

PRESCOTT CITY COUNCIL
STUDY SESSION
TUESDAY, JANUARY 5, 2010
PRESCOTT, ARIZONA

MINUTES OF THE STUDY SESSION MEETING OF THE PRESCOTT CITY COUNCIL held on JANUARY 5, 2010, in the COUNCIL CHAMBERS located at CITY HALL, 2010 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

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

◆ **INTRODUCTIONS**

It was acknowledged that Councilman Bell, Councilman Luzius and Councilman Roecker were in the audience.

◆ **INVOCATION** Pastor Hylyard Irvin, Church of Nazarene

Pastor Hylyard from the Church of Nazarene gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Mayor Kuykendall

Mayor Kuykendall led the Council and audience in the Pledge of Allegiance.

◆ **ROLL CALL:**

PRESENT:

Mayor Kuykendall
Councilman Blair
Councilman Hanna
Councilman Lamerson
Councilwoman Linn
Councilwoman Lopas
Councilwoman Suttles

ABSENT:

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

City Manager Steve Norwood mentioned that the sales tax receipts were in for November, and sales were down 8%, compared to a year ago, which was good news. This was up from the past months which were in the negative 12% range.

STUDY SESSION

I. PRESENTATION

- A. Presentation to Nancy Burgess for service as Historic Preservation Specialist of the City of Prescott.

Elisabeth Ruffner read the proclamation and presented it to Ms. Burgess.

- B. Update by Jodi Rooney, Executive Director of the Central Yavapai Metropolitan Planning Organization (CYMPO).

Ms. Rooney presented a PowerPoint presentation which addressed the following items:

▶ **ANSWERING THE QUESTIONS: WHO, WHAT, WHEN, WHERE, AND WHY**

▶ **2030 UPDATE**

▶ **SPECIALIZED TRANSPORTATION SERVICES**

▶ **PLAN FOR A POTENTIAL FIXED AND FLEXIBLE ROUTE TRANSIT SYSTEM**

▶ **TRANSIT IN THE PAST 28 MONTHS**

▶ **REGIONAL ADVANTAGES OF CYMPO**

▶ **AMERICAN RECOVERY AND REINVESTMENT ACT (STIMULUS)**

Ms. Rooney said that the money was split among the jurisdictions based on percentages using the census data. They were also looking into using Department of Commerce data. She noted that most of the contributions were in-kind.

Councilwoman Lopas asked about the multi-use path and if the Peavine Trail to connect Chino and Prescott had been looked at.

Ms. Rooney said that they looked at everything in the region, and if the City of Prescott had a particular project, such as the connection of the Peavine Trail to Chino Valley, they would bring it forward. If it is something that is regional, they may partner up with one of the other jurisdictions. She noted that the Transportation Enhancement Review Committee set money aside for Super Projects.

Ms. Rooney said that the set aside funds vary from year to year. Since 2003 there had been around \$11 million which had come to the community through the Metropolitan Planning Organization. When they put in money that came to them every year, there was an allocation of \$700,000. The Central Yavapai Metropolitan Planning Organization can then go to Arizona Department of Transportation and say that they have some money to sweeten the pot. They put in around \$1 million for the 89/89A interchange.

II. DISCUSSION ITEMS

- A. Approval to support the grant application for a Rural Economic Development and Planning Assistance Grant for tourism in the amount of \$15,150.00.

Ms. Bristol said that Economic Development was very surprised to hear that the State was issuing a solicitation for grants and tourism projects were available for funding. They came up with a campaign to market to the Outdoor Adventure Tourism segment. The State grant monies come from the lottery fund. Prescott offers the National forest, lakes, trails, rock climbing, hang gliding, jeep tours, mountain biking, and equestrian activities, and they would want to be known as a healthy and active community. There was \$104,000 available for the entire state. They wanted to keep the campaign reasonable so that it had a good chance of funding. There are City and outside dollars involved.

The first layer of the campaign involved the Whiskey Row Off-Road bicycle race. It started out as a one day event and last year they added a free concert. The event attracted over 900 participants.

The promoter would like to attract pro racers to the event. He suggested that the City should participate financially by paying 50% of the sponsorship. The grant would allow the City to do that.

The second layer included creation and production of an Area Adventure Assets Map. She showed a map by Chris Hoskins, with Prescott as the Center and included Las Vegas, Grand Canyon, etc.

There will be outdoor activities provided by the City on the flip side of the map. Ms. Bristol would also like to create a logo and decal with the theme "Prescott Rocks!" Economic Development would bring the businesses into the mix by having them put the decals on their windows and hand out the maps, if they were interested in targeting this market.

The last part of the campaign was advertising; a 30 second, edgy, commercial on You Tube and other social media sites that can be picked up all over the world. She did not include buying of space, radio or TV spots. Depending on bed tax dollars in the next year, she may be able to buy air time for those spots.

Horizon Air would dedicate a certain amount of their budget to the inbound traveler. They are willing to dedicate half of that budget (up to \$3,000) to the campaign, at no cost to Prescott.

She said that they would like a letter of support from the Council, and the application was due on January 11, 2010.

Councilwoman Suttles wanted to pull the item from the Consent Agenda to see what Mr. Geist had to say about tourism. She also asked about the Whiskey Row ride.

Ms. Bristol said that they had done an Economic Impact Report in the past couple of years. They had statistics that were very favorable to Prescott. She said that staff felt that it worked well with the theme of the campaign, and that mountain biking was a growing industry.

Mr. Norwood noted that they are one of the only groups that did a benefit for the community. Their information is detailed and they bring family and kids who stay for three or four days.

Ms. Bristol said that the City supported them when they first started out with street closures and things like that.

Ms. Bristol said that the forms should include both the map design and also production as it was actually a part of the grant.

Ms. Bristol said that it would be difficult to send letter of support if the Council was not supporting. She could not send in the grant without a letter of support.

Discussion was held on the benefits that could be brought to the City by receiving the grant. The majority of Council agreed that they should move forward with the grant, and it would be discussed further at next week's meeting. Comments were made about holding off to hear what Mr. Geist had to say about tourism at his presentation, and it was noted that he would be addressing tourism from a long-range planning aspect rather than specific events.

- B. Adoption of Ordinance No. 4728-1025 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, (1) approving the form and authorizing the execution and delivery of an Extension to Series 2007 Ground Lease, a Series 2010 City Lease, a Bond Purchase Contract and a Series 2010 Continuing Disclosure Agreement (Municipal Property Corporation Bonds); (2) approving the execution and delivery by City of Prescott Municipal Property Corporation of such Extension to Ground Lease, such City Lease, such Bond Purchase Contract, a Depository Trust Agreement and a Second Supplement to Trust Indenture; (3) approving an Official Statement and the circulation thereof; (4) approving the issuance of not to exceed \$19,000,000 aggregate principal amount of City of Prescott Municipal Property Corporation Revenue Bonds, Series 2010; (5) delegating to the Budget/Finance Director of the City the authority to determine various terms with respect to the Series 2010 bonds and the sale thereof; (6) providing for the transfer of certain moneys for the payment thereof and making certain covenants and agreements with respect thereto; (7) authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this ordinance; and (8) declaring an emergency.

Mr. Woodfill said that there was now a legal obligation to pay the amount of the debt since the project had broken ground. The project had been in the budget for several years as a debt issue. The extension of the tax allowed them to go out for a longer term so that the debt service would be more manageable.

He explained why they didn't issue debt a year ago and why they were using the MPC. He said that the documents were available for review in the binder by their offices. He said that it included the emergency clause because they cannot wait 30 days for selling the bonds; it needs to occur immediately.

The American Recovery and Reinvestment Act (ARRA) has a program called the Build America Bonds Program. It was established to open up credit markets to nonprofit organizations like the City of Prescott. About \$400,000,000.00 per year is issued to the open market. This market offers a subsidy for 35% of the interest payments. He also mentioned that it was a good time to take advantage of the market.

He said that the intent was to totally bond the program. A discussion with the Council concerning the program ensued.

Councilman Lamerson asked that the item be pulled from the consent agenda.

George Seaman, 1830 Idlywild Hill thanked Councilwoman Suttles for bringing up the emergency clause. He said that he felt that it eliminates the people's right to refer an action of council.

- C. Award of bid and contract for Zone 12 Water Improvements and various wastewater improvements south of State Route 89A to CLM Earthmovers, LLC, in an amount not to exceed \$1,313,693.46.

Mr. Nietupski noted that it was necessary that this infrastructure be installed in a timely manner in conjunction with the interchange improvements. It would provide connectivity to the current system, or extension by others in the future. There would be a potential service area of over 1,400 acres. Funding was from the Water and Sewer Funds. The project could begin in February and complete by August of 2010. The low bid was local and half of the engineers estimate.

Mr. Norwood noted that the bids were competitive and that there were two from California. Mr. Nietupski said that it was the intent of staff to recommend WIFA financing for the project.

There was a discussion with Council concerning CLM Earthmovers and the flexibility of the August finish date. They also discussed how the design worked with the Peavine Trail.

Councilwoman Suttles asked that the item be pulled from the Consent Agenda due to the amount of money involved.

Gary Hudder, Prescott Valley (with Asphalt Paving & Supply) noted that they would support the award to CLM and that they were a current subcontractor. He said they have had a collective meeting about dates.

- D. Authorization to purchase a Standby Generator Set and Automatic Transfer Switch for the Sundog Wastewater Treatment Plant from Empire Power Systems in the amount of \$210,585.00.

Mr. Nietupski said that it was a critical piece of equipment in the event of an area power failure. The current generator lacks the capacity to provide full service. It was the intent that the new, larger unit would replace the older unit and then that would be reconditioned and reinstalled at the airport plant. The 150kv unit, currently at the airport, would be disposed of at auction. In the event that the City moved forward with wastewater improvements, these generators could be used for both facilities.

The Council discussed the low bid and the manufacturers of the generators and installation contract.

- E. Notice of Public Hearing (January 12, 2010) and consideration of application submitted by Enza Mirella Brower for a new Series 12, *Restaurant*, license for Rooster's Café & Coffee located at 333 South Montezuma Street.

Ms. Burke reviewed the application, noting that the applicants were requested to be at next week's meeting. She said that the property had been posted and no public comments had been received.

- F. Approval of the Minutes of the Prescott City Council Workshop of December 2, 2009; the Regular Voting Meeting of December 8, 2009; the Combined Study Session/Regular Voting Meeting of December 15, 2009 and the Workshop of December 30, 2009.

It was decided to amend the minutes of the December 15, 2009 meeting for approval.

- G. Selection of items for placement on the agenda of the Regular Voting Meeting of January 12, 2010.

Councilman Lamerson said that Item D would be on the Consent Agenda.

III. ADJOURNMENT

The Study Session of the Prescott City Council held on January 5, 2010, adjourned at 4:32 p.m.

SPECIAL MEETING

- 1. Call to Order

Mayor Kuykendall called the Special Meeting to order at 4:32 p.m.

- 2. Adoption of Resolution No. 3999-1029 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, agreeing to accept the transfer of the U.S. Department of Commerce Economic Development Administration Public Works Grant 07-01-06187 and 01 for the design and construction of a technology building within the City limits of Prescott and authorizing the Mayor and staff to submit an application to implement same.

Ms. Bristol noted that the staff learned that Embry-Riddle was unable to continue their project. The Federal Grant could either go back to Washington D.C. to be put into a pool or it could be redistributed within the Northern Arizona Council of Governments region. She said that the Mayor went to a recent meeting to see if they could transfer the grant to the City of Prescott so that the project could be

built. The committee did approve the transfer which still needed to be approved by the Regional Council in February. The Mayor sent a letter of intent to apply for transfer of the funds.

The next level was the Council's concurrence that the City should submit an application to keep the project alive, create jobs and jump start commercial activity. The City would match the funds with in-kind and value-added services.

The original grant was \$1.9 million, in addition, there was a secondary grant called LEED Elements, (Leadership in Energy and Environmental Design). Staff suggested that it should be a minimum LEED certified building. The actual LEED Grant is \$440,885. The Federal money is \$2,374,885 for a total grant of \$4,323,725. The applicant amount is what Embry-Riddle would have put into the project which would be assumed by the City. The amount includes a combination of the value of the land, the structure, the building cost, public roads, utility extensions, right of ways and staff administration time for the grant. The City had set aside \$250,000 to match this grant. The actual City commitment would be \$1,900,000.

Ms. Bristol and the Council discussed zoning of the property which would be within the Granite Dells Estates Master Plan and the ownership of the land and building as well as the possible jobs that this could bring to the City.

Teri Drew, Director of Northern Arizona Council of Governments, noted that Councilwoman Suttles, Councilman Lamerson and Mayer Kuykendall had a hand in keeping the grant in Prescott. She feels that it was an opportunity for recovery and to keep funds in the region. There would be high growth and high demand jobs.

COUNCILWOMAN SUTTLES MOVED TO ADOPT RESOLUTION NO 3999-1029; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

3. Recess into Executive Session.

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

The Prescott City Council recessed the meeting at 4:45 p.m.

4. EXECUTIVE SESSION

- A. 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)(4).

1. Salt River Valley Water Users' Association vs. City of Prescott and Center for Biological Diversity v. City of Prescott.

5. Adjournment.

The Prescott City Council reconvened into Open Session at 5:57 p.m. at which time the meeting adjourned.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk