking for a rezoning from SF-35 which would allow approximately 18 lots to SF-18 which would allow a total of 36 lots; the City had rezoned 11 times properties in the area that were SF-35 for a more dense zoning; the Foothills Subdivision received SF-12PAD which required open space and 87 lots were developed which dramatically changed the neighborhood; Summit Pointe Estates was also a PAD which provided open space on the east side of their parcel which was next to the proposed Homestead Subdivision.

Mr. Tenney listed the following facts:

- The Homestead would have 18,000 square foot lots.
- There was no market for acre size lots.
- The Homestead lot sizes were compatible with those around them and this was an infill project between two existing subdivisions.
- The street layout provided connectivity.
- The layout of the lots took into consideration the topography and the homes would be spread out on the property.
- They could provide defensible space.
- They would preserve 80 trees on the property.
- It was an attractive alternative to residents in the Foothills Subdivision for access to Senator Highway.
- There was ample open space in the neighborhood.
- Senator Highway and Mt. Vernon Avenue were considered minor arterials, as was Gurley Street.
- The traffic problems would exist whether the Tenney property were developed or not.
- They were the first to own property in the area and the last to develop and the development would not make a significant difference to the traffic situation; maybe 1%.
- The Water Allocation Committee had approved water to their subdivision and was on the agenda for approval. They would be capping four existing wells on the property.
- The neighbors who would speak today drove on Mt. Vernon, used the water, built their homes on small lots and he wasn't asking for anything they hadn't already done.
- They were only 1-1/2 miles from downtown and generally housing was denser close to town.

Mayor Simmons asked if the subdivision would have Covenants Conditions and Restrictions and a Homeowners Association and Mr. Tenney replied probably CC&Rs.

Mayor Simmons asked why the Tenney's opposed the Crystal Creek rezoning from SF-35 to SF-18 and Mr. Tenney replied his brother and sister went to the meetings and the developer wanted 9,000 square foot zoning and his sister wanted to keep the name Nathan Lane and they had agreed, but then didn't do it.

Councilman Lamerson had a concern with increased traffic on Senator Highway and said he had trouble supporting the doubling in density on an already troubled road; he appreciated the opportunity and the Tenney's willingness in giving up their wells, so water wasn't an issue; it was the traffic that concerned him.

Carl Tenney responded the problem had been developing over many years and the Southeast Prescott Circulation Study would soon be started; The Homestead was a small part of the problem and the City would have to deal with the problems whether the Tenney's developed their property or not.

Mayor Simmons announced he had told a gentleman on the 15th who asked to speak to send him a letter and Councilman Luzius would read it into the minutes.

Letter from Kevin Tighe, 249 S. Virginia Street –

“Dear Mayor Simmons,

As I am unable to attend the Council meeting of August 29th I am forwarding my comments regarding the Tenney family request for a zoning change to the Council to be read into the record during the meeting. I respectfully request that my comments be read by councilman Luzius.

My name is Kevin Tighe. I am a resident of South Virginia Street and owner of three houses in the southernmost block of S. Virginia St. I have tried through the proper channels to have the traffic problems of our street addressed by the city for over two years. I have had no success to date. I am unable to attend the meeting because I am speaking at a conference in the Austrian Alps. Ironically the subject I am speaking on is the failure of democracy in the United States and the inaccessibility to power of ordinary citizens. I thank you for giving me such an easy example of my point to use as an illustration for my audience. Though my focus is on Federal issues, the same dynamic exists at the local level.

There were many of my neighbors also in attendance at the August 15 meeting and we were all led to believe we could have our comments heard during that meeting. I requested one minute of the council's time to hear my input, but was denied. Is this democracy in action?

For years the residents of S. Virginia Street have had to grapple with the rumors and proposals that an extension of S. Virginia St to meet Senator Highway was inevitable as a solution to the traffic woes of the residents of Mount Vernon Avenue. At the root of these proposals is the assumption that the rights and peace and quiet of those residents are more important than the rights and peace and quiet of the residents of S. Virginia St. Do the wealthy get priority in these decisions? It appears that way to us. It may not be so, but appearances are everything.

The re-zone request will enable one family, the Tenneys, to benefit while hundreds of Mount Vernon and Virginia Street residents pay the price. That is unfair and unacceptable.

Virginia Street was built as a residential, local traffic street while Mount Vernon is and has been a thoroughfare for its entire existence. Unfortunately for Mount Vernon Street residents development south of them off of Senator Highway has turned their beautiful street into a traffic nightmare.

Virginia Street is too narrow for the traffic it now handles and since the placement of a four way stop two years ago at Goodwin and Mount Vernon we have had a doubling or tripling of cut through traffic as drivers seek to bypass the four way stop and the light at Gurley and Mount Vernon. We are besieged daily by hundreds of drivers doing 35-50 mph through our narrow street that is populated by families with small children and elderly retirees. We live in daily fear that our children will be killed by these drivers. We receive little to no police patrols and have had no success at getting a four way stop at Goodwin and S. Virginia to calm the traffic and discourage cut through drivers. Part of the success of the four way stop at Mount Vernon and Goodwin is because a lot of the traffic has migrated to the narrow S. Virginia Street.

We are also the only street in the neighborhood without street lights which makes it even more dangerous for pedestrians at night as we also have only intermittent sidewalks and people walk in the street.

Additionally, any connection of S. Virginia St to Senator Highway will have to skirt the edge of Acker Park, a serene little spot that would be ruined by that much high speed and high volume traffic. I have always thought that no developer would pay for this extension and the city would not either. These days I'm not so sure that a deal wouldn't be struck between the city and a developer with the cost burden falling to the taxpayers. Even without the extension, the traffic burden on Mount Vernon is already too much and exceeds carrying capacity.

My neighbors and I are in the process of forming a Virginia Street Residents Association to counter these and future threats upon our little neighborhood. We would like a resolution before someone dies on S. Virginia Street, not after.

We would like the following solutions considered: A four way stop at Goodwin and S. Virginia, a possible conversion of Oak Street to a one way street to discourage cut through traffic and more traffic patrols during morning and afternoon rush hour when it is the worst.

Accommodating developers at the expense of current residents is inappropriate and immoral. All decisions that benefit well healed developers at the expense of the surrounding neighborhoods smells like cronyism and corruption. This must stop.

I ask that the re-zone be denied and all future consideration of using S. Virginia Street as an alternative thoroughfare to Mount Vernon be denied and denounced. Thank you. Kevin Tighe, 249 South Virginia Street”

Mr. Guice responded to the letter admitting the first correspondence that went out advised people they could speak on the 15th. He suggested that the Council may want to consider opening public hearings at a Study Session and not closing it and continuing to hold the public hearing at the voting session in the future.

Councilman Blair asked what the General Plan called for in this area and Mr. Guice replied SF-18 or SF-35 would be consistent with the General Plan.

Bruce Evans, 744 City Lights Drive –

- Urged Council to vote no on this project.
- He was very familiar with the traffic in The Foothills.
- There was a stop sign at Autumn Breeze that no one paid any attention to.
- Phase 3 of The Foothills was built after Mr. Evans moved in and he was downhill from it.
- Many zoning changes had been previously approved. Other subdivisions already approved were expected to begin to develop soon and the traffic was going to increase with each one.
- If The Homestead was approved with 36 more homes the traffic would have been increased by 300% to 400%.
- Increased traffic would create a lot of danger.
- They could still build 16 lots.
- The canyon echoes a lot of noise.
- Issue was the impact on the lives of the people living there; the environment; the canyon; the fumes from large trucks.

Robert Reuillard, 748 N. Sunset Ridge, Prescott Valley,

- Speaking on behalf of the Homeowners Association of Foothills.
- He noticed in an April 7 memo to Mike Bacon from Jeff Lowe, talked about the floodplain and it said the lot density looked too high for hillside development.
- All three projects would share Senator Highway which was reported to be in desperate need of repair.

- It was mentioned in the 2030 plan as a street that would fail, had a high traffic volume, and would be congested.
- Drivers cut through to Nathan Lane and Autumn Breeze to avoid the Senator Highway/Mt. Vernon Avenue/Summit Pointe/Haisley Drive/Summit Estates intersections which would need a light.
- Palmer Hill had 21 lots, the roads were in, 21 more homes were ready to go in.
- There was a 200 foot drop off along the roadway.
- A blind curve onto Nathan Lane and another where it entered City Lights.
- Morning and evening traffic would be horrible.

Carl Tenney remarked drivers would have clear vision on both sides to back out of their driveways; it was clear to the east and to the west.

Robert Reuillard continued:

- He disagreed with Mr. Tenney.
- What hadn't been taken into consideration was parking on the street and it would be an issue with 12 houses clustered in there, especially on holidays.
- New homes being built brought trucks, backhoes, and dirt into the area.
- He saw some advantages to being the last to develop – got some free open space; the public streets were already established; custom built home lots were built; take advantage of mature real estate market with The Foothills Subdivision.
- The HOA understands the right of a developer to get a return on his investment, but as taxpayers they felt the project should be denied.
- The Land Development Code said to protect the health, safety and welfare of existing residents.

Councilman Roecker asked Public Works Director Craig McConnell about the parking on the street and Mr. McConnell replied the Code mentioned parking as a function of street width; that a 28 foot wide street would have parking on one side of the street but be prohibited on the other.

Mike Spencer, 885 Ohio Street –

- Vote no on public safety issues.
- Street is 20 feet wide and unsafe; drivers go over the yellow line.
- Asked if it is possible to widen Eastwood Drive. Extra cars would be going down Eastwood and many traveled out on Nathan Lane.

Councilman Roecker asked Mr. Spencer if the speed limit was 25 mph and Mr. Spencer replied it was. He said there were apartment units at Devereaux and Eastwood and more were being planned and this caused more traffic problems in the area.

Jeff Carmon, 714 City Lights –

- This was not a retirement community and he asked Council to picture the area at 7:30 in the morning as people tried to go to work. Cars would be lined up at the intersection at Nathan Lane.
- Nathan Lane had a steep hill in the middle.
- The safety issues were enormous; the traffic issues were enormous and more homes shouldn't be put in.

Mayor Simmons asked if there was anyone in the audience who wanted to say something positive about the project.

Carl Whitted, 730 John Drive - had a head-on collision several years ago because the roadways were narrow in this area.

Cynthia Marroquin, 546 Broadview Drive, Quail Hollow Subdivision –

- Surprised Mr. Reuillard knew how bad traffic was when he didn't live there yet.
- Half-acre to three-quarter acre lots were not dense.
- Roads were in poor shape
- Tenney's were being punished for being the last to develop.
- Their subdivision (Quail Hollow) had no open space.
- Would only be an extra 40-50 cars a day.
- Project was conducive to the environment; the blind corner had been addressed; had fixed the cul-de-sac.
- There would be a little more traffic on City Lights.
- Adding a few more lots wouldn't make a big difference.

Cynthia Marroquin added she was asked to speak for Randy and Jennifer Nieffenegger, 601 MacDonald Street, who couldn't attend today's meeting and they were in support of this project.

John Reynolds, 630 David Drive –

- Opposed the proposed subdivision.
- Penn Avenue and Eastwood Drive were in poor condition.
- Supported those who opposed this project.

Shawn Vasteen, 149 S. Virginia Street –

- Supported The Homestead project.
- The road conditions in Prescott were not the Tenney's problems; the city needed to address the problems.
- The homes in The Homestead 36 homes on 19 acres, would not be built overnight.
- He didn't see cars going fast down Virginia Street.
- The Tenney's should be allowed to build their subdivision.

It was clarified the Tenney's could build on the SF-35 zoning they had.

Rojene Madsen, 310 S. Mt. Vernon –

- Suggested the Tenney's sell half of the additional lots to Habitat for Humanity at 1980 prices.
- As traffic on S. Mt. Vernon increased it was turning into a parking lot and the alleys couldn't be used.

Mayor Simmons commented there were a number of undeveloped, pre-approved subdivisions coming on board and he was worried about adding to the problem and concerned Council's actions would make matters worse.

Harold Tenney commented they were sensitive to what everyone was saying but other connector roads were needed in the area to relieve the traffic problems; they didn't cause the issue and they weren't the solution.

Mr. Tenney proposed the City issue them a conditional permit based on 36 lots and the permit would allow the building of 18 lots and the other 18 lots would not be built on until another connector road was put into the area.

Councilman Blair asked Public Works Director Craig McConnell what stage the South Prescott Circulation Plan was in and Mr. McConnell replied interviews were going to be held Friday to select the engineer to prepare the study.

Mayor Simmons asked how Mr. Tenney's suggestion could be handled and Mr. Guice responded the Council could approve the plat with the condition that only half of the lots could be developed and someone would have to monitor the project.

Attorney Gary Kidd interjected this was posted as a rezoning request from SF-35 to SF-18 and any change would mean a modification of that rezoning request and would be a conditional rezoning.

Carl Tenney suggested pulling this from the agenda and they would meet with staff to decide how to bring this back to Council.

Councilman Luzius remarked this was all about traffic and there was too much development going on along Senator Highway; if the Tenney's reduced this project in half, there would still be traffic problems. The South Prescott Circulation Plan had been talked about for four years, and it could take 6-8 months before it was ready, then the building of a road could take 4-5 years; he would rather see no construction on Senator Highway other than what there was now and suggested a moratorium. The City needed to bite the bullet and find a way to reduce traffic on Mt. Vernon.

Councilman Blair MOVED to CLOSE the public hearing, which was SECONDED by Councilman Bell. The motion passed unanimously.

2. **Approval of Preliminary Plat for the Homestead Subdivision, creating 36 lots on 19.5 acres located east of Senator Highway and west of Summer Field (SP06-003).**
3. **Approval of Water Service Agreement for 12.60 acre feet with Tenney Feed & Livestock Company, Inc. the Tenney Living Trust, and Jeanine Brown for the Homestead Subdivision, located east of Senator Highway and west of Summer Field.**

Mayor and Council took a break from 5:05 P.M. to 5:15 P.M.

B. Public hearing on possible increase in development impact fees.

Budget/Finance Director Mark Woodfill explained a review of service levels had been done and there had been a dramatic increase in land costs and construction over the past few years; impact fees should be reviewed every 5-7 years. There were three methods that could be used:

1. Planned Base Approach which was a cost recovery
2. Incremental Expansion Approach – pay as you go
3. Buy-in approach where something like a water or sewer line was build and the costs were recovered afterward.

The timeline was:

- June 13 – the Notice of Intention to increase development fees was adopted and set the public hearing for August 29, 2006.
- August 29 – Public Hearing
- September 26 – Council considers action on new fees

- January 1, 2007 – Fees become effective.

The Planned Growth Strategy and Parks Master Plan were being done in the FY2007 budget and would become available in 12-24 months and staff would look at the impact fees again at that point.

Speakers:

Ethan Edwards, Yavapai County Contractors Association, 126 Marina Street, thanked staff for an easily understood report. He made the following points:

- Have low property taxes and income taxes.
- State funds things through sales taxes.
- When you go to a store you pay tax and it is kept there. When construction is done, taxes go to the point of the building being built.
- No price study had been done and at what point do people choose not to buy here.
- When people don't build, the City doesn't get the building permit fees or the impact fees. The City was looking at increasing building permit fees from 40-50% and then would be looking at sewer rates.

Mayor Simmons explained the City Manager was only recommending the Police and Fire impact fees be increased at this time, which was approximately \$1,100.

Mr. Edwards continued it didn't say in the report the Council would only be looking at Police and Fire impact fees; that if someone decided not to build here the City would lose at least \$34,000; sewer impact fees would also be looked at and without high paying jobs in this area, people would be hiring unlicensed and non-bonded contractors who undercut the licensed and bonded contractors; growth could pay for growth with the transaction privilege tax; impact fees have to be for growth related buildings, such as building an additional fire station; non-residential fees had not been levied up to know but if they were it could cost Lowe's an additional \$100,000 and they might decide not to proceed with their business plans; increases need to be directly related to the project the City wanted to do; and keep the public informed.

Manager Steve Norwood explained Prescott Valley was also going through this process as well and would have a public hearing on Thursday; Prescott Valley was at \$2,700 not including water and sewer; Prescott was at \$2,300 and Prescott Valley was recommending increases to \$7,900, and Prescott's maximum would be to \$6,000.

Mr. Edwards added the County fees were \$1,200 and the Verde Valley was \$1,100.

Councilman Lamerson commented there were a lot of factors involved, such as the cost benefit ratios, residential development versus commercial development; residential development didn't cover the cost in services whereas commercial development made money and asked if there was a Street Impact Fee. Mr. Woodfill responded there was one and that would also be part of the Planned Growth Strategy program.

Howard Mechanic, 309 Bloom Place, made the following points:

- Residential takes \$1.30 in services for every \$1 it takes in.
- Past councils didn't address growth effectively.
- Fees were going up; costs of construction and land were going up and the City needed to keep up.
- Impact fees were not paid by existing users of services.
- Growth should pay for growth. New growth should pay full and fair costs.
- Keep services for the public.
- If someone built a 4,000 sf home and had to pay \$20,000 in impact fees that seemed reasonable.
- Don't delay the other impact fees (other than Police and Fire). The City should start collecting the impact fees before they start building the project.
- Should implement the non-residential impact fees.

Dave Maurer, CEO of the Prescott Chamber of Commerce, thanked staff for talking with them while they formed their policy on this. He listed the following 5 points for Council to consider:

- Council shouldn't impose all maximum impact fees.
- The Chamber supported the increase in Police and Fire.
- While streets were not addressed in this round of impact fees, they note the importance of a transportation system in growth areas and encourage the Council to deal with it sooner, rather than later.
- The Chamber did not support the implementation of non-residential impact fees.
- The Chamber opposed an annual cost of living adjustment in the fees.

Jim Lawrence – A recent State services study was done and it was found that residential services cost \$1.85 for every \$1 brought in; the impact fees needed to be increased enough to get facilities built, otherwise service levels dropped and it was extremely important that impact fees be raised to the proper level and done at this time.

Councilman Roecker remarked the fees couldn't be raised to a point where no building was occurring, because if people didn't build homes then commercial buildings wouldn't come.

Jim Lawrence – The City needed a fire station and had two options – build the fire station and figure out how to pay for it or don't build the fire station; he didn't want to compete with Prescott Valley or Chino Valley.

Bill Matthews, President of Yavapai County Contractors Association, 1806 Pony Soldier Road - was not opposed to impact fees; growth should pay for growth; Prescott was in competition for quality growth such as jobs, medical facilities, quality of homes, the need for education and Prescott was very much in competition with the towns around us; to go to no growth or a moratorium was idiocy; there needed to be growth and he urged the Council not to raise impact fees so high residents and businesses would go somewhere else and build and to create a community to be proud of and have reasonable growth.

Howard Mechanic – there were real costs to creating a good quality of life.

Councilman Lamerson MOVED to CLOSE the Public Hearing, which was SECONDED by Councilman Roecker. The motion passed unanimously.

- C. Adopt Resolution No. 3771 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting a grant from the Federal Aviation Administration (FAA) to provide funding for the Airport Master Plan and ratification of acceptance of grant funding.**

Manager Steve Norwood explained the next three items were not on the Study Session agenda last week and Items D and E were critical to the deadline for the City to accept the funds from the FAA. The Downer Trail item had also been added this week.

Councilman Roecker MOVED to ADOPT Resolution No. 3771, which was SECONDED by Councilman Bell. The motion passed unanimously.

- D. Adopt Resolution No. 3772 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into an Intergovernmental Agreement with the United States Department of Agriculture to engage in fuel reduction and mitigation for the purpose of reducing the risk of wildfire on Federal lands adjacent to the Prescott Urban Interface, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.**

Fire Chief Darrell Willis explained this was an IGA with the Prescott National Forest to allow Prescott fire crews to do fuels reduction work on the National Forest side of the fence when Prescott was working on the Prescott side of the fence and the National Forest Service offered a fuels crew to work with the City on both sides of the fence; they would pay the City to do their work on their side of the fence; the money would go away at the end of the month and it could mean earning up to \$100,000.

Councilman Bell asked if the City would be held harmless if the wrong tree was cut down and Chief Willis replied the trees would be marked and this was an urban interface project.

Councilman Lamerson MOVED to ADOPT Resolution No. 3772, which was SECONDED by Councilman Luzius. The motion passed unanimously.

E. Approve Final Plat for Downer 16, a subdivision comprising 16 lots on approximately 18.63 acres, located on Downer Trail between Sierry Peaks and Westridge Drive, FP06-007.

Community Development Director Tom Guice explained the final Downer Trail right-of-way alignment was in the process of being refined and needed final tweaking which could be approved by City staff administratively and the plat was brought to Council for approval today to insure timely completion of the East-West Connector.

Councilman Lamerson MOVED to APPROVE the Final Plat for Downer 16, a subdivision comprising 16 lots on approximately 18.63 acres, located on Downer Trail between Sierry Peaks and Westridge Drive, FP06-007, which was SECONDED by Councilman Bell. The motion passed unanimously.

V. ADJOURNMENT

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the meeting at 6:08 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 Regular Voting Meeting of the City Council of the City of Prescott, Arizona held on the 29th day of August, 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