

<b>COUNCIL AGENDA MEMO – July 2, 2013</b>
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<b>DEPARTMENT:</b> Community Development
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<b>AGENDA ITEM:</b> Public hearing and action re Master Plan Amendment (MP13-001), Rezoning (RZ13-001), General Plan Minor Map Amendment (GP13-001), Airport Specific Area Plan Amendment (LUP13-001), Amendment One to Pre-Annexation Development Agreement (City Contract No. 2008-164 A1), and Water Service Agreement First Amendment (City Contract No. 2008-165 A1) for Granite Dells Estates (Owner: Michael Fann; Agent: Jason Gisi)
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**Approved By:****Date:**

<b>Department Head:</b> Tom Guice	
<b>Finance Director:</b> Mark Woodfill	
<b>City Manager:</b> Craig McConnell <i>Craig McConnell</i>	<i>6-27-13</i>

**Item Summary**

Granite Dells Estates is a 1,142 acre master planned development located south of the Granite Dells Parkway/State Route 89A interchange, in the vicinity of the airport. The owner is requesting an amendment to the Master Plan to develop additional single and multi-family uses. This requires rezoning of portions of the areas zoned Industrial General, Industrial Light, and Business General to a Single-Family 6 zoning district. Also associated with the rezoning are amendments to the General Plan Land Use Map and the Airport Specific Area Plan.

**Background**

The current General Plan was adopted in 2003, and is the guide for land use decisions in the City. The Plan recognizes that areas south and east of the airport have high potential for development. Because of the growth potential, the General Plan Land Use Map was updated to designate commercial, mixed use, and low density residential uses as appropriate for that area.

Annexation of the Granite Dells Estates property was initiated and approved in 2007. A development agreement was signed in conjunction with the annexation, which specified water allocations for the residential units and terms for infrastructure development. Granite Dells Estates was the first annexation subject to Proposition 400, which required a master plan to be submitted with the application for annexation. The Master Plan showed a combination of residential, commercial, and industrial uses. A total of 550 residential units and an additional 160 workforce housing units were proposed.

After approval of the annexation, development agreement, and Master Plan, a rezoning was approved in 2008 for approximately 550 acres. The area was rezoned from the existing RE-2 (Rural Estate 2 acre) zoning district to districts that correlated with the uses shown on the original Master Plan. These districts included Industrial General (IG), Industrial Light (IL), Business General (BG), Multi-Family (MF-M), and Single-Family 9 and 35 (SF-9 and SF-35).

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Since the rezoning in 2008, there has been no development on the property with the exception of 5 acres purchased and developed by the Yavapai Accommodation School District #99.

There are four components of the current request, as described below.

**Master Plan Amendment.** An amendment to the Granite Dells Estates Master Plan originally approved in conjunction with the annexation is being requested. The Master Plan shows the northwestern portion of the property to be developed for industrial and commercial purposes, and the proposal is to allow single and multi-family uses in that area. The Master Plan shows an overall increase in residential units from 710 to 1,310 residential units.

**Rezoning.** Approximately 72 acres of the northwestern portion of the Granite Dells Estates development are proposed to be rezoned to Single-Family 6, in accordance with the proposed changes to the Master Plan. The intent is to rezone the area to allow single-family uses, where industrial and commercial uses were originally proposed. In this area, the lot sizes will range between 7,200 and 13,300 square feet, meeting the requirements of the Single-Family 6 zoning district.

**General Plan Minor Amendment.** The rezoning requires a minor amendment to the General Plan Land Use Map, which shows that area to be appropriate for Commercial and Recreation uses. The proposed designation is Mixed Use, which allows for residential and low-intensity commercial uses. Master planned communities such as the Granite Dells Estates development are appropriate for Mixed Use areas.

**Airport Specific Area Plan Amendment.** An amendment to the Airport Specific Area Plan (ASAP) is necessary not only because of the associated rezoning, but because of the updates to the General Plan Land Use Map and the Airport Master Plan in 2009. Those updates were made to better reflect new FAA design standards related to airport impacts and potential development in areas near the airport.

Currently, the ASAP divides the area near the airport into 3 sub-areas for planning and land-use purposes. Residential development is limited within the one-mile approach and departure routes, and there are influence areas within the three and five-mile radius of the airport. These sub-areas do not accurately reflect the updates to the 2009 Airport Master Plan.

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Using FAA guidelines, six Airport Impact Zones were designated in the Airport Master Plan, which restricted residential uses in the areas most likely to be affected by airport noise and approach and departure zones.

Zones 1 – 5 do not permit residential uses, while Zone 6 allows for limited residential uses, as long as noise attenuation and aviation easement requirements are met. These Airport Impact Zones described in the Airport Master Plan are proposed to be reflected in both the text and maps in the ASAP.

### **Planning and Zoning Commission Recommendation**

Issues for consideration of the Granite Dells Estates projects by the Planning and Zoning Commission included consistency with the General Plan, consistency with other land use plans (e.g., Airport Master Plan and the ASAP), compatibility with current zoning and nearby uses, suitability of the property for the proposed uses, and infrastructure and service impacts.

In accordance with the criteria listed in the Land Development Code, the Planning and Zoning Commission unanimously recommended approval of the rezoning, master plan amendment, General Plan Minor Amendment, and Airport Specific Area Plan Amendment.

### **Water**

The action of the Planning and Zoning Commission specifically pertained to land uses and compatibility, and not water demand or availability.

At their meetings of April 30 and June 18, 2013, the Council Water Issues Committee discussed the rezoning and water which would be required to serve the additional units being requested, should they be approved. The Committee did not formulate a specific recommendation to the Council as a whole regarding allocation of water for the increased demand.

Pursuant to policy set forth by Council Resolution No. 4071-1141 (March 2011), and recognizing the previous allocation of 248.5 acre-feet/year to this property, which is still in place, the rezoning, permitting up to 600 more dwelling units, can be approved without committing all or part of the 210 acre-feet/year of additional water which would be needed to serve them. Since the current Water Service Agreement limits the number of residential units on the property to 710, if the present rezoning request is approved an amendment to the Water Service Agreement will be required in any event.

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Attached are two alternatives for the First Amendment to the Water Service Agreement for this property. If Council approves the rezoning, it will be necessary to select one of these alternatives and approve it, or otherwise provide direction to bring back another version of the First Amendment to the Water Service Agreement for consideration.

Alternative 1. This alternative locks in the 248.5 acre-feet entitlement to the property, but does not provide an additional allocation of water for the rezoning. The document specifies that upon approval by the City of a final plat for the 400th residential unit on the property, the property owner may apply to the City for an allocation of water above the 248.5 acre-feet cap to serve additional residential units proposed to be developed. For reference, final platting of the 400th unit would have used 140 acre-feet of the 248.5 acre-feet block of water.

Alternative 2. This alternative also locks in the 248.5 acre-feet entitlement to the property, but enables the property owner to "earn" additional water upon the completion of each development phase, to be credited at the time the final plat for the subsequent phase is approved. This approach is more fully explained by the attached "Granite Dells Estates Proposal for Earn-out of Additional 210 Acre-Foot (AF) of Water for Rezoned Property, June 24, 2013."

## **Proposition 400**

Questions have been raised regarding the present rezoning request in the context of Proposition 400, which prescribed certain procedures and requirements pertaining to annexation of the property which occurred in 2007, specifically, whether a new economic analysis (cost-benefit study) is required. Attached is the complete text of Article I, Section 4, which was added to the Prescott City Charter following approval of Proposition 400 by the voters. Upon annexation of the property, it acquired equal standing with all other property within the City boundaries. This Charter section neither contemplates nor requires a new cost-benefit study.

- Attachments**
- Master Plan
  - Ordinance No. 4860-1317
  - Resolution No. 4185-1347
  - Resolution No. 4186-1348
  - Resolution No. 4188-1350
  - Amendment One to Pre-Annexation Development Agreement
  - Granite Dells Estates Proposal for Earn-out of Additional Water
  - Alternative 1 for First Amendment to Water Service Agreement
  - Alternative 2 for First Amendment to Water Service Agreement
  - Article 1 Section 4, Prescott City Charter (Proposition 400)

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**Recommended Actions (by separate motions):**

- 1) **MOVE** to adopt Resolution No. 4185-1347, a Minor Amendment to the General Plan Land Use Map.
- 2) **MOVE** to adopt Resolution No. 4186-1348, an amendment to the Airport Specific Area Plan.
- 3) **MOVE** to adopt Ordinance No. 4860-1317, a rezoning of 72 acres of Granite Dells Estates from Industrial General, Industrial Light, and Business General zoning districts to Single-Family 6 zoning district.
- 4) **MOVE** to approve MP13-001, an amendment to the Granite Dells Estates Master Plan.
- 5) **MOVE** to adopt Resolution No. 4188-1350 approving Amendment One to the Pre-Annexation Development Agreement for Granite Dells Estates (City Contract No. 2008-164 A1).
- 6) **MOVE** to approve (choose one: Alternative 1 or Alternative 2) the First Amendment to Water Service Agreement No. WSA07-028 (City Contract No. 2008-165 A1).



**ORDINANCE NO. 4860-1317**

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING THE ZONING OF CERTAIN PROPERTY WITHIN THE CITY OF PRESCOTT GENERALLY LOCATED SOUTH OF THE GRANITE DELLS PARKWAY AND STATE ROUTE 89A INTERCHANGE, FROM INDUSTRIAL GENERAL (IG), INDUSTRIAL LIGHT (IL), AND BUSINESS GENERAL (BG) ZONING DISTRICTS TO SINGLE-FAMILY 6 (SF-6) ZONING DISTRICT.**

**RECITALS:**

WHEREAS, the owners of certain properties within the corporate limits of the City of Prescott have requested a rezoning of their property; and

WHEREAS, the Planning and Zoning Commission of the City of Prescott has held public hearings regarding said rezoning; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to rezone certain property; and consistent with the General Plan; and

WHEREAS, the requirements of Section 9.15 of the City of Prescott *Land Development Code* have been complied with.

**ENACTMENTS:**

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT the parcel of land, further described in Exhibit A, which is attached hereto and made a part hereof, is hereby rezoned as follows: from Industrial General (IG), Industrial Light (IL), and Business General (BG) zoning districts to Single-Family 6 (SF-6) zoning district.

SECTION 2. THAT the Mayor and Staff are hereby authorized to take all necessary steps to effectuate such rezoning.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this \_\_\_\_  
th day of \_\_\_\_\_, 2013.

\_\_\_\_\_

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
LYNN MULHALL, City Clerk

\_\_\_\_\_  
JON M. PALADINI, City Attorney

## Legal Description

All that portion of land lying within Section 6, Township 14 North, Range 1 West, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

(The basis of bearings for this description is South 89°36'53" East as measured between a found USGS brass cap at the Northwest corner of said Section 6 and a found 1" rebar at the Northeast corner of said Section 6.)

Commencing at a found USGS brass cap at the Northwest corner of said Section 6;

Thence South 89°36'53" East, along the north line of said Section 6, a distance of 1656.83 feet to a point on the easterly abandoned railroad right of way line of the Atchison, Topeka and Santa Fe Railway, also known as the Peavine Trail, as described in Book 4545 Official Records, Page 558, Yavapai County Recorder's Office, said point also being the TRUE POINT OF BEGINNING;

Thence continuing South 89°36'53" East, along said north line, a distance of 1727.36 feet;

Thence South 00°19'13" West, a distance of 685.29 feet;

Thence South 16°15'57" West, a distance of 72.80 feet;

Thence South 00°19'13" West, a distance of 562.82 feet;

Thence North 89°40'47" West, a distance of 160.00 feet;

Thence South 53°51'51" West, a distance of 226.97 feet;

Thence South 84°24'49" West, a distance of 918.84 feet;

Thence South 10°09'32" West, a distance of 545.92 feet;

Thence South 88°41'49" West, a distance of 681.29 feet to a point on said easterly abandoned railroad right of way line of the Atchison, Topeka and Santa Fe Railway;

Thence North 07°54'50" East, along said easterly abandoned railroad right of way line, a distance of 1062.18 feet;

Thence along a non-tangent curve, along said easterly abandoned railroad right of way line, concave to the southeast, having a radius of 2763.24 feet, a central angle of 05°40'00", an arc length of 273.29 feet, a chord bearing of North 10°44'50" East and a chord length of 273.18 feet;

Thence North 13°34'50" East, along said easterly abandoned railroad right of way line, a distance of 729.89 feet;

Thence North 76°21'19" West, along said easterly abandoned railroad right of way line, a distance of 50.00 feet;

Thence North 13°34'50" East, along said easterly abandoned railroad right of way line, a distance of 64.93 feet to the TRUE POINT OF BEGINNING.

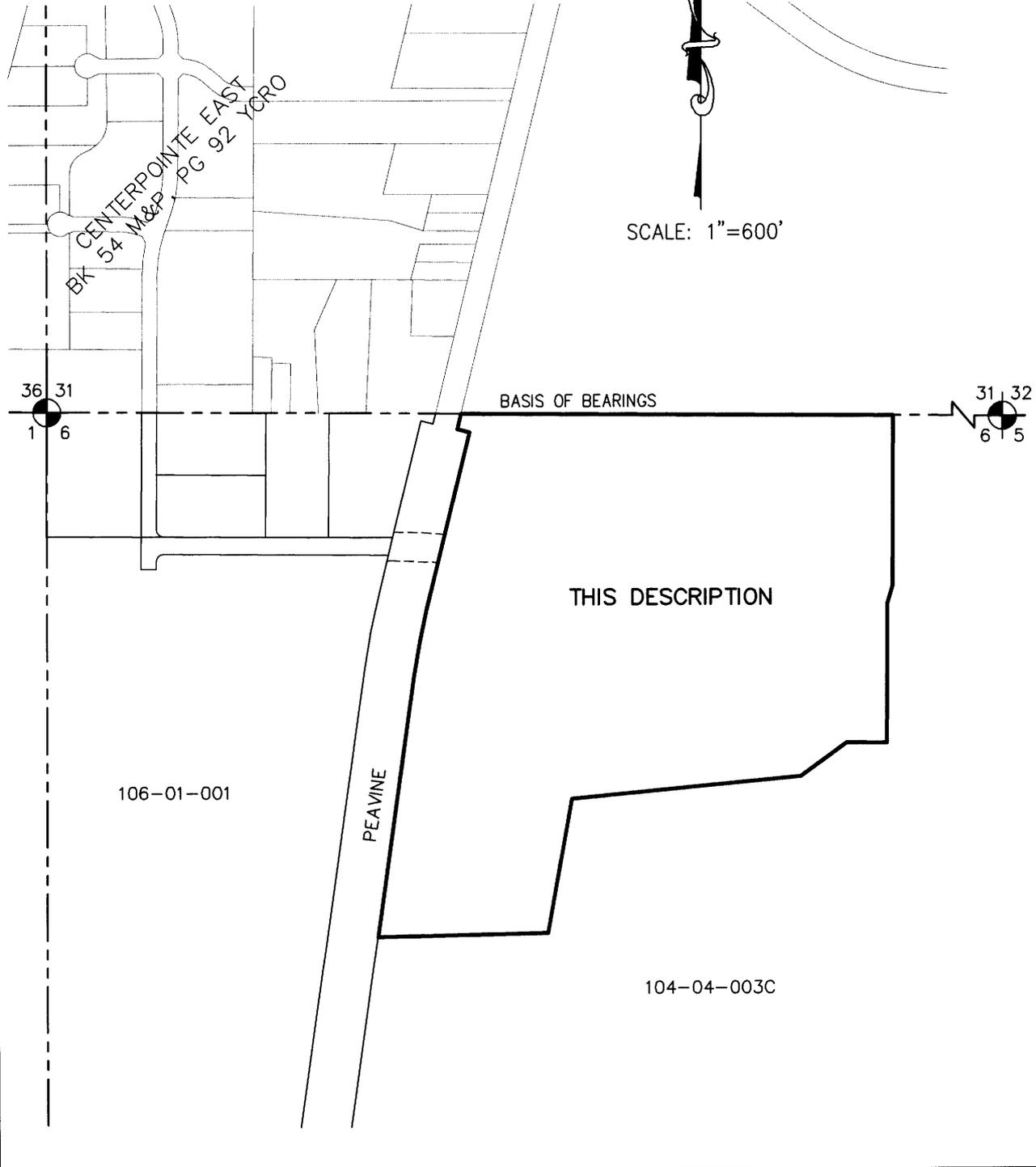
Containing 3,112,226.27 square feet or 71.45 acres, more or less.

04/04/13

LE #614-18

GDE PH1A Rezone.doc

MAP TO ACCOMPANY  
LEGAL DESCRIPTION



**RESOLUTION NO. 4185-1347**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING THE GENERAL PLAN MAP TO REFLECT THE FUTURE LAND USE DESIGNATION OF APPROXIMATELY 242 ACRES GENERALLY LOCATED SOUTH OF THE GRANITE DELLS PARKWAY AND STATE ROUTE 89A INTERCHANGE.**

**RECITALS:**

WHEREAS, the owners of certain properties requested an amendment to the General Plan Land Use Map pertaining to property located generally south of the Granite Dells Parkway and State Route 89A interchange to depict future land use; and

WHEREAS, the Planning and Zoning Commission of the City of Prescott has held a public hearing regarding said General Plan Land Use Map Amendment; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to amend the General Plan Land Use Map pertaining to said properties; and

WHEREAS, the requirements of the 2003 Prescott General Plan ratified on May 18, 2004, ARS Section 9-461.11, and City of Prescott Resolution No. 3678 have been complied with.

**ENACTMENTS:**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the General Plan Land Use Map be amended to reflect the Mixed Use land use designation on those certain properties described as Township 14 North, Range 1 West, Section 6 generally located south of the Granite Dells Parkway and State Route 89A interchange and as depicted on the attached map entitled "General Plan Land Use Map," which is attached hereto and incorporated herein by reference.

SECTION 2. THAT the Mayor and Staff are hereby authorized to take all necessary steps to effectuate said General Plan Land Use Map Amendment.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this \_\_\_\_  
th day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
LYNN MULHALL, City Clerk

\_\_\_\_\_  
JON M. PALADINI, City Attorney

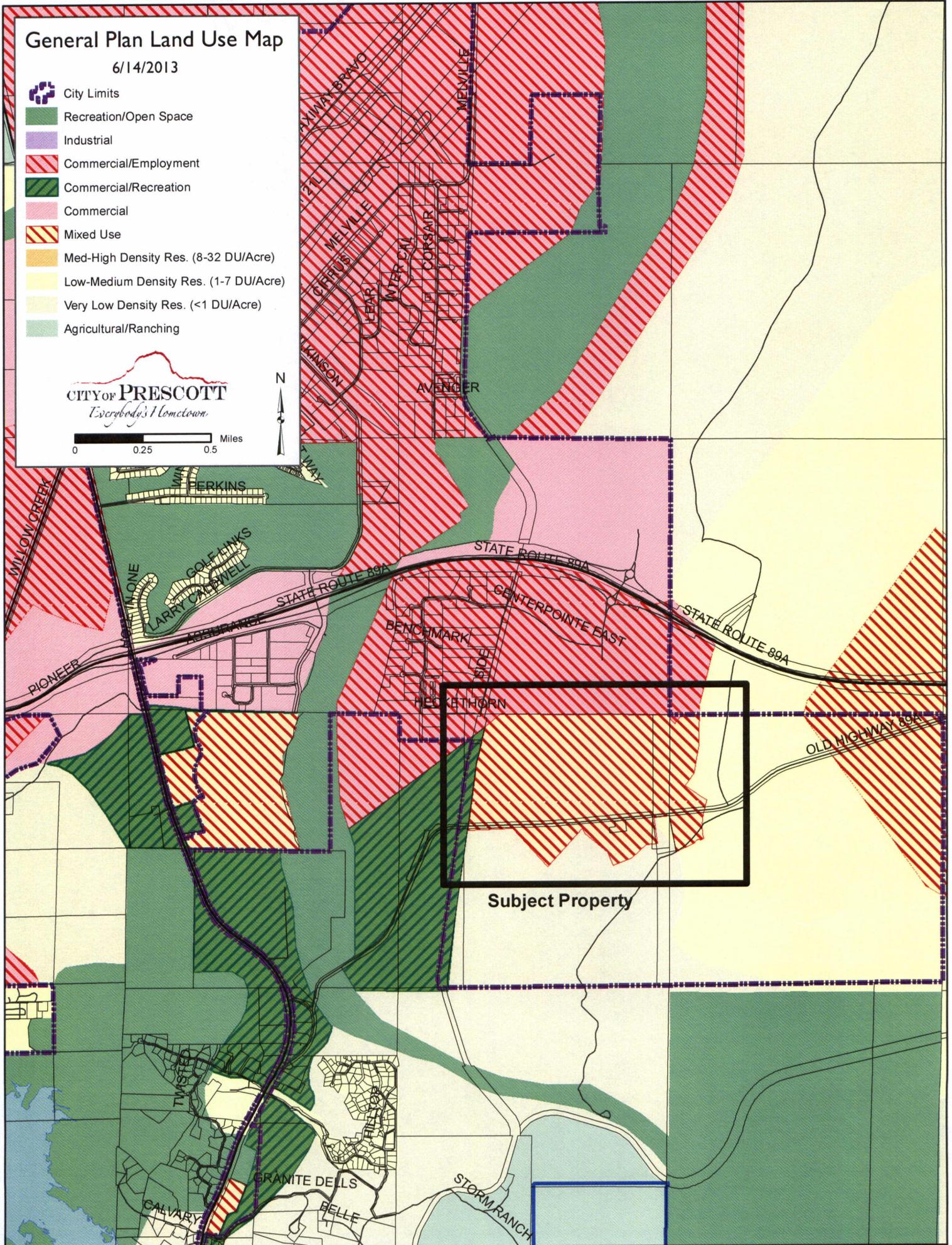
# General Plan Land Use Map

6/14/2013

-  City Limits
-  Recreation/Open Space
-  Industrial
-  Commercial/Employment
-  Commercial/Recreation
-  Commercial
-  Mixed Use
-  Med-High Density Res. (8-32 DU/Acre)
-  Low-Medium Density Res. (1-7 DU/Acre)
-  Very Low Density Res. (<1 DU/Acre)
-  Agricultural/Ranching

  
CITY OF PRESCOTT  
*Everybody's Hometown*

0 0.25 0.5 Miles



RESOLUTION NO. 4186-1348

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING THE AIRPORT SPECIFIC AREA PLAN (“ASAP”) TEXT AND MAPS TO REFLECT AIRPORT IMPACT ZONES AND NOISE CONTOURS DESIGNATED IN THE AIRPORT MASTER PLAN.**

**RECITALS:**

WHEREAS, the City Council passed Resolution No. 3363, which approved the Airport Specific Area Plan; and

WHEREAS, the Planning and Zoning Commission of the City of Prescott has held a public hearing regarding said Airport Specific Area Plan Amendment; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to amend the Airport Specific Area Plan (“ASAP”).

**ENACTMENTS:**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the maps in Appendix A and the maps shown in Figures 1, 2, 3, 4, 6, and 7 are hereby amended as depicted on the attached maps, which are incorporated herein by reference.

SECTION 2. THAT, the Appendix is hereby amended to include Appendix H as depicted on the attached map, which is incorporated herein by reference.

SECTION 3. THAT, the text is hereby amended to read as follows:

*Text sections to be deleted in the ASAP are specified and shown in ~~strikeout~~. Text to be added is in bold type.*

ASAP PLAN AREA Page 2 first and second paragraph - Delete in entirety. Add:  
**The 2009 Airport Master Plan shows areas of airport impact and the anticipated Day-Night Sound Level (DNL) zones resulting from airport activities (Figure 1). Using current FAA guidelines, six separate impact zones have been identified and will be used to restrict land use according to criteria outlined in the 2009 Airport Master Plan and in the Land Development Code.**

**DNL sound level contours shall be used to determine noise attenuation levels in and around the airport. Habitable buildings within the 6 Airport Impact Zones,**

**must be constructed using noise attenuation techniques to limit noise within each structure. Interior noise must be attenuated to level equal or less than 45 Db. It is recommended that habitable buildings outside of the 6 Airport Impact Zones but falling within the Airport Influence Area also be constructed using noise attenuation techniques to limit noise within each structure.**

**Building height for all structures shall coincide with and be constrained by Part 77 of the FAA regulations.**

LAND USE Page 5 Section B.4.1:

*Assess sites that may appropriate for heavy industrial uses (such as asphalt batch plant) that support the tri-city region.....*

OPEN SPACE AND WILDLIFE HABITAT Page 5 Section C.2.4:

*Assess ~~impacts and contributions from Sand and Gravel extraction operations, now occurring in Granite creek, to determine level of continued support~~ **if the operator may be willing to mitigate impacts (mining is controlled at the Federal level therefore not within City jurisdiction).***

ASAP ZONING AND LAND USE Page 8 second paragraph:

Noise contours have been mapped, reflecting the anticipated noise levels and frequencies based on the 20-year **2009 Airport Master Plan**.....

IMMEDIATE AIRPORT PROTECTION Page 18 first paragraph:

..... Based on **Part 77 and other FAA regulations** ~~professional experience and research~~, the **2009 Airport Master Plan** ~~manager~~ recommends an airport influence area **as depicted in Figure 1** ~~3-5 miles from the runways' intersection~~ based on the length and activity level of each of the 4 runways. ....

IMMEDIATE AIRPORT PROTECTION Page 18 last paragraph:

..... Concentrations of residential development near the airport are not desirable, although **multi-family** ~~low density~~ residential may be reasonable outside the approach and departure corridors where air traffic patterns are lighter.....

LAND USE Page 19 Section B.1 third paragraph:

..... *moderately intensive businesses **and multi-family residential** should be used to transition single-family neighborhoods into more intensive commercial districts where multi-family residential is discouraged due to air traffic patterns. ....*

LAND USE Page 20 Section B.5:

*Lands ~~well~~ outside the 60 DNL noise contour are subject to ~~nuisance~~ noise and overflights. For this reason, medium-to-high residential densities are a concern within the ~~inner~~ influence area because of the strong likelihood of noise complaints that can be detrimental to operations and expansions of the airport. Any residences within the ~~mapped 1-mile radius wide~~ approach and departure corridors are a concern for the same reason.*

Page 21 first paragraph:

A more rational approach is to transfer the allowed densities from the approach/departure corridors, the Granite Creek wash, and from areas targeted for commercial or employment users to create residential clusters located in **areas least influenced by airport operations** ~~or near the outer influence area.~~ .....

Page 21 second paragraph:

..... Low-density residential development ~~is might be~~ more appropriate for the outer edges of the inner influence area or where routine air traffic patterns are **have** minimal impact.

MIXED COMMERCIAL/EMPLOYMENT Page 28:

..... ~~No new residential uses are permitted within the 1-mile wide swaths; however, outside of the swaths residential development may be permitted at a maximum density of 1 dwelling unit per 5 acres.~~

COMMERCIAL Page 28:

..... ~~No new residential uses are permitted within the 1-mile wide swaths; however, outside of the swaths residential development may be permitted at a maximum density of 1 dwelling unit per 5 acres.~~

MIXED COMMERCIAL/RECREATION Page 28:

..... ~~No new residential uses are permitted within the 1-mile wide swaths; however, outside of the swaths residential development may be permitted at a maximum density of 1 dwelling unit per 5 acres.~~

MIXED COMMERCIAL/STUDENT HOUSING Page 28:

University campus-related uses and activities, offices, and enclosed/screened storage are permitted, as are college dormitories inside and outside of the **airport influence areas** 1-mile swaths. ....

LOW DENSITY RESIDENTIAL Page 28:

..... ~~No new residential development is permitted within the 1-mile wide swaths.~~

MEDIUM DENSITY RESIDENTIAL Page 28:

..... Build out of Golf Links, Pinion Oaks, and Antelope Hills-area subdivisions is permitted inside and outside of the **airport influence areas** 1-mile swaths. ....

MIXED USE VILLAGES Page 28:

..... ~~No new residential development is permitted within the 1-mile wide swaths.~~

LAND USE POLICIES Page 29 Section B.12: Delete in entirety.

~~B.12 Asphalt batch plants are not supported within ASAP.~~

LAND USE POLICIES Page 29 Section B.13:

*Mixed use “villages” that integrate high density residential with shopping, services and recreation are supported within the outer influence area as mapped in Figure 6.*

LAND USE POLICIES Page 29 Section B.14:

*No new residential development is permitted within the ~~1 mile wide approach/departure paths~~ **Airport Impact Zones 1-5 or within the 60 LDN contour zone** except for buildout of existing approved plats and parcels, ~~and for student housing at Embry-Riddle Aeronautical University. Densities are also limited within the inner influence area to spaces of moderate air traffic activity.~~ ASAP supports no increase in residential densities via rezonings for these areas except as indicated on the Land Use Map (Figure 6).*

**ASAP LAND USE TABLE – supplements Figure 6**

**ASAP Land Use Classifications with Intended Scale and Type of Use**

(Provided as examples but may not be all inclusive)

**RANCHING —(Holding Designation)**

Grazing, agricultural activities, utility infrastructure, ranch houses and outbuildings, and other operations ancillary to ranching. This designation is intended to be revisited in the future when the property owners wish to quit ranching and consider developing. New land use designations will be determined based on adopted ASAP goals and objectives.  
***Permitted in Impact Zones 1 through 6.***

**NATURAL OPEN SPACE**

Open drainages, highly visible promontories, wildlife movement corridor/habitat, passive recreation (hiking trail, wildlife viewing), limited utility infrastructure and airport buffering. May include sand and gravel extraction, as permitted, within the Granite Creek wash.  
***Permitted in Impact Zones 1 through 6.***

**RECREATIONAL OPEN SPACE**

Active parks/regional parks, ball fields, tennis courts, swimming pools, golf courses, parking lots, ramadas, concessions and storage buildings, zoos, trails, and trail heads.  
***Permitted in Impact Zones 2 through 6.***

**MIXED COMMERCIAL/EMPLOYMENT**

Retail, services, civic, hospitality, office, wholesaling/warehousing, light manufacturing, aviation activities on airport, and screened storage. Other industrial uses may occur as permitted by City Council. Uses such as lodging, schools, and churches may not be permitted or desired within the airport’s 65 LdN noise contour. ***No-Permitted in Impact Zones 2 through 6, however no new residential uses are permitted within Impact Zones 1 through 5 or within the 1-mile wide swaths; however, outside of the swaths residential development may be permitted at a maximum density of 1 dwelling unit per 5 acres 60 LDN noise contour.***

**COMMERCIAL** (Low intensity businesses where near established neighborhoods)

Retail, services, office, hospitality, and civic. Where this designation occurs in close proximity to established residential neighborhoods, permitted uses shall be limited to low intensity operations. Appropriate uses include office; non auto-related services, civic, lodges and B & Bs, and mini-storage - minor retail may be appropriate. Residential Office and Neighborhood-Oriented Business zoning districts should be considered. Buffering and screening between unlike uses will be required. **No Permitted in Impact Zones 2 through 6, however no new residential uses are permitted within Impact Zones 1 through 5 or within the 1-mile wide swaths; however, outside of the swaths residential development may be permitted at a maximum density of 1 dwelling unit per 5 acres 60 LDN noise contour.**

**MIXED COMMERCIAL/RECREATION**

Retail, non auto-related services, civic, and office. Highly encouraged are recreation-related uses including resorts, hotels, motels, lodges, equestrian facilities, campgrounds, RV parks, miniature golf, fishing camps and swimming pools. Golf courses and time-share casitas may be permitted subject to water allocations and short-term stay requirements of casita visitors. **No Permitted in Impact Zones 2 through 6, however no new residential uses are permitted within Impact Zones 1 through 5 or within the 1-mile wide swaths; however, outside of the swaths residential development may be permitted at a maximum density of 1 dwelling unit per 5 acres 60 LDN noise contour.**

**MIXED COMMERCIAL/STUDENT HOUSING**

University campus-related uses and activities, offices, and enclosed/screened storage are permitted, as are college dormitories ~~inside and outside of the 1-mile wide swaths.~~ **Permitted in Impact Zones 3 through 6.** Permitted commercial uses are retail, services, office, hospitality, and civic. **Permitted in Impact Zones 2 through 6.**

**LOW DENSITY RESIDENTIAL**

Maximum density range is 1 to 2 acre lots (0.5 to 1 DU/1 ac). Clustering homes is permitted per PAD. Civic uses such as schools and churches and home occupations may also be included. Golf courses, neighborhood parks may be permitted based on water allocation. ~~No new residential development is permitted~~ **Permitted only in Impact Zone 6, however not within the 1-mile wide swaths. 60 LDN noise contour.**

**MEDIUM DENSITY RESIDENTIAL**

Maximum density range is 2-6 dwellings per acre (2 to 6 DUs/ ac). Clustering homes is permitted per PAD. Civic uses such as schools and churches and home occupations may also be included. Golf courses, neighborhood parks may be permitted based on water allocation. ~~Build out of Golf Links, Pinon Oaks, and Antelope Hills-area subdivisions is permitted inside and outside of the 1-mile wide swaths given the vested plats.~~ **Permitted only in Impact Zone 6, however not within the 60 LDN noise contour.**

**MIXED-USE VILLAGES**

Maximum density range is 7-20 dwellings per acre (7 to 20 DUs/ ac). Single-family attached and detached units, apartment buildings, and manufactured home parks are permitted. To achieve the desired neo-traditional synergy, permitted uses include high-density residential, civic, office, neighborhood-oriented businesses, small parks, and generous pedