



# PRESCOTT CITY COUNCIL COMBINED STUDY SESSION/ VOTING MEETING AGENDA

**PRESCOTT CITY COUNCIL  
COMBINED S.S./REGULAR VOTING MEETING  
TUESDAY, NOVEMBER 4, 2008  
3:00 P.M.**

**Council Chambers  
201 S. Cortez Street  
Prescott, AZ 86303  
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its Combined Study Session/Regular Voting Meeting pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

- ◆ **CALL TO ORDER**
- ◆ **INTRODUCTIONS**
- ◆ **INVOCATION:** Reverend Julia McKenna Johnson, Spiritual Architect
- ◆ **PLEDGE OF ALLEGIANCE:** Mayor Wilson
- ◆ **ROLL CALL:**

MAYOR AND CITY COUNCIL:

Mayor Wilson

Councilman Bell

Councilman Lamerson

Councilwoman Lopas

Councilman Luzius

Councilman Roecker

Councilwoman Suttles

- ◆ **SUMMARY OF CURRENT OR RECENT EVENTS**
- I. **PROCLAMATIONS**
  - A. *November 10, 2008 – 233<sup>rd</sup> Birthday of the United States Marine Corps*
- II. **REGULAR AGENDA**
  - A. *Public Hearing and consideration of a liquor license application submitted by Bruce Scott Reid, Applicant, for a Series 06, all Spirituous Liquor Bar, license for Moctezuma's Bar located at 144 South Montezuma Street.*
  - B. *Reappointments to the Acker Trust Board, the Advisory & Appeals Board and Board of Adjustment.*

- C. Approval to purchase a Type I Pumper Fire Engine from Central States Apparatus, LLC “Rosenbauer” for the purchase price of \$394,024.00, plus tax.
- D. Approval to purchase four new standby generators with automatic transfer switches from Arizona Generator Technology in the amount of \$41,796.00, plus tax.
- E. Acceptance of report from the Mayor’s Advisory Committee on Unsewered Areas.
- F. Adoption of Resolution No. 3910-0916 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona declaring, for purposes of Section 1.150-2 of the Federal Treasury Regulations, official intent to be reimbursed in connection with certain capital expenditures relating to the “Wastewater System Fund – Collection and Treatment System Program” and “Water System Fund – Production and Distribution System Program.”
- G. Public Hearing for Major General Plan Amendment, West Airport Area, comprising approximately 2600 acres, Owners: Deep Well Ranches, Inc., Arizona State Land, and Ty Myers; Agent: City of Prescott.
- H. Approval of the Minutes of the Prescott City Council Regular Voting Meeting of October 28, 2008.

**III. ADJOURNMENT**

# PROCLAMATION

## “UNITED STATES MARINE CORPS 233<sup>RD</sup> BIRTHDAY NOVEMBER 10<sup>TH</sup>, 2008”

WHEREAS, The Second Continental Congress resolved in 1775 to raise two battalions of Continental Marines; and

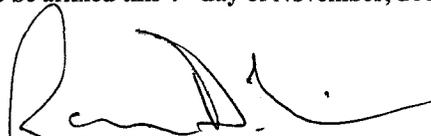
WHEREAS, the Marine Corps has strived to produce not only the best warriors, but the best people; and

WHEREAS, The Marine Corps motto of Semper Fidelis means “Always Faithful” and is a commitment we all share to our country, to our Corps and to each other; and

WHEREAS The United States Marine Corps will be celebrating their 233<sup>rd</sup> birthday on November 10<sup>th</sup>, 2008.

NOW THEREFORE, I, Jack D. Wilson, Mayor of the City of Prescott, Arizona, do hereby proclaim November, 10, 2008, to be the 233<sup>rd</sup> birthday of the United States Marine Corps.

IN WITNESS THEREOF, I have hereunto set my hand and caused the Seal of the City of Prescott to be affixed this 4<sup>th</sup> day of November, 2008.



JACK D. WILSON, MAYOR  
City of Prescott

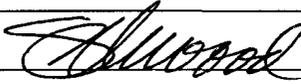
ATTEST:



ELIZABETH A. BURKE, CITY CLERK  
City of Prescott



<b>COUNCIL AGENDA MEMO – (November 4, 2008)</b>
<b>DEPARTMENT:</b> City Clerk
<b>AGENDA ITEM:</b> Public Hearing and consideration of a liquor license application from Bruce Scott Reid, Applicant, for a Series 06, <i>All Spirituous Liquor Bar</i> , license for Moctezuma's Bar located at 144 South Montezuma Street.

<b>Approved By:</b>	<b>Date:</b>
<b>Department Head:</b> Elizabeth A. Burke	
<b>Finance Director:</b>	
<b>City Manager:</b> Steve Norwood 	10/29/08

A Liquor License Application, City No. 09-070, State No. 06130074, has been received from Bruce Scott Reid, Applicant, for a Series 06, *All Spirituous Liquor Bar*, License for **Moctezuma's Bar** located at 144 South Montezuma.

The public hearing will be held at the Combined Study Session/Regular Council Meeting of Tuesday, November 4, 2008. The applicant has been requested to attend this meeting to answer any questions Council may have.

This license application is due to a person to person transfer of a Series 06, All Spirituous Liquor Bar, license.

A copy of the application is available for Council's review in the City Clerk's Office.

<b>Recommended Action:</b> (1) <b>MOVE</b> to close the Public Hearing. (2) <b>MOVE</b> to approve/deny State Liquor License Application No. 06130074, for a new Series 06, All Spirituous Liquor Bar Liquor License for Bruce Scott Reid, Applicant, for Moctezuma's Bar located at 144 South Montezuma Street.
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**ARIZONA STATE LIQUOR LICENSES  
TYPES / PURPOSES  
AS OF 04/07**

**License Types: Series 01 In-State Producer's License**

Allows an in-state producer to produce or manufacture spirituous liquor and sell the product to a licensed wholesaler.

**License Types: Series 02 Out-of-State Producer's License**

Allows an out-of-state producer, exporter, importer or rectifier to ship spirituous liquor into the state to a licensed Arizona wholesaler.

**License Types: Series 03 Domestic Microbrewery License**

Allows the licensee of a microbrewery to manufacture or produce not less than 5,000 gallons of beer in each calendar year following the first year of operation and not more than 620,000 gallons of beer in a calendar year.

**License Types: Series 04 Wholesaler's License**

Allows a wholesaler to warehouse and distribute for sale, spirituous liquor to a licensed retailer.

**License Types: Series 05 Government License**

Allows the holder of a government license to sell and serve spirituous liquor solely for consumption on the premises for which the license is issued. The license is issued in the name of a county, city, town or state university whose governing body has authorized its use.

**License Types: Series 06 Bar License – Transferable**

Allows a bar retailer to sell and serve spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

**License Types: Series 07 Beer and Wine Bar License - Transferable**

Allows a beer and wine bar retailer to sell and serve beer and wine, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

**License Types: Series 08 Conveyance License (Airplanes, Trains, and Boats)**

Allows the owner or lessee of an operating airline, railroad or boat to sell all spirituous liquors in individual portions or in original containers for consumption *only* on the plane, train or boat.

**License Types: Series 09 Liquor Store License (All spirituous liquors) - Transferable**

Allows a spirituous liquor store retailer to sell all spirituous liquors, only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

**License Types: Series 10 Beer and Wine Store License (Beer and wine only)**

Allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

**License Types: Series 11 Hotel/Motel License (with Restaurant)**

Allows the holder of a hotel/motel license to sell and serve spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises.

**License Types: Series 12 Restaurant License**

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

**License Types: Series 13 Domestic Farm Winery License**

Allows a domestic farm winery licensee to manufacture or produce more than two hundred (200) gallons, but less than seventy-five thousand (75,000) gallons of wine annually, from grapes or other agricultural products, of which at least seventy-five percent (75%) are grown in this state.

**License Types: Series 14 Club License**

Allows the holder of a club license to sell and serve spirituous liquor for consumption only on the premises owned, leased or occupied by the club, and only to bona fide members of the club and their guests.

**License Types: Series 15 Special Event License**

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

**Non-transferable License Types: Series 16 Wine Festival/Wine Fair License (Temporary)**

1. Wine festival license: Allows a licensed domestic farm winery to serve samples of its products on the wine festival premises and the sale of such products in original containers for consumption off the wine festival premises.
2. Wine fair license: Allows a licensed domestic farm winery to serve samples of its products at a sanctioned county or state fair, and the sale of such products in original containers for consumption off the fair premises.

**License Types: Series 17 Direct Shipment License**

Allows an out-of-state producer, exporter, importer, or rectifier to take orders from retail customers by telephone, mail, catalog or the Internet. The orders must be shipped into the state to a licensed Arizona wholesaler. The wholesaler must sell the product to a licensed retailer. The retailer will deliver the spirituous liquor to the customer.

## R19-1-102. Granting a License for a Certain Location

Local governing authorities and the Department may consider the following criteria in determining whether public convenience requires and that the best interest of the community will be substantially served by the issuance or transfer of a liquor license at a particular unlicensed location:

1. Petitions and testimony from persons in favor of or opposed to the issuance of a license who reside in, own or lease property in close proximity.
2. The number and series of licenses in close proximity.
3. Evidence that all necessary licenses and permits have been obtained from the state and all other governing bodies.
4. The residential and commercial population of the community and its likelihood of increasing, decreasing or remaining static.
5. Residential and commercial population density in close proximity.
6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers.
7. Effect on vehicular traffic in close proximity.
8. The compatibility of the proposed business with other activity in close proximity.
9. The effect or impact of the proposed premises on businesses or the residential neighborhood whose activities might be affected by granting the license.
10. The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report(s) of such activity at least 20 days before the hearing by the Board.
11. Comparison of the hours of operation of the proposed premises to the existing businesses in close proximity.
12. Proximity to licensed childcare facilities as defined by A.R.S. § 36-881.

### Historical Note

Former Rule 2; Former Section R4-15-02 renumbered as Section R4-15-102 without change effective October 8, 1982 (Supp. 82-5). Repealed effective July 11, 1983 (Supp. 83-4). New Section adopted effective March 3, 1993 (Supp. 93-1). R19-1-102 recodified from R4-15-102 (Supp. 95-1). Amended by final rulemaking at 11 A.A.R. 5119, effective January 9, 2006 (Supp. 05-4).

Editor's Note: The following Section was amended under an exemption from the Arizona Administrative Procedure Act (A.R.S. Title 41, Chapter 6) pursuant to Laws 1996, Ch. 307 § 18. Although exempt from certain provisions of the rulemaking process, the Department was required to provide for reasonable notice and hearing. This Section was not reviewed by the Governor's Regulatory Review Council; and the Department did not submit notice of proposed rulemaking to the Secretary of State for publication in the Arizona Administrative Register (Supp

COUNCIL AGENDA MEMO – 11/04/2008

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DEPARTMENT: City Council

AGENDA ITEM: Reappointment of Member to the Acker Trust Board, Reappointment and Appointment of Members to the Advisory and Appeals Board, and Reappointment to the Board of Adjustment

Approved By:

Date:

Council Appointment Committee:

Mayor Wilson, Councilwoman Suttles, Councilman Luzius

10/29/2008

Finance Director: Mark Woodfill

City Manager: Steve Norwood

10/30/08

Item Summary

The terms on the following boards expire in November and the Council Appointment Committee is recommending their respective reappointments. In addition, there are currently four vacancies on the Advisory and Appeals Board and the Committee wishes to appoint a new member.

Acker Trust Board

Member: Dawn Dodson Expires 11/2008

The Acker Trust Board was established by Resolution No. 2463, adopted April 14, 1992, to advise and recommend to the Council regarding the use or planned use, or sale of any tract of land held in trust by the City of Prescott under the Will of J.S. Acker, and to otherwise advise the Council and make recommendations on the administration of the J.S. Acker Trust. The above member has indicated an interest in being reappointed for another three-year term.

Advisory and Appeals Board

Member:	Thomas Menser	Expires 11/2008	(General Building)
	H. Ben Schmid	Expires 11/2008	(Mechanical)
	Rick Ryan (Vacant Seat)	Expired 02/2008	(Plumbing)

The Advisory and Appeals Board was established by Ordinance No. 1650 in December of 1983, and consists of nine members to pass on matters pertaining to the Building, Electrical, Mechanical, and Plumbing Codes of the City. The Board members are required to meet specific criteria, representing the following sections: General Building (2), Electrical (2), Mechanical (2) and Plumbing (2). The first two members above are interested in being reappointed; additionally there are four vacancies on the Board which are currently being advertised via the bulletin board at City Hall, the City's web page and also a request was sent to the Yavapai County Contractors Association and they are advertising among their membership. The third name above is an applicant to represent the Plumbing section, and the Committee wishes to appoint Mr. Ryan to the unexpired vacant term.

**Agenda Item:** Reappointment of Members to the Acker Trust Board, Appointment/Reappointment to the Advisory & Appeals Board; Reappointment to the Board of Adjustment

Board of Adjustment

Member: Ken Mabarak

Expires 11/2008

The Board of Adjustment was established by Ordinance No. 364 in December 1945, in order to make special exceptions to any zoning regulation insofar as it relates to the general rules and regulations of zoning. The Board consists of seven members appointed by the Mayor, with advice and consent of the Council. These are three-year terms, and the above individual would like to be reappointed.

**Recommended Action:** MOVE to accept the Council Appointment Committee's recommendation to reappoint Dawn Dodson to the Acker Trust Board, term to expire 11/2011; appoint Rick Ryan (Plumbing) to the Advisory & Appeals Board, term to expire 02/2011 and reappoint Tom Menser (General) and H. Ben Schmid (Mechanical) to the Advisory & Appeals Board, terms to expire 11/2011; and reappoint Ken Mabarak to the Board of Adjustment, term to expire 11/2011.

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**COUNCIL AGENDA MEMO – (11/04/2008)**

**DEPARTMENT: Fire**

**AGENDA ITEM: Approval for purchase of a Type I Pumper Fire Engine**

**Approved By:**

**Date:**

**Department Head: Darrell Willis**

**Finance Director: Mark Woodfill**

**City Manager: Steve Norwood** *HNorwood*

*10/30/08*

**Background**

Prescott Fire Department published a request for proposal for a Type-I pumper fire engine. Our specifications addressed quality, delivery, size, maneuverability, service, warranty and cost. Of the five responses received, three met the proposal specifications. The most responsive proposal (submitted by Central States Apparatus "Rosenbauer") meets specifications, is approved by the central garage fleet manager and includes an electrical system upgrade valued at approximately \$6,000.00. The electrical system upgrade provides a single connection port for our mechanics to diagnose and troubleshoot all system functions of the vehicle thus decreasing shop time significantly. "Rosenbauer" also provides six radios installed valued at approximately \$8,000.00 where HME only provides the pre-wiring for those radios.

**Status**

Currently the fire department has no Type I pumper for use as a reserve or backfill engine due to the loss of our last reserve engine to excessive wear and tear. The engine this pumper replaces will go into reserve status.

**Financial**

This is a budgeted item funded through the vehicle replacement program for FY08 which was deferred for economic reasons. Note: Rosenbauer allows a \$7,284.00 discount if the City of Prescott pays for the chassis at the time of delivery to their factory (FY09). The balance of the purchase will be paid in January 2010 after delivery (FY10).

Vendor	Amount	Tax Incl.	Discount	Total	Met Spec.s	Delivery in days
Central States Apparatus "Rosenbauer" Proposal 2	\$401,308.00	no	\$7,284.00	\$394,024.00	Yes	295-325
HME Inc.		no	none	\$393,142.00	Yes	295
KME Fire Apparatus		no	none	\$446,794.00	Yes	250

**Recommended Action: MOVE** to approve the purchase of a Type I pumper fire engine from the most responsive and responsible proposer, Central States Apparatus, LLC "Rosenbauer" for the purchase price of \$394,024.00 plus tax.

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**COUNCIL AGENDA MEMO – 11-04-2008**

**DEPARTMENT: Prescott Regional Communications Center**

**AGENDA ITEM:** Recommendation for Council to purchase four (4) new standby generators with automatic transfer switches to Arizona Generator Technology for \$41,796 (plus tax) charged to the Public Safety upgrade account of 24-85101-712.

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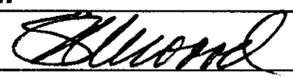
**Approved By:**

**Date:**

**Department Head: Darrell Willis, Emergency Services Director**

**Finance Director: Mark Woodfill**

**City Manager: Steve Norwood**



10/31/08

**BACKGROUND**

The City of Prescott's Public Safety upgrade project is moving forward. A critical project element is twenty-four seven, electrical service at all the tower sites to provide continuous operation of micro wave and emergency radio equipment. Currently four of the six tower sites will require new emergency generators to provide electrical service in the event of an APS power outage. These sites include Mingus Tank, Northwest Tank, Peavine and the Yavapai Hills Tank.

**STATUS**

Sealed bids were opened on October 16<sup>th</sup> for four new emergency standby generators at a minimum size of 35KW. The units, powered by propane, will be enclosed in acoustically designed enclosures with automatic transfer switches. Nine bids were received ranging from \$41,796 to \$79,340. The bids were evaluated and the successful low bidder is Arizona Generator Technology at the cost of \$41,796 (plus tax), shipping included. A summary of the bids are listed below:

Arizona Generator Technology	\$41,796 plus tax
Wilson Electric Services Corp.	\$45,976 plus tax
Gruber Technical, Inc.	\$47,020 plus tax
Thomas Electrical Contractors	\$47,844 plus tax
Harris Mechanical Southwest	\$49,030 plus tax
SWABS-Az, Inc.	\$49,820 plus tax
US Energy	\$52,272 plus tax
WW Williams	\$76,480 plus tax
Cobra Power Systems	\$79,340 plus tax

**RECOMMENDATION:** MOVE to award the bid for four new standby generators with automatic transfer switches to Arizona Generator Technology for \$41,796 plus tax. This is a budgeted item in the Public Safety upgrade project and will be charged to account #24-85101-712.

# QT036

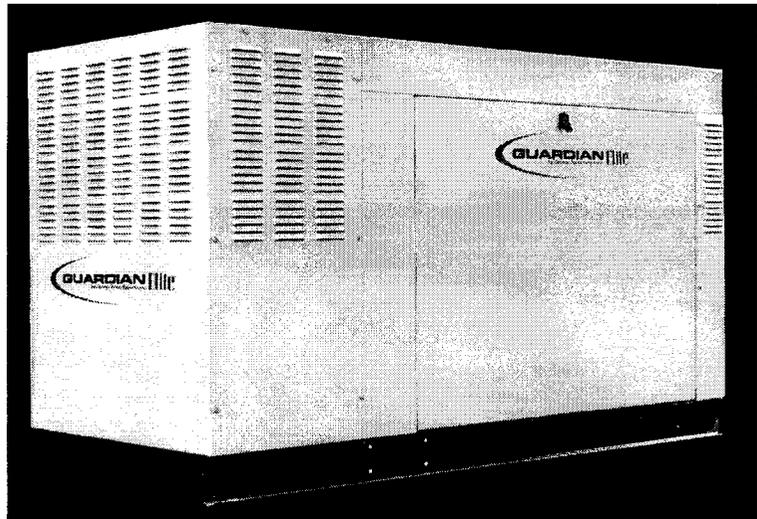
## Liquid Cooled Gas Engine Generator Sets

Standby Power Rating  
**36 kW 60 Hz**

**GENERAC 2.L ENGINE**  
Turbcharged/Aftercooled  
Gaseous Fueled

### STANDARD EQUIPMENT

- All input connections in one single area
- High coolant temperature shutdown
- Low oil pressure shutdown
- Low coolant level automatic shutdown
- Overspeed automatic shutdown
- Crank timer
- Exercise timer
- Oil drain extension
- Cool flow radiator
- Closed coolant recovery system
- UV/Ozone resistant hoses
- Watertight state of the art electrical connectors
- Mainline circuit breaker
- Radiator drain extension
- Battery charge alternator
- 2 Amp static battery charger
- Battery cables
- Battery rack
- Fan and belt guards
- Flex fuel line
- Hour meter
- Isochronous governor



### FEATURES

- UL2200 Listed
- Solid state frequency compensated voltage regulator
- Sound attenuated acoustically designed enclosure
- Acoustically designed engine cooling system
- High flow low noise factory engineered exhaust system
- All components easily accessible for maintenance
- High efficiency, low distortion Generac designed alternator
- State of the art digital control system with R100 digital control panel
- Matching Generac transfer switches engineered and tested to work as a system
- Dynamic and static battery charger
- Innovative design and fully prototype tested
- Quiet test for low noise level exercise
- Electrostatically applied powder paint
- Watertight electrical connectors
- Rodent proof construction
- Vibration isolated from mounting base

II-E

**COUNCIL AGENDA MEMO – November 4, 2008**

**DEPARTMENT:** City Manager

**AGENDA ITEM:** Recommendations to City Council from Mayor's Advisory Committee on Unsewered Areas

**Approved By:**

**Date:**

**Deputy City Manager:** Craig V. McConnell

*Craig V. McConnell*

10-31-08

**Finance Director:** Mark Woodfill

**City Manager:** Steve Norwood

**Item Summary**

At their meeting of June 24, 2008, the City Council endorsed creation of the Mayor's Advisory Committee on Unsewered Areas to address alternatives for wastewater treatment and disposal in developed areas which are not served by City sewer, and associated public health and surface water quality aspects.

The Committee met on July 10, September 4, and October 16, 2008; agendas and minutes are available on the City website ([www.cityofprescott.net](http://www.cityofprescott.net)) by navigating to the "City Meetings" page, and scrolling down to the "Mayor's Advisory Committee on Unsewered Areas" section.

Marlin Kuykendall, Chairman, will present the attached Committee recommendations to the Council.

**Attachment** - Committee recommendations

**Recommended Action:** Move to accept the report of the Mayor's Advisory Committee on Unsewered Areas.

# **MAYOR'S ADVISORY COMMITTEE ON UNSEWERED AREAS**

## **COUNCIL RECOMMENDATION**

**November 4, 2008**

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The Honorable Mayor and City Council

On behalf of the members of the "Mayor's Advisory Committee on Unsewered Areas", please accept this report as our final recommendation.

We want to thank you for your confidence in our ability to review the problems and develop suggested solutions that are acceptable to both our citizens and the City government.

This report is the result of several committee meetings, extensive communication with City of Prescott staff members Craig McConnell, Connie Tucker, Jim Ciaffoni, City Manager Steve Norwood, Councilwoman Lora Lopas, and the excellent support of Teresa Ogle. Also, separate discussions were held between the City staff and Yavapai County representatives Ken Spedding, Geoff Meek, and Suzanne Ehrlich, and Michael Byrd of Prescott Creeks Preservation Association.

As our members started exploring the facts concerning our committee's charge, it became evident that there are deep-seated feelings in our community regarding promises made decades ago. Many citizens in the North Prescott areas remember representatives of the City, in an effort to promote annexation of their neighborhoods, indicating sewers would be installed sometime in the future. They believed this would be at City expense. Apparently, there were no written agreements to support these representations, but we can assume they are factual and were made in good faith.

In the interest of doing "what is right" for our citizens, this and future Councils should give consideration to these statements which were interpreted as commitments in the event future economic conditions allow sewer main development in the neighborhoods.

In early conversations with Finance Director Mark Woodfill, we discussed the possibility of thinking "outside the box" with respect to formulating a financing plan to address unsewered areas. Any way we sliced it, the dollars were too high, and the timeframe too long, to ask our citizens to fund.

We then asked our committee members from the affected areas to poll their neighbors about the formation of improvement districts as a financing method. The results of these surveys showed little interest of participation due to the high cost, so we did not pursue this effort. Proceeding, the committee turned its attention to exploring approaches that would improve on what we already have.

Now, to explore improving on what we have. The following statement comes from USEPA's "Onsite Wastewater Treatment Systems Manual", 2002 Edition, page xiii (courtesy of John Phillips)

"Public health and environmental protection officials now acknowledge that onsite systems are not just temporary installations that will be replaced eventually by centralized sewage treatment services, but permanent approaches to treating wastewater for release and reuse in the environment. Onsite systems are recognized as viable, low-cost, long-term, decentralized approaches to wastewater treatment if they are planned, designed, installed, operated, and maintained properly."

We know that there are a total of approximately 1,300 private single family, multi-family, and commercial sewer systems currently operating within the city limits. Recognizing the fact they are an acceptable means of sewage treatment and disposal, we can now start developing a policy to extend some assistance to those experiencing problems with this type of system in our non-sewered areas.

We believe working together, the City and County can create a program to encourage and facilitate property owners to voluntarily allow testing of septic systems, particularly with respect to those owners who suspect they may have a failing and/or malfunctioning system. By assisting in system design and operation we can ensure that no onsite system alternative presents an unacceptable risk to public health or water resources.

We further recommend that the City develop some type of formal agreement with Prescott Creeks Preservation Association to work toward identification and evaluation of detectable sources of pollution entering our watersheds, creeks, and ultimately Watson and Willow Lakes. These lakes belong to all the citizens of Prescott, having been purchased several years ago through a bond election overwhelmingly supported by our residents. We must protect these valuable assets.

These programs will take money. We propose a citywide monthly fee of \$0.70 (seventy cents) to support a watershed protection fund. This monthly fee would be collected via the monthly water bills issued by the City, and generate approximately \$132,000 annually. These funds would be used for:

1. Potential contract with Prescott Creeks Preservation Association.
2. Any needed examination and cleanup of possible pollution of our watersheds.
3. Possible monetary assistance to our citizens experiencing residential sewage system problems but financially unable to make corrections. Eligibility guidelines would be determined by the Prescott City Council.
4. Other watershed improvements deemed necessary by the Prescott City Council.
5. Public education.

**Respectfully submitted:**

Chairman Marlin Kuykendall  
Khristine Davenport  
Richard DeLaVeaga  
Adam Gabriella  
Jim Hazelbaker  
Councilwoman Lora Lopas  
John Reed  
Gary Worob

COUNCIL AGENDA MEMO – November 4 2008

II-F

DEPARTMENT: FINANCE

AGENDA ITEM: RESOLUTION DECLARING THE CITY'S INTENT TO BE REIMBURSED FOR CERTAIN CAPITAL EXPENDITURES FROM THE ISSUANCE OF DEBT

Approved By:

Date:

Department Head:

Finance Director: Mark Woodfill

City Manager: Steve Norwood



10/24/08

**BACKGROUND**

Federal Treasury Regulation Section 1.150-2 requires municipalities to declare their intent to reimburse themselves for capital expenditures through a debt issue prior to, or within, 60 days of the expenditure. The FY 2009 budget identifies several water and sewer project that will be financed through the issuance of debt.

**ITEM**

The projects, which are intended to be financed with debt, are scheduled throughout the year; therefore, in order to minimize the cost of financing, these projects need to be consolidated into one bond issue. Funds for these projects will be advanced through short-term internal borrowing, then, when the bonds are issued, the affected funds will repay these short-term loans with the bond proceeds.

