

**PRESOTT CITY COUNCIL  
STUDY SESSION  
PRESCOTT, ARIZONA  
May 20, 2008**

A STUDY SESSION OF THE PRESCOTT CITY COUNCIL was held on TUESDAY, May 20, 2008, in the Prescott Municipal Building, located at 201 S. Cortez Street, Prescott, Arizona.

◆ **CALL TO ORDER**

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

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Rabbi Cohen of Temple B'Rith Shalom

Rabbi Cohen of Temple B'Rith Shalom led the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Mayor Wilson

Mayor Wilson led in the Pledge of Allegiance.

◆ **ROLL CALL:**

**Present**

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

**Absent**

Councilman Roecker

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

Mayor Wilson recognized Senator Ted Kennedy's recent diagnosis of malignant brain cancer and expressed their hopes and prayers for him.

Deputy City Manager Laurie Hadley reminded the Council and the public of the Budget Hearing Thursday, May 22, 2008 at 9:00 a.m. at the Spruance House on the Embry-Riddle Aeronautical University Campus. She also asked that as they enter Memorial Day Weekend to keep the extremely high fire danger in mind and to use extra caution in the forested areas.

Councilman Luzius said they had the Highland Games in Prescott last weekend and the Caborca Sister City group joined them. He said the Sister City State Meeting was held in Prescott, as well.

**I. PRESENTATIONS / PROCLAMATIONS\*:**

**A. Presentation re Yavapai College Roughriders Women's Softball.**

Debbie Horton said in the month of May Prescott is earning its reputation as the softball capital of the year. Ms. Horton said this coming weekend they are hosting 26 teams national softball qualifier for girls 14 and under. She they are also hosting the exhibition game featuring the U.S. Women's Olympic Softball team versus a regional all-star team. She said the May 25<sup>th</sup> game has been sold out and invited everyone attending to park at Yavapai College to begin shuttling attendees at 4:00 p.m. to the Ken Lindley Field complex. She said the Street Fair begins at 4:00 p.m. with live music and street vendors; the gates open at 5:00 p.m. for first come first serve seating; pre-game ceremonies start at 7:00 p.m.; and they throw out the first pitch at 7:30 p.m.

Ms. Horton said the most exciting news regarding softball is the State Championship win by Yavapai College Lady Roughriders Softball Team. She asked Coach Stacey Iveson to join her as she read the softball official creed. Ms. Horton expressed how proud the City is that in their inaugural year Coach Iveson led the team to win the State Championship. Ms. Horton read the official Olympic Creed, "The most important thing in the Olympic Games is not to win but to take part just as the most important thing in life is not the triumph but the struggle. The essential thing is not to have conquered but to have fought well." Ms. Horton congratulated Coach Iveson and the team for a battle well fought and they can not wait to see what they accomplish in their second year with 12 returning and seasoned players.

Councilwoman Suttles said it was a treat to send the first year team out to a championship. She presented a basket of chocolate keys to the City to Coach Iveson and the team. Councilwoman Suttles presented a check for next year and expressed how please the City is for this team.

**B.\* Proclamation proclaiming May 20, 2008 as *Arizona Sundogs Day in Prescott.***

Councilwoman Lopas read the proclamation to Shane Ferraro, Director of Public Relations for the Arizona Sundogs. She congratulated the team and said they are huge fans who go to all the games. She said she was very proud to present this proclamation. Mr. Ferraro said on behalf of the Arizona Sundogs organization, thank you to the town. He said they would

not be there without the support of Prescott, Prescott Valley and Chino Valley and the surrounding towns.

## II. DISCUSSION ITEMS

- A. Approval of Police Department application for grant funds to the State of Arizona Department of Homeland Security in the amount of \$492,035.00 to purchase a Mobile Emergency Incident Command Center Vehicle.

Chief Randy Oaks said this item is a request for Council approval to submit an application to the State of Nevada (Arizona) for a state Homeland Security Grant program. He said the piece of equipment they are asking for in the amount of \$492,035 is a mobile emergency incident command vehicle. Chief Oaks said this is a motor home type vehicle with radio frequencies for any of ten local agencies in the Prescott area, primarily for use by Police and Fire but would be made available to the other agencies that they dispatch for in Yavapai County. He said the Police Department currently owns an 11 year old class C civilian motor home that was obtained in a drug seizure and equipped it with some radios. Chief Oaks said it is not a fully functional "command center." He said they do use it six to ten times per year but typically the type of incident it would serve is homicide investigation, search for missing children, a wild land fire, a fatal crash, police shooting incidents, dui check-point, and major structure fires. He said those are all events that take a great deal of man-power and resources and coordination between multiple agencies. Chief Oaks said this is pretty typical equipment for Police and Fire Departments to have and it would be a great addition to the Prescott Fleet and it would be made available to other emergency agencies through intergovernmental agreements.

Councilwoman Suttles asked if this is just applying for the grant. Chief Oaks confirmed that was correct and this item has been on their list for equipment needs for some time. He said it is annually placed in the budget for future funding and has been identified before the Capital Needs Committee as one of the needs of the Prescott Police Department. Councilwoman Suttles asked if there is a matching amount the City of Prescott would come up with. Chief Oaks said on this grant there is no matching amount required.

- B. Approval of Police Department application to the State of Arizona Department of Homeland Security for grant funds in the amount of \$240,000.00 to purchase a Special Weapons and Tactics Armored Emergency Response Vehicle.

Chief Randy Oaks said this is a request for the same type of grant through the Arizona Department of Homeland Security. He said this is a Special

Weapons and Tactics Armored Emergency Response Vehicle in the amount of \$240,000. He said this is an armored vehicle that would give them the ability to pull up to a scene or approach a suspect who is firing at officers and allow them to subdue the suspect or to remove an injured person from the scene. Chief Oaks said he cannot tell the Council how many times they might need this vehicle but in an ideal world, they would not need it at all. He said in 35 years he has never shot his gun except at pistol range and they hope they all go through their careers without having to fire that gun yet they still strap it on every day. Chief Oaks said the armored vehicle would enable them approach live fire coming from a suspect to rescue a civilian or an officer. He said they have no idea if they will get the funding for this but it has also been identified on their capital needs, it has been placed in the budget annually, it has been identified before the Capital Needs Committee and this is an opportunity to seek funding for that type of vehicle.

Councilman Lamerson said he appreciates Chief Oaks looking into other areas to come up with potential funding mechanisms and asked if he has any idea how many operations put in for the same types of grants. Chief Oaks said he did not, without waiting until the deadline, but typically departments across the state ask for 10–20 times the total amount of what money is available. He said what they have going for them as an advantage in the are of the two vehicles they are looking for is that most larger departments have already received funding and already have command centers and armored vehicles.

Councilman Luzius said he thinks it is good they are applying for this because just like the lottery, you can't win if you don't play. He said he encourages Chief Oaks to apply for every one where there is need for.

- C. Adoption of Resolution No. 3889-0857 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into a Memorandum of Understanding with the Federal Aviation Administration (“FAA”) establishing criteria for the construction and operation of certain FAA facilities and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

Ben Vardiman said this item is a request for approval of a Memorandum of Understanding with the Federal Aviation Administration for those facilities on the Airport that are owned and operated by the FAA. He said this pertains particularly to the air navigation facilities, the weather facilities and all those essential components that allow the Airport to function as well as it does. Mr. Vardiman said this is basically just cleaning up the paper work and all of their agreements that are in existence with the Airport would fall in under this one master agreement as well as any future

agreements that may be needed for facilities. He said the FAA would follow all the City building permits process for any construction or modification of their facilities at the Airport.

- D. Adoption of Resolution No. 3890-0858 – A resolution of the Mayor and Council of the City of Prescott, adopting a Council policy regarding certain fees at Ernest A. Love Field and Rescinding Resolution Numbers 3410 and 3419.

Ben Vardiman said this item is a request for consideration of a policy regarding certain fees at the Prescott Municipal Airport. He addressed the Council amendment to the existing Council Policy. Mr. Vardiman said Resolution 3410 and the amending Resolution 3419 adopted certain fees for the Airport, specifically the hangar rental and tie-down fees. He said that policy also allowed the Airport Manager in coordination and conjunction with the City Manager to adjust that fee by either 2% or the cost of living, whichever was greater. Mr. Vardiman said they are requesting a modification to that policy in the attached resolution that would allow the City Manager to raise the fees 2% above the cost of living index. He said they believe this change is necessary because the fair market value of the Airport property is not keeping up with or has exceeded the cost of living increases they typically see.

Mr. Vardiman said the FAA maintains that airports should be self sufficient and should seek fair market value for their properties. He said Schedule A is an extensive list of areas they might seek fair compensation to help sustain the Airport and cover some operating expenses. He said a lot of the fees are going to be new and required as they move forward, especially with the addition of Horizon Airlines. Mr. Vardiman said most notable, the fees include a new fingerprinting fee because Transportation Security Administration requires that those persons working at the Airport that have access to air carrier operations go through a ten year criminal history records check that must be finger print based. He said they also require the airports to maintain the records of that documentation with monthly submittals of all their records.

Councilman Luzius asked Mr. Vardiman about the current badge fee. Mr. Vardiman said there is currently no badge system, which will be a Federal requirement with TSA for service with Horizon Air. He said they have a threshold of less than 5% of badges that can be unaccounted for and if they met that threshold they have to reissue badges for everyone on the airfield who has a badge. Councilman Luzius asked if the Hanger Waiting List Application Deposit is going to be interest paying. Mr. Vardiman said no and that once an applicant accepts a hanger the deposit will be applied to the first month's rent.

Councilman Lamerson asked Mr. Vardiman to explain the under market rate for storage of hazardous material. Mr. Vardiman said part of the reason the rates are so low is because they are restricted to a specific type of storage, which is aeronautical use in their hangars. He said other storage facilities do not permit the storage of hazardous materials and they do but they are restricted to aeronautical use only. Councilman Lamerson said if they are assuming the responsibility of keeping somebody's hazardous materials it seems they would charge at least the market rate to store the material other facilities will not store. Mr. Vardiman said they will look at that.

Councilwoman Lopas asked if the Airport user group reviewed any of this. Mr. Vardiman said it has been posted and he knows they have seen it but he has not received any comments.

Councilman Luzius asked what is he referring to when it says "hazardous materials." Mr. Vardiman said he is referring to aviation fuel, oil, and hydraulic fluid. Councilman Luzius asked if the Fire Department is ok with this type of storage; Mr. Vardiman said they are.

Ed Perry, 220 Park Avenue, asked about the waiting list and if this proposal had been presented to the current list of people waiting. Mr. Vardiman answered no, the people on the current list will stay on the existing policy and the new policy will only apply to new applicants. Mr. Perry said some people waited 20 years or more to get a hangar and the reason for being on the list so long is to work their way up to a better aircraft. He suggested that when people on the waiting list are notified they are allowed to be passed over until they are ready for a new hangar.

Councilman Bell asked if when an applicant on the waiting list is offered the hangar they then decline. Mr. Vardiman said they do and one of the issues of their current waiting list is that once they go on it they do not come off the list unless they request it. He said they are looking to make this system more efficient and they have about 125 -150 people on the list that are either in hangars or have given up hangars or have bypassed being called for a hangar. Councilman Bell said this is something that is very interesting to the Council because when they look at capital expenditures and look at building more hangars it would be nice to know how many people on the list really want a hangar. Mr. Vardiman said they are reevaluating that policy.

- E. Public Hearing (May 27) and consideration of Ordinance No. 4650-0852 - An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending Title II, Chapter 1 of the Prescott City Code regarding the imposition of sewer fees and alternate water sources fees. (Public comment will be permitted at the study session).

Craig McConnell presented this item to Council for preparatory discussion and the actual Public Hearing will be held next week, May 27, 2008 at 3:00 p.m. Mr. McConnell said this item and next week's public hearing pertain only to water and wastewater rates paid by customers on their monthly utility bills received from the City and not for impact fees, even though the study combined both. He said on April 1, 2008 Dan Jackson of Economists.com presented at a Workshop for the Council a presentation and final report, which can be viewed on the City website, [www.cityofprescott.net](http://www.cityofprescott.net), in addition to a hardcopy that can be found in the Lobby of City Hall. Mr. McConnell said additional public information in the packets for April 15 and 22 included a consideration of a notice of intention, which was approved and then published in the Daily Courier on May 4, 2008 as a legal notice required by statute when a potential increase for utility rates is being considered. He said Dan Jackson will be present next week for the Public Hearing to address any question the Council or public may have.

Mr. McConnell said with respect to utility rates of the City the news is on the sewer side. He said water rates were addressed and adjusted by the Council in 2006 and 2007. He said that since then the Sewer Model, a calibrated hydraulic model of the City's sewer system has been completed and that Sewer Model includes a capital improvement program which identifies projects in repair and rehabilitation in new growth categories. Mr. McConnell said the Council Policy on growth is that when capital expenditures are incurred to increase the capacity to serve new growth then that expense is appropriately passed on through impact fees. He said the rate study by Economists.com addresses water, wastewater and alternative water rates.

Mr. McConnell said rates are designed to provide financial resources sufficient to operate and maintain the City's water and sewer system in a manner implementing Council Policies such as improving the condition of the infrastructure and encouraging conservation. He said when they go into a rate study there are inputs to the rate study from Council Policies and costs that are required to be met to operate and maintain the water and sewer system. Mr. McConnell said conventional wisdom is to simplify where possible. He said from staff perspective, Economists.com have presented a rate study that is simple to understand and that all rate studies involve assumptions. He said this is one reason that even though the rate study prepares a 10 year financial plan, they recommend that about every two years they come back to Council and update that because of all the variables.

Mr. McConnell said in addition to the 10 year financial plan existing customers pay their fair share of operating expenses and capital

improvements for system rehabilitation and upgrades related to capacity deficiencies. He said impact fees, not rates are the primary funding source for new growth paying for new capacity. He said Mr. Jackson indicated in his rate study and design that another key aspect is to avoid large up and down fluctuations and to try to normalize it so that there is some predictability to this. He said Mr. Jackson also indicated that in his work on sewer rates is to restructure and simply non-residential wastewater rates, which are reflected in the draft ordinance.

Mr. McConnell said the inverted or tiered blocks rate structure encouraging water conservation adopted in 2006 has been retained in this rate design. He said the Water Conservation Committee met last Thursday and has some additional recommendations. He said the rates before the Council are for the next two and half years in order to transition to a new effective date in the winter in order to ease the increases.

Mr. McConnell referred to the Ordinance in Council packet marked as a Council discussion draft subject to revision. He said some revisions have been made already, none of them are major. He said they will have the final draft in the packets for next week's meeting. Mr. McConnell said page 3 is setting forth charges for wastewater for sewer service where the volume charge is per 1000 gallons. He said there were some categories that were left out of the draft in the packet and he wanted to make sure they were accounted for even though for example there are no wholesale bakeries.

Mr. McConnell said that Mr. Jackson's presentation on April 1, 2008, indicated the City of Prescott sewer customer base with some exceptions does not have wild industrial uses which are generating all kinds of wastewater that is very difficult to treat. He said by and large their wastewater stream is fairly simple and indicates to Mr. Jackson that the City of Prescott should transition to more of a uniform charge rather than having all these categories. Mr. McConnell said two important categories that somehow got left out are Septage Haulers & Grease Disposal, which have been put back in.

Mr. McConnell said the other Ordinance change that needed to be clarified is the language about irrigation meters and so forth. He said they clarified it by referencing City Code language and the City Code indicates in 2006 the City Council adopted a water conservation ordinance that addressed irrigation meters and prohibited new irrigation meters for residential property. Mr. McConnell said the Land Development Code has buffering requirements for commercial and industrial so there will be some irrigation meters. He said as the City moves toward xeriscape the buffering requirements are not the lush foliage and green grass of days past. Mr. McConnell said the recommended action for next week is to

hold the Public Hearing on the proposed water and wastewater rates and if it is appropriate to close the Public Hearing following public testimony and consider the Ordinance setting water and wastewater rates.

Councilman Bell said he received call from a Highland Pines resident who said they pay \$188 per month for water and asked if this is correct. Connie Tucker answered that was correct, the City of Prescott does sell water to Highland Pines and they are a third party water provider. She said her understanding is they charge based on volume as well and do have additional charges for the upkeep of their system. She said the uniform water Mr. McConnell was talking about is on the sewer side. Councilman Bell said this resident has a family of four, they have no outside irrigation and they pay a flat \$188 every month. He said that although they have to sometimes raise their rates in the City they do not know how lucky they are.

Councilman Luzius asked Ms. Tucker if that includes a 39% upcharge and she said it did. Councilman Luzius said he is concerned the New Residential Monthly Rates chart starts out at 5,000 gallons of water and 5,000 gallons of wastewater, which is not the average indicated below. He said it seems they are penalizing the low users and folks who have the least amount of liquidity to pay these rates. Mr. McConnell said the top part of this page came from Mr. Jackson's study and different amounts represent two pieces of information that were previously discussed and there is no question as to what the average usage is. He said the real point is most residential will have 5/8 – 3/4" meter and the base charge for that meter is not going up. He said the volume charge for that meter for the first 3,000 gallons is not going up; the volume for the next 7,000 gallons is not going up. Mr. McConnell said Mr. Jackson is recommending in his rate study that effectively water rates not be increased based upon financial analysis.

Howard Mechanic, 309 Bloom Place, Co-Chair of the Water Conservation Committee Safe-Yield Committee, said the committee discussed the water rate study for the first time last week. He said the committee appreciated Councilman Lamerson and Councilwoman Suttles who have been regularly attending the meetings. Mr. Mechanic said the committee agreed unanimously with three recommendations to encourage conservation. He said the consultant did not recommend any conservation measures in his study. Their first recommendation was that the water rates from the alternative water fee should be based upon the same inverted block tiered rate structure as the regular water rates. He said that although the City has a tiered water rate structure to encourage conservation, the alternative water fee is a constant per gallon price and is not tiered. Mr. Mechanic said to be clear the committee is not

recommending any revenue enhancements rather they are recommending restructuring.

Mr. Mechanic said the second recommendation by the Water Conservation Committee is to investigate a more aggressive tiered water rate structure for the higher end user to encourage conservation. He said the third recommendation is they would like to see something changed about the irrigation meters to prevent some users from getting around the water rates.

John Zambrano said the committee has been looking at the amount of water that can be saved through conservation and that the largest users are single family residential. Mr. Zambrano referred to the handout, noting that there are over 18,000 accounts for that category and they looked at 12 months of data for analysis. The vertical axis represents the acre feet per year while the horizontal axis represents percentage of accounts that are greater than or equal to the value that is on the vertical axis. He said some of the increase is due to a single family residence might have one person in the house or six or more but at the far end of the graph the increase is due to outside water use. Mr. Zambrano said the median value, 50% of the accounts, use .185 acre feet or more of water or a bit more than 5,000 gallons per month; 20% of the accounts use 1/3 acre feet per year or a little more than 9,000 gallons per month; 10% use .45 acre feet per year or a little more than 12,000 gallons per month; about 1% of the account use more than .9 acre feet per year or about 25,000 per month. He said the Council should consider whether or not they want to raise rates and discourage that high use and they should look at the issue of fairness. He said there are people trying to conserve water and others at the far end who are using considerable amounts of water.

Councilman Lamerson said, as a liaison to the Water Conservation Committee, this was a department agenda item and the department head asked two committee members for resource material on what they were doing. He said the committee members were not there for presentation rather they were responding to a request by one the department heads.

Gary Kidd said in this particular item a decision was made to allow comments to encourage staff to go back to the drawing board or if Council wanted staff to address those comments prior to the next Public Hearing they could. He said they specifically used language for this agenda item to allow for public comment.

Mayor Wilson asked why this material was not in the packet. Mr. Mechanic said they had their meeting on Thursday, the first opportunity to discuss this, and they drafted the material on Friday. He said the material

was sent over the weekend to Mr. McConnell and they have another to consider the committee's suggestions.

Mayor Wilson asked Mr. McConnell if they can have the consultant, Dan Jackson, review the submitted data and report back to the Council with his recommendations next week. Mr. McConnell said that he could, and that he has run some figures of his own to provide context for commenting on the proposal of the committee. He said, in summary, the rate study by Mr. Jackson defines tiers of usage and the rate does not increase linearly rather it increases more than linearly. He explained the rates become very high very quickly with higher use.

Mr. McConnell said Mr. Jackson recommended the water rate be unchanged and the alternative water rate be adjusted from \$.36 per 1,000 gallons to \$.40 per thousand as a flat fee. He said the Water Conservation Committee is interested in apply the same tiering to the alternative water fee as to the consumption charge. Mr. McConnell said he ran a quick analysis using a tier alternative water fee and reduction of the rate in the lowest tier. He said for consumption for 20,000 gallons after July 1, 2008 per the rate study the water bill would be \$109.78. He said with the committee's recommendation of the additional tier and more aggressive pricing the fee would go up \$142.00 per month. He said the alternative water fee would go up from about \$8.00 to \$10.84 with an inverted tier, almost \$3.00 for the 20,000 gallon user and that the big number is by the more aggressive pricing along with the introduction of an additional tier. Mr. McConnell said from a Council perspective they would not recommend that Mr. Jackson run an entirely new financial analysis for tiering alternative water because for a very large use it is only a couple of dollars a month. He said the question is one of policy whether it should be more aggressive in terms of the large water users.

Mr. McConnell suggested they think about the fact that they only have one full summer of consumption data since the water rates were dramatically increased in 2006. He said they also need to consider the fine line between encouraging conservation and being punitive with respect to water users.

Mayor Wilson asked if they know who would be impacted by an alternative like that. Mr. McConnell said the large water users, about 17 – 20% of city of Prescott residential customers. Mayor Wilson requested the staff bring forward two alternatives on the resolution next week, one as already submitted and one as recommended by the Water Conservation Safe-Yield Committee. Councilman Lamerson said he supports the request.

- F. Approval of an agreement with Coe and Van Loo, L.L.C., in an amount not to exceed \$35,000.00 for preparation of a land use master plan for the West Airport General Plan major amendment.

Craig McConnell said this item is an agreement with Coe and Van Loo, an engineering and planning firm, in the amount not to exceed \$35,000. Mr. McConnell said annexation in proximity to the Airport was identified in January 2008 as a high priority policy item. He said since then they have had dialogue with three major property owners, Cavan Real Estate Investments, the Arizona State Land Department and the Deep Well Ranch. He said the Cavan holdings are primarily east of the Airport area. The General Plan of the City of Prescott adopted in 2003 provides future land use for that area; however it does not designate future land use on the west side of the Airport.

Mr. McConnell referred to copy of the General Plan Land Use Map and said it indicates land use in the area generally west of Stat Route 89 north of Pioneer Parkway is agricultural and ranching. He said in order for annexation discussions to go forward, the City of Prescott needs to update their General Plan to indicate future land use in the area and without it they cannot proceed to annex because there is no land use other than agricultural and ranching. He said the objective of this contract is a master planning process to amend the City's general plan to provide land use west of the Airport. Mr. McConnell said this does not mean the area will ever be annexed; it does not mean that water is or is not available; it does not mean the money and financing mechanisms for infrastructure, transportation and utilities are there. He said it is an improvement of the general plan to indicate future land use on the west side of the Airport should the future hold annexation of any part of that. He said they anticipate close coordination with the State Land Department and the Deep Well Ranch in this master planning process and will be taking into consideration CYMPO 2030 Regional Transportation Plan, the Airport Master Plan Update and all other plans which potentially bear on this area. He stressed this is City initiated and is master planning rather than annexation per se.

Mayor Wilson said this represents one of the first steps in smart growth planning that they promoted Craig McConnell to Deputy City Manager to start looking at the infrastructure issues on annexation.

Councilman Luzius said this is a very comprehensive plan and that it is important that they be flexible in future annexations. He asked how this would be affected by the Airport Strategic Plan. Mr. McConnell said the Airport Master Plan is being updated right now and one of the inputs into the master plan put before the Council today will be the land use component of the Airport Master Plan.

- G. Adoption of Resolution No. 3891-0859 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona amending the General Plan Land Use Map pertaining to that certain property located at the southwest corner of State Highway 89 and Prescott Lakes Parkway described as parcel numbers: 105-09-295A and 105-09-005C, from “Low-Medium Density Residential” to “Commercial/Employment”; and a portion of parcel number 105-04-003D, from “Commercial/Employment” to “Low-Medium Density Residential”.

Tom Guice said this is a request for a general plan map amendment. Mr. Guice said it is a fairly straightforward request. He said the specific request is to amend a portion of residential on the north end of the site from residential to mixed use, a portion shown as Area 3 from a mixed use to a residential, and the southern-most portion from a medium high density designation to a mixed use designation. He said the development extends the commercial somewhat to the west towards a portion of undeveloped lots of Cliff Rose and also creates the opportunity for new residential lots where otherwise shown as a mixed use. Mr. Guice said they held an area meeting back in the middle of April with about 30 residents, primarily Cliff Rose, and staff in attendance. He said there were really no objections expressed. Mr. Guice said the residents’ primary concern is that there be no opportunity for cut through traffic or connectivity from the commercial development into the residential subdivision and as proposed that will not occur. He said the Planning and Zoning Commission did consider this General Plan Map amendment request and recommended unanimous approval. If the Council concurs with the approval for adoption of the resolution amending the General Plan he will be bringing the rezoning request back for their consideration in June 2008.

Councilman Luzius said he attended Planning and Zoning Commission meeting and the area meeting and he said there was no real heartburn about this program and he supports it.

- H. Granite Dells Estates:
1. Adoption of Ordinance No. 4651-0853 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the zoning of certain property within the City of Prescott generally located south of State Route 89A, east of the Peavine Trail, and commonly referred to as Granite Dells Estates, consisting of approximately: 189.8 acres from RE-2 to SF-35; 92.20 acres from RE-2 to SF-9; 34.1 acres from RE-2 to MF-M; 155.3 acres from RE-2 to BG; 72.8 acres from RE-2 to IG; 10.1 acres from RE-2 to IL.

2. Approval of Preliminary Plat for Granite Dells Estates, Owner: Mike Fann, Agent: Jason Gisi, PP08-002.

Tom Guice said this item is a two part application of Granite Dells Estates. He said there is a lot of detailed information in the staff report with an extensive breakdown of the rezoning. He said at the time of annexation it was given a zoning designation of rural estate two acre, so all of the rezonings are away from that two acre to the more appropriate zone designations based on the density. He said about half of the site is not being rezoned; 563 acres will be retained as rural estate two acre residential. He said the agent and property owner are interested in developing the property from east to west.

Mr. Guice said mass grading is designated for all areas outside the RE 2 acre residential after the rezoning and the open space area; everything else in the light yellow is being proposed for mass grading. Mr. Guice said there are two waiver requests associated with this project; the first is a waiver of the final plat submittal requirement. The second waiver request is for provisions of the Land Development Code, which would set the stage for them to be able to do the mass grading, including the well site and the tank site. He said there was considerable discussion by the Planning and Zoning Commission and ultimately they unanimously recommended to approve the rezonings and preliminary plat as submitted and to approve the two waiver requests. He said Planning and Zoning Commission did request as condition of approval that all final plats be brought back to the Planning and Zoning Commission for their consideration and recommendation to utilities easements and to the rural street standard that was included within the development agreement.

Mayor Wilson said he had two questions regarding the five recommendations from Planning and Zoning. He asked if the applicant is ready to accept all five of the recommendations.

Jason Gisi, 3200 Lakeside Village Drive, said they would need to refresh his memory on the five recommendations. Mr. Guice said he still had to get to the last two; one was to show connectivity with some of the open space areas with the use of easements and another recommendation is to show those utility easements particularly on the southern and eastern portions of the property, which the City may need in the future for providing regional infrastructure for development in the area. He said through the process Jason Gisi and Mike Fann have indicated the need for flexibility but the utility easements are non-negotiable and are needed on the final plat.

Jason Gisi said they do not have a problem with the utility easements. He said one of them, the utility easement going to the tank site, gives them a

bit of heartburn. Mr. Gisi said cuts through a piece of open space, they do not know if they are going to hit water in that location for a City well, and they are well aware that the City needs the easement in order to service this property and those around it but are simply pointing out that the location may need to change.

Mr. Gisi said they have a lot of trails as proposed and they are in favor of trails for the property from the private and public sides. He said at present they have a mile and half east – west connector that connects the Peavine Trail over to the open space buffer. Mr. Gisi said the 100' wide open space buffer is about eight to nine acres. He said they have an east to west trail that connects north to south that gives the main connectivity to Iron King Trail and also the Peavine on the Western side of the property. Mr. Gisi said they are not opposed to the trails but they would be opposed to the trails in their present configuration. He said as they understand it the trails are not shown as proposed but as shown as optional or alternates that could give the connectivity in the region that the City is looking for.

Councilwoman Suttles asked if the open space connecting trails come from the Planning and Zoning Commission or the trail people. Mr. Guice said it was presented at the Commission meeting and the Commission included it. Councilwoman Suttles asked if that can be done to a developer, to tell them where they want trails. Mr. Guice said the Open Space people have identified the potential trail areas with the permission of the property owner by walking the site.

Mr. Gisi said they are opposed to a few of them because they are redundant in nature. Mayor Wilson asked if he is willing to come back and tell the Council what they want to do. Mr. Gisi said he will work on that. He said the property very clearly will be mass graded in the commercial and industrial location on the northwest side of the property. He said the higher density workforce area is also very clearly a mass grade. Mr. Gisi said they are asking for the option to mass grade the property south of Dells Ranch Road because the final grading regime will be set by the buyer. He said they do not want to be in a position four years from now having to come back because they did not put the mass grade in front of the public. Mr. Gisi said if the property is developed by Mr. Fann and sold in a retail fashion to builders or end-users he does not anticipate the property will need the mass grade. He said they are looking for maximum flexibility because they cannot anticipate how the property will develop in the future. Mr. Gisi said they are now aware that the County is moving forward studying Great Western as a major traffic interchange at the direction of CYMPO and then asked if workforce housing is the highest and best use for this piece of the property.

Mayor Wilson said workforce housing is part of the deal for getting the Development Agreement so they have to have it. Mr. Gisi said he is not backing off of workforce housing but it might be relocated within the project.

Mayor Wilson asked about the rural road standard and that his understanding is that it was going to be used in the estate or gated section and asked Mr. Gisi if it is now going to be used throughout the entire development. Mr. Gisi said he is not saying that but that is what the Development Agreement says. He said practically speaking, the higher density nodes in the development, those are going to move towards LDC requirements and public rights of ways with no gates. Mr. Gisi said if areas are mass graded then they will have to introduce curbs and gutter in order to get the property to work and the drainage to work properly, which creates scenario where it might be gated and it might not be.

Councilman Luzius said he thinks they have a good project going but the thing that concerns him is the mass grading. He said he would either like to see that go away or kept at a minimum.

Nigel Reynolds, 795 Sunrise Blvd., said he wants to talk about trails in the development. He said he is not a native, he immigrated to the United States about 40 years ago, he is a citizen, he has lived in Arizona for 30 years, he has lived here in [Prescott] for the last 12 years and he is active in a number of trails organizations. Mr. Reynolds said he is there as a board member of the Yavapai Trails Association, YTA and they have represented non-motorized trails users for a decade and a half. He said non-motorized means hiking, mountain biking and equestrian. Mr. Reynolds said he is very pleased to see that this development does have a lot of open space and a lot of greenways and proposed trails. He said he has hiked over quite a bit of development area, particularly on the southern area and he thinks there are various trails that could be improved with minor changes. He said most hikers, bikers and equestrian riders like to have loop trails and just some minor changes would increase the connectivity. Mr. Reynolds said he thought at one time there was some concern about any liability issues to the homeowners' association if any trails users have accidents. He said it is his understanding the City of Prescott covers liability for all trails that are dedicated to the City. Mr. Reynolds said access to both the Peavine and Iron King Trails is important. He said in summary the development has a lot of good things going for it and they need to keep an eye on it for the future as the final plats come along.

Rob Behnke, 1062 Yavapai Hills, said his comment is relative to the streets. He said he was appointed to the Land Development Code Committee and one of the serious problems they dealt with is how they

come up with standards for a land code. He said what they did is consulted civil engineers and determined these are the kind of streets they need to have. Mr. Behnke said if they are going to go to rural areas the flow of water becomes almost uncontrollable. He said when they put ditches out there instead of concrete handling of the water they cannot control the water. Mr. Behnke said if they look at the new projects currently being built in the area they all are in compliance with the Land Development Code. He said this one project is not and mass grading is prohibited for a reason. He said it is cheaper for them to mass grade but it is not in the interest of the City for them to do that. Mr. Behnke said if the developer does the rural roads he saves something like three, six, ten million dollars. He asked who is going to pay for all the sewer lines coming into this area and about the bridge they are going to have at SR89A. Mr. Behnke asked how many millions of dollars this City prepared to give to the project owners for the development of this project

Leslie Hoy, 1880 Coyote Road, said she has always been concerned about the workforce housing because the Fann Development could be considered urban sprawl. Ms. Hoy asked as gas prices continue to go up how people who require the workforce housing are going to be able to afford to drive back and forth and said they need to think strongly about public transportation. She said, regarding mass grading, they need to think about what they want Prescott to look like and if they want to maintain the character of Prescott. She asked about animal habitat, specifically antelope habitat. Ms. Hoy said walkable neighborhoods, which are considered to be the future in the United States, and so far she does not see anything being done to create a walkable neighborhood. She said she has been told by a developer that developers do what the community government asks them to do. Ms. Hoy said it is the responsibility of the community to set the ideal. She said she hopes as they go forward the Council will think about what the ideal is and they will set that ideal because the community is growing rapidly. She said it is important to maintain the character of the community in order to maintain quality of life.

Councilman Luzius said he and Jason Gisi have had several discussions including transportation for workforce housing. He said they are in a transit study right now and hopefully in 2009 they will have some sort of a transit system. Councilman Luzius said at the last Planning and Zoning Commission meeting Mr. Scamardo mentioned the Land Development Code Committee should have another meeting to discuss rural road aspect of development.

Councilwoman Suttles asked Mark Nietupski if when they did the development agreement he had agreed and signed off on some of it before it ever came to Council. Mr. Nietupski said when the Council approved the pre-annexation development agreement there was a full

disclosure and discussion of the content of the agreement with the Council and the public wherein they discussed the rural roads standard that was to be a part of the agreement. He said it also discussed the provisions for the development of the interchange to the north at SR89A and the provisions of utility service to the property. Councilwoman Suttles asked if the whole annexation was rural roads as previously stated. Mr. Nietupski said that is not completely accurate. He said Dells Ranch Road or Granite Dells Parkway are to be dedicated to the public. He said in the discussion of the project it was determined that the roadway needs to provide connectivity to the south to the Cavan property and if it were to be dedicated to the public it would need to be built to City standard which would be curb, gutter and sidewalks.

Councilman Lamerson asked about the word “if” and to clarify that. Mr. Nietupski said in the final platting and design of this project Mike Fann was agreeable to making this a public thorough fare developed to City standards. He said technically speaking these roadways up in the higher density area by the terms of the agreement could be constructed to the rural standard. Mr. Nietupski said if it would make sense for them to also be curb and gutter sidewalk in the course of development but they have not yet come to that point of the design but by the agreement the developer could construct these roadway segments in that rural configuration.

Jason Gisi said Dells Ranch Road and Granite Dells Parkway are dedicated, just to refresh everybody’s memory. He said Dells Ranch Road is a 100’ right of way and Granite Dells Parkway is a 120’ right of way going to the new traffic interchange to be constructed. Mr. Gisi said the road Mr. Nietupski referred to going to Cavan is not addressed in the development agreement and they have already agreed that should be a public right of way and built per LDC standards. He said as they move into the density it does not make sense that the property should not have curb and gutter. He said as a developer the LDC changes he is not sure about but they would like to nail down a specific spec that they all could live with in those neighborhoods so that it would done per the term of the development agreement. He said they are not comfortable with making a blanket statement to agree.

Councilwoman Suttles said she appreciates his perspective and when they went through this several months ago they were not dissecting every bit of what was being done. She said a City department head looked at all the roads and agreed to them and once they have agreed there is not a lot more the City can make them do. Mr. Nietupski said the Council and the City has entered into a binding agreement. Mr. Gisi said they cannot run and hide for the next decade they will be in front of Planning and Zoning and in front of the Council with each individual final plat and the associated

engineering going to Public Works on the other side of the City so for the benefit of the public the preliminary plat is just that – it is preliminary. He said this is their best guess for today and that it will certainly change into the future.

Councilman Luzius said, in regards to Mr. Behnke's comments about infrastructure and roads and who pays for what, it was pretty much outlined in the development agreement. He said the bridge was mentioned and there is contribution from everyone on that bridge.

- I. Adoption of Ordinance No. 4646-0848 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending Title X, Land Development Code, of the Prescott City Code by providing for fees in-lieu of parking.

Tom Guice said this is a proposal for the Council's consideration for an amendment to the Land Development Code regarding parking within the downtown business district. Mr. Guice said there were two projects that went through the public approval process last year within the downtown area. He said the proposal adjacent to the Chamber of Commerce, the Pierce Building, and the Brad Christensen proposal for a mixed use project at the old Enterprise lot. He said both were mixed use, both received approval but there were difficulties in being able to meet the on-site or off-site parking requirements. Mr. Guice said there are two types of land uses in the DTB district that do not have an on-site parking requirement, that being anything retail related or hospitality related. He said the bottom floors of these projects were proposed to be retail and did not have a parking requirement. He said the upper floors did have proposed upper end condominium units that do have parking requirement.

Mr. Guice said after looking at this staff asked the question of the Unified Development Code, a Mayor appointed committee comprised of Council members, three members of the Planning and Zoning Commission, one member of the Board of Adjustment. He said the staff uses this committee for potential changes such as this so they went to the UDC and asked them questions as it relates to fees of in-lieu of parking. Mr. Guice said this is referenced in the Land Development Code, Section 6.2.10D, which provides this as an option to be established by the City Council for non-residential uses to satisfy the on-site parking requirement.

Mr. Guice said going to the UDC and asking them two questions started an nine month process working with the UDC, the Prescott Downtown Partnership, the Prescott Chamber of Commerce, Dava Hoffman of Dava & Associates, in trying to address whether there are aspects of this general provision of Article 6 of the LDC that might fit within Article 4 related to the downtown district. He said staff asked if there was an

interest in creating an in-lieu of fee opportunity within the downtown district and if there would be interests in having that also apply to residential uses. He said because retail and hospitality do not have a parking requirement in the district the only non-residential use that may benefit would be office relate uses. He stressed that this would be an option, not a requirement, for those projects that have difficulty meeting on-site parking.

Mr. Guice said there was considerable discussion by the UDC and the Planning Commission that included a major issue related to an amendment to the code that was made back in 2003. He said prior to 2003, any land use with a building constructed prior to October 1968 did not have a parking requirement. He said the Commission is making a recommendation that the in-lieu of fee option for non-residential be made available but that payment for no more than 20 spaces be able to be cover the off-street parking. He said the Commission also recommends retaining the current provision exempting retail and hospitality uses from an on-site parking requirement.

Mr. Guice said there was not a great deal of interest in taking away a private property right or business owner's right within the downtown district. He said the recommendation is to amend the Land Development Code to exempt all uses in pre-1968 buildings within the downtown business district from on-site parking requirement. He said any new additions to existing buildings or new construction of new buildings would require on-site parking or in-lieu of fee to meet the new construction parking requirements. Mr. Guice said the commission did not make a specific recommendation with respect to what the fee amount should be, however they did recommend offering 15% off of the cost of space as an incentive. He said they also recommended those fees go to a separate fund that is set aside for future parking within the downtown business district. Mr. Guice said they also recommended that the Council have flexibility within the resolution.

Councilwoman Suttles said the funds that would be collected are to be set aside for future parking costs and asked if they are looking for another parking garage. Mr. Guice said no one anticipates the monies potentially collected in the near will be able to fund the City's next parking garage but it certainly creates seed money and creates an option for new development in the downtown. Councilwoman Suttles asked what the purpose of one more fee to park is. Mr. Guice said the fee satisfies the on-site or off-street parking requirement. Councilwoman Suttles said she has more questions and would like to pull this item from the consent agenda.

Councilman Luzius agreed and said this is not one of his favorite projects. He said he does not understand giving the 15% discount. Mr. Guice said

the 15% came from the Chamber of Commerce Executive Board and the PDP concurred that this is an incentive to use the in-lieu of fee with the idea of preserving the pedestrian character of downtown. He said the fee range is ultimately at the discretion of the Council. Councilman Luzius said the fee range is something that needs to be discussed. He also asked where the parking spaces come from and who uses them. Mr. Guice said again that with pre-1968 buildings there are no parking requirements with these code changes but when new construction projects use the in-lieu of fee option it does not give them reserved parking spaces within the downtown or on the street or in the parking garage.

Mr. Guice said it came up in discussions as they looked at the parking requirements for downtown that they may be over parking some of this. He said if the Council has an interest in establishing the in-lieu of fee that staff could take a look at the parking requirements within the downtown district and come back by way of the UDC and the Planning Commission to recommend potential changes. He said one good example is the condo requirement where each bedroom requires a parking space and ½ a space for a guest space.

Mr. Guice said another aspect came up about Article 11.5.3 that further describes the types of retail and hospitality uses that do not have a parking requirement and perhaps some of those uses should not be on the list. He said from staff's perspective the City Council could go ahead and implement this request and then staff could bring back the other changes.

Councilman Luzius said if this does go through and they establish an in-lieu of parking fee, he would hope the money will be set aside to be used only for parking or parking garages and not like open space for roads.

Councilman Bell asked Gary Kidd in this scenario that the Planning and Zoning Commission has recommended, if the Council exercises its discretion to waive the in lieu fee would they be subject to some kind of discrimination charge. Mr. Kidd said the issue could come up if they waive it without any consideration in terms of standards. He said when they get into an equal protection issue they are creating different classes of people that are subject to the regulation and treating them differently. Mr. Kidd said if they had a specific instance or criteria to waive that fee which would be his preference then they could rely upon that criterion in order to make those distinctions. He said if they do not then the issue is well founded.

Councilwoman Lopas said she received an email from Prescott Alternative Transportation Lisa Barnes, who said maybe this money should not be

solely restricted to parking spaces but also for bus stops as they get their transportation system.

Mayor Wilson asked if in a pre – 1968 building the owners change use and they would not have to pay any in-lieu parking fee. Mr. Guice said that is correct with the assumption that the change of use is non-conforming, meaning if parking on-site cannot be provided and that is the only aspect of project that does not conform. Mayor Wilson said they are trying to get in-lieu fees to cover that but they are exempting almost everything in the district and asked if that is a Trojan horse. Mr. Guice said as he has said before there are two types of uses that are exempt from an on-site parking requirement. He said they really have only one use that might use the in-lieu of fee option and that is office use.

Mayor Wilson asked what the exempted uses. Mr. Guice said retail and hospitality, which means hotel and restaurant related. Mayor Wilson said they do have a hotel in that district. Mr. Guice said that is correct, in fact the Hotel St. Michael was able to go there because of the previous code language. Mayor Wilson said there is a large hotel downtown where most of the residents do not have cars. He said what if the hotel was purchased by an entrepreneur who turned it into condos, which requires two cars per condominium. He asked if they are going to exempt that because it is pre – 1968. Mr. Guice said yes. Mayor Wilson asked what the justification for doing that is.

Councilman Bell had to leave at this time.

Councilman Lamerson asked if a different type of developer/entrepreneur decided to put a three story Wal-Mart in, if they would be exempt from parking. Mr. Guice said that they would. Councilman Lamerson said his question is who is going to have more impact on parking, somebody with a couple of bedrooms or somebody with a restaurant. Councilman Lamerson said he said they have already created different classes of people and maybe that is too much government to begin with and maybe what P&Z and the Land Development Code people recognized is maybe they can go back to what they had that created the downtown to begin with.

Steve Stazenski, 439 Robinson Dr, representing the Prescott Downtown Partnership as the current President of the Board of Directors, said the idea behind this was to encourage development or redevelopment downtown and to bring more of a residential component to the downtown. Mr. Stazenski said the hotel mentioned is now vacant. He said he has a business and apartments on Cortez Street and is disappointed that all those folks were given the boot unless that comes back with a residential use.

Mr. Stazenski said if the code remains the way it is today it encourages two things: development into something that is much more impacting on parking and the tearing down of buildings to provide required parking. He said they support the idea that any funds generated by the in-lieu fees would go into a dedicated fund usable for any parking issues that might come up like advanced technology for enforcement and specific to the downtown business district because that is the area generating the funds. He said they do not want those funds to go into general fund because it will get lost. He said the funds would be nominal in relation to building a parking garage.

Len Scamardo, 314 Double D, said he is on the Planning and Zoning Commission and Chairman of the Unified Development Code. He said bullet point three of the Mr. Guice's presentation is the essence of the discussion. He said there was an error committed sometime between 1968 and 2003 when that particular code was amended exempting the buildings in the downtown business district from having to provide on-site parking. He said the 2003 reinstated the previous language of code that only hospitality or retail are exempt from providing on-site parking. Mr. Scamardo said even if they do not generate any in-lieu of fees they have not lost anything but getting the code back to the pre -1968 language is the primary purpose.

Mayor Wilson asked Mr. Scamardo how he knows it was an error. Mr. Scamardo said it was not an error rather a situation that from 1968 there were a number of amendments to the previous Land Development Code that was originally approved about 1954. He said in the course of research they found that property owners had the rights related to Proposition 207 but they lost them due to later amendments to the code.

Dava Hoffman, 310 E. Union Street, said she came to Prescott in 1976 to be the Planning Director for the City of Prescott and the 1968 code was on the books. She said it was adopted for the section called non conforming buildings due to not meeting the parking requirements because that was when the City adopted parking requirements. Ms. Hoffman said up until that time the original zoning code was adopted in the early 1950's and there was no parking requirement. She said over time it became hard to determine what the intent was and then the new LDC came along and the section about non-conforming buildings due to parking requirements was suddenly gone replaced by an almost arbitrary exemption for two kinds of uses, retail and hospitality, which by definition includes a number of unintended uses.

Ms. Hoffman said the purpose of the 1968 paragraph was to preserve the historic integrity of the downtown buildings. She provided the northwest

corner of Gurley and Montezuma Streets as an example of arbitrary discrimination due to the current LDC. She said when it was the Christian Corner it was exempt from parking requirements but when it changed use to a real estate office then there was a very large parking requirement. Ms. Hoffman said that does not make sense because offices require less parking per square foot than retail does and as Councilman Lamerson suggested restaurants are some of the biggest users of parking.

Mayor Wilson asked what is better about changes to the code. Ms. Hoffman said the point of trying to exempt uses that are suitable to the downtown is to make the downtown very pedestrian oriented. She said the parking section of the zoning code was designed for new construction in places other than a historic downtown. Mayor Wilson said he understands the argument of on-site parking and asked if he is never able to collect any in-lieu of fees because of the exemption in there for pre-1968 then why would he do this.

Councilman Lamerson said all uses in buildings prior to 1968 are exempt so it does not matter if he is going into the old Christian Corner or a real estate office. Mr. Guice said under the proposal it would be new construction in the form of a new building or any additions to pre-1968 buildings. Mayor Wilson said parking in lieu of fees is not the objective of this resolution.

Ms. Hoffman said there are two parts to the proposal, the first is the parking in lieu of fees based on new construction and the second is to go back to a non-arbitrary change of use exemption.

Councilwoman Lopas said the City will end up collecting the fees as seed money because there are some vacant lots and there are some blighted lots that do need to be torn down and rebuilt. She said the only way to encourage downtown development is to take off some of the parking requirements.

Councilwoman Suttles asked if this is coming back to the Council exactly as they see it now. Mr. Guice said they would prepare a resolution, which would set the fee and indicate that Council has the waiver or option to reduce the fee and indicate how the funds are to be used.

Mayor Wilson said he has a problem with the change of uses regarding big buildings by developers. He said he is opposed to them getting away with no parking and no fees.

- J. Adoption of Ordinance No. 4645-0847 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending Title X, Land Development Code, of the Prescott City Code by adding to Table

6.2.3, Off-Street Parking Requirements, and Table 11.2.5, Definitions, thereto.

Mr. Guice said this is a proposed amendment to Land Development Code related to parking. He said this bringing forward the code amendment discussed at the time Bill Spritzer came through with his Bradshaw Senior Apartment Project to reduce the parking requirement for senior projects to one per unit with a half guest space up to 20. He said they are inserting the amendment in the Table 6.2.3 and then defining that within Article 11.

- K. Adoption of Ordinance No. 4652-0854 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, abandoning a portion of an existing alley right-of-way between the Smoki Museum and the Citizens Cemetery north of Gurley Street.

Mark Nietupski said this is an ordinance to abandon a segment of alley way behind the Smoki Museum and the request is made by the Board of Trustees for the museum. He said apparently in 1925 the Council adopted an ordinance which vacated portions of Arizona Avenue between Gurley and Willis and Broadstreet and the alley in question. Mr. Nietupski said it is bordered on the east by the Citizens Cemetery. He said in 1931 the City also deeded the lots that currently provide the location for the Smoki Museum but in the process the ordinance in 1925 was not recorded, making it ineffective. He said they do not know why that did not occur.

Mr. Nietupski said the Smoki Museum is contemplating improvement of the property and would like to affirm through another ordinance that this in fact is suitable for their use. He said they contacted Yavapai County, the owners of Citizens Cemetery, and they have no objections to this abandonment.

Councilman Luzius said his major concern is they have a new board chairperson and previously the facility was allowed to be used by civic groups such as the Sister City and the fire department, which held retirement parties there. He said they have been told they can no longer use facility. Councilman Luzius said now they want to confirm something that was done in 1925 yet they are not willing to let civic organizations use the facility. He said they want the City to give them what they want but they are not giving what they should to the City.

Mayor Wilson said a representative from their board should attend next week's City Council meeting.

Deputy City Manager said she would remind the Council this was an action done by the Council in the 1920's and their failure to record it at that time.

- L. Adoption of Ordinance No. 4653-0855 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of real property from Galpin Gregory Test TR UI for right-of-way to relocate a traffic signal pole at the northwest corner of the Willow Creek Road and Sandretto Drive intersection, and authorizing the Mayor and staff to execute any and all documents to effectuate said purchase.

Mr. Nietupski said this item is an ordinance that would authorize purchase and acceptance of public right of way at the northwest corner of Sandretto Drive at Willow Creek Road intersection. He said Greg Galpin is dedicating it for the sum of \$1.00. He said there was an incident with a traffic signal pole at that location that required relocation of the pole and that Mr. Galpin was gracious to accommodate that relocation.

Councilman Luzius congratulated Mr. Galpin for doing this and said it gives more room to negotiate that turn.

- M. Award of contract to AES Precast Company Inc. in the amount of \$51,270.00 for the purchase of a precast chlorine storage building for water production operations.

Jim Ciaffoni said this item is to award a contract for the construction and delivery of a precast chlorine storage building that would be used for storing tablet chlorine at each of the six well sites. He said they presently store the tablets in a small metallic building without any kind of climate control, which reduces the shelf life and limits the purchase of chlorine to very small quantities. He said the new building is designed specifically for this use to keep the chlorine at a lower temperature. Mr. Ciaffoni said it is also much larger, a 10' x 20' x 10' building. He said they received three sealed bids and the low bidder was AES Precast Company from Northfork, Alabama for \$51,270.00. He said there is \$65,000 budgeted for this project this fiscal year. Mr. Ciaffoni said they would use the difference for things that were not included in the scope of work such as site preparation and bringing electrical service to the building and permitting with Chino Valley.

Councilman Luzius said three and half years ago they did a tour of the treatment plant and he saw containers of chlorine sitting out. He said he made the comment then that they needed a climate controlled storage building. He asked how it can be less costly being shipped as opposed to being constructed locally. Mr. Ciaffoni said this is a precast concrete reinforced building and this company will haul it on site, including the crane to off load it and set it on a prepared pad.

Councilwoman Suttles asked if there is going to be any problem with the permit from Chino Valley. Mr. Ciaffoni said they will be obtaining a building permit so it should go well.

- N. Notice of Public Hearing (May 27) on a liquor license application submitted by Nick Alexander, Agent for C Stop, LLC, for a Series 10, Beer & Wine Store, license for C Stop located at 335 Grove Avenue.
- O.\* Discussion/consideration of consolidation of Verde River Basin Partnership, Yavapai County Water Advisory Committee, and Upper Verde River Watershed Protection Coalition.

Councilman Luzius said there has been a considerable amount of discussion concerning the Verde River Basin Partnership and the Upper Verde River Watershed Protection Coalition somehow consolidating under the umbrella of the Yavapai County Water Advisory Committee.

Mayor Wilson said he supports this and that it is time for discussion in order to move beyond what has been done in the past. He said they are trying to work on regional cooperation and with separate groups like this they have some problems. He said Mayor Karen Fann supports this but it is up to the Council to take action.

Councilwoman Suttles asked if this is a discussion item at this time. Mayor Wilson said yes but he would like to take it to the point where if the Council says it is in favor of looking at how this could be done. He said it would done at the WAC level in terms of how the three groups would be merged.

Councilman Luzius said he would like to get some direction from the Council if they are interested in talking to the other groups. The Council agreed to bring it back as a formal agenda item for action in two weeks.

Councilman Lamerson asked who is the representative on WAC and Councilman Luzius said is Councilman Roecker. Councilman Lamerson said he would like to hear from WAC and from the UVRWPC. He said they are partners with these people and we need to give them the courtesy of talking to them before we move forward.

Mayor Wilson said if he understands the suggestion correctly they need to have the discussion occur at the WAC with all three groups consisting of the WAC, the Upper Verde River Watershed Protection Coalition, and the Verde River Basin Partnership. He said they become the mediators.

Councilman Luzius said he thinks they should start talking about it.

- .P.\* Approval of the Minutes of the Prescott City Council Regular Voting Meeting of April 22, 2008; the Study Session of May 6, 2008 and the Regular Voting Meeting of May 13, 2008.

There were no changes to the minutes.

- P.Q.\* Selection of items to be placed on the Regular Voting Meeting Agenda of May 27, 2008.

Councilwoman Suttles listed the following agenda items to be placed on the Consent Agenda for the Regular Meeting of May 27, 2008: A, B, C, D, E, F, G, H-1, H-2, J, L, M, N, and P. She asked for clarification regarding Item O. Mayor Wilson said they will bring it back to full Council with the intention to see if they have the support of the Council. He said at that point they can take it forward for further discussions at the WAC level to see if they can work something out and then it would have to come back for City Council approval.

### III. ADJOURNMENT

There being no further business to be discussed, the Prescott City Council Study Session of May 20, 2008, adjourned at 6:25 p.m.

\_\_\_\_\_  
JACK D. WILSON, Mayor

ATTEST:

\_\_\_\_\_  
ELIZABETH A. BURKE, City Clerk

#### CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on \_\_\_\_\_ at \_\_\_\_\_ .m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

\_\_\_\_\_  
Elizabeth A. Burke, City Clerk