

PRESCOTT CITY COUNCIL  
WORKSHOP  
TUESDAY, OCTOBER 5, 2010  
PRESCOTT, ARIZONA

MINUTES of the Prescott City Council Workshop held on October 5, 2010 in the City Hall Council Chambers, 201 South Cortez, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the Workshop to order at 2:01 p.m.

◆ **PLEDGE OF ALLEGIANCE** Councilwoman Lopas

The Young Marines led the Council and audience in the Pledge of Allegiance.

Mayor Kuykendall noted that he and Councilwoman Suttles went to the graduation of the Young Marines and it was a lesson in patriotism.

◆ **ROLL CALL:**

Present:

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

Absent:

None

**I. PUBLIC COMMENTS**

A. Introduction of new businesses.

Dave Maurer, Executive Director of the Prescott Chamber of Commerce, introduced representatives from the following new businesses:

▶ Jenny Longhorn, owner Rich and Jennifer Schulte, 152 South Montezuma Street, 928.771.9200.

Mayor Kuykendall acknowledged that there were three members from the Prescott Valley City Council in attendance.

B. Kevin Greif re City's Flood Liability at Joseph Street & Granite Creek.

Mr. Greif showed images of the low water crossing near his home that has created problems for his property. The creek got blocked by bollards causing the water to run down his driveway. He noted that the culverts got blocked immediately and everything including what should be going through culverts was going down his driveway. He was also concerned with the flood elevation of his house, which was based on the creek not flowing down his driveway.

He said he had the property surveyed for flood elevation and he was building 1.4 feet above that mark for a 100 year flood. During the storms of last year, the water came within 6 inches of the floor.

He said that he had asked staff a number of times why the barrier was built and what it was supposed to accomplish. He received a few answers and no one seemed to know who authorized the project. It was never brought before the Floodplain Board as required by the Floodplain Ordinance. He also asked staff if they would build that type of barrier today and the response had been no. The rules today were the same as in 1989.

He had also asked staff if there was anything that demonstrated that this was an effective way to deal with a low water crossing. He was told they were working on standards. They did an inventory of low water crossings in Prescott and tried to establish what should be there as far as barricades or safety installations. He could not get an answer out of anyone on staff as to what it might be. He had looked at the American Association of State Highway and Transportation Officials (AASHTO) and Arizona Department of Transportation (ADOT) standards and had been unable to find bollards as an appropriate way to deal with a low water crossing.

The flood in January of 2010 had a peak flow of 5920 cubic feet; in 1963 there was a flood of 6600 cubic feet.

He filed a claim with the City of Prescott for damages that occurred to his property. The claim went to Travelers Insurance and it was denied. He read from the letter and stated that it seemed there was no liability if it was from a massive weather event. He did not understand the letter and did not know of anyone who would get a warning that a flood would occur.

In the denial letter, it was also determined that the bollards on the bridge were the least obstructive type of barrier the City installed. Looking at the statutory exemptions, there was nothing that said whether it was more or

less of a barrier, or less obstructive; the City would get a free pass. If the barrier obstructed the drainage and created a hazard or did damage to someone else's property, then there was liability.

Those were the two reasons given for the denial. He had called Travelers Insurance and tried to meet with Mr. Kidd, which he had not been able to do. He had done a lot of looking to see if anyone looked at bollards and cables as an appropriate way to do anything. He went through 20 pages of Google low-water crossing images and did not see any crossing with cable barriers.

He outlined options of where they could go and said that he had a significant investment at risk. He said that his property would see another high flow. He had lived in Prescott for thirty years and had owned the property for almost that long.

He would like to see the City take responsibility for the damage and remove the barricades. If there was a need for a barrier or curb, that should also be installed. That option left no liability in the future. If the house had damage again, he would make another claim. If the house flooded because of the rain, that would decrease the value of the new home and he would have to disclose the property as flooded. He would take this as far as he needs to. The best option was to fix this and take responsibility for the damages that the City construction had caused.

He thought that spending taxpayer money on a lawsuit of this nature was a waste. He felt it was a strong case and that the City had created the problem. He was there to say there was a fair and reasonable solution.

He said the following items were listed on the back of the business cards from staff "act with integrity", "solve problems", "taking pride in excellent results." If those really were core values, then they should solve this. He was hit with a brick wall with the insurance company. As a taxpayer, he resents having to pay both sides of this. He was paying staff to defend these actions. He thought it was appropriate, if they went forward with the lawsuit, that he would ask that staff keep track of time and expense and make it public. He thought it was a poor use of tax dollars.

Mr. Norwood said that they had looked at the issue and he felt that there were some liability concerns to discuss. He suggested a meeting with Mr. Greif and Mr. Nietupski to go over the information the City had. It had been looked at thoroughly. He said that Mr. Greif could call his office directly to schedule that appointment.

Mr. Greif asked if he would be spinning his wheels and if there was any potential for the City to change its position. Mr. Norwood said that they should set up a meeting.

Councilman Lamerson said that he would like to sit in on the meeting as did Councilman Blair.

C. Dominic Shaw re Wildlife Issues in Prescott.

Dominic Shaw said was walking his dog at 1:30 a.m. and was attacked by three javelinas and it was not a good thing to have a disabled person attacked by javelinas. He also thought that the smell of skunks was deterring 11%-14% tourists. The skunks were big and the javelina was as big as a baby elephant.

Mayor Kuykendall said that his point was well taken. The City would not pass an ordinance since that animals could not read. He said that he was glad that Mr. Shaw was there and he wanted him to be safe.

Councilman Hanna asked Mr. Shaw what he suggested the City do with them. He said that Fish & Game controlled them and the City was not allowed to kill them or trap them. Mr. Shaw said that he would leave that up to the City and that it was now noted that he made a complaint.

Mayor Kuykendall noted that a couple of new businesses had arrived late, and representatives from each told about their businesses.

- ▶ Nextage Realty, 120 East Sheldon.
- ▶ Amenisus Home Health Care, 2971 Willow Creek Road.

## II. PROCLAMATIONS

A. October 2010 as *National Colonial Heritage Month*.

Councilman Blair read the proclamation and presented it to Lee Nelson and Fay McCoy, who thanked them for the proclamation. Ms. Nelson said that if anyone needed to get a hold of them they could be reached at 636-2489.

B. October 2010 as *Prescott Walk to School Month*.

Councilwoman Linn read the proclamation.

C. October 16, 2010 as *American Walk for Diabetes Day*.

Councilwoman Suttles read the proclamation. The recipient noted that they raised \$54,000 last year with 143 walkers. Their goal this year was to have over 500 walkers and raise \$75,000 or better. If someone did the walk and had diabetes, he could get a Red Strider cap. One in ten adults and one in three children would get diabetes.

D. October 23-31, 2010 as *Red Ribbon Campaign Week*.

Councilwoman Lopas read the proclamation and presented it Sergeant Bostwick who introduced himself, Staff Sergeant Carr, Corporal Dempsky, Corporal Watson, two Private Sells and Private Watson.

He noted that the program was started when Enrique Camaro was killed by drug runners. He was an undercover cop and Marine working for the United States. He was just trying to better the community and the week was to promote a drug free lifestyle and commemorate his service to everyone.

### III. DISCUSSION ITEMS

A. Presentation and discussion of Dreams Park Youth Baseball Facility.

Mr. Norwood started by explaining the ground rules. He said that this was not a public park; it was an economic development opportunity given to the City of Prescott. It was a private facility. Part of it would require an infrastructure investment by the City. This was going to be a youth baseball facility. It was not a Pioneer Park; it was private. More importantly, it was a regional economic development prospect. No decisions had been made. They were not asking Council for a decision then. There were two purposes for the presentation, to give the Council and public the opportunity to ask questions and for Council to give staff direction.

The customers who would use the facility would generally not be Prescott residents. They would predominantly be from California, Texas, Arizona and Colorado. It would be a regional attraction. The City would not manage or operate the facility. It would be managed and operated by Lou Presutti and his employees. The City may be the land owner. The City would have the ability to put in the infrastructure which would be for the benefit for that region. They could look at mechanisms in place so the City would get reimbursement as other developments tied onto the project.

Cavan Properties brought this forward. One of their principles had been to Cooperstown Dreams Park and was impressed with what it did as a

development and attraction standpoint. He brought the owner of the Dreams Park to Prescott and asked if there was any level of interest. It was a project worthy of looking at closely.

He showed an overview of the Cooperstown facility. He said that the Prescott facility would look different due to the water issues. That facility had 22 ball fields. One was a 5,000 seat stadium for the championship.

The park had been in Cooperstown since 1995. Lou Presutti was very much a patriot. He had served two to three tours in Vietnam. He was passionate about the sport of baseball. He liked Prescott because it was a “slice of Americana.” He knew the area well. He said that when they looked at something like Prescott, people would plan vacations around the facility. It was good to be one hour from Sedona and two hours from the Grand Canyon. There were four additional sites being developed, three in the east and one in the west.

The three sites in the east included Cooperstown, Mooresville, North Carolina and sites were being considered in Florida and Kentucky. Prescott was the desired location for the one in the west.

The barracks housed up to 105 teams. The grounds were well maintained. They had a large tent where they feed up to 2,000 campers, officials and workers.

In Cooperstown, they ran 13 weeks each summer. They had 100 teams each week. The players were on site and the families must find housing accommodations off-site, which usually involved brothers, sisters, aunts and uncles. The City had noticed that these types of facilities were almost recession proof because it was centering on kids.

He had as many teams this year as last year and he turned away more teams each year than he accepted.

Mr. Norwood noted that the kids played about two games a day which did not give the family time to take off for day trips. That would give the City more of the turnover of dollars.

The tuition in Cooperstown would be similar to Prescott at \$750. That was very inexpensive. It was a seven day camp, seven nights, three meals a day. Each player received a Hall of Fame ring and two full uniforms. This was instructional baseball with great camaraderie and memories.

The economic impact was incredible. People would be staying in local hotels in Chino Valley, Prescott Valley and Prescott. The sales within the

park were amazing. There were numerous concession stands and a first class gift shop. The downtown businesses would be impacted.

Mr. Brehm showed a mock website to demonstrate how a website run by Mr. Presutti and his organization could benefit the area. The key would be the ease with which the player's families could find lodging, shopping, attractions and food in the City.

Councilwoman Linn said that she would assume there would be a link from the Cooperstown Dream Park which gets 162 million hits a year. Mr. Norwood said that the website was critical and that was the way that people booked trips.

He noted that when they did the site visit, it was not an easy place to get to. They had to fly into Albany Airport which was about 85 miles from Cooperstown.

He said that they were looking at three sites in the Prescott area. Land was being offered to be donated to make the project happen. The City had not nailed down a site. All three had their advantages and disadvantages. Before they spent a lot of time and effort they wanted to get public and Council comment.

The road network was installed and the properties were outside the main congested areas of Prescott. Each had 100 acres that could be annexed into the City with potable water. They needed 35,000- 40,000 gallons of water per day, which was not for year round use.

The ball fields would use treated effluent which the City had the capacity to do. An effluent line would have to be built to water around 100 acres. There would be wastewater collection and treatment, and lighting. They would have to make sure that the light pole height regulations would meet Federal Aviation Association (FAA) regulations. The City also needed to develop ideas for adjacent future and present land use.

Mr. Nietupski discussed the infrastructure. He said that water mains for both potable water and effluent would be necessary to deliver the water, whether treatment took place at the airport waste water treatment facility or via an onsite interim package plant. The facility would require electricity, natural gas, telecommunications, street network, site grading and drainage.

Infrastructure costs could range from \$5 to \$10 million based on the location. That did not include the wastewater treatment plant if it were required.

There would be an operational season for potable water of about 13 weeks. The effluent would be year round with turf management for the outfields. They were contemplating artificial turf for the infields. The remainder of the site would be zeriscaped.

Mr. Norwood said they talked about the proximity to the airport and would have to review the plan. They may have to look at some shielding of the fields. The FAA regulations were not specific for lighting. A financial feasibility analysis would be required. The annexation may be a Proposition 400 requirement, depending on the site.

He said that there may be some opportunities for a multi seasonal, high-end, Recreational Vehicle Park. There would be 500 seasonal employees. Direct spending would average \$30 - \$35 million per year. It would bring construction and maintenance jobs for the improvements. There may be opportunities to lengthen the 13 week season to a possible 30 weeks, due to Prescott's weather.

The cons would be the infrastructure costs and some interim wastewater steps that the City would need to take. There could be 25 – 30 year round jobs, with the majority being seasonal jobs. The availability of lodging for visitors could create a challenge during the peak season. The effluent demand during the summer was the City's peak season.

He was looking at another workshop on November 16, 2010 to bring more detailed information. He would also like to have Mr. Presutti in attendance. The target was June 2012.

He noted again that it was a privately-run facility with the request for Prescott to sod the facility and provide the infrastructure costs.

Councilman Lamerson said they were taking baby steps and doing the investigation. There were no conclusions. Having been one of the Council people who went to Cooperstown, he thought it warranted taking a look at it. He thought they should take a look to see if it fit the mold of who the citizens were. He supported pursuing and looking into it further.

Councilwoman Suttles asked the age of the players. Mr. Norwood said that it was 12 and under in Cooperstown, but had not been decided for Prescott. He did not think that it would be much older than 12.

Councilwoman Suttles asked what else they could use the fields for. Mr. Norwood said girls' softball would be the most common. It was more popular to play on the skinned infield. Although, artificial turf handled weather delays easier and the bounce was truer.

She noted that three Council people visited Cooperstown, she asked for their comments.

Councilwoman Linn noted that the three of them paid their own way. They were not sure yet of the age. Mr. Presutti had bad experiences with 13 year olds and up. They probably would not have teenagers. As a parent, she would not send her three sons to other states. Mr. Presutti liked the Prescott environment, and that it had a low crime rate. As a parent that was important. She said that they marketed to the parents and were probably full a year in advance. They would only let Canadian players in, as well as the players from the United States.

She said they were extremely focused on good behavior. If ball caps were turned sideways, the player would get a two game suspension. She said it was a lot like the environment at Disneyland. They tried to kick her out because she did not have a name tag; the security was so good. Parents do not go to the camp the first day. They bring their own umpires and coaches. It was about the kids and the experience. She said the opening ceremonies were Class A.

Councilman Blair said that there were still a lot of questions to be answered. For him, the most amazing part was that the nearest community was 25 miles away and the town was full. All of the hotels were full. He said that vehicles were showing up with kayaks, fishing poles, and mountain bikes. It was evident that parents were taking kids there and it was a family vacation. That was intriguing with what the City had been trying to do with the trails in the Prescott area.

Mr. Presutti was very structured and opened to ideas. When Councilman Blair asked him about water cisterns off of buildings and parking lots to use for irrigation, he was very open to that. It brought in a clean environment of tourism money. He was glad that he was able to go.

Councilwoman Linn said that Mr. Presutti was also very open to solar lights, etc. She said that he did not charge anything to get into the park, parking was free.

Councilman Blair said that Mr. Presutti had a keen interest in Native American cultures. He was keen on doing things with the Yavapai Tribe and bringing them into the works.

Councilman Lamerson said that it did not matter where they were around Cooperstown, everyone loved the theme park. That told them that there may be an opportunity that had been presented that was worth looking at.

Mayor Kuykendall noted that he did not go. He stayed away from the controversy both ways. He thought it was important to have an open mind. After 45 years in Prescott, they kept growing, not to be a big city, but the City let itself grow and be a part of growth and youth. That was what they were looking at. They did not want to become an old folk's community. They wanted to stay pace with modern thinking and remain a vibrant community. If this was what would help, then it would be great. If it did not work, it was okay and something else would happen. Prescott was the center of the tri-city area. It was their responsibility to keep an open mind and move forward and not find more reasons to be against something or for something until they had a chance to look at it.

Patty Lasker, Prescott Valley Councilwoman, said that she went to Cooperstown to find out what the ugly part was and could not find it. Umpires had been there 11 years, volunteering their time and paying their own way. There was something very good going on.

Cooperstown had a population of 2,000 people. Their complaint was traffic. She said that the Prescott area had wider roads and more traffic control. This area had a heavier population base to begin with to support the project. Many years ago, before the Dreams Park started, she and her husband visited Cooperstown. It was interesting to see the contrast between the two areas. She felt it was quite the success story.

Regarding hotel rooms, it created a cottage industry. Some residents had depressed housing and were able to rent out their houses. They made more money renting their houses than needed, so for the rest of the year, they went to Florida.

Councilwoman Linn said that she asked parents what they were paying for there rooms. They answered \$150 to \$545 per night.

Councilwoman Lasker said they had to stay 40 miles away. The rooms in town were booked out a year in advance at \$250 and up. Some of those hotels are only in business during the season. Hotels closed the other nine months. The BBQ across the road closed the rest of the year.

Harold Wise, Councilman Prescott Valley, said he saw this as a good project for regional benefit. Obviously he and others would be interested in being involved in the project any way they could. Regionally it would benefit existing businesses. He said they would see new businesses start up because of it.

The players' families would have to buy their food somewhere. Those monies would come into the community over and above the tourism benefits. He was impressed with the way it was run. Lou was different to

work with. He was a great guy. He wanted to be able to give a clean, American, patriotic, baseball experience to the young people and help make a difference in their lives as they were growing up. He was obsessive about the cleanliness of the park.

It would outshine Disney World and Disneyland. He would make sure this facility was run the same way. It was a good project and he thought it would be good for the region. He appreciated the opportunity to have gone out there. When he was on Council in Prescott he had a regional outlook.

Steve Silvernale, Prescott, said that he thought that it was an opportunity that they should not pass up. He thought they should support this. He did not see a downside. He was impressed with the efforts of the Council and Prescott Valley to do the research.

Margo Christiansen, representing Spring Hill Suites and Residence Inn, thought it was a tremendous opportunity to bring kids and younger families to the area. She had done some preliminary research on the impact the project would bring to the area. She called two General Managers from two major hotels in the Cooperstown area. She wanted to hear from them what they felt the impact was to their businesses and the tourism industry.

She spoke with John who was the General Manager from the Odesaga Resort. It was a 101-room, full-service resort with a golf course. The Dreams Park gave his property about 1200 room nights during the peak season with an average daily rate of \$300 to \$400 per night and close to \$600 for a family suite. This audience brought in from siblings to grandparents, and the average bill per guest was between \$3,000 and \$5,000. He felt that the restaurants and retail shops did well in the community, as did the museums, golf courses and attractions. He also indicated that the Dreams Park had zero tolerance for misbehavior. That culture carried through to the hotels, retail and restaurants. The Dreams Park staff called the hotels to make sure there was no misbehavior at the properties.

She also spoke with Stacia, General Manager for Howard Johnson, a 60-room minisuite property adjacent to the Dreams Park. She said that the Dreams Park brought more revenue to Cooperstown than anything ever had. The Presuttis were great people to work with. They were 95% occupied Friday to Friday for 12 weeks, with an average rate of \$230-290 a night.

She also stated that she did not see as many guests from California, Arizona and Texas because they had farther to travel. She believed they

would come to Prescott naturally. The booking window was about six months ahead of time; when their nonrefundable deposits were due. She thought it was a tremendous opportunity and said, go for it and they there to support the City.

Cal Cordes, Prescott, said he was a former coach and had been volunteering for 23 years helping out softball, baseball, and Little League. He passed out a flier with questions and said that some of them had been answered. He thought that it was wrong that the program was centered on Little League. He felt that some of the fields should be extended to handle softball, youth baseball and high school baseball. He did not think that they would get 50 teams to come to Prescott. He predicted 10-12 teams.

He felt that the \$750 fee was too much for some of the little towns to afford. He asked who would supervise the kids in the dorms. He also asked who would manage the 25 fields, when they were being played on and wondered if it would be left up to the Coach or manager, or would they have 25 people paid to supervise each field. He said that it would cost millions of dollars for the utilities and management and wondered where that money would come from.

Councilman Blair said that it was a private enterprise. The employees and maintenance were part of the venture; they would not be employees of the City of Prescott. Mr. Cordes asked how much that would cost.

Councilwoman Linn reiterated that it was a private enterprise and not a tournament; it was like a private camp. She said that she, as a mom, would pay the \$750 and that would pay the private company. Mr. Cordes said that he understood. Councilwoman Linn said that the City would not have any maintenance responsibilities. All the City would be doing was bringing in tax dollars. Mr. Cordes said the wind blew in an idea and it would blow it out.

Deb Thurston, Prescott, said she was representing herself. She said that someone had mentioned that a similar project was being developed near Charlotte. She asked where that project was. Mr. Norwood said Mooreville and they were just at the groundbreaking stage. Councilwoman Linn noted that the City was funding everything there, which was something that Prescott said they would not do.

Ms. Thurston said that she was not for or against this, but felt that there were too many unanswered questions. Her concern was for \$5 to \$10 million that it would cost the City of Prescott. She asked what the return was on jobs that were nonservice jobs.

Councilwoman Linn said that they did not use volunteers. He took retirees, who were dependable. He would pay them \$1100 a month to work part-time. She spoke to some of the employees in their 20's and 30's. They said that they were paid well, but they worked 80 hours a week.

Ms. Thurston asked what type of jobs it would create, other than the low paying jobs. Councilman Blair said that they had a fully-staffed photography center. They employed 24 fields and 2 photographers per field making double minimum wage. Most people were making \$10-12 an hour. He did not think that a student making that type of money was wrong. They did not have a problem filling 500 jobs in a community that was 25 miles away from anywhere. He did not think the region would have a problem filling those jobs.

Councilwoman Linn said that she did not ask them what they were paid per hour. She noted that the City would collect the tax on the 80-82,000 photos per week that were sold.

Councilman Lamerson said that the jobs that they would create on site would be new jobs in the area. He said that it also secured a lot of the local jobs for hundreds of people in the Cooperstown and Albany area. Some may be in hotels, restaurants and retail stores, but that was who Prescott was. Ms. Thurston asked if that was what they wanted to continue to be.

Councilwoman Linn said that there were jobs everywhere. Young students and retirees were checking people in at the gate and directing traffic on campus.

Tom Staley, Prescott, said he was representing his son. He thought that the City could offer the best facility in the area. He encouraged Council to continue to look at the project. He had talked to a lot of parents and there was a lot of support behind this. He felt that there were a lot of life lessons on the baseball field.

Leslie Hoy, Prescott, said that she did not know if it was a good project or not, but it could turn out to be great. She was concerned that a project of that size could change the character of Prescott. She wondered if Prescott would have the capacity to handle that many people and the parking downtown.

She noted that Mr. Norwood mentioned the economic impact study. She hoped that Prescott would do their own and not rely on other communities. The citizens would be paying the \$5 to \$10 million; they deserved to know what the expected revenues and costs would be. She

had a concern about water. Not just if there would be enough, but because it was short and was this the best way to use the water. The jobs created would be low-paying jobs. She did not want to spend all of the City's water on low-paying jobs when future jobs may come forward that pay better.

The wastewater treatment was a big issue. Currently the Wastewater Treatment Plant needed to be upgraded and the standard to which they were treating the wastewater was not adequate for recharging the aquifer. More was being known about the emerging contaminants. They do not want to take a chance of contaminating the aquifer. She said that the Citizen's Water Advocacy Group and Verde Watershed Association are sponsoring a forum on November 13 called Recharge of Wastewater to Groundwater – What are the Risks?

If the City was going to be recharging 100 acre feet of effluent, she asked if that was per year. Mr. Norwood said yes. Ms. Hoy said that it was worth making sure that the water was adequately treated. She said that she thought they should go forward but consider the questions carefully to make sure they make a decision that is good for everyone in Prescott.

Councilman Lamerson asked Mr. McConnell if the water they treated met all of the Arizona Department of Environmental Quality standards for recharge. Mr. McConnell said yes.

John Phillips, Prescott, said he had been a citizen for 34 years. He was a business owner and manager and was now retired. He served on many civic organization boards with the goal to try to improve the community. The Dreams Park concept would be an improvement to the community. He wished that he could find an industry that would pay only \$150,000 a year to every employee. In reality, when he voted for Mayor and Council, he voted for people that he wanted to listen to the facts, study and make the decisions. He wanted them to do the best thing for Prescott. He thought they were a good Council and Mayor and hoped they would give serious consideration to the project. He thought the concept of Americana that he gave to the young kids that play at the park was an extremely positive concept.

Sandy Griffis, Yavapai County Contractors Association, noted that Mr. Norwood used the words "promising opportunity" in the workshop memo, and that made her heart skip a beat. Those were words that could take Prescott, Prescott Valley, Chino Valley, Dewey-Humboldt, Sedona, Grand Canyon and the greater Phoenix neighbors down uncharted paths, not only for personal gain, business gain, and family gain. She urged them to continue to do their due diligence. She asked when Mr. Presutti was closing the window on a decision. She was concerned

that there were only 21 months to build something like that. There were a lot of unknown details. It sounded like a very sound investment and a promising opportunity that would be an investment for the surrounding areas.

Councilwoman Linn noted that Mr. Presutti said he would use only local contractors. Ms. Griffis said that was great news. The potential dollars were those people that might visit and bring a business here, retire or move to the area. She thanked the Council for their hard work and open mindedness to taking the project further.

Councilman Blair said that he thought the goal was January 1. Mr. Norwood said that was the goal and said that they would talk more with Mr. Presutti to see what his time frame was. They would proceed as fast as they could.

Councilman Lamerson wanted to clarify that this was not Little League, it was a private enterprise, but it was an opportunity for Little League-aged kids. Mr. Norwood said that he was correct. Councilman Lamerson said that the Little League in Prescott would stay the same.

John Danforth, Prescott, said that it sounded like a terrific opportunity and a very positive business. He would feel out of character if he were not in the role of throwing a wet blanket on things. The only thing he was concerned about, in addition to the water, was with respect of the taking with too much seriousness some of the estimates of the economic impacts that had been provided. Earlier in the year he did a lengthy review of studies of economic impacts and a few conclusions emerged. They were not a negative on the project; he was about how they analyzed the project.

The first conclusion was that project supporters and their consultants virtually always estimate huge economic benefits from public support for private projects. It was what happens. Secondly, despite this, when actual results were studied, researchers had found that local economic development subsidies rarely produced net economic benefits. This was in many ways a unique project.

One important survey of research on the effectiveness on local economic development incentives found, “the best case is that incentives work about 10% of the time and are simply a waste of money the next 90%”. Another study focused on sports-related subsidies found “Few fields of empirical economic research offer virtual unanimity of findings, yet independent work on the economic impact of stadiums and arenas has uniformly found that there is no statistically significant positive correlation

between sports facility construction and economic development.” He realized that this was different, but it was a cautionary tale.

He noted that there were a number of precautions carried on by the financially savvy cities around the country, and he shared what he had gleaned from four of them.

First, financially savvy local governments only relied on economic impact studies conducted by experts without a dog in the fight. The second was that they carefully scrutinized the financial strength and track record of project promoters. He noted that the commercial real estate landscape was littered with unfinished projects. The third item was that they identify measurable deliverables—what benefits local citizens can expect to receive from the local government. Finally, they structure their economic development deals to provide claw backs for unrealized deliverables. Those would be agreements which the recipient of an economic development subsidy promises to compensate the City for failures to achieve promised deliverables. Taxpayers should not be the only ones on the hook for unsatisfactory results.

The State of Minnesota required all local governments to incorporate claw provisions in all agreements to provide economic development subsidies.

He thought it was a terrific project and complimented them for pursuing the project. He hope the rest of the work was done as well as he expected.

Howard Mechanic, Prescott, asked if any of the operating cost would be coming from the City of Prescott. Mr. Norwood said that it was totally private.

Mr. Mechanic said that he was concerned about the water usage. He noted that Jane Bristol said that the City would not be recruiting business that used a lot of water. This may be the exception to the rule. He noted that Prescott had a serious water problem and did not have the 100 acre feet. He said that it was overdraft water and the project would make it worse.

If they were paying operating costs, they had to pay a reasonable amount for the water, including the treated effluent. The treated effluent was not wastewater like it was in the past. The City had sold it at a subsidized rate and that effluent is very valuable to them. Pricing had to be considered. If the City put that water in the ground, they could pump an equal amount of potable water to provide for the community. There were some long-term contracts at those subsidized rates which were under market.

He noted that during the website demonstration, it was said that advertising would be free. He asked if the developer had agreed to give free listings.

Mr. Brehm said that the website would be owned and operated by Lou Presutti and his organization, but the City would draft a Development Agreement that would include providing and hosting of local amenities.

Mr. Mechanic noted that the City Manager referred to a reimbursement fund. He asked if that would be over a period of time for the City.

Mayor Kuykendall said that there was nothing on paper yet. The Workshop was an opportunity for the public to hear more about the project. The Council was attempting to be transparent. There would be another meeting on November 16 and yet another one after that. There was nothing in stone at this point.

He noted that the seven Council people were all residents and were interested in the future of the community. They were trying to identify the negatives and move cautiously.

Mr. Mechanic asked Mr. Norwood about the reimbursement and if it was for the infrastructure. Mr. Norwood said that there were certain financial mechanisms out there that the State of Arizona had for cities that did an infrastructure extension, that as future owners came in and tied on to the project, the city could get a reimbursement for a pro rata share of that utility.

Mr. Mechanic asked if the City put in that infrastructure for the project and part of that could be used by other facilities, would they expect the other facilities to pay their fair share. Mr. Norwood said that it would be a consideration. Mr. Mechanic asked if it needed to be discussed. Mr. Norwood said that was why he brought it up.

Mr. Mechanic said that he appreciated the fact that Prescott Valley was there. Several years ago he commented that they should not be competing with each other for economic development. They should have a regional tourism and Economic Development Authority here. This was a good way to start it.

He noted that Mr. Tarkowski said that if the property was straddling Prescott and Prescott Valley, they would be willing to pay for half of the project. He looked at any of the three sites mentioned as a regional site. He said that people from that area could get to downtown Prescott Valley as quickly as they could get to Prescott. If there were going to be

subsidies, it should be on a regional basis. Prescott cannot pay the full tab and have the other communities benefit.

Gary Edelbrock, Prescott, said that after listening to the presentation and realizing the amount of work and effort gone into the project, he applauded them. He used to live at Anaheim Hills, California and Anaheim has had the lowest decline in bed tax collections because of Disneyland and family oriented type things. The greatest decline was in Newport Beach. When he saw the sales tax collections, Prescott's downtown area has been impacted and this was an opportunity for a rebirth.

Dave Maurer, President Prescott Chamber of Commerce, said he was envious of their trip. He went to school in the Cooperstown area and like the area so much that they stayed another two to three years. He felt that the message from the audience was to proceed and study the project further.

Mayor Kuykendall noted that Joe Baynes spent his own money and made the trip to Cooperstown and a lot of fields in Prescott would not be in Prescott if it were not for him.

Mr. Baynes said that it was his pleasure to go to Cooperstown and see the facility. He had been involved in baseball for most of his life. He said that the Prescott Little League would benefit through the fields by being able to use them, but those teams using them for the tournament would come from out of town.

He was also a local business owner here. The economy was in shambles. Prescott has a lot that most do not because they are a destination. They have the same type of appeal as a Cooperstown. As a parent, if he was going to get on the website and saw what Prescott had to offer, he would be in. He applauded the Council for looking into the project.

Art Olsen, Prescott Little League President, said that it was a huge important thing for developing the character of kids. With their league and the growth, and the growth in the community, they were at over 700 kids every year, and that was just for baseball. He strongly supported the project and looking into it further. He would love to join in on meetings and be as active as possible.

It would be a bonus for them if they also got to use the fields, as they are spread all over at this point.

Mayor Kuykendall said that in 20-30 years the 11-years olds of today will be sitting at the dais. He thought they had a responsibility to look in that

direction and do the best they could. He said that they had to move forward and be forward thinking.

Councilman Hanna thanked the Prescott Valley Council people for being in attendance. He said that he had not heard anything negative about the project. There were a lot of questions to be answered. He personally felt that it was something that would benefit Prescott as a whole. The economic drive was there. He did not know if it would be as great as they hoped. Only time would give them that answer.

He said that as a community, if they invest \$5-\$10 million, he believed they would be paid back by sales tax revenues, businesses coming in and people moving into the region. Everyone in the surrounding area within 40-50 miles will benefit from something like this if it went like Cooperstown did. He believed that they should go forward.

Councilman Lamerson thanked Prescott Valley and said that they all needed to work together. He felt there was significant opportunity.

At this time, with the arrival of Paul Katan and Lisa Barnes of Prescott Alternative Transportation, Councilwoman Linn reread the *Prescott Walk to School* proclamation and presented it to them.

Mr. Katan thanked them for being so supportive. He noted that *Walk to School Month* was a great activity to get kids walking. He wanted to encourage kids to develop healthy habits and help prevent childhood diabetes. He thanked them for the presentation on behalf of Sergeant Tim Fletcher, who was called away, the Prescott Unified School District Superintendent who could not be there due to a Board Meeting, and Leslie Horton from Yavapai County Community Health Services, Community Health Education. They had 30 kids show up that day for a Walk to School Day.

Mayor Kuykendall announced a three minute break at 4:26 p.m. Council returned at 4:30 p.m.

#### **IV. PRESENTATIONS**

##### **A. Presentation by Suchitoto Sister City Representatives re program.**

Councilwoman Linn said that they were going to have an update from Suchitoto, and then introduced Honorary Counsel of El Salvador, Enrique Melendez.

Mr. Melendez brought greetings from the Mayor and the City Council and residents from Suchitoto. He said that he was proud to represent his native Country. It was the only Latin country to send troops to Iraq after

9-1-1. It was a nation that will abide and encourage its citizens to respect SB 1070 until the courts had found its final destiny. He acknowledged Councilman Lamerson for helping him and the country out five years ago.

His theme was “making a difference.” The Mayor of Suchitoto sent two plaques that he presented to Bill McKellah and Bob Greninger who were the drivers of the ambulance that was delivered to Suchitoto through drug infested territory. When the ambulance came, a small lady came to him with tears in her eyes and said, “May God bless you.” It made the whole experience.

He also recognized Patti Crouse, who was without a doubt, the glue to the City.

Councilwoman Linn noted that Mr. Melendez worked hard to get the ambulance over the Mexican border and down to Suchitoto. It was the only ambulance they had in the City.

Councilwoman Linn introduced Jennifer Laja who was a senior at Prescott High School. She accompanied Councilwoman Linn and Gordon Maddox to the National Sister City Conference.

Ms. Laja thanked the Sister City Association and City of Prescott for allowing her to serve as the youth delegate. Not many students are able to say that they have met nearly 100 people from many countries to talk about the challenges to the planet. From July 27 to August 1, she was in Albuquerque, New Mexico attending the conference with young adults from other Sister Cities programs from the United States and throughout the world.

SB 1070 discussion was very interesting. It was spoken about in a positive way, regardless of whether they supported it. She thought that the conference did an amazing job of getting youth involved in world politics. She was confident that she could bring cultural understanding back to Prescott.

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Councilwoman Linn asked her to tell the audience about what she was working on at Prescott High and noted that she paid her own way to the conference. Ms. Laja said that she was working on her Gold Award (in Girl Scouts) project to try and create a Skype link between Suchitoto and Caborca, Mexico with Prescott, Arizona with the high school and middle school students. She particularly wanted to work with Spanish 7-8 class who had been studying the language and culture of Mexico and El Salvador.

Councilwoman Linn said that they were having a “friendraiser” in November and having the Spanish Club members there. Jennifer was receiving a state award from the Girls Scouts as one of the outstanding Girl Scouts in the State. There were only five chosen.

She then introduced the Vice President of Arizona Sister City Association Organization, Bob Greninger and Bill McCullah, who showed some before and after pictures of Prescott Park in Suchitoto.

Mr. Greninger noted that the Mayor had started his work on the ambulance project about three years ago with Lifeline. It became a reality February 5, 2010 when they picked up the ambulance. On February 11, 2010 he and Mr. McCullah began the drive to Suchitoto. In addition to that, they became involved with the Children’s Park Program. Councilwoman Linn spearheaded that program. They did some fundraisers and were able to donate \$14,000, which was one third of the cost of refurbishing the park. While they were down there they were introduced to the Trade School Scholarship Program from Mayor Martinez. They brought rural youth into Suchitoto to attend trade school. It usually involved children who left school at the secondary level and then went to San Salvador to join gangs.

They had invited the Mayor of Suchitoto to Prescott to give a talk about the program. In the end, rather than flying him here for \$3,000, he accepted the money for his students and that provided scholarships to 60 students for a month. They were now going to acquire welding and woodworking tools from the community to send to Suchitoto. He said that the Mayor still wants to come to Prescott. He said that it was easier to get funding to travel from his City Council than to provide scholarships.

Mr. McCullah said he went to Suchitoto in March 2009. He showed some images from that time. When they drove the ambulance down in February 2010, he took more pictures at that time. He was excited about the changes in the area since the end of the war in 1992.

Mr. Greninger said that he went to Suchitoto in July 2010. He met with the Mayor who took him to see the finished park. September 4, 2010 was the official dedication of Prescott/Suchitoto Children’s Park.

Prescott won the award at the Sister City Conference for Innovation, Youth and Education for Sister Cities International with a population of less than 100,000.

That was the second award that Prescott had earned with the Sister Cities. They won an award in 2002 when English teachers in Caborca were recognized for the English immersion program.

Councilwoman Linn introduced Ken Laja, who was Jennifer's dad, and said that thanks to his work they now had an official website linked to the City of Prescott under City Leadership.

She also mentioned that Mr. Melendez's family put the money in to pay for the remainder of the park and thanked Mr. Laja for all of his work.

- B. Presentation by Councilwoman Linn re public service project of Embry Riddle Aeronautical University students.

Councilwoman Linn presented an award to the Embry Riddle Aeronautical University (ERAU) students. She said she was contacted four years ago to find volunteer work for the students. She then showed some of the work they had done.

- C. Presentation by Yavapai Center for Constitutional Policy.

Monte Crooks, 617 Dameron Drive #2, Vice President of Arizona Center for Constitutional Principals which is a 501c3 charitable organization.

He introduced the President, Julie Dalton-Short to do a presentation. She covered the following topics:

- ▶ Arizona Center for Constitutional Principals (ACCP)/Yavapai Center for Constitutional Principle (YCCP).

- ▶ YCCP MISSION

- ▶ YCCP YEAR TO DATE EVENTS

- ▶ THE MAKING OF AMERICA SEMINAR

- ▶ THE SIX PRINCIPLES THAT MADE AMERICA GREAT

- ▶ PRACTICES

- ▶ YCCP – HOW CAN WE HELP YOU?

Councilwoman Linn noted that, as a City, Prescott is a different entity than the schools. When it came to the school programs, they might want to go to them directly.

Mr. Crooks said that they had done that and he wanted people to know that they were interested in helping out in some of the big celebrations

that were coming up. They would like to work with the City in making things like this happen. They had a special fondness for September 17.

Councilman Lamerson said that they could help by continuing to do what they were doing. For the first time in many years he has been hearing the candidates using the word “Constitution”. He thought it was the responsibility of every citizen to remind themselves of what they swore allegiance to.

Mr. Crooks thanked the Council and said that they were the greatest example of how to do city councils right. He had seen many city councils and Prescott was one of the best.

Mr. Hanna said that the best thing they could do was to educate society as to what the founding fathers did for them and not take it for granted. Mr. Crooks said that he had a firm belief that the knowledge of freedom and liberty was what they wanted, it did not matter what political persuasion a person was.

Mayor Kuykendall noted that the Council was nonpartisan. They have had criticism, and if there are opposing views, they will have to be afforded the opportunity to stand in front of them as well.

D. Board / Commission Liaison reports.

Councilwoman Suttles noted that at the September 15 Central Yavapai Metropolitan Planning Organization meeting the Executive Board accepted the Great Western Feasibility Study. It was the Regional transportation plan.

She also reported that at the Upper Verde River Watershed Protection Coalition meeting, the board recognized two projects for water smart programs 1) Pioneer Park Storm Way and 2) Primavera School off of Copper Basin. They created a Learning Garden which captured and stored rain.

Councilman Lamerson said that there would be a UDC meeting to involve people from the private sector. He said that someone from the YCCA agreed, the Chamber, and they were looking for a member at large from the community, and someone from the real estate community.

He said that on the Water Issues Committee they opened up a dialogue with SRP and at their next meeting they will have a representative present.

Councilwoman Linn said that she would wait for a report on Access 13, Prescott Downtown Partnership and the Fire Alarm Committee until next month.

**V. ADJOURNMENT**

There being no further business to be discussed, the Prescott City Council Workshop of October 5, 2010, adjourned at 5:35 p.m.

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MARLIN D. KUYKENDALL, Mayor

ATTEST:

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ELIZABETH A. BURKE, City Clerk