**Recommended Action: MOVE** to adopt Resolution No. 3910-0916.

## RESOLUTION NO. 3910-0916

RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, DECLARING, FOR PURPOSES OF SECTION 1.150-2 OF THE FEDERAL TREASURY REGULATIONS, OFFICIAL INTENT TO BE REIMBURSED IN CONNECTION WITH CERTAIN CAPITAL EXPENDITURES RELATING TO THE "WASTEWATER SYSTEM FUND- COLLECTION AND TREATMENT SYSTEM PROGRAM" AND "WATER SYSTEM FUND- PRODUCTION AND DISTRIBUTION SYSTEM PROGRAM"

### RECITALS:

WHEREAS, the City of Prescott, a municipal corporation of the State of Arizona (hereinafter referred to as the "City"), is authorized and empowered pursuant to law to issue or cause to be issued obligations to finance the costs of various capital facilities owned or to be owned by the City; and

WHEREAS, it is contemplated that certain expenditures made by the City with regard to capital facilities owned or to be owned by the City with regard to certain wastewater and water system improvements will be reimbursed from the proceeds of the sale of obligations to be issued in the future by or on behalf of the City;

### ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF CITY OF SEDONA, ARIZONA, that:

Section 1. Definitions. The following terms shall have the meanings assigned thereto as follows:

"official intent" means a declaration of intent of the City to reimburse an original expenditure with proceeds of an obligation.

"original expenditure" means an expenditure for a governmental purpose that is originally paid from a source other than a reimbursement bond.

"reimbursement bond" means the portion of an issue of obligations allocated to reimburse an original expenditure that was paid before the issue date of such issue.

Section 2. Official Intent. This Resolution is official intent relating to reimbursement for the original expenditures indicated in Exhibit A hereto which are capital expenditures (being any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles).

Section 3. Project Descriptions. The projects for which such original expenditures are to be paid are for those described on Exhibit A attached hereto and the maximum principal amount of obligations (including the reimbursement bonds for such purposes) to be issued for such projects will not exceed \$42,000,000.

Section 4. Reasonableness of Official Intent. On the date of this Resolution, the Mayor and Council of the City have a reasonable expectation (being that a prudent person in the same circumstances would have based on all the objective facts and circumstances) that it will reimburse such original expenditures with proceeds of such obligations. (Official intents have not been declared by the City as a matter of course or in amounts substantially in excess of the amounts expected to be necessary for such projects. Moreover, the City does not have a pattern (other than in extraordinary circumstances) of failure to reimburse actual original expenditures covered by official intents.)

Section 5. Public Record. This Resolution shall be included as of the date hereof in the publicly available official records of the City, such records being maintained and supervised by the Clerk of the City, being the main administrative office of the City, and shall remain available for public inspection on a reasonable basis.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott, Arizona, this 4<sup>th</sup> day of November, 2008.

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JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

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ELIZABETH A. BURKE, City Clerk

---

GARY D. KIDD, City Attorney

Exhibit "A" - Original Expenditures Intended To Be Reimbursed

**EXHIBIT A**

**ORIGINAL EXPENDITURES INTENDED TO BE REIMBURSED**

<u>Description of Original Expenditures</u>	<u>Amount of Expenditures</u>	<u>Dates of Original Expenditures</u>
-Wastewater System Fund - Collection and Treatment System Improvements	\$21,000,000	After September 5, 2008
- Water System Fund – Production and Distribution System Improvements	\$19,000,000	After September 5, 2008

**CERTIFICATION**

I hereby certify that the foregoing Resolution No. 3910-0916 was duly passed and adopted by the Mayor and the Council of the City of Prescott, Arizona, at a regular meeting held on the 4th of November, 2008, and the vote was \_\_\_\_ ayes and \_\_\_\_ nays and that the Mayor and \_\_\_\_ Councilmembers were present thereat.

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ELIZABETH A. BURKE, City Clerk

## COUNCIL AGENDA MEMO – November 4, 2008

II-G

<b>DEPARTMENT:</b> Community Development - Planning	
<b>AGENDA ITEM:</b> GP08-004 Major General Plan Amendment - West Airport Area totaling 2600 acres. <b>Owner:</b> Deep Well Ranches, AZ State Land and Ty Myers. <b>Agent:</b> City of Prescott, 201 S. Cortez, Prescott, AZ 86302.	
<b>Approved By:</b>	<b>Date:</b>
<b>Department Head:</b> Tom Guice	
<b>Finance Director:</b>	
<b>City Manager:</b> Steve Norwood <i>SNorwood</i>	<i>10/30/08</i>

### REQUEST:

A major General Plan Land Use Map Amendment of approximately 2600 acres depicting likely future land uses. The General Plan must be updated for infrastructure analysis in preparation for possible future annexations. The subject area is west of the Prescott Airport Love Field and is currently designated in the General Plan as Agricultural/Ranching with some Commercial.

The area borders the Prescott City Limits and annexation is possible. However, no current developments are proposed at this time, nor has the City received any applications for annexation and development. The City anticipates an annexation request at some point in the future based upon discussions with the property owners.

### BACKGROUND:

Deep Well Ranches owns a large portion of this area. The current General Plan designation of Agricultural/Ranching was assigned at the request of Deep Well Ranches, which at the time, did not foresee annexation into the City. Indications are that the area will not be developed under the current County rural zoning designations of RCU-2A (Rural Residential 2 Acre), R1L-70 (Single Family - 70,000 square feet) and R1L-18 (Single Family - 18,000 square feet). Whenever county parcels are annexed into a municipality, similar zoning is required under state law. Staff believes that upon annexation, the owner/prospective developer of these properties will request rezoning.

The proposed Amendment is part of an effort requested by Council and initiated by City Manger Steve Norwood "furthering the City's mission of smart growth as well as coordinating and implementing large scale annexations. There are several owners of large tracts of land wishing to become part of the City of Prescott. This growth is essential to the health and success of our community and our organization. Annexation is a lengthy, complicated process requiring extensive departmental and regional communication and cooperation."

By amending the General Plan and establishing likely uses in this area, staff is able to perform planning and analysis of transportation and utilities infrastructure in preparation for possible future development within the City.

### CONSIDERATION OF APPROPRIATE GENERAL PLAN DESIGNATION:

A land use study of the subject area was performed by the Coe & Van Loo Company (CVL) in cooperation with Deep Well Ranches and the Arizona State Land Department (the second major landowner in the this area). Access to the site is provided by Ruger Road, Willow Creek Road, Pioneer Parkway, and Highway 89 which provide good regional connectivity. Public Works, Engineering Services and Community Development have reviewed the proximity of this area to major roadways to determine future connectivity and traffic patterns. Staff also reviewed

**Agenda Item: GP08-004 Major General Plan Amendment**

compatibility with the Airport Specific Area Plan (ASAP) and General Plan land use designations. By working with the City, Airport staff, State Land and Deep Well Ranches, CVL provided recommendations for the most likely future uses of these properties and needed future road configurations. ( 22 )

The City is currently developing a Master Plan to study the long term needs of the airport. Using current FAA guidelines, the Louis Berger Group has determined six airport influence zones and has also determined Day-Night Sound Level zones. Using this information, staff recommends that residential uses be restricted in areas near the airport within the 55 DNL line, with some exceptions, such as for hotels. A Commercial/Employment designation is appropriate for these areas that are deemed developable, but where residential uses would not be appropriate. Using both the General Plan and the Airport Master Plan, future development of residential uses will be prohibited or limited near the airport runways.

The ASAP is anticipated to be amended for consistency with the FAA guidelines. Currently, ASAP limits residential development within a one mile Approach/Departure route from the runway surface which does not accurately reflect current FAA guidelines. The Land Development Code (LDC) is also expected to be amended to reflect FAA height requirements. Currently, the LDC provides for a Noise Overlay District to require noise abatement within areas above a 65 DNL. Height and noise will be reviewed in the LDC to further protect the airport from encroachment by possible future development.

By adopting or amending the General Plan, Airport Master Plan, ASAP and LDC, future annexation applications will benefit by a more streamlined process where the ground work for infrastructure analysis has already been performed. Additionally, land uses around the Love Field Airport will be clarified and protection of the airport will be in place.

**SURROUNDING ZONING AND LAND USE:**

Direction	Zoning	Land Use
North	Unincorporated residential	Vacant
South	Residential	Pinon Oaks subdivision, vacant
East	Industrial, residential	Airport, golf course, various subdivisions
West	Residential	Williamson Valley Estates subdivision, vacant

**MAJOR GENERAL PLAN AMENDMENT CRITERIA AND TIMELINE:**

Section 13(A)1.c of the 2003 Prescott General Plan [as required by ARS Section 9-461.06(G)] requires that a proposed change in the General Plan is a major amendment when an area greater than 640 acres contains 50 or more single family residences that are within 1320' of the perimeter of the subject property. Approximately 300 homes fall into this definition in the communities of Pinon Oaks, Antelope Village/Hills, Golf Links, Longview Estates and Williamson Valley Estates.

**Agenda Item: GP08-004 Major General Plan Amendment**

City Council Resolution #3678 designates a specific timeline for public hearings and area meetings resulting in the following schedule for information and consideration of this General Plan Amendment:

<b>DATE</b>	<b>TIME</b>	<b>PLACE</b>	<b>MEETING TYPE</b>
09-24-08	5:30 PM	Council Chambers, City of Prescott 201 S. Cortez Street Prescott, AZ 86303	Area Meeting, City of Prescott
10-02-08	5:30 PM	Elks Theater 117 E. Gurley Street Prescott, AZ 86303	1 <sup>st</sup> Public Hearing, Planning & Zoning Commission
10-09-08	9:00 AM	Council Chambers, City of Prescott 201 S. Cortez Street Prescott, AZ 86301	2 <sup>nd</sup> Public Hearing, Planning & Zoning Commission (Consideration for Vote)
11-04-08	3:00 PM	Council Chambers, City of Prescott 201 S. Cortez Street Prescott, AZ 86301	Public Hearing, City Council (Study Session)
11-25-08	3:00 PM	Council Chambers, City of Prescott 201 S. Cortez Street Prescott, AZ 86301	City Council (Anticipated Consideration for Vote, due to 11-11-08 holiday)

**DEPARTMENT AND AGENCY COMMENTS:**

Comments were provided to various agencies during the initial review process. Yavapai County has expressed concerns regarding road configuration and traffic circulation. However, this is part of an ongoing discussion with the County regarding local access. Should development be proposed, County staff has indicated they will recommend annexation into the City of Prescott in the hope that infrastructure may be extended to accommodate the development.

**PUBLIC COMMENTS:**

Notices were mailed to 1236 homes near the amendment area. Two separate display ads were published in the newspaper. The area was posted in accordance with LDC requirements. In all, eight 14" x 22" postings were made including the access lanes of Pinon Oaks. Also, two 4-foot by 8-foot public hearing notice signs were posted along Willow Creek Road and along Highway 89 with large lettering readable by motorists. Written comments have been received expressing concerns regarding density, open space and traffic issues. Several dozen phone calls and walk-in inquiries were received generally requesting information. Additional public concerns regarding density, open space and traffic issues were provided during an area meeting held at City Hall on September 24<sup>th</sup>. Throughout this process, the public has been urged to view presentational information provided on the City website under the spotlighted General Plan Revision banner.

**PLANNING AND ZONING COMMISSION:**

The P&Z Commission met at its regularly scheduled meeting on September 24<sup>th</sup> to study the proposal, then met for two public Hearings on October 2<sup>nd</sup> and October 9<sup>th</sup>. The discussion included density, open space and traffic issues. Also discussed was the possibility of future annexations. Public comment was provided during each of the public hearings. The P&Z Commission recommended to approve the application by a vote of 5-0, with Commissioner Petrovsky and Commissioner Scamardo not in attendance.

**Agenda Item: GP08-004 Major General Plan Amendment**

Multi-family land uses are proposed in areas relatively close to the airport. This is a departure from the current ASAP where residential uses are discouraged within the approach/departure zones. The current FAA guidelines permit residential uses in portions of this area. During discussions with land owners, residential uses were strongly preferred as to not limit possible future development scenarios. Multi-family uses are generally more tolerant of airport activity than single family uses, and, are appropriate as a buffer between commercial uses adjacent to the airport and single family uses further away.

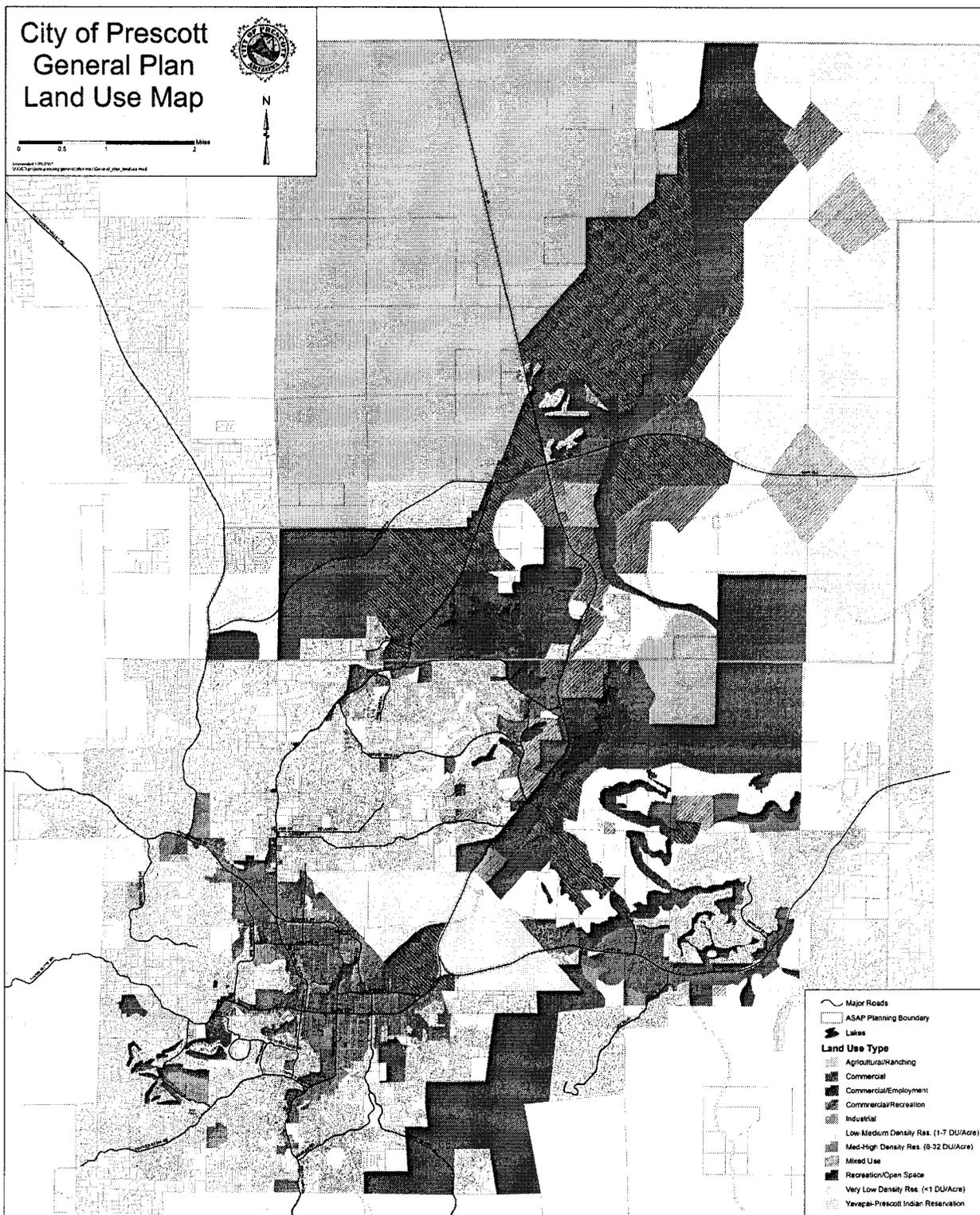
The use of the medium high density residential designation was questioned by both the P&Z Commissioners and the public. During discussions with land owners, higher density residential uses were strongly preferred, again to not limit possible future development scenarios. This was a needed concession to maintain the support of the land owners. Ed Dietrich of the AZ State Land Department addressed the Commission objecting to limiting the General Plan to lower density uses stating that lower density development is not consistent with the State Land charter.

The area in question is currently zoned for low density residential by the County. Should the proposed major General Plan amendment be approved, and annexation were occur, the area would initially be zoned for low density residential according to State Statutes. If the developer wishes, he may then develop at low density residential or request a rezoning to medium high residential both without the need to amend the General Plan further.

Regional Open Space does not appear on the proposed land use map except in areas known to be undevelopable. This is consistent with the current General Plan land use map. The General Plan contains a complete element discussing the desirability and benefit of open space. However, Growing Smarter legislation prohibits showing open space on the land use map unless permission is granted by the land owner. Further analysis is needed before possible open space tracts can be determined. The appropriate time to require open space is during master plan discussions and annexation.

**Attachments:** Current General Plan Land Use Map  
Proposed General Plan Land Use Map prepared by Coe & Van Loo  
Application narrative  
Impact Zone and LDN study prepared by Louis Berger Group  
Written comments and letters  
General Plan Use Category Descriptions  
ASAP Land Use Plan

**Planning & Zoning Commission Recommendation: MOVE to close the Public Hearing OR MOVE to continue the Public Hearing to the November 18, 2008 City Council Study Session.**





July 31, 2008

**Narrative - Major Amendment to the 2003 Prescott General Plan**

Attached is a Land Use Map proposed as a major amendment to the 2003 Prescott General Plan. The area, west of the Prescott Airport Love Field, is currently designated by the General Plan Land Use Map as predominantly Agricultural / Ranching, with one area of Commercial / Employment. The City has approached Deep Well Ranch, owner of approximately 1,800 acres of the 2,600 acre area delineated by the map, for consideration of annexation into the City limits. The original Agricultural / Ranching General Plan designation was assigned at the request of Deep Well Ranch, which in 2003 was not actively considering future annexation(s).

A land use study of the area has been recently accomplished via a City contract by Coe & Van Loo Consultants, Inc. (CVL), Phoenix, AZ, in cooperation with Deep Well Ranch and the Arizona State Land Department, owner of most of the 800 additional acres in the study area. By working with the City, Love Field Airport, State Land and Deep Well Ranch, CVL has made recommendations for the highest and best acceptable uses of these properties. The land uses have been established to facilitate transportation and utilities infrastructure master planning and analysis in preparation for future development of the City.

The Louis Berger Group, by separate contract, has been concurrently updating the Airport Master Plan to delineate recommended Airport Impact Zones utilizing Federal Aviation Administration guidelines. Six (6) separate Airport Impact Zones and Day-Night Sound Levels (LDN) within and around the airport have been produced in draft form. Using both studies, CVL created the attached map. While the Airport Master Plan has not yet been formally adopted by Council, staff will recommend that residential uses be permitted in Airport Impact Zone 6, which encompasses the largest area around the airport. All other Zones restrict residential uses with some exceptions such as for hotels.

In addition to Airport Impact Zones 1 through 5, the 55 LDN line shall be used to determine a threshold for certain restrictions on residential uses. Staff will recommend Commercial / Employment (CE) designation for areas deemed developable, but where residential uses would not be appropriate. Using both the General Plan and the Airport Master Plan, future development of residential uses will be prohibited or limited near the airport runways. The current Airport Specific Area Plan is anticipated to eventually be amended for consistency with these recommendations. By adopting or amending all three plans, land uses around the Love Field Airport will be clarified. Future annexation applications will benefit by a more streamlined process where the ground work for infrastructure analysis has already been performed.

### General Plan Use Category Descriptions

#### **Recreation/Open Space**

This designation denotes areas that are to be precluded from development except for active and passive public recreational facilities or natural preserves. Open space areas are intended to be left in a natural state due to topographic, drainage, vegetative, and landform constraints or the need to provide buffers between incompatible land uses or to protect viewsheds.

#### **Agricultural/Ranching**

The Agricultural/Ranching designation denotes areas intended to remain in agricultural or ranching production over the long-term. However, these areas are anticipated to transition to other land uses over time. Agricultural/Ranching land may allow residential development of up to one dwelling unit per acre depending upon zoning classification. Public service demands are not anticipated to be as great as in residential designations. No commercial or industrial development is anticipated.

#### **Mixed-Use**

Mixed-Use areas are generally located at an existing or anticipated circulation nexus and/or placed between higher intensity uses and adjoining residential land uses. The Mixed-Use designation is intended to be compatible with the surrounding area while providing a mix of commercial, employment, public and residential uses. It is anticipated that these areas will support neighborhood oriented commercial uses and may include master-planned and developed mixed communities intended to replicate the traditional downtown mixture of commercial and residential uses of all density categories. Residential uses are permitted, but subject to density and buffering standards set out by the overlying zoning districts.

#### **Commercial**

The Commercial designation denotes typical community or regional commercial uses. Intended uses include office, retail, service, civic, lodges, health related and other similar uses as permitted by the appropriate zoning designations. Residential uses of all density categories are permitted, but subject to density and buffering standards set out by the overlying zoning districts.

#### **Commercial/Employment**

The Commercial/Employment designation refers to areas where professional offices, tourism, recreation, service uses, warehousing, and light industrial uses are generally appropriate. This use requires appropriate buffering considerations from adjoining residential areas. The specific allowable uses are determined based upon the zoning of each particular site and will consider adjacent land uses, traffic impacts and the intensity of any proposed development. Residential uses are not anticipated in this designation.

**Very Low Density Residential (<1 DU/AC)**

The Very Low Density Residential category is intended for large-lot single-family housing in a rural setting. Development in these areas will consist mainly of detached single-family homes on 2-acre minimum sized lots or larger. The basic character of development is rural, with most natural features of the land retained. Typically, keeping of horses or other livestock is permitted, possibly in association with pre-existing and ongoing farming or ranching. Public services demands are not as great as in higher density, more urban development. No commercial or industrial development is anticipated.

**Low-Medium Density Residential (1-7 DU/AC)**

The Low-Medium Density Residential category is intended for predominantly single-family detached residential development. Residential densities of up to seven dwelling units per acre are typical of this category. In general these areas are quiet residential single-family neighborhoods but in some areas a mix of single-family, duplexes and townhouses would also be appropriate. This designation may also include such supporting land uses as neighborhood shops and services, parks and recreation areas, religious institutions, and schools. A full range of urban services and infrastructure is required. The Low-Medium Density Residential category would also allow residential development as described for the Very Low Density Residential category.

**Medium-High Density Residential (8-32 DU/AC)**

The Medium-High Density Residential category may include duplexes, manufactured and modular homes, apartments, town homes, and other forms of attached or detached housing on smaller lots. The density range for this category is 8 to 32 dwelling units per acre. This category may also include such supporting land uses as neighborhood shops and services, parks and recreation areas, religious institutions, and schools. A full range of urban services and infrastructure is required. The Medium-High Density Residential category would also allow residential development as described for the Low-Medium Density and Very Low Density Residential categories.



- **Airport Impact Zone 1 – Runway Protection Zone.** The Runway Protection Zones (RPZ) is trapezoidal in shape and centered about the extended runway centerline. It extends from 200ft beyond the end of the area usable for takeoff and landing. The narrower end of each RPZ is the closest to the runway end.
- **Airport Impact Zone 2 – Inner Safety Zone.** The Inner Safety Zone is rectangular in shape and centered about the extended runway centerline extending from the wider edge of the RPZ.
- **Airport Impact Zone 3 – Inner Turning Zone.** The Inner Turning is conical in shape which is encompassed by a 30 degree angle to either side of the extended runway centerline, and a radius of 5,000ft. Its vertex is situated on the runway centerline 200ft off the runway end.
- **Airport Impact Zone 4 – Outer Safety Zone.** The Safety Zone is rectangular in shape and centered about the extended runway centerline. It extends from the outer edge of the Inner Safety Zone.
- **Airport Impact Zone 5 – Sideline Safety Zone.** The Sideline Safety Zone is rectangular in shape and centered on the runway centerline. It is defined by a one thousand foot centerline offset on each side of the runway that connects the Inner Turning Zone on each end of the runway.
- **Airport Impact Zone 6 – Traffic Pattern Zone.** The Traffic Patter Zone is defined by an area five thousand feet wide, centered on the runway centerline, extending from the Sideline Safety Zone to the edges of the Outer Safety Zone.

The following are references for guidance we have been using for this task:

FAA Airport Land Use Compatibility Guide;

FAA 14 CFR Part 150;

FAA Advisory Circular 150/5020-1

**Agenda Item: GP08-004 Major General Plan Amendment**

October 1, 2008

Ryan Smith,  
Planning and Zoning  
City of Prescott

Ryan Smith,

As we discussed, please include these comments in the the PUBLIC HEARINGS October 2, 2008, October 9, 2008, and the City Council Public Hearing Study Session November 4, 2008. Areas of concern for Richard and Donna Sinclair, are specifically:

- 1) **WATER**
- 2) **DENSITY**
- 3) **BALANCE** -- Growth vs. Sane and Sensible Environmental Concerns
- 4) **OPEN SPACE** and **NEED FOR TRAILS CREATION AND PRESERVATION**

**Comments:**

**Water:** Changing the General Plan now to avoid hassle in the future may seem wise to some. However, such a broad swipe to allow this much density is not realistic. Even **IF** the water ranch pipeline from Big Chino in Paulden goes through--which now looks like a **HUGE WASTE OF TAXPAYER MONEY**--there is still only so much precious water in Northern Arizona. We cannot pump desalinized ocean water over the mountains from the sea to our area because the energy cost to pump water from the sea over the mountains defeats the effort. With too much growth, the aquifers will be depleted and people with water now will have dry wells! How can that be equitable or even legal!?

**Density:** Proposed Density levels may be described as "highest and best use" to land owners and planners desiring growth and revenue. Down the road--even a few years, not 100 years--we may well be stuck with the arid, near worthless properties left behind. Developers and city officials may be long moved to another state, but current property owners (we little guys) may be left with the destruction.

**Balance:** With this amount of land and so little water--the majority of the area should be 2-5 acre minimum and provide significant open space and trails set aside now. The result would still provide excellent return for current property owners/developers and City of Prescott--without permanently damaging the land by over-building with too little water and pushing a metropolis where the resources are not there to sustain a metropolis.

Rule of thumb: As, historically, in Arizona, even when not in a drought, 40-60 acres were required for each head of cattle, it is obvious, too many acres with **HIGH DENSITY** dwellings is a recipe for disaster!

If there are City of Prescott or Yavapai County planning and zoning officials who still feel there have not been gross development errors made in the past.... Well, they would be wrong--there have been some irreversible errors made. And much damage to the area. Who benefits then? Few.

**Agenda Item: GP08-004 Major General Plan Amendment**

PLEASE, we ask you to slow down, don't try to jam this plan through to please some. Slow down and do it right. Before you approve Medium-High Density-- realize there will never be enough water for much more high density development.

**Open Space/Trails Preservation:** The outlined mapped area plans for very little open space and no riding/hiking/biking trails. This is not acceptable to many people for various sound reasons. Please don't be guided only by potential for quick tax revenue and developer profits--be guided by smart growth, sustainable by the water available and what is best for our beautiful, fragile area. The area will be more valuable and more beautiful, it will just take a bit longer for the developers and City to obtain revenue. The revenue from sustained smart growth will still be there and be better for all concerned.

Thank you,

Donna Sinclair  
Richard Sinclair  
6115 N. Bailey Avenue  
Prescott, AZ 86305

(928) 778-0240

**Agenda Item: GP08-004 Major General Plan Amendment**

**From:**  
Dennis Luebkin  
10 Cienega  
Prescott, Arizona 86301

**October 5, 2008**

**To:**  
Planning and Zoning Commissioners and Members of the Prescott City Council,  
210 South Cortez Street  
Prescott, AZ 86303

**RE: General Plan Amendment City of Prescott GP08-004, West Airport Area Major Amendment**

**Dear Commissioners and Members of the Council,**

**As a resident of the City of Prescott residing in the Antelope Hills Development directly east of the proposed General Plan Amendment (GPA) area and having reviewed the information provided by the City of Prescott I would like to indicate my support of the General Plan Amendment process with the qualifiers as are indicated below. Although growth by some is not seen as positive, it is inevitable and needs to be handled in a manner that is appropriate, positive and beneficial to the community. I appreciate that the City of Prescott has the foresight to look at the need for appropriate land uses to guide the area in a direction that meets the future needs of the community and to prevent checker board construction of poorly thought out developments which have been evident in other surrounding areas of the community, county and state.**

**It was my honor to have spoken to the Planning and Zoning Commission at the Special Public Hearing on October 2, 2008 to voice my support and opinions. It is understood that approval of this General Plan Amendment is just the first step in a long process in regards to more detailed studies being conducted and future Rezoning and Annexation of this area into the City of Prescott. However, there are portions of the General Plan Amendment which I feel needs to be addressed in more detail or added to the general plan to make this acceptable. There have been differing views expressed as to what or when certain issues are addressed in a general plan amendment, i.e. should they be addressed now or should they be addressed in a future stage. It is my experience that if these items are not addressed in some manner during the GPA they do not get addressed at any other time since the precedence has been set by the GPA. There are several points that currently have not fully been considered or should be added to the GPA. These are:**

- 1. The current plan does not indicate the surrounding zoning districts either in the county or the city which identify the existing densities adjacent to the properties to help justify the current plan.**
- 2. It is known that areas currently surrounding the proposed GPA contain lower densities per acre than the proposed plan indicates. These areas are parcels of two acres in size. The GPA is indicating new land uses of higher density directly adjacent to these areas. It is highly recommended that in areas where there are dissimilar zoning densities**

abutting existing zoning districts that a buffer area of like densities be created adjacent to them to provide a transition to other higher densities within the GPA area. The State mandate for Growing Smarter cannot downgrade the current base zoning that would be in the County and accepted into the city. However, the existing county zoning provides the two acre parcels and therefore does not appear to create any issue in regard to allowing similar districts adjacent to the existing as a buffer. Any loss in density in these areas could potentially be handled by a density transfer within the development area.

3. Open space and trail systems are also issues that have not been identified which are of concern both to me and the community which need to be addressed in some manner at this point. Having heard the comments of various individuals on the Commission the thoughts concerning open space and trails are divergent from a no need for it and not considering this to it needs to be included. It is understood that the base densities cannot be downgraded. However, the preservation of the character of the area warrants that this is addressed at this time in some manner. The GPA based on current regulations does not allow the indication on the plan itself of open space and trails that would impact the base densities of the indicated use areas. There is a need however to address the open space to guarantee that it becomes part of the **guiding principles of development** in this area for future consideration. This could be included in the text of a narrative portion of the GPA as Guiding Principles defining the need for these items to be incorporated in development design to be provided for in the following steps of the development approvals as these move forward:

- a. Preliminary studies,
- b. annexation,
- c. rezoning,
- d. specific plan,
- e. tentative plat/preliminary plat,
- f. final site plan and
- g. final plat

4. The GPA should also indicate and identify the location of public lands such as the golf course, public parks and recreation areas in and around the GPA to identify open space and trail opportunities. The intent of the open space can be provided for in the text of the amendment indicating that the character of the area shall be preserved to the extent possible to protect significant natural features such as washes and drainage courses, significant rock out cropping, significant wild life habitat and view corridors providing for public trails and connectivity through the development area that connect other public lands.
5. It is understood that the appropriate studies such as transportation/traffic impact and infrastructure for water and sewer would be forthcoming upon approval of the GPA as the next step in the process. It is also strongly recommended that a study of an open space and trail system be incorporated in these studies to identify in a regional manner the opportunities that would need to be included in the site specific plans to guarantee that this issue will be addressed. The issue of required and master planned open space percentages per development zoning district could be defined to provide cohesiveness in the overall plan. The impacts of open space vs. developable area and densities could

be handled by use of density transfers which could be used to accommodate the best features of both.

I thank you for this opportunity to provide my input on the process for the proposed plan amendment.

Sincerely,

Dennis Luebkin

**City of Prescott  
Planning and Zoning commission**

**I ask the Planning and Zoning Commission not to approve the General Plan Amendment for the following reasons:**

- 1. The zoning of low medium density on the west side is not compatible with the 2 acre minimum in Williamson Valley Estates and open space in Pioneer Park.**
- 2. Open space and trails are not provided in a traditionally equestrian and rural area. Why not include these now, in the proposed plan, before the developers plat is received. This would indicate the city places some value on open space and Trails.**
- 3. Water is a critical issue. This is extremely dense zoning for 2600 acres. The more density, the more water. The city has already said they do not know where the water is coming from.**

Thank you,



**Joyce Mackin  
1235 W. Merrill Dr.  
Prescott, AZ. 86305  
Williamson Valley Estates**

Agenda Item: GP08-004 Major General Plan Amendment



OFFICE OF THE  
**PUBLIC WORKS DEPARTMENT**  
□ Road Division □ Engineering Division □ Solid Waste Division □ Emergency Management  
1100 Commerce Drive  
Prescott, Arizona 86305  
Phone (928) 771-3183  
FAX (928) 771-3167

Phil Bourdon  
Director

August 18, 2008

Thomas A. Guice  
City of Prescott  
201 S Cortez St  
PO BOX 2059  
Prescott, AZ 86305

Dear Mr. Guice,

Thank you for providing the information and for the opportunity to comment on the proposed Major General Plan Amendment GP08-004. After reviewing the General Plan Land Use Map for the West Airport Area Major Amendment, I wanted to take the opportunity to comment on the conceptual road alignments that are depicted on the map.

Yavapai County Public Works feels that it is important to the regional transportation system and for future land use planning to recognize that Pioneer Parkway is an access controlled facility from Williamson Valley Road to State Route 89 with access limited to designated locations only. For your information, I have attached a copy of the Right of Way Map for Pioneer Parkway as recorded on September 30, 1999 in Book 39 of Maps and Plats, Pages 40-45. This recorded document shows the designated locations for access points, which should be valuable information for you to use when future site plans are developed for the subject property.

Although the proposed alignments on the West Airport Area Major Amendment Map are fairly general and look to be conceptual in nature, we do have a couple of concerns we would like to share with you at this time. This map appears to indicate that a proposed new road located just west of the intersection of Pioneer Parkway and Willow Creek Road would not intersect Pioneer Parkway at an approved access location. Also, the intersection with Pioneer Parkway on the western end of the subject area is difficult to determine if it will be at an approved location or not, because the map does not depict the full extent of the alignment of Pioneer Parkway.

Again, thank you for the information and for the opportunity to comment. Should you have any questions or need any assistance please feel free to contact me any time at 777-7501 or by e-mail at [Chris.Bridges@co.yavapai.az.us](mailto:Chris.Bridges@co.yavapai.az.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Bridges".

Christopher Bridges,  
Transportation Planner

ENC: Recorded Right of Way Maps for Pioneer Parkway  
Major General Plan Amendment Map GP08-004  
Major General Plan Amendment Narrative

CC: Yavapai County Board of Supervisors  
Phil Bourdon, Yavapai County Public Works Director

**Agenda Item: GP08-004 Major General Plan Amendment**

**Subject: West Airport Area General Plan Amendment**

**From: "Elise Link" <Elise.Link@co.yavapai.az.us>**

**Date: Tue, September 9, 2008 4:01 pm**

**To: "Ryan Smith" <ryan.smith@cityofprescott.net>, ([more](#))**

**Cc: "Chris Bridges" <Chris.Bridges@co.yavapai.az.us>**

**Priority: Normal**

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This e-mail is in response to the General Plan Land Use Map for the West Airport Area Major Amendment that is being proposed by the City of Prescott. I appreciate the opportunity to comment on this plan and offer the following:

As you are aware, the property shown within the boundaries of this proposed General Plan Amendment is located outside the incorporated area of the City and within the unincorporated area of Yavapai County. The majority of this land is zoned R1L which is the County's most restrictive residential zoning district that allows single-family, detached, site built homes only. Most of this property is zoned a density of 70,000 square feet minimum parcel size. This means one single-family, detached residence per 70,000 square feet. The minimum density allowed on portions of the land near the highway is 35,000 square feet. The legend on the Land Use Map for the West Airport Area Major Amendment identifies an assortment of uses including commercial, mixed uses and medium High density with 8-32 units per acre. Although the County General Plan encourages good planning that promotes mixed uses and higher densities in proximity to urban areas, the COP proposed uses contemplates additional impacts to infrastructure such as water and roads that will need to be addressed.

The County General Plan designates this area as a "Municipal Influence Area." This is an area that is primarily residential parcels that are within the vicinity of a municipality. Residents of these areas depend on the nearby municipality for employment, educational, religious and healthcare services, shopping, civic involvement, recreation and entertainment. Typical uses found in an area of Municipal Influence may include the following: detached single-family houses or manufactured homes; Tourist-Highway Commercial Uses such as motels, hotels, cafes, fast-food restaurants, gas stations, mini-marts and State Highway-Regional Retail and Industrial uses such as national corporate retail and discount chain stores, major employment centers, distribution and warehousing. The General Plan states, "Development within the Municipal Influence Areas should be coordinated with the nearby municipality. Vision, Goals and Objectives of the Yavapai County General Plan should be adhered to, while efforts for cooperation with the Municipality's General Plan goals and objectives should be made."

I also understand that the County Public Works Department has commented on the proposed Plan Amendment Land Use Map relating to road configuration and

**Agenda Item: GP08-004 Major General Plan Amendment**

circulation plans. I'd like to underscore their statements regarding Pioneer Parkway and suggest that your proposed road circulation plan be adjusted so as to conform to the County's approved access plans for this road.

Since there are no current plans for the City of Prescott to actively pursue annexation of this property, any development proposal would be processed through the County and considered by the Board of Supervisors. Development proposals are reviewed with respect to a variety of codes and regulations including the County General Plan, approved transportation plans, community plans, zoning and surrounding land uses. Should a property owner in this area under County jurisdiction contemplate development plans, County staff would encourage the property to be annexed in order for the City to extend infrastructure.

Thanks again for the opportunity to share our comments and don't hesitate to contact me if you have questions or would like additional information.

*Elise Link*

Planning Division Manager

Development Services

500 S. Marina Street

Prescott, AZ 86303

928-442-5391



PRESCOTT CITY COUNCIL  
 REGULAR VOTING MEETING  
 PRESCOTT, ARIZONA  
 OCTOBER 28, 2008

A REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, OCTOBER 28, 2008, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Wilson called the meeting to order at 3:02 p.m.

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Major Trimmer of the Salvation Army

Major Trimmer arrived late and gave the invocation under *Summary of Current or Recent Events*.

◆ **PLEDGE OF ALLEGIANCE:** Councilman Roecker will be introducing Boy Scouts of America Pack 10 Cub Scouts: Luke Alder, Griffin Hays, Cole Kelley, Andrew Mull and Artie Joe Strom Dubord.

Cub Scouts Pack 10 presented the colors and led the Council and audience in the Pledge of Allegiance, after which each scout introduced himself.

◆ **ROLL CALL:**

PRESENT:

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

ABSENT:

None.

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

On behalf of the Prescott City Council, Mayor Wilson offered condolences to Former Mayor Paul Daly in the loss of his wife, Maureen, and sent their sincere sympathies.

With regard to an activity taking place on Sunday, Mayor Wilson asked Councilman Luzius to read a proclamation, proclaiming November 2, 2008, as *All Faiths, One Prayer Day*. Councilman Luzius read the proclamation.

At this time Major Trimmer of the Salvation Army arrived and gave the invocation.

Councilman Luzius thanked everyone that called him and visited while he was in the hospital. He said that the Yavapai Regional Medical Center did a great job and he thanked Steve Blair for mentioning him on his radio station, and also thanked his wife, who was with him every day.

Mr. Norwood reported that last weekend they had the Dump the Drugs on Saturday morning where they received over 100 pounds of prescription drugs for disposal. Also on Saturday, they had the Pumpkin Patch downtown, where they had between 5,000 and 6,000 people.

**I. PUBLIC COMMENT (Please limit your comments to five minutes)**

**A. Citizens Water Advocacy Group with presentation on when Prescott may need Big Chino Water.**

Howard Mechanic, 309 Bloom Place, said that he was the Chairman of the Public Policy Committee of the Citizens Water Advocacy Group and he provided a written report from the group in the Council packet, but what he was saying today had not been approved by his Board.

He said that the Big Chino Water Ranch project has many challenges; they have talked about the environmental, legal and financial challenges. This is the largest project the City of Prescott has ever done and the public should know who is going to pay for it and when.

He said that the City of Prescott has a policy that 20% of the cost will be covered by the ratepayers which is fair to help reach safe yield. The other 80% of the cost of the project is to go to new growth, so new growth should pay 80% of the cost.

Mr. Mechanic then gave a brief PowerPoint presentation that covered:

► Present conditions – As of August 2008, Prescott had 1,840 feet in its Alternate Water Supply portfolio. That amount of water is enough for nine years' water allocations at the 200 ac. ft. allocation that the City has set for approximately the last ten years. Of that, only 1,296 ac. ft. would provide enough water to build homes on all the remaining non-watered lots within the City limits at existing densities. That means they have approximately 50% more water than they need. So, the Big Chino is for new annexed areas, or possibly new annexed areas.

▶ Expected soon – Soon the City is expecting an additional 1,672 ac. ft., or something approaching that, of alternate water based primarily on recharge credits. A lot of people are not aware that when Prescott applied for alternate water supply a large part of that was based on the Big Chino Water; however the City also applied for 1,672 ac. ft. based on recharge in the AMA, which has no relevance to the Big Chino project. That means the total they can have available would be enough for a 17-year water allocation, which would bring to an approximate population of 76,000.

Mr. Mechanic said that the City has plans to annex 11,000 acres, and indicated that on a map. He said that the question is who was going to pay for it and when. He reviewed the various areas possibly coming into the City and said that those three property owners (State Trust Land, Mr. Cavan, and Deep Well Ranch) should guarantee 80% of the Big Chino Water Ranch project. The value of their property is going to be doubled, tripled, even four times the value right now.

Mr. Mechanic said that they are asking for a discussion because five minutes is not enough time to discuss when this will be paid for and by whom.

B. Presentation of Annual Report by Carlo Pastore, President of Prescott Frontier Days, Inc.

Carlo Pastore, President of Prescott Frontier Days, Inc. said that the Council all had packets that were previously handed out and on behalf of the Board of Directors, the General Manager and all the members, he extended their appreciate gratitude for the support from the City of Prescott and their partnership. He said that it has enabled the City to become nationally recognized, with this year being inducted into the Pro Rodeo Hall of Fame.

Mr. Pastore said that they were able to get a meager profit this year, in spite of the economic times. They were able to pick up sponsorships that made up some of the difference. He said that they attacked the budget and cut it by \$65,000. They have gotten together some of the old mindset and have had discussions with Prescott Downtown Partnership about making Frontier Days a week-long event.

Councilwoman Lopas thanked Mr. Pastore for such a detailed report, stating it gave her a lot of information she had not seen before. Mr. Pastore then introduced the Board members.

Councilwoman Suttles said that it has been a pleasure serving on the Rodeo Board. She said that they go through the same thing that the Council goes through in trying to cut the budget. She said that the Board meets every other Wednesday, and even though the rodeo is in town for a limited time, Prescott does rodeo 365 days a year.

Councilman Luzius thanked him for the presentation and report, and thanked all members of the Board and committee for their work in the past and what they are going to do. He said that he will always support Frontier Days.

Mr. Pastore said that they have 3 paid employees and 947 volunteers, and that is how they pull it off.

## II. PRESENTATIONS

### A. Introduction of new businesses.

Susan Cohen of the Prescott Chamber of Commerce introduced new businesses, each of which gave some information.

- ▶ Marc Center, 759-8062, [www.marccenter.com](http://www.marccenter.com)
- ▶ Legacy Home Health, 443-9331
- ▶ Safety First Financial, 443-9432
- ▶ Air Evac, 602-316-4191
- ▶ Pool and Spa Chalet.

## III. CONSENT AGENDA

**CONSENT ITEMS A THROUGH G LISTED BELOW MAY BE ENACTED BY ONE MOTION. ANY ITEM MAY BE REMOVED AND DISCUSSED IF A COUNCILMEMBER SO REQUESTS.**

**COUNCILWOMAN SUTTLES MOVED TO APPROVE CONSENT AGENDA ITEMS III-A THROUGH III-G, EXCLUDING ITEM III-F; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.**

- A. Approve disbursement to Habitat for Humanity in the amount of \$49,999.99 in CDBG funding for the purchase of tools for the lending program.
- B. Adopt Resolution No. 3907-0913 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into an Intergovernmental Agreement with Yavapai County for County provision of motor vehicle fuel for use in City vehicles, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- C. Adopt Resolution No. 3909-0915 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into an Intergovernmental Agreement and a Mutual Aid Compact Agreement with the Arizona Department of Emergency and Military

Affairs for mutual assistance during emergencies, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

- D. Approve purchase crack sealant from Crafc0, Inc., in a not-to-exceed amount of \$60,000.00, through the ADOT's (Arizona Department of Transportation) contract.
- E. Approve purchase 95 front-loading containers from Action Container Solutions in the amount of \$80,199.95.
- G. Approve Minutes of the Prescott City Council Combined Study Session/Regular Voting Meeting of October 14, 2008 and the Study Session of October 21, 2008.

Mayor Wilson then brought up Item III-F for discussion.

- F. Adopt Ordinance No. 4672-0915 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of real properties, easements and improvements belonging to Douglas Heffner, Loren J. Ridley, James S. and Lucy Greeneich, and the acquisition of certain rights-of-way, drainage easements and temporary construction easements thereform for the widening of Williamson Valley Road, and authorizing the Mayor and City staff to take all necessary steps to effectuate said purchases.

Councilman Luzius said that he wanted to pull this from the Consent Agenda because he has consistently voted against enhancing the Springer/Pearce Superhighway. He does not understand why the City taxpayers have to pay to enhance the approach to their road when the fact remains that they are all taxpayers in the County and they are being double-taxed.

**COUNCILMAN LAMERSON MOVED TO ADOPT ORDINANCE NO. 4672-0915; SECONDED BY COUNCILWOMAN SUTTLES; PASSED 6-1, WITH COUNCILMAN LUZIUS CASTING THE DISSENTING VOTE.**

#### **IV. REGULAR AGENDA**

- A. Public Hearing and consideration of a liquor license application from Clay William Romo, applicant for Clay Romo, LLC, for a Series 07, Beer and Wine Bar, license for Lloyd's Liquors located at 1102 West Iron Springs Road.

Ms. Burke reviewed the application, stating the property had been posted, no public comments had been received and the applicant was present for any questions.

**COUNCILWOMAN SUTTLES MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN LAMERSON.**

Councilman Luzius voiced concern that the map included in the application was not correct. He said that it was the map provided by the City and if the City is going to provide the information, it should be correct. Ms. Burke replied that she would look into with the IT Department.

**MOTION PASSED UNANIMOUSLY.**

**COUNCILMAN LAMERSON MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM CLAY WILLIAM ROMO, APPLICANT FOR CLAY ROMO, LLC, FOR A SERIES 07, BEER AND WINE BAR, LICENSE FOR LLOYD'S LIQUORS LOCATED AT 1102 WEST IRON SPRINGS ROAD; SECONDED BY COUNCILWOMAN LOPAS; PASSED 6-1 WITH COUNCILMAN LUZIUS CASTING THE DISSENTING VOTE.**

- B. Public Hearing and consideration of a liquor license application from Clay William Romo, applicant for Clay Romo, LLC, for a Series 09, Liquor Store, license for Lloyd's Liquors located at 1102 West Iron Springs Road.

Ms. Burke reviewed the application, stating the property had been posted, no public comments had been received and the applicant was present for any questions. She explained that this was for a Series 09 license, and the previous item was for a Series 7.

**COUNCILWOMAN SUTTLES MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.**

**COUNCILMAN ROECKER MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION FROM CLAY WILLIAM ROMO, APPLICANT FOR CLAY ROMO, LLC, FOR A SERIES 07, BEER AND WINE BAR, LICENSE FOR LLOYD'S LIQUORS LOCATED AT 1102 WEST IRON SPRINGS ROAD; SECONDED BY COUNCILWOMAN LOPAS; PASSED 6-1 WITH COUNCILMAN LUZIUS CASTING THE DISSENTING VOTE.**

- C. Award of a five-year contract to Fann Contracting, Inc., for hauling services in the amount of \$12.79 per ton, with an amount not to exceed \$805,770.00 per year.

Councilman Bell declared a conflict of interest on this item and Item D, as he is doing consulting work with Fann Contracting.

Mr. McDowell said that last week they had a draft contract and they have reviewed it with Mr. Fann and the final contract has the same context, with a few minor changes. He added that the contractor did not have to give the City a fuel surcharge credit, and he wanted to thank him for that.

Councilwoman Suttles asked for clarification. Mr. McDowell said that when OPUS goes above \$4 gallon, the City gives them additional monies; when it goes below \$4 gallon, the contractor will give the City a credit.

**COUNCILMAN LUZIUS MOVED TO AWARD A FIVE-YEAR CONTRACT TO FANN CONTRACTING, INC. FOR HAULING SERVICES IN THE AMOUNT OF \$12.79 PER TON, WITH AN AMOUNT NOT TO EXCEED \$805,770.00 PER YEAR; SECONDED BY COUNCILMAN LAMERSON; PASSED 6-0 WITH COUNCILMAN BELL ABSTAINING.**

- D. Award of bid to Fann Contracting, Inc. for the North Prescott Regional Force Main Replacement Project, along State Highway 89 from Lillian Lane to Willow Creek, in an amount not to exceed \$4,081,000.00.

Mr. Nietupski briefly reviewed the project.

**COUNCILWOMAN LOPAS MOVED TO AWARD A BID TO FANN CONTRACTING, INC. FOR THE NORTH PRESCOTT REGIONAL FORCE MAIN REPLACEMENT PROJECT, ALONG STATE HIGHWAY 89 FROM LILLIAN LANE TO WILLOW CREEK, IN AN AMOUNT NOT TO EXCEED \$4,081,000.00; SECONDED BY COUNCILMAN LUZIUS; PASSED 6-0 WITH COUNCILMAN BELL ABSTAINING.**

- E. Adoption of Ordinance No. 4673-0916 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, vacating and abandoning certain municipal rights-of-way which consist of portions of Garden Street and an alley located west of and parallel to Grove Avenue south of Sheldon Street and sell and convey to Prescott College and authorizing the Mayor and City staff to take all necessary steps to effectuate such vacations and abandonments.

Mr. Nietupski said that this was a request from Prescott College to enhance their campus environment and eliminate cut-through traffic in the alley.

Councilwoman Suttles said that it was coming to them as one ordinance, but it was really two different issues, and asked if it could be split out. If not, then it would be a no vote for her.

Councilman Roecker said that he agreed; he was not in favor of Garden Street being closed or sold.

Councilman Luzius said that he has been out in the neighborhood and he thinks they are setting a bad precedence. His opinion is that if Prescott College wants to provide a friendly environment, they should build a bridge on Garden Street. He said that he was in the area and came through the alley, and almost got rear-ended.

Councilman Lamerson said that he has also been in the area and looked at it from several perspectives. He can see problems on the street and he knows that sometimes there are floods. On the other hand, he has an alley behind his building and he does not think it is right to close off alleys.

Councilman Roecker said that there is a definitely a dangerous situation in the alley and he is not in favor of closing the alley. There are other issues that need to be considered. They counted 70 cards in that little area. He is hoping that the College would look at this and come back with a better plan. At this point, he would vote no.

Councilman Luzius said that back in history when the forefathers laid out that design, there was a purpose, and any time they close down an alley or street they are losing that connectivity.

Bill Feldmeier, representing Prescott College, said that he was unable to make the meeting last week and after he reviewed the information conveyed by Prescott and staff, and the neighbors, he had some long conversations with the College. He said that he began conversations with neighbors Friday and yesterday, and he was before the Council today to ask for a continuance. He believes that further discussions could be fruitful and they would like to ask for 4-6 weeks, with the idea to come up with a win/win situation. In that regard, in relation to parking, the questions were legitimate and they will be prepared to offer that information as well.

Councilman Bell said that he would certainly be in favor of a continuance to give the College a chance to meet with the neighbors.

**MAYOR WILSON MOVED TO DEFER ACTION ON THIS ITEM TO THE DECEMBER 2, 2008 COUNCIL MEETING; SECONDED BY COUNCILWOMAN LOPAS; PASSED 6-1 WITH COUNCILMAN LUZIUS CASTING THE DISSENTING VOTE.**

Councilwoman Suttles said that the neighborhood and school is at an impasse and them going out and visiting is a huge plus. She said that they have been excluded for some of the things going on at the campus, and she has received a number of phone calls regarding it. She said that negotiation is a matter of compromise on both sides.

- F. Approval of a professional services agreement with J2 Engineering and Environmental Design for engineering services to update the FEMA flood plain determination of Granite Creek in an amount not to exceed \$92,935.00 (reimbursed by Yavapai County Flood Control District).

Mr. Nietupski reviewed the agreement with J2 Engineering and Environmental Design. Councilman Luzius asked where the funds were coming from. Mr. Nietupski replied that they are reimbursed 100% from the Yavapai County Flood Control District.

Councilman Lamerson said that he had originally requested this be pulled from the Consent Agenda. He had the opportunity to speak with Michael Byrd of Prescott Creeks and was assured that they had some input.

**COUNCILMAN LAMERSON MOVED TO APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH J2 ENGINEERING AND ENVIRONMENTAL DESIGN FOR ENGINEERING SERVICES TO UPDATE THE FEMA FLOOD PLAIN DETERMINATION OF GRANITE CREEK IN AN AMOUNT NOT TO EXCEED \$92,935.00 (TO BE REIMBURSED BY YAVAPAI COUNTY FLOOD CONTROL DISTRICT); SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

- G. Approve Amendment One to City Contract #08-207 with Saguaro GeoServices, Inc., for professional engineering services for Lowe's retaining wall design review in the amount of \$22,206.80 (reimbursed by Lowe's).

Mr. Nietupski said that based on Council's direction at the meeting last week they contacted Lowe's and today the City received the initial \$18,620.00 check and the other check for the above amount is being delivery tomorrow. Should the Council approve the amendment, they would not disburse the funds until the check from Lowe's had been received.

Councilman Luzius said that if the wall had been done properly these would not be on the agenda, and he would be voting no.

**COUNCILMAN ROECKER MOVED TO APPROVE AMENDMENT ONE TO CITY CONTRACT #08-207 WITH SAGUARO GEOSERVICES, INC. FOR PROFESSIONAL ENGINEERING SERVICES FOR LOWE'S RETAINING WALL DESIGN REVIEW IN THE AMOUNT OF \$22,206.80, AFTER THE CITY HAS BEEN REIMBURSED BY LOWE'S; SECONDED BY MAYOR WILSON; PASSED 6-1 WITH COUNCILMAN LUZIUS CASTING THE DISSENTING VOTE.**

- H Water and Sewer Development Fees:

1. Adoption of Water and Wastewater Capital Improvement Plans.

2. Adoption of Ordinance No. 4665-0908 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending Title II, Chapter 2-1 and Title III, Chapter 3-14, of the Prescott City Code, regarding the imposition of water and sewer development fees.

Mr. McConnell said that since last week a memo was sent to the Council re deferment, and most of those remarks pertain to the sewer fund specifically. He said that the Sewer Fund is particularly needy for capital improvements as pointed out during budget sessions. Without having done the sewer model, the City had not identified the extent of the capital needs, and that was accomplished with the sewer model. This wastewater and water study was done which translates into the fee contained in the draft ordinance.

Also, two of the attachments are candidate projects for deferral if these are not implemented. If the Council chooses to defer or adopt the fees and defer the effective dates, the staff would adjust the CIP beginning in the next regular City budget update which starts in January. They have stressed many times that because of all the factors that go into the needs, the financing of the needs, the market, the economy, it is their recommendation to update these every two years. They are one year into the process and before they know it, if Council concurs, they will start in about a year from now. He said that Dan Jackson was present should there be any technical questions pertaining to the study itself.

Councilman Bell said that since he was the one that suggested the delay in implementation last week he wanted to say that with the economy the way it is, with the nation, state and local city, he thinks it is a terrible time to be raising fees on anyone. He will continue to ask that they delay implementation to July 11, 2009, but go ahead and approve the fees.

Councilman Roecker concurred with Councilman Bell. He has fought with himself over the issue the whole week and he cannot see approving this at this time because of the economic conditions of the country. He recognized that they will have to defer some issues but he thinks it is necessary. They have got to give those people buying houses in the community a little time. He said that for those in the public who thinks that the Council is in the pocket of the builders, in his mind it goes way beyond that—there are a lot of families in the community that are reliant on having jobs and it is important that they give every possible chance for that to happen.

Councilman Luzius said that he was not in favor of any extension. He said that they extended it two years ago and did not apply the sewer fees or change the water fees. What they are doing by postponing it is they are laying extra burden on the citizens of Prescott that are there now.

Councilman Lamerson said that the economy stinks and it is the wrong time to raise taxes of any kind. He thinks that impact fees are a volatile way to finance growth paying for growth. He thinks that impact fees are the wrong tool and they have set themselves up for the calamity using that tool. There are other ways, such as public/private partnerships and use of property tax, things that are more sustainable. It will be a long time before they are collecting impact fees and they will be putting it on the back of the ratepayers to pay the bonds off. He said that he does not support it either way.

Councilwoman Suttles said that they have an ordinance and the concept of a six-month delay is not in front of them and she wanted to know if that could be added. Mayor Wilson said that they could do that by way of motion. Mr. Kidd said that was possible.

Councilwoman Suttles said the information they got from Mr. Jackson was about \$2,000 for both impact fees. Mr. Jackson said that was correct, for a 5/8" meter. Councilwoman Suttles asked about the next meter size. Mr. Jackson said that he did not have the fees in front of him, but the fees would be higher to make up for the fact that the larger meter impact fees that are currently in place are significantly under-recovering the amount of growth-related expenses that the City is incurring to provide service to those meters. He said that approximately 80-85% of the new connections of the City are 5/8" residential meters.

Councilwoman Suttles asked if that applied to commercial as well. Mr. Jackson said that typically the meter size is larger than 5/8" for commercial.

Councilman Suttles said that she was given a sheet that indicated that the impact fees were at odds with the General Plan, and she asked if that was correct. Mr. McConnell said that as he understands the question, embedded in the question is a legal question. The legal question is, the City of Prescott adopted a General Plan which has text or provisions and if a financing mechanism (impact fees, construction sales tax, etc.) is not specifically mentioned as a way or tool for financing future growth, whether that makes an impact fee ordinance at conflict with the General Plan.

Mr. Kidd said that the General Plan sets out zoning requirements; this particular ordinance is specific in terms of the methodology that is used to calculate. The law says that in statutory interpretations, when there are two different ordinances that are inconsistent, they are trying to give effect to both. The General Plan uses the term "fixtures" and the proposed impact fee ordinance does not; it is based on a metering charge. The question is whether or not that is inconsistent. Both of them could be read together. His

view is that the impact fee ordinance is the most specific and so, generally speaking, in statutory construction the more specific ordinance will be given effect.

Councilwoman Lopas said that she agrees with some and disagrees with some of them. In the Courier it talked about the Brown Family and their loans being called. People are not pulling permits to build because they are cannot get a loan; it is a credit crunch that is causing the crisis. Delaying the impact fee is not going to change the credit crunch. It is a national issue and is beyond local control.

Mayor Wilson said that they all received a memo from Mr. McConnell on the effects of deferred implementation of the water and sewer impact fees. He said that it is important to recognize some of the things said, such as the \$3.2 of growth-related project work that is crucial should not be delayed under any circumstances, and will of necessity have to be financed through a bond issue. If they do not approve these impact fees, what they really have to say is they are going to stop that kind of work because they don't have the money. It is not an issue of the economic times, it is an issue of whether to continue the plans they have or not.

Councilman Lamerson said that he agreed with what Councilwoman Lopas was saying, but that was his point on the nature of impact fees. They build billions of dollars in infrastructure in the community and charge people a one-time fee to do certain things and then it is there forever. Impact fees are the wrong fees to use to try and deliver all of the basic services and capital improvements. They are a very volatile way to try and compel growth to pay for growth.

He said that every year they go into the budget scenario where they discuss raising impact fees knowing that they are not keeping up with the ball. It is like they are using the wrong mechanism, but keep using the same tool. If they are not collecting impact fees they will have to go to the ratepayers.

Councilwoman Suttles said that they all received a letter from the Yavapai County Contractors Association. Councilman Lamerson feels that impact fees are not the way to go, there has to be a different route. The YCCA submitted a list of 21 different ways of dealing with impact fees, but as soon as they pick one, there will be another group stating it is not fair to them.

Mayor Wilson said that YCCA submitted 21 categories with no recommendations, which could be done by looking on Wikipedia to find every financing mechanism in the world. He thinks they should pass the impact fees as they are a year into the cycle and that gives them a year to come up with a solid recommendation to bring forward.

Councilwoman Suttles said that if they pass the ordinance with the six-month delay, they are still moving forward. Mayor Wilson said that it would give them another year to look at other alternatives. He said that he would be happy to look at other alternatives. They gave the YCCA to come up with a recommendation, and he did not see one.

Councilman Lamerson said that he does hear the experts standing before them telling them that they have significant problems if they don't do some of the work. He understands what they are going to have to do and that if they don't do it, they are not acting in the best interests of the community in many ways. He also understands that in another year they will be looking at raising or lowering impact fees again. His point is that they are using the wrong tool.

Councilwoman Suttles said that this year they are looking at 91 building permits, versus hundreds in past years. Mr. McConnell said that Mr. Jackson has pointed out several times that the 91 permits are consistent with the projection of the study for 2008. He said that the question is how fast that permit activity will rebound, which ties back into the bi-annual update because if there is little change in the economy the future permit activity is not going to be 600 permits, it will be much less than that.

Mr. McConnell said that another thing to be pointed out is that they must always remember that they go through an annual budget process and update their six-year capital improvement program (CIP). It is entirely true that growth-related capital expenses are financed in the enterprise fund (water or sewer), and the financing source is the ratepayers. They are paid back and will be paid back. If it is the determination of the City that the long-term capital program is too aggressive, that they would be incurring too much debt and it would require too much to pay back, or would not be paid back, then the CIP needs to be delayed. That is done through the annual budget process and the bi-annual update. It is not like the ratepayers are going to be left holding the bag; there are checks and balances.

Councilwoman Lopas said that the impact fees are for the new growth. The ratepayers are paying for any maintenance on existing lines, and they are being collected. Mr. McConnell said that is entirely accurate, including that the City of Prescott operates enterprise funds. Those funds are not supported by property tax or sales tax; they are enterprise funds through rates and impact fees. If the City incurs capital debt for growth-related expenses, the money comes from the enterprise fund. The ratepayers advance the monies, but they are paid back. It is a ten-year program, with a ten-year pay back period, and the borrowing for the capital expenses can go out to thirty years.

Steve Blair, 1802 Northside, said that he was glad to see Councilman Luzius sitting there, no matter what he may say from time to time, he does respect him. He said that they had dialogue about a 5,000 sq. ft. home that if it had a sprinkling system, they would be allowed to have a 5/8" meter. With this change of rates, he asked if that would change. Councilman Luzius said that would not change.

Mr. Blair said that he agreed with Councilman Lamerson. If they believe they are going to hang the bone around the person moving into the community and charge all the rates based on new growth, they are not going to fix their infrastructure. There has to be a combination of property tax, to fix what is there now, plus an element that is tied to growth. He said that he has not heard anyone talk seriously about a property tax increase. Back in the day of Phil King, the Councils reduced and reduced. They are in a time right now where they need to have a property tax increase to pay for a lot of the underground infrastructure that has been in place for years.

Mr. Blair said that they had a sewer line blow up right behind Mountain Oak Charter School and the citizens of the City paid for the repair and the damage to the school. He asked how many times they are going to allow that to happen.

Mayor Wilson said that, as stated earlier by Councilwoman Lopas, the water rates were raised substantially to pay for repairs and the growth is paying for new construction. Mr. Blair said that he would suggest then that they change the General Plan that states "fixture units" to determine the fees.

Chris Hoy, 1880 Coyote Road, said that he was the President of CWAG and was there to read a four-sentence statement, approved by the Board of Directors, *"Water and wastewater infrastructure for new users should not be subsidized by current residents. If water use is subsidized, our goal of conservation will be substantially negated. CWAG supports full and fair impact fees for all new users. If the jurisdictions wish to promote work-force housing or other new construction, they should do so in a way that does not subsidize the cost of water or discourage conservation."*

Leslie Hoy, 1880 Coyote Road, said that she was speaking as a member of the "impact fee committee" that was put together on August 26, when she volunteered as a citizen, and later Howard Mechanic and John Danforth also became members of the committee. The citizens were only invited to participate in the committee twice, although there were a lot of other meetings that went on. Mr. McConnell was pretty good about keeping a record of the correspondence, which they did receive. She had to leave early at the last meeting so she wrote to Mr. McConnell a question regarding the suggestion to delay implementation of the fees for an additional six

months, if the growth-related projects would also pushed back an equal amount of time. She is still not sure whether those would be pushed back.

Mr. McConnell said that it is cause and effect. If the effective date is not there, or pushed out and the money was not there, then there would be an effect. That is about the only response they can give because there are a lot of unknowns—how many building permits will come in, what is the specific status of a number of projects which comprise the capital plan, etc. The best response is a general response, and to consider a six-month window he could not say would have a dramatic effect. It will have an effect, but not a dramatic one.

Ms. Hoy asked if the growth-associated projects were not pushed back, how they would be paid for in the interim and who foots the bill. Mayor Wilson said that was answered earlier—by the ratepayers and they are paid back.

Ms. Hoy asked them to elaborate on how the ratepayers are paid back. Mayor Wilson said that the funds are borrowed between funds. Ms. Hoy asked if there is interest paid; Mayor Wilson replied that they did not.

Ms. Hoy said that from reviewing Mr. Jackson's study and being privy to all the questioned asked by the YCCA, she understands that Prescott's share of the cost of the Big Chino Pipeline are covered in the study and the ratepayers are already paying 20%, for which they don't have a choice. She asked if Prescott's 54% share of the \$144,000 that she read about in Sunday's paper is being spent without a Council vote for the PR firm to sell the citizens on the Big Chino project, are included in the approximately \$80,000 for the Big Chino to be paid by impact fees. Mayor Wilson replied that they were not. Ms. Hoy asked where that money was coming from. Mayor Wilson said that he would have to get back to her on that.

Ms. Hoy said that the whole process of approving the impact fees does appear to be broken. She does not know what the answer is, but if they would pass the impact fees then maybe it would be good to form some kind of committee to examine the process and try to come up with something better because otherwise it goes on year after year.

Ms. Hoy said that when she called Councilwoman Suttles on her show this morning, she implied that because many of the CWAG Board Members are retired, they are not qualified to speak. She wanted to point out that Mayor Wilson, Councilman Luzius and Councilwoman Suttles are retired and Councilman Bell is older than everyone on the CWAG Board.

Bill Kindig, 4866 Comanche Trail, said that when this first started he reviewed the report presented and he thought it was a good job, but after sharing all the things that have been going on, and the questions raised, he

thought maybe he missed something, so he spent the weekend reading it again.

He concluded, again, that it was a pretty good job. Then, he asked what he was missing and he thought it was some proof that what the answer provided in the study is an accurate study. He went back and did something different. He took a review of the wastewater impact fees proposed and saw that it was 59.8% because it has not been updated for 14 years. That gave him a percent per year of 4.6% if they had been doing it all along. Then, he asked what independent information he could get that said that was either good or bad. He looked at the Bureau of Labor Statistics data available on the web and chose highway and street construction indexes, looking at the heavy construction index. He found that the BLS from 1995 to 9/08 increased 107 points, or 90.3% during that period, an average increase of 6.9% per year. The BLS data for heavy construction for the same time period increased by 84.8 points, an increase of 65.3% during that period, or an average of 5.0%. Comparing this to the 4.6% increase – they both exceed what is being recommended in the study. His conclusion is that they would be higher if used nothing but the index, and to him that supports the study and the recommendations.

Mr. Kindig said that they already talked about what would happen if construction continued without the fees. The funds would come from the citizens somewhere. He had two recommendations to be considered: 1) the fees proposed are reasonable based on the work he did over the weekend; and 2) if the impact fees are not approved and construction continues, they add information to the City's financial statements showing the annual and cumulative costs for growth that are being paid by the residents of Prescott.

Steve Conrad, 1753 Rolling Hills Drive, Executive Director of Central Arizona Partnership, said that he first wanted to thank the Council for allowing the 45 days extra to review these further with the YCCA. He said that it was his understanding that their charge was to consider alternatives, not necessarily make recommendations. They did provide a short-list of alternatives. They are not in favor of approving the fees as they are right now. He feels sorry for Jane Bristol; he would not want to be in her shoes trying to entice commercial development into the City with the fees being proposed. The numbers for a 1" meter go from \$18,000 to \$35,000, on a 1 ½" meter from \$36,000 to \$71,000 and on a 2" meter they jump 98% from \$56,000 to over \$113,000. That is a major hurdle to stimulating jobs.

Mayor Wilson said that those fees are being raised substantially because they have not been raised for a number of years. That would say that the contractors had their hands in his pocket when those fees were not raised.

Howard Mechanic, 309 Bloom Place, said that growth should pay the full cost of what it takes to provide the infrastructure and by delaying they are saying they don't have to pay the full cost, on the backs of the ratepayers. He said that if he thought that cutting the impact fee by \$2,300 per home would jumpstart the economy, he would probably be on their side. He talked with Dr. Danforth who is a Ph.D in Economics, about a six-month delay. During that six-months they may get 50 homes. He asked how many more homes they will they get if they reduce the impact fees \$2,300. According to the theory of elasticity, when prices are dropped there is increased demand but this is so much of small drop and the market is so overbuilt that they will expect one home or less. They would reduce the impact fee for 50 homes, losing \$2,300 per home, over \$100,000 to get one home, maybe. He said that the Courier last week said that the construction industry needed a shot in the arm and this was the way to do it. He said that is like having a jogger running down the street that gets hit by a car, and they give them a shot in the arm expecting it to keep him running. It is a way to lose money and have ratepayers cover the cost of growth. It will not stimulate growth.

He said this is not the time to start looking at other alternates; they would have to throw the study out. They can look at it for the next study.

John Danforth, 2737 Lookover Circle, said that he wanted to endorse what Councilman Lamerson said regarding the impact fee. It is a clumsy tool, but the problem is a lack of alternative right now. He would recommend highly that the Council take this seriously. He spoke with Councilman Lamerson about the possibility of coming up with a magic bullet and it is difficult. The sooner they start to take this seriously and try to find alternatives that are less clumsy, are equitable, and achieve the objective they have in mind, the better. He does not think that is going to happen within the next few days or even in the next six months. A year or so might give them enough time. For the time being, he would wholeheartedly encourage passage of the recommendation as is, without delays.

Tammy Linn, 1401 Claiborne Circle, said that she has a banking and business background, and the thing that concerns her the most is not the residential impact fees. It is a 98% increase for 2" meters. She asked how many have been to Sam's Club, Cracker Barrel, Hamton Inn. They are going there because they don't have the level of impact fees and they are making the environment more positive. By increasing the impact fees for the large meters is going to be a huge detriment. She has been driving by the potential Chili's location for year wondering if it is ever going to come here. Her common sense says that they need jobs, sales tax, and they should not be putting another \$50,000 impact fee on those businesses when they can go to the Reservation, Chino Valley, or Prescott Valley. This is a big decision. She thinks they should vote it down.

Jim Lawrence, 345 High Chaparral Loop, said that in 1995 he was a member of the original citizens committee that recommended impact fees for either increasing those already in place or new ones. He agrees that there may be other ways to do this, but in terms of what an impact fee, it is not trying to manage growth, it is not a tax. It is a very simple thing. When a new development comes in, as a water provider they must provide them water. At that stage they would go out, drill a well, put a pump into the well, then look at the customers they were going to service, the 50 homes. Those 50 homes would be charged a one-time fee to provide the water. It is not a maintenance situation; it is the original drilling of the well or running the pipes. If they took a look at any one of those homes and say they are not going to charge them their fair share of that cost, and ask their neighbors who already have water to pay a portion of that, that is not fair and that is what they are doing if they do not charge the new users.

George Seaman, 1830 Idylwild Hill, said that he has no comment about approving an impact fee or not, but he does hear two different discussions taking place. He hears one about residential impact fees and another about commercial. He is wondering if it would help them to consider them as two separate issues and vote on them separately.

Gary Hudder, 422 Arizona Avenue, said that he wanted to correct the record on a few things. The process over the last few weeks has turned into “bash the developers” or at least there are some feeling that way. The developers are not the rich, irresponsible thieves trying to steal from the pockets of the community. They are business leaders; they provide jobs and employee payroll taxes. The money they generate from their work moves around and around in the community, paying for other services. If the goal is to try and get into the pockets of the greedy developers, they don’t pay it—it is a fee that is passed through to the customer.

He said that when they began the process a few weeks ago, they understood that their charge was to present alternatives, but when they started digging into the numbers they realized they are not economists and found things that did not make sense to them. The nature of them inquiring was not to question the name and reputation of Economists.com or City staff, it was simply that they were trying to put their arms around it. He said that they are not anti-impact fees. There are two in the crowd today whose businesses gain greatly from the City spending money on construction.

He said that they would like to propose that beyond this particular event, that a blue ribbon panel or something be considered to look at this process. Mayor Wilson said that it has been equal opportunity bashing from his standpoint. He is not bashing the contractors, as he sits on the Council with one. He has heard the argument that they are raising the fees to stop growth, and that is not true. They have hired Economists.com and a lawyer

to come up with a fair and equitable way to put the impact fees out. It is not the best of time to do it, and he is not trying to bash anyone, nor is anyone on the Council. He would be happy to set up a panel to look at the issue.

Councilman Bell said that maybe his request for a delay has been misconstrued. He had in mind that if they had a six-month delay that it would really be eight months away, which might stimulate the construction industry a little. If he was trying to build a new house he would be going to his architect and tell him to get busy so they could get the building permit to get the lower impact fees.

**COUNCILMAN BELL MOVED TO ADOPT ORDINANCE 4665-0908, WITH A COUPLE OF AMENDMENTS: 1) THE IMPOSITION OF THE FEES WOULD TAKE EFFECT ON JULY 11, 2009; AND 2) THE FEES WOULD BE DUE AND PAYABLE ON CERTIFICATE OF OCCUPANCY.**

Mr. McConnell said that the Statutes provide for the mechanism for a development agreement for the second amendment. It cannot be done in a blanket motion. Mr. Kidd agreed; it is only available through a specific development agreement.

**COUNCILMAN BELL WITHDREW THE SECOND AMENDMENT (THE FEES WOULD BE DUE AND PAYABLE ON CERTIFICATE OF OCCUPANCY).**

**COUNCILMAN ROECKER SECONDED.**

Councilman Lamerson asked Ms. Bristol if she found that the cost of commercial impact fees a detriment to attracting new businesses and have any of the new businesses you have been trying to attract been soured by the cost of those impact fees. Ms. Bristol said that any time there is an increase in cost to do business in Prescott it concerns her. However, they are in a very complex economic market. The fact is that the market will dictate where a particular retail will go. Cost is a big concern. A bigger concern to her is delay of the capital improvement program so that when they have additional commercial that comes on line they don't have the infrastructure to support it. They are running out of space for commercial in current areas, so delay of the CIP is of an equal concern.

Councilman Lamerson said that he hopes the public is hearing that there is more than one reason for doing the fees. It has to do with needs for the community as a whole, not just about chasing business away but attracting business and turning down the impact fees could very well damage the opportunity to attract such growth.

Councilman Bell said that based on what Mr. McConnell said awhile back, they would not be delaying projects. Mr. McConnell clarified that it would not have a dramatic delay in those projects.

Councilman Luzius asked for clarification that if it was approved as presented, it would be effective January 11, 2009.

Councilwoman Lopas asked if they did not have to consider the first motion before voting on the impact fees. **COUNCILMAN BELL WITHDREW HIS MOTION; COUNCILMAN ROECKER WITHDREW HIS SECOND.**

**COUNCILMAN BELL MOVED TO ADOPT THE WATER AND WASTEWATER CAPITAL IMPROVEMENT PLANS; SECONDED BY COUNCILWOMAN LOPAS; PASSED UNANIMOUSLY.**

Leslie Hoy asked if the fees are delayed, when the next study starts from Economists.com or another consultant, if the payback to the ratepayers for that delay get rolled into the next round of impact fees.

Mr. McConnell said that the impact fees are based on a ten-year financing plan. There is one fund, water or sewer, and within those there are two sources of revenue—rates and impact fees. Any expense which is made to implement capital projects requires financing and it is supported by the rates. When the impact fees do come in, at whatever time during that ten-year plan, then the ratepayers are paid back. For clarification, Mayor Wilson suggested that Ms. Hoy and Mr. McConnell discuss this further at a later time.

Councilman Lamerson asked Mr. McConnell if the six-month delay was something that was adaptable. Mr. McConnell it was; the six-month delay can be viewed as a transition period. It is Council's prerogative to make that decision and Mr. Jackson pointed out repeatedly that the impact fees in the study are the maximum and the Council has the prerogative to lower the fees, not impose them, or they could select a different mechanism or change the date. It will not have a dramatic affect on the capital improvement plan to defer the fees. On the other hand, they have looked at projects in the pipeline and the subject of commercial fees is an important one. It does not take too many commercial meters, with current fee being a number that is not covering the cost of the demand, so if they had a large number of real projects in the pipeline the fiscal impact could be dramatic, but that is not the case.

**MOTION PASSED UNANIMOUSLY.**

**COUNCILMAN BELL MOVED TO ADOPT ORDINANCE NO. 4665-0908, WITH IMPOSITION OF THE FEES BEGINNING JULY 11, 2009;**

**SECONDED BY COUNCILMAN ROECKER; PASSED 4 – 3 WITH MAYOR WILSON, COUNCILWOMAN LOPAS AND COUNCILMAN LUZIUS CASTING THE DISSENTING VOTES.**

Councilwoman Suttles said that they have not raised those fees in 17 years (sewer). The six months that they are allowing for a change to get in to begin building, will not make or break them. Mr. McConnell said that was correct.

Mayor Wilson said to Mr. Hudder in recognition of his suggestion to form a committee, he would like to impose upon him to round up a crew of contractors and citizen representatives in terms of a blue ribbon panel, to be brought back to him and he would bring it to Council. Mr. Hudder said that he appreciated the challenge and would do that. Mr. Mechanic said that he did not think it was fair for the contractors to control the committee.

- I. Approval of contract with Jim Simmons for legal services in Brogdon v. City of Prescott in the amount of \$50,000.00.

Mr. Kidd said that this item is a request for a legal services contract with Jim Simmons in the Brogdon v. City of Prescott. The trial is set for November 4 and November 14, 2008; there are seven medical experts and extra witnesses being involved. There are substantial numbers of medical records. Mr. Simmons is a certified personal injury specialist with considerable experience in these kinds of cases.

Mr. Kidd said that normally they would present the item in an Executive Session and then come out and take action, but due to the current situation with Executive Sessions, with timing, and the nature of today's meeting, they requested that it be brought forward.

**COUNCILMAN ROECKER MOVED TO APPROVE THE CONTRACT WITH JIM SIMMONS FOR LEGAL SERVICES IN BROGDON V. CITY OF PRESCOTT IN THE AMOUNT OF \$50,000;00; SECONDED BY MAYOR WILSON; PASSED UNANIMOUSLY.**

- J. Recess into Executive Session.

**COUNCILWOMAN SUTTLES MOVED TO RECESS INTO EXECUTIVE SESSION; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.**

The Prescott City Council recessed the meeting at 5:40 p.m.

**V. EXECUTIVE SESSION:**

**A.\* Discussion or consultation for legal advice with the attorney or attorneys of the public body and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to A.R.S. §§38-431.03(A)(3) and (4).**

**1. Big Chino Water Ranch.**

**A.B.\* Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that, with the exception of salary discussions, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting, pursuant to A.R.S. Section 38-431.03(A)(1).**

**1. Annual evaluation of City Clerk.**

**VI. POST EXECUTIVE SESSION:**

**A. Possible amendment to Employment Agreement with Elizabeth A. Burke.**

The Prescott City Council reconvened into Open Session at 5:56 p.m. at which time, **COUNCILMAN BELL MOVED TO AMEND THE EMPLOYMENT AGREEMENT WITH ELIZABETH A BURKE BY GIVING HER A 3% SALARY INCREASE; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.**

**VII. ADJOURNMENT**

There being no further business to be discussed, the Regular Voting Meeting of the Prescott City Council held on October 28, 2008 adjourned at 5:56 p.m.

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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 Regular Meeting of the City Council of the City of Prescott, Arizona held on the 28th day of October, 2008. 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