

PRESCOTT CITY COUNCIL
SPECIAL COUNCIL MEETING
PRESCOTT, ARIZONA
NOVEMBER 30, 2007

A SPECIAL MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON FRIDAY, NOVEMBER 30, 2007, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

I. Call to Order.

Mayor Wilson called the meeting to order at 3:00 p.m.

II. Roll Call.

PRESENT:

Mayor Wilson
Councilman Bell
Councilman Lamerson
Councilwoman Lopas
Councilman Luzius
Councilman Roecker
Councilwoman Suttles

ABSENT:

None.

III. Granite Dells Estates I & II

Mayor Wilson said that this agenda item consists of three related issues. There were two errors in the packet that have been corrected. One was the prior Mayor's name for the signature, and there was a wrong attachment and the correct one will be attached.

1. Reconsider Adoption of Resolution No. 3864-0832 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into a Pre-Annexation Development Agreement with Granite Dells Estates Properties, Inc. and Granite Dells Estates Properties II, Inc. and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

Mr. Norwood said that at Tuesday's meeting it ended quickly, but the way it was left was that Councilman Luzius had some clarification regarding the remedy section. There were three items added to the agreement that further strengthen the agreement for the City of Prescott. One was how the water is allocated—it is done more uniformly. It is not doled out on

day one and if it is not progressing, then that 40 ac. ft. is not allocated, but the water will be allocated for the entire project.

Secondly, there were some dates that made a contractual obligation to the City to turn out reviews in five, ten, fifteen days and that has been changed to reflect the LDC and best reasonable efforts will be made to follow that.

He said that there was also an issue with the infrastructure. All along the concern was that the City would be contractually obligated to build all of the improvements, whether or not there was anything going on. That has now been shifted to Mr. Fann and the owner will construct those and the City will reimburse the owner in a timely fashion.

Mr. Norwood said that this agreement is as strong as they could hope for. They have all been pushed as far as they can go. Staff is recommending 100% that the Council moves forward.

Mr. Gisi showed an overhead which he said is the fifth edition that was approved through Planning and Zoning, prior to coming to Council. The exhibit was incorrect in the revised draft that the Council received and they wanted to clarify that this was the correct site plan.

Councilman Luzius said that this took a long time coming, and it goes to show that when a group of individuals can get together and work things out, it will work for the best. He is pleased with the Development Agreement. He thinks it is good for everyone concerned.

Councilwoman Suttles said that they have finally come to the end. She talked to the City Attorney before the meeting and with his wisdom she thinks they have pulled the best deal that they can for the City. They have moved some things and they are better than they were three weeks ago. With that, she is pleased with what has been done. She wished that they could have done this last week with Councilman Blair and then Mayor Simmons, but she did want to thank Mayor Wilson.

Councilman Roecker said that he is happy the dance is over.

Councilman Lamerson thanked both Councilman Luzius and Councilwoman Suttles for not letting this issue die. He appreciates Mr. Fann and his group for not bailing out on the City. While he may not agree with everything that is in the agreement, he agrees that they need to be annexed. He will support all of it.

Councilman Bell expressed his appreciation to the developer for the patience he exhibited as they went through it, and for all of the citizenry for

sticking with them and understanding that they were trying to get the very best deal for the City, as well as for the developer.

Councilwoman Lopas thanked everyone that worked so hard on this, to Mr. Fann and his representatives. She said that she worked on this from the open space angle and she thinks they have a true win/win situation.

Tammy Linn addressed the Council, stating that she applauded the past Council and diligent work for everyone for making it a reality. They will now have an opportunity to meet safe harbor (yield); they are going to have an increased tax base. It is a good proposal and she thanks the Fanns, the past Council and the current Council. Because she is an educator, a non-profit and a mother, she asked about the plan's designation for a high school that can only be purchased by Prescott Unified School District, with only a one-year purchase time. It is her understanding that after that one year, the zoning will be turned to commercial. She thinks it is great that the space is there, available for PUSD, but she has worked with many developments through the state and when they look at 160 potential workforce housing units and 550 residential units, high school students are probably not the number one priority for that area. They are looking in an increase for education needed for K-8. She asked, if it doesn't happen, if the property could be rezoned either for another school, a private school, or potentially higher education.

Mr. Gisi said that there is a high likelihood that there would be an educational use that would be appropriate on that property into the future. The reason that the development agreement is structured the way that it is, there has to be a sunset. Obviously, if there is an opportunity outside of a high school, that is something they would be very interested in looking at. By the same token, they didn't want to misrepresent something and have a piece of property up in the corner that would be forever educational, because it may not be needed.

Bill Kindig said that he is speaking as a private citizen who has often criticized things previously. He is not going to do that today. He would like to note that he had nothing to do with Prop 400, but he thinks it was something that allowed negotiations to take place that should have taken place. He congratulated those who had things to do with Prop 400. Secondly, he consulted a friend regarding Mr. Fann because he didn't know him. Dick Cooper and his wife both had nothing but high praises for Mr. Fann and that helped to swing his attitude. He thinks that the attorneys did exactly what they were supposed to do, fighting for their clients. Councilmen Roecker and Bell brought through good arguments on why it should pass. He thinks that Council members Luzius and Suttles had the courage to stand against the pressures and they are to be

congratulated. Mr. Fann had the patience and flexibility to continue negotiations, and if he were a professor in public administration, he would look at the process as a good case of democracy in action.

Roger Nelson said that he has opposed this on an economic basis all along with two former economists for the Federal Reserve System because the analysis presented of how this would benefit the City by \$12 million over 15 years is ridiculous and there is no present value of money, there is no escalation for inflation and he thinks that the \$22 million for sewers is going to provide a nice income for Mr. Fann if he takes his usual profit. It totally ignores the interchange which will have to go in now. He thinks a lot of people are going to benefit from this, mostly the people who own land around the 1,100 acres. He doesn't know who they are, but he has his suspicions. He is disappointed. He thinks that the average citizen in Prescott is going to pay anywhere from \$1,000 to \$5,000 in increased water rates, sewer rates and taxes over the next five years, and probably from then on.

Mayor Wilson thanked everyone for their comments. He said that the Finance Director is currently working with a couple of volunteers, Bill Kindig and John Danforth, in development of a future application of economic development for any annexation they do, that would include present values and sensitivity analysis if they are large enough.

Bill Feldmeier said that he was not going to say anything today, but he did not want them to end on a sour note. He thanked the Council for the direction he believes they are about to take. This is a great project, wonderful for all of the citizens, whether they are in Prescott, Prescott Valley, Chino Valley, or country residents. It will benefit the community for a number of years to come and it is a really wise move on the part of the City and the developer.

Katheryn Mitchell of Choices AZ, a nonprofit that is developing homeownership opportunities for median-income working families, said this project gives a wonderful opportunity to bring in 160 homes at a price that they now don't have in Prescott and she hopes to work with the developer in the future to make it happen. It is a positive thing for the City and she acknowledges Mr. Fann for the amount of risk he is taking to make it happen.

COUNCILMAN LUZIUS MOVED TO ADOPT RESOLUTION NO. 3864-0832; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.

Councilman Luzius said that he wanted to let Councilwoman Suttles know that he really appreciated the support she has given him. Without their

voting as they did, this would have all been history and the City would not have been accepting as good of a deal as they are now.

2. Reconsider Adoption of Ordinance No. 4632-0834 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, extending and increasing the corporate limits of the City of Prescott by annexing 1,142 acres of land located south of Highway 89A and bounded on the West by the Peavine Trail, on the East by the Prescott/Prescott Valley IGA line and Granite Dells to the South and also a 16.6 acre parcel west of the Peavine Trail, which is owned by Granite Dells Estates Properties, Inc. and Granite Dells Estates Properties II, Inc., Mike Fann, and assigning zoning classifications thereto.

COUNCILMAN ROECKER MOVED TO ADOPT ORDINANCE NO. 4632-0834; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.

3. Approval of Water Service Agreement with Granite Dells Estates Properties, Inc. and Granite Dells Estates Properties II, Inc.

COUNCILMAN LAMERSON MOVED TO APPROVE THE WATER SERVICE AGREEMENT WITH GRANITE DELLS ESTATES PROPERTIES, INC. AND GRANITE DELLS ESTATES PROPERTIES II, INC.; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.

IV. Adjournment.

The Special Meeting of the Prescott City Council held on November 30, 2007, adjourned at 3:20 p.m.

JACK D. WILSON, 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 Special Meeting of the City Council of the City of Prescott, Arizona held on the 30th day of November, 2007. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2008.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk