

PRESCOTT CITY COUNCIL
STUDY SESSION
TUESDAY, MARCH 2, 2010

MINUTES OF THE STUDY SESSION OF THE PRESCOTT CITY COUNCIL held on MARCH 2, 2010 in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 3:01 p.m.

◆ **INTRODUCTIONS**

◆ **INVOCATION** Pastor Lloyd Teeter, Church of Nazarene

Pastor Teeter gave the invocation.

◆ **PLEDGE OF ALLEGIANCE** Councilwoman Suttles

Councilwoman Suttles introduced Police Officer Larry Gray who led the Council and audience in the Pledge of Allegiance.

◆ **ROLL CALL:**

PRESENT:

Mayor Kuykendall
Councilman Blair (arrived at 3:10 p.m.)
Councilman Hanna
Councilman Lamerson
Councilwoman Linn
Councilwoman Lopas
Councilwoman Suttles

ABSENT:

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

City Manager Steve Norwood noted that the census information was being sent out. He asked that everyone fill it out and send it in as soon as possible. It happens once every ten years and the funding that the City received hinged on the information from the census.

Mr. McCarley was introduced as the new General Manager at Antelope Hills. Mr. Norwood said that he had worked there a few years ago, left to run the Phoenician, had built golf courses, managed courses, taught and trained.

Mr. McCarley said that he was happy to be there. He was grateful for the opportunity to come back to where he began his golf career. He noted that Antelope Hills was a great asset to the City. He thanked the Mayor for calling him and giving him the opportunity to come back.

Mayor Kuykendall said that he was looking forward to making Antelope Hills a world class municipal golf course.

Mayor Kuykendall announced that Councilwoman Lopas would read a proclamation to Meals on Wheels.

Councilwoman Lopas read the proclamation proclaiming March 24, 2010 as Meals on Wheels Day in Prescott.

Pam Hallow, Director of Prescott Meals on Wheels, invited everyone to ride along on one of their routes.

Bob Painter, current President of the Board of Directors, said that they had a campaign to stamp out senior hunger by 2020. They placed fliers on the table and urged the community to make the pledge to stamp out senior hunger.

Councilman Blair arrived at this time.

I. PROCLAMATION

A. March 2010 as *Red Cross Month in Prescott.*

Councilwoman Linn read the proclamation and asked the American Red Cross Volunteers to join her.

She noted that the American Red Cross was the only non profit that exists and their major fundraising was done when there were disasters, but they operate all year long.

II. DISCUSSION ITEMS

A. Authorization to apply for funding from the Governor's Office of Highway Safety for overtime payments and related expense to DUI enforcement and aggressive driving details in the amount of \$64,100.00.

Chief Kabbel noted that the Prescott Police Department had received notification from the Governor's Office of Highway Safety of an opportunity

to apply for the grant. The majority of the funds would be used for the department's participation in the Tri-City DUI Task Force, overtime and some purchasing of equipment. There were no requirements for matching funds.

Councilman Hanna said that people did not realize how much the grant really helped out. He commented that people would be amazed at how many DUI's get taken off the street and also felony and misdemeanor charges, with the task force. As long as the State can continue to put the money out, the City should take advantage of it.

Councilman Lamerson asked how many DUI's there were in the community. The Chief said that he could provide him with exact numbers.

Councilwoman Linn said that Alberto Gutierrez, the head of highway safety, recently told her how wonderful and great the officers were in Prescott.

- B. Authorization to apply for funding from the Governor's Office of Highway Safety to purchase an unmarked enforcement vehicle for DUI and aggressive driver enforcement in the amount of \$43,075.00.

Chief Kabbel noted that the vehicle would be equipped with emergency lights, speed detection systems and a mobile data computer. It will be used to detect impaired and aggressive drivers and support enforcement efforts associated with the Tri-City DUI Task Force. There were no matching funds required for the grant.

Councilman Lamerson said that it seemed like a piece of equipment that would be needed. He said that it was nice to see some of the money coming to Prescott.

Mayor Kuykendall asked if the vehicle could be purchase locally. Chief Kabbel said that it could be bid for locally. Most of the organizations in the City can sell police vehicles, no matter what brand. They could offer that opportunity to the City of Prescott.

- C. Adoption of Resolution No. 4007-1037 – 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 ("IGA") with Prescott Unified School District (P.U.S.D.) for the exchange of facilities and various maintenance requirements and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

Ms. Horton noted that everyone was on board for this item and it was on the School Board's agenda for their meeting that evening.

Councilwoman Suttles asked if there was ever a length of time on the IGA's. She asked if it would automatically be renewed after three years. Ms. Horton said yes.

Mr. Kidd said that this one would fully replace the old IGA. This was an updated version. They met with the School Board a few weeks ago and had a positive meeting. The old IGA was written several years ago.

Councilwoman Suttles asked if the other IGA's should be updated. Mr. Kidd said that they have different terms on all IGA's especially when they get to automatic renewal. They can try to renegotiate any IGA's they currently have, which they do from time to time.

- D. Notice of Public Hearing (March 9) and approval of Draft Consolidated Plan FY2010-2014, Annual Action Plan FY2010, and Citizens Participation Plan 2010-2014.

Ms. Hartmann said that the City had received over \$1,000,000.00 in the last five years from Housing and Urban Development (HUD), which had been used wisely in the community. With the new five year plan, they have identified 22 categories that they want to address. They were all considered equal in weight but they cannot do each one every year. With the economy and an unemployment rate of 9.3%, this was a good time to support 501c3 providers. In doing that, they sent 33 communications to the providers in Prescott. They sent out over 700 post cards to the residents of the Dexter neighborhood because it is considered a low-middle income neighborhood. They were able to fund every application that they received this year with the exception of an energy application.

Project Aware has applied for \$100,000 block grant funding in match funds. They are applying for a \$550,000 grant thru the Veterans Administration. They are so rare that the Veterans Administration sent someone out to teach them what to do. They are confident they will get it. They will build six more single apartment units. That will give them a total of 20 permanent low income housing units for vets. They have proven themselves to be one terrific organization. The committee fully supported their request.

They also want to help the Prescott Area Women's Shelter. They have 15 beds for adults and 5 for children and one bathroom. They need kitchen flooring area and cabinets. It is the only women's shelter that someone can get into if they are homeless.

West Yavapai Guidance Clinic asked for \$80,000 for renovations, continuing at Hillside and a smaller renovation at the Cortez Center. They

work hard in the community with the mentally challenged. Their State funds have been cut.

The City is also going to continue the single family housing rehab program which was started this year. It is slow to take up because people have not applied in mass. Sometimes people have fear of getting involved with government projects.

The City is required by fair housing law to provide educational services to the public for fair housing. She took \$3,000 in public service funds out of the total amount that they anticipated they are going to get. That should cover the education that they have to do. They partner with the Attorney General's office and real estate people.

Meals on Wheels asked for \$30,000 for their homebound, elderly and disabled. The City can put public service dollars toward that.

Administration covers some salary and the Analysis of Impediments to Fair Housing Study that has to be conducted. They are getting an extension from fair housing to put in this budget cycle.

The citizen's participation plan is a requirement of HUD. In order to get these funds they have to come up with a five page plan on how they will conduct the process.

Councilwoman Suttles asked who was on the committee that is supporting the plan. Ms. Hartman replied Councilwoman Linn, Jerry Jones, James Johnson, Miriam Haubrick and Pam Wickstrom.

Councilwoman Lopas asked how the census would impact Prescott being an entitlement city and if she expected any changes. Ms. Hartmann said that Prescott does not show up as being an entitlement city. Part of that was because; they have exceptions which are called lower quartiles. Instead of having 51% requirement population requirement, Prescott has to have a 48.4%. She expects that Prescott will have more neighborhoods that qualify as low and middle income after the census.

Councilwoman Lopas asked if that would change the funding in the future. Ms. Hartmann said that it could. She said that HUD was operating very slowly. Usually by the time staff goes to Council they know their numbers. Since they started with American Recovery and Reinvestment Act (ARRA) funding, the other funding is a slower cycle.

Councilman Lamerson said that Meals on Wheels is portrayed as something just for the elderly and not all of the beneficiaries are elderly.

Mayor Kuykendall asked if the funding would be available July 1, 2010. Ms. Hartmann said that she will submit it by May 15, 2010. They will have 45 days to respond. If she was not notified in that amount of time, it would be an automatic approval. They will ask for release of the money as soon as it is available.

E. The Bradshaws – A Planned Area Development:

1. Approval of Site Plan Amendment for Phase IV of The Bradshaws – A Planned Area Development comprising 32 Senior Apartments located on approximately 1.5 acres at the Southeast corner of Bradshaw Drive and Stetson Drive; Zoning is Business General; Owner, Wescap Investments; Agent, Fergis and Hardings, Inc. (SI10-001).

Mr. Guice said that some of the changes included a reduction to setback along Stetson Road to 20 feet, an overall increase in height from 42 ½ feet to 44 feet, increase in the setback along the homes from 36 feet to 60 feet at its furthest point. Wescap Investments redesigned the project to increase the setbacks along the property line.

2. Waiver of LDC Section 9.10.2 regarding the subdivision process.

Mr. Guice noted that the project was exempt under ARS Title 9 and 32 because it was a commercial project and would not be individual ownership. The Council does have authority to provide a waiver to the subdivision process, which would be consistent with the State law. Bill Spreitzer, President of Wescap Investment, and architect Chris Burgess were there to answer any questions.

3. Approval of Water Service Agreements for Phases III, IV and V, Nos. 10-001, 10-002, and 10-003.

Mr. Guice said that the water service agreements were in the amounts of 16.1, 11.1, and 2.8 acre feet, respectively.

Councilwoman Suttles asked Mr. Spreitzer how he was going to change the project from affordable housing to senior housing.

Mr. Spreitzer, 4745 North 7 Street, Phoenix, said that they were responding to the market. Phase I, completed in December 2008, leased within 19 days, which consisted of 46 units. Phase II, which they plan to start within 30 days, has a wait list approaching 200, which was also 46 units. The redesign of the 4th Phase which was

the 20 unit family to a 32 unit senior was in response to that need for senior housing in Prescott.

Councilwoman Suttles said that she had a mixed feeling of trying to keep those families in town. She hopes that they do not lose the affordable housing for the families that are in the City. Mr. Spreitzer said that they are looking for other sites and opportunities. They are reaching out to the demand with another twelve units on that site. If he is successful with an application of credits, which will be due March 15, 2010, he would start the project and finalizing his plans. He would be in the City in fall of this year for review. He was hoping to start the first quarter of 2011.

Councilman Lamerson said that it looked like a quality project. He asked if they still had criteria for the seniors in regards to income. Mr. Spreitzer said yes.

Councilman Lamerson said that the water they set aside was for housing affordability. Mr. Spreitzer said that the units will be affordable to seniors that earn 40-60% of medium income.

Bob Luzius, 237 South Arizona Avenue, Prescott, thanked Councilman Lamerson for recognizing that there are some seniors in the community that are not wealthy and he was one of them.

- F. Adoption of Ordinance No. 4732-1029 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the zoning of certain property within the City of Prescott generally located at the northwest corner of East Sheldon Street and North Alarcon Street from Multi-Family High Density (MF-H) to Industrial Light (IL) zoning district. (Rezone of approximately .09 acres Owner, Miss Kitty's Cat House; Agent, Marcia L. Kerans; APN 113-13-006A.) (RZ09-009)

Mr. Guice said Miss Kitty's Cat House would like to run a cat kennel and adoption facility which would require rezoning. In 2003 the person purchasing the property wanted to live there and the mortgage company insisted they would have to go through a commercial lending process due to the zoning at the time. It was rezoned to multi-family and the request was to go back to industrial. It was the only parcel in the northwest quadrant of that intersection that was zoned multi-family. All of the others were zoned industrial. Planning & Zoning did consider it at their February meeting and voted 5-0 to recommend approval.

- G. Adoption of Ordinance No. 4733-1030 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of real property belonging to A. Roy and Donna L. Bennett

Family Trust for the construction of a new Zone 27 Water Utility Pump Station, and authorizing the Mayor and City staff to take all necessary steps to effectuate said purchases.

Mr. Nietupski noted that the property had been identified as a result of a water model analysis. It would help with pressure, flow and overall storage capacity. The parcel was 6591 square feet and appraised at \$61,094.82. The pump station would serve to double the ability to pump water. He anticipated roughly another \$2,000 in closing costs.

He thanked the Bennett's for their patience, and said it is one component of an overall system.

Councilman Blair noted that there was no emergency clause on the purchase. Mr. Nietupski said that the ordinance did not have an emergency clause. Councilman Blair asked if it needed to have one. Mr. Nietupski said that it was usually the property owners request and he did not believe that a request had been made. It was agreed that an emergency clause should be added.

- H. Council direction on negotiations re acquisition of real property identified as Thumb Butte Estates Lot 18 for the Zone 24 & 27 Water Reservoir Upgrade and Replacement Project.

Mr. Nietupski noted that this item was to get some input from the Council with respect to how to proceed with the acquisition. It was another element of the zone improvement. It was for the construction of a 1.45 million gallon water storage tank. It would replace an existing 200,000 tank that was located adjacent to it.

He showed slides of five locations that were reviewed to determine suitability for the construction of the tank.

They looked at available lots that were available or suitable. They also looked at tank types, access to the site and property costs associated with acquisition as well as the length of pipeline necessary to provide connectivity to the system. The overall project cost was also evaluated. There were not many willing sellers. They were concerned with cycling costs of electrical service. Welded steel tanks required more maintenance than other tanks.

Lot 18 was a residential parcel. They had the property appraised by a certified appraiser in August 2009. At that time the property appraised for \$185,000. It was about ½ acre. During the course of the last seven to eight months there were ongoing negotiations with the property owner, which authorized an offer of \$203,500 that was 10% above the appraised

value. That offer was rejected and the property owner has remained fixed on their set price. They have reached an impasse. Staff was seeking direction from Council. They have had two public meetings to address the overall project and need direction on how to proceed.

They could meet the seller's asking price; try to look at another alternate site, knowing they have unwilling sellers, exercise eminent domain or condemnation.

Councilwoman Suttles said that she would like it pulled from the agenda because she had questions. It was clear that the owner of Lot 18 was holding the high cards. She was not familiar with any property in Prescott that was selling above appraisal. It looks like the City did try to negotiate and they were still \$17,000 - \$18,000 off.

She was disappointed that there was not another avenue for the City. She could not see that the seller's asking price was acceptable. She was not in favor of condemning that property either.

Councilman Blair asked how much land was necessary for the tank. Mr. Nietupski answered that it took close to a ½ acre. As proposed it was a partially buried facility to mitigate its impact.

Councilman Blair asked if they had looked at the Open Space property called the Gardner property, to use a portion of that and buy it for appraised value and put that aside for maintenance.

Mr. Nietupski said that they did look at replacing the tank at the existing location which would require Skyline to be relocated to the east. During that analysis they felt it was not the preferred. The projected cost for that was about \$3.5 million. In order to do the project with the buried tank, they were looking at \$3.7 million. In the whole analysis, there was a lot of complexity. Looking at hydraulics, area, suitability for efficiency of operation, access, the lowest cost was not always the most preferred project.

Councilman Blair said that they bought this property for the view shed. He asked what impact it would have as far as view shed was concerned if the tank was buried. He also asked if the property could be appraised and put the money back into a maintenance fund for Open Space.

That plan would do two things. It would give the City a site that they would pay less money for and it would give the City another vehicle to be able to have an Open Space alternative for maintenance.

Mr. Kidd said that he remembered there being a restriction in the sales agreement, and he would advise them at next meeting.

Mr. Nietupski noted that relocation of the roadway would also affect that Open Space property.

Councilman Hanna said that someone wanting more than appraised value left an awful taste in his mouth.

Councilman Lamerson was in concert with Councilman Hanna and appreciated his comments with regards to looking for another option. He asked what the potential cost projections would be for the other available sites. One of the options that they do not want to do is eminent domain. They have to look at what is best for the City.

Mr. Nietupski said that replacing the reservoir on the existing site was about \$3.5 million which is alternative 1. The parcel to the west, with a steel tank, elevated above grade was about \$3 million. The buried, precast option at the same location would be \$3.7 million. The number 3 option on the map was \$4.9 million. The Parker Drive location, pre stressed concrete tank option was \$4 million and the National Forest Service tank was \$3.3 million.

They also looked at life cycle costs, to determine the level of maintenance over the 50 year term and what the energy cost would be to pump water from the facility. On that basis, they compared the buried tank at the preferred location with the steel tank on Forest service. Those life cycle costs were \$3.8 million for the buried tank and \$4.5 million for the Forest Service steel tank.

Councilman Lamerson asked if it was in the best interest of the City to go for a more objectionable site or to start exercising eminent domain.

Councilwoman Lopas asked if he looked at the property on the east side. Mr. Nietupski said no, there was no willing seller.

Mayor Kuykendall asked how they would be affecting the view if they were going to be burying the tank, if they used the Gardner parcel.

Councilwoman Lopas said that it was a rocky terrain and wondered if they had budgeted for blasting. Mr. Nietupski said that the estimates given for the overall projects did consider the sites.

Chuck Stone, 1790 Forest Meadows Drive, owner of Lot 18, said he wanted to address a couple of remarks and give some information. They currently have the property on the market for \$240,000; it has been on the

market and the market is down. The City came to them; they did not offer the property to the City. They have \$220,000 in the lot. In this economy they may not get it; but they are willing to let it sit there until they do. It was a retirement project. They had misgivings about letting the City have the property because of the neighbors. They want it to look nice and not block the neighbors. They have a lot of misgivings about putting a water tank there, but they are not willing to give it to the City for less than what he had into it.

Councilwoman Suttles asked if they need to discuss why they were putting the tank there. The City of Prescott was not trying to take advantage of the owner. The City of Prescott was not trying to degrade the neighborhood. They have a tendency to say they need the service, the fire protection, but “not in my backyard”. If they had a place to go they would. They need help with this. In the long run it was going to benefit the whole area. They are out to try to take the best care of the community they can. They are not trying to lowball. It tends to frustrate her because what they do is what they need to do.

Councilman Hanna said that he was not insinuating that Mr. Stone was holding the City up. They need to look out for the dollars that belong to the City. He understands that Mr. Stone had to get what he put into it. He asked if there was anywhere else they could look so they did not have to spend that kind of money.

Mike Orr, 2212 Loma Rica Circle, said he would be affected by whatever decision was made because the water tower was on his property line already. He said that a tank above ground would be an unsightly thing in the neighborhood. He also said the City does a good job of maintaining the property that the tank is currently on. There is quite an elevation going up Skyline Drive. The top of current tank, if it were buried would not be a lot different than where the top of where the submerged tank would be, but he does have a lot of concerns with the blasting and what the duration of the project would be. He is most concerned about the blasting hurting their foundations and driveways. He is also concerned with traffic flow and how the old tank would be abandoned and if it would become Open Space land. He hopes that a tank put in above his property would not leak.

Councilwoman Suttles said that they probably had to put a water tank in there before he built his house. Mr. Orr said that he thought the tank was built in 1961; his home was built in 1976. He liked the idea of the buried tank.

Mr. Luzius said that he was confused by the memo that came from Post, Buckley, Schuh and Jernigan which noted a 1.25 million gallon tank and

the schematic that Mr. Nietupski showed, which noted a 1.45 million gallon tank. He asked which it was.

Mr. Nietupski said that the 1.45 tank was the additional capacity identified by the model. If they would have constructed one tank and left the existing one in place, they would have had a total of 1.45 million gallons. The concept was developed further to incorporate both tanks into one facility so that if the 1.45 million gallon tank was constructed, the 200 million gallon tank could be removed.

Councilman Luzius said that he was not concerned with the tank above his neighborhood because he knows that it is required.

Ray Dextraites, 2225 Skyline Drive, noted that there was a lot across the street from the existing tank that was for sale. It was at the corner of Skyline Drive and Forest Hills. He wondered why it had not been considered. They were asking around \$140,000. Mr. Nietupski said that he would look into it.

- I. Approval of a Settlement Agreement and Release with TranSystems Corporation for acceptance of \$100,000.00 for modification of the retaining wall adjacent to Iron Springs Road and Vyne Street.

Mr. Nietupski noted that at the conclusion of the project, they found a problem with visibility. Since April 2008 it had taken them two years to get to this point. TransSystems had agreed to pay \$100,000 to the City. They had provided a design for the correction. The City did attempt to go forward with the project for repair late last year but they were stymied in that effort. At that time they received 4 bids less than \$100,000. They feel confident that they would be advertising this project in October 2010 and they are recommending that the settlement be accepted by the Council.

Mr. Norwood asked him to explain why they were taking so long to get started. Mr. Nietupski said that Ken Lain from Flower Fields had worked with the City throughout the project. He had requested that the City try to complete the project while minimizing the impact on his business. That is why they delayed construction until October.

Councilman Hanna noted that he wanted the public to understand that this money was coming from the engineering company and the bids were less than the \$100,000, which was more than adequate to cover the cost of the project.

- J. Adoption of Ordinance No. 4734-1031 - An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of real properties, easement and improvements from Flower

Fields, LLC, Ken Lain, for the Iron Springs Road Retaining Wall Improvement Project, and authorizing the Mayor and City staff to take all necessary steps to effectuate said purchases, and declaring an emergency.

Mr. Nietupski noted that the Right of Way was necessary for modification of the wall. It was 198 square feet. The value, determined through a negotiation and a comparative market analysis, was \$4350.00 which provides for some loss of landscaping and wrought iron fencing.

- K. Approval of the Minutes of the Prescott City Council Workshop of February 23, 2010; the Regular Voting Meeting of February 23, 2010 and the Study Session of March 2, 2010.
- L. Selection of items for placement on the agenda of the Regular Voting Meeting of March 9, 2010.

Councilman Lamerson said that the following items would be on the Consent Agenda: A, B, C, E, F, G with an emergency clause, I, J, K. Items D and H would be on the regular agenda next week.

III. ADJOURNMENT

There being no further business to be discussed, the Study Session of the Prescott City Council held on March 2, 2010, adjourned at 4:32 p.m.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk