

PRESCOTT CITY COUNCIL
REGULAR COUNCIL MEETING
PRESCOTT, ARIZONA
JULY 10, 2007

A REGULAR MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, JULY 10, 2007, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Mayor Simmons opened the meeting at 3:00 P.M. and asked Councilman Roecker 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 Lamerson
Councilman Luzius
Councilman Roecker
Councilwoman Suttles

Absent:

Councilman Blair (excused)

SUMMARY OF CURRENT OR RECENT EVENTS

Nothing was presented.

I. PUBLIC COMMENT

A. Prescott Alternative Transportation re recent restriping of Sixth Street.

Johanna Hawley, 438 Campbell Street, said Sixth Street had recently been restriped and there must have been some miscommunication because PAT understood the next time it was striped it was to have two travel lanes, a center turn lane and striped bike lanes. A reconfiguration study (traffic study) was currently being done and some of the businesses and property owners had concerns about the reconfiguration. All taxpayers paid for roads and all citizens owned the roads and deserved to be safely accommodated no matter what mode of transportation they chose. The public used the roads, not the business and property owners. Reconfiguring Sixth Street would not impede traffic. The center travel lanes were supported by the Transportation Coordinating Committee and Public Works. The Bicycle and Pedestrian Plan adopted by the City recommended Sixth Street be reconfigured the next time it was re-striped. Bicycles were still going to be on the road even without striped bike lanes.

Montezuma Street that carried vehicles going at higher speeds and greater volumes than Sixth Street had bike lanes and a bicyclist felt safer. The City couldn't continue doing the same thing they always had done and as gas prices rose, more bicycles were going to be on the roads and the City should make the roads safer and accommodate everyone. It was the right thing to do.

II. PROCLAMATION

A. July 10, 2007 – Prescott Lion's Club Appreciation Day

Councilman Luzius read the proclamation and presented it to members of the Prescott Noon Lions. A representative thanked the community for donating newspapers and magazines so they could help people in the community. They welcomed new helpers and said anyone interested could show up on Tuesday and Friday mornings at the transfer station to help recycle newspapers.

III. PRESENTATIONS

A. Presentation on Results of Arizona Main Street/REDI Grant.

Economic Development Director Jane Bristol explained blending Arizona Department of Commerce REDI (economic development funds) and Main Street funds, staff applied for the funds in April and the grant was fully funded and accepted in May. The funds had to be spent and the projects finished by June 30. Total amount of the grant was \$9,750. A presentation folder for use in business attraction was redesigned by Karen Greenspoon and reprinted. They needed to improve the marketing materials for business attraction and designed and printed a brochure that would meet the needs of all businesses. The brochure was designed by Karen Greenspoon and a professional designer and printing of the brochures and folders and mailing them to 260 site selectors across the country was paid out of the grant funds, which saved the General Fund about \$5,700 if they had done it themselves.

She said they were also able to put an ad in the Arizona Business Magazine's June issue and normally there wasn't much of a budget for advertising. She recognized Administrative Secretary Wendy Bridges who managed to get the mailings out and invoices completed. Because there were Main Street funds involved, the Prescott Downtown Partnership was asked if they had a need and they found two projects to use some of the grant funds on, and those were a deteriorating billboard across from Frontier Village and a banner that spanned Gurley Street near the County jail building saying *Welcome to Historic Downtown Prescott, Arizona* on one side and *Thanks for Visiting, Come Back Soon* on the other.

Everything was designed, printed and received before the end of June.

B. Recap of Fourth of July Festivities.

Administrative Services Director Mic Fenech showed a video of events that occurred the week of Fourth of July. They included the historic signing of the agreement with Yavapai County for the City of Prescott to become the owners of the rodeo grounds; a water emergency was declared and restrictions imposed due to a failed pump at the Chino Valley Water Production Facility; the Frontier Days rodeo; Celebration of the Buckey O'Neill Statue; and Fourth of July event at Pioneer Park with over 10,000 visitors. The video was produced by Public Communications Manager Kim Kapin.

IV. CONSENT AGENDA

Councilwoman Suttles MOVED to ADOPT the Consent Agenda, Items IV-A through IV-J, which was SECONDED by Councilman Roecker. The motion passed unanimously with Councilman Blair ABSENT.

- A. Adopt Resolution No. 3835-0803 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving an amendment to the Joint Use Agreement between Yavapai Community College District and the City of Prescott dated July 8, 2003.
- B. Approve a Lease/Lease-Purchase of new turf maintenance equipment with Simpson Norton Corporation as outlined in the Council Agenda Memo of July 3, 2007.
- C. Adopt Resolution No. 3836-0804 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving a development agreement between the City of Prescott, Prescott Airport Development, L.L.C. and CVID Investment, L.L.C. for the Prescott Executive Airpark.
- D. Award bid and approve contract to Talis Construction, Inc. in the amount of \$115,244.34 for the Summit Avenue Sidewalk Construction Project, Gurley Street to Sheldon Street.
- E. Award bid and approve contract to Arizona Earthmovers, Inc. in the amount of \$1,119,415.02 for the Rosser Street Improvement Project, Willow Creek Road to Campbell Avenue.
- F. Adopt Ordinance No. 4599-0801 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, granting an electric utility easement to Arizona Public Service Company adjacent to Sundog Ranch Road and Yavapai Block.

- G. Adopt Resolution No. 3837-0805 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona rescinding Resolution No. 3405 and adopting fees for building permits and associated permits.
- H. Approve a second time extension for the approval of the Final Plat for Mountain View Terrace Condominiums, a 96-unit complex on 5.34 acres located east of Willow Creek Road and north of Smoke Tree Lane, Zoning MF-H, APN 106-20-006, Owner/Applicant Cloudstone Patio Homes, LLC (SP04-009).
- I. Approve a Special Use Permit to allow a 55-foot building height at 202 S. Montezuma Street (SP07-002).
- J. Approve Minutes of the Special Meeting of the Prescott City Council held on June 13, 2007, the Special Meeting of the Prescott City Council held on June 19, 2007, the Regular Voting Session of the Prescott City Council held on June 19, 2007, the Workshop of the Prescott City Council held on June 26, 2007, and the Regular Voting/Special Meeting of the Prescott City Council held on June 26, 2007.

V. REGULAR AGENDA

A. Appointment to the City of Prescott Planning and Zoning Commission.

Councilman Bell MOVED to ACCEPT the Council Appointment Committee recommendation to reappoint Seymour Petrovsky to the Prescott Planning and Zoning Commission, term to expire July 2011, which was SECONDED by Councilman Luzius. The motion passed unanimously with Councilman Blair ABSENT.

Mr. Petrovsky was in the audience and was thanked by Council for his willingness to serve on the Commission.

B. Approval of an eight-year extension (until 07/31/2015) of the Preliminary Plat for Mason's Ridge, a 13-lot single family residential subdivision located south of Rosser Street and east of Eagle View Drive, Zoning SF-18, APN 105-03-010A, Owner/Applicant Rex & Lucy Mason (SP-9846).

Councilman Lamerson declared a conflict of interest due to Mr. Mason having worked on Councilman Lamerson's election campaign.

Community Development Director Tom Guice explained this item was for the approval of an eight-year extension of the deadline to file a final plat

for Mason's Ridge, a proposed 13-lot subdivision off Rosser Street and he didn't have any new information to present.

Councilwoman Suttles asked how many other lots were out there that hadn't been cleared as yet and she had been provided with the number of 1,660 lots, so this was one of many.

Councilman Roecker MOVED to APPROVE an eight-year extension of the Preliminary Plat for Mason's Ridge, until July 31, 2015, which was SECONDED by Councilman Bell.

Councilman Luzius said he was in favor of approving an extension for two years, but he would have to vote no on this request for eight years.

Howard Mechanic 309 Bloom Place, said that with wrong assumptions and facts it would be difficult to have good public policy and it should be clarified what was a legal right and what was the right thing to do. There was a misunderstanding about legal rights about those who had plats that get extensions; there was no legal right so Council had to decide what the right thing to do was. The City had the right to change the term of eight years to two years or turn down the request totally. In 1998, ADWR declared the Prescott AMA was out of safe yield and in a state of groundwater mining. Following that declaration, 32,000 homes requested groundwater. There was a loophole in the law that should be closed. There wasn't groundwater to give away as there was not a sustainable supply and it would cause more overdraft. Mr. Mason's extension was granted eight years ago and expired in April and therefore there was no right for him to pump unsustainable groundwater.

Mr. Mechanic said that Councilman Blair had said last week that his (Mechanic) suggestion to have a policy that all the extensions expire by the end of the decade was a no-growth tactic and Mr. Blair was incorrect, it was a sustainable, beneficial and reasonable growth tactic. He did not advocate any public policies for no-growth in the City. He supported the 200 acre feet allocation for new growth each year. He did not oppose the annexation of the Fann property as long as the infrastructure costs were taken care of. Reasonable growth was what most people wanted. If Prescott reached safe yield, Mr. Mason could build his 15 homes, using overdraft water, the public would have to pay to provide 5 extra acre feet of water to cover the overdraft and that could end up costing the public \$200,000 to solve the overdraft. The only way to reach safe yield was to import new water into the AMA, but that was only part of the solution. The AMA needed to have a plan to reach safe yield and there was no plan and no one was working on one. By granting an extension to Mr. Mason and others and saying it would be taken care of later was only digging the AMA deeper into a hole. He was on the agenda of the Upper

Verde River Protection Coalition meeting for July 26 to talk about getting the entities together to come up with a plan to reach safe yield.

Mayor Simmons called for the vote, which passed 4-1 with Councilman Luzius casting the DISSENTING vote, Councilman Lamerson ABSTAINING, and Councilman Blair ABSENT.

C. Development of Storm Ranch:

- 1. Adoption of Resolution No. 3827-0801 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into a Development Agreement with CSW Prescott, L.L.C. for the development of 227 single-family residential lots on approximately 292 acres of property known as Storm Ranch Middle Parcel, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.**

Community Development Director Tom Guice explained this development was proposed as 227 units on 292 acres and this item consisted of a development agreement, an amendment to the Prescott East Area Plan, a Preliminary Plat and a Water Service Agreement.

Councilman Luzius had a concern about the allocation of 40 acre feet of water the first year and 39.45 acre feet the second year. It was a good project but if the City only had 200 acre feet of water available in the water budget to allocate each year, and 40 acre feet was applied to affordable housing, it left a balance of 160 acre feet of water. The City was contemplating giving 40 acre feet to the Storm Ranch project and 40 acre feet per year to the Fann property. That left local builders and developers short and that was not right. He suggested that the allocation be stretched out over four years since the project wouldn't be built out for at least 6 to 8 years and give them 20 acre feet for the next 3 years and 19.45 acre feet the fourth year. That way the local developers and builders would not be shorted the water they need.

Councilman Roecker commented they would pay impact fees so nothing was being given away and asked how many acre feet of water was left in the water budget at the end of Calendar Year 2006. Management Analyst Connie Tucker said there was 58 acre feet remaining out of the 200 acre feet available to allocate.

Councilman Roecker said he didn't see any problem and Councilman Luzius remarked there had been 58 acre feet left over,

and Council was going to provide 80 acre feet to two developments and thought there would be a shortfall somewhere. The developers of small lots would not get the water they needed and it wasn't fair to the people already in business.

Councilman Roecker asked to be shown anyone who had been wronged and Councilman Luzius replied he wasn't saying the City had wronged anyone, there was just the possibility it could happen.

Councilman Bell asked if there were any local builders standing in line who needed a substantial amount of alternative water. Mr. Guice responded there were some preliminary plats coming up but didn't know if they needed substantial amounts of water.

Manager Norwood said some flexibility was added to the language of the recently adopted water policy regarding large scale annexations and the 40 acre feet of water for the Fann annexation would come out of a contingency of 700-800 acre feet and wouldn't come out of the 200 acre foot water budget allocation.

Councilwoman Suttles commented the City needed to get annexations going; the Water Committee had looked at this project, as well as Planning Department Zoning and no one was going to be left out; this project was ready to proceed and the Council should stop chasing people away. The City had the capability of taking care of anyone that came along.

Councilman Lamerson remarked there was water left over in 2006 and he asked how much water had been allocated so far. Ms. Tucker answered 35 acre feet. Mr. Lamerson said the Storm Ranch developers had the right to ask for 40 acre feet and he didn't have a problem with that.

Councilman Roecker asked the developer when they acquired funds for a project like this, if spreading the water allocation over more years would cause them any problems. Brian Haggard replied they thought they would get the full 80 acre feet allocation up front but they could live with 40 acre feet each year for two years and it did cause some angst with the lenders.

Councilman Roecker asked if it would cause problems with the bank to wait until 2008 for their allocation since they wouldn't be building any homes yet and wouldn't need the water this year.

Mr. Haggard responded if Councilman Roecker was saying the Council would give him all 80 acre feet next year that would be fine.

It was clarified that was not the intent, but to wait to give him the first 40 acre feet next year. Mr. Haggard said they had to prove to the banks that they had enough water to build 227 units or they wouldn't be able to get their financing approved.

Ms. Tucker noted that the contingency fund currently had 132 acre feet in it.

Councilman Luzius asked if that was the contingency fund that had 700-800 acre feet in it and Ms. Tucker explained there were two different score cards which created confusion. She showed an overhead of two score cards – the top score card was the 200 acre feet in the water budget that was allocated every year, and the second lower score card was an overall water portfolio that allocated water to cover the obligations to CVID, old water agreements and to the unwatered, vacant residential parcels in City limits. The Storm Ranch water was included in the lot count of the unwatered vacant overall portfolio. The City didn't expect every vacant lot to be built out this year or anytime soon. The contingency fund in the top score card was what was left over from the original budget from the 1,000 acre feet from 1999-2005, plus what wasn't used last year and was available for Council discretion to be used as they saw fit.

Councilman Luzius clarified there was 132 acre feet of water in the contingency fund and of that, 58 acre feet was what was left from last year and 73.90 acre feet was from the original 1,000 acre feet from the period of 1999-2005.

Robert Reuillard, 936 City Lights, Prescott, speaking for the Prescott Streets Initiative Committee, remarked the Storm Ranch proposal seemed to be a quality development and a welcome addition to the City. The Committee had an issue with taking \$1.535 million from the One Cent Street Maintenance sales tax to pay for the infrastructure. Mr. Norwood had stated the City was in a belt tightening position because sales tax revenues were down and careful consideration should be given before taking this money to subsidize a four lane road with a median that dead-ended into a mountain. The roadway should remain two lanes and paid for by the developer. There should be engineering and right-of-way set aside for future lane expansion but no part of the tax should be used for any new road construction. The developer should pay the connectivity costs per the Land Development Code and suggested postponing a decision on this until other recommendations could be brought from the public.

Mr. Norwood said the word subsidy was the wrong word; “the City would be paying its fair share” was more accurate. It was true 227 lots did not demand a four lane road and two lanes could be built and the City would not pay any participation costs, but when four lanes were needed a substantial amount of grading would be necessary. The PEAP plan, the General Plan, and CYMPO 2030 called for the urban collector road. A private developer was willing to pay half the costs at this time and it did dead-end, but the road would eventually go through to Prescott Valley. If the City didn’t enter into this public/private partnership now, the City would end up bearing the total cost of the road; therefore it was less costly to do it now and he was very comfortable with it.

Mr. Ruillard said it was very rough terrain; the connectivity should be paid by the developers according to the LDC. There were no other agreements currently that any other developer was coming forward to do a connection to this four lane road. The facts today were the City was in a belt tightening situation and the committee had concerns that there may be a further drain on sales tax revenues as build-out came in Prescott Valley. The committee couldn’t get behind the expenditure and it shouldn’t be coming out of the One Cent Sales Tax revenues.

Councilman Luzius asked if the dead-end of the four lane road went into State land and if the land was developable – both answers were yes – and he suggested that future off-site improvement agreements would include participation by future developers in paying for the continuation of the roadway.

Mr. Guice commented the PEAP plan showed the proposed density for this area and it was possible that reimbursement districts could be formed in the future for financial participation by future developers; the road would terminate into State land but crossed both State land and private land.

Councilman Suttles MOVED to ADOPT Resolution No. 3827-0801, which was SECONDED by Councilman Roecker. The motion passed unanimously with Councilman Blair ABSENT.

- 2. Adoption of Resolution No. 3828-0802 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the Prescott East Area Plan Land Use Map from Neighborhood and Community Commercial to Residential, pertaining to that certain property located at the southeast corner of Prescott Lakes Parkway and Highway 89,**

in the Storm Ranch project, consisting of 227 single-family residential lots on approximately 292 acres.

Councilman Roecker MOVED to ADOPT Resolution No. 3828-0802, which was SECONDED by Councilman Bell. The motion passed unanimously with Councilman Blair ABSENT.

3. Approval of the Preliminary Plat comprising 227 lots on 291.85 acres located at the southeast corner of Prescott Lakes Parkway and Highway 89, Zoning SF-9 and SF-18, Applicant CSW Prescott, LLC; Owner RHP Development (SP04-021).

Councilman Roecker MOVED to APPROVE the Preliminary Plat for Storm Ranch, subject to the conditions listed in the Council Agenda Memo of July 3, 2007, which was SECONDED by Councilwoman Suttles. The motion passed unanimously with Councilman Blair ABSENT.

Conditions of approval:

- The applicant shall be required to obtain and complete all right-of-way acquisitions for the proposed Sundog Connector through the State Land Department, Yavapai County and City of Prescott prior to Final Plat approval.
- Trails in the Storm Ranch development shall be labeled as “Public Trail” and allow for non-motorized uses, including equestrian use. Details of the trail system shall be addressed in the Development Agreement.
- An Archaeological Mitigation Plan shall be approved by the Community Development Director and any required excavation work and resulting report completed prior to Final Plat approval.
- A Final Plat note shall state the Developer shall inform all purchasers of pre-existing industrial and municipal uses in proximity of the development. These facilities include but are not limited to wastewater treatment, solid waste transfer station, animal control, fire/police training center and the outdoor firearms training center.
- The design/alignment of the secondary access road proposed as emergency access shall be approved by City of Prescott Public Works, Engineering Services and Fire Department prior to Final Plat approval.

4. **Approval of a Water Service Agreement with RHP Development, LLC, for a total of 79.45 acre feet of potable water annually, with 40.00 acre feet allocated this year, and 39.45 acre feet reserved and allocated from the City's 2008 Water Budget. (WSA07-015)**

Councilman Lamerson MOVED to APPROVE the Water Service Agreement with RHP Development, LLC, for a total of 79.45 acre feet of potable water annually, with 40.00 acre feet allocated this year, and 39.45 acre feet reserved and allocated from the City's 2008 Water Budget, which was SECONDED by Councilwoman Suttles. The motion passed 5-1 with Councilman Luzius casting the DISSENTING vote and Councilman Blair ABSENT.

VI. ADJOURNMENT

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the meeting at 3:58 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 10th day of July, 2007. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2007.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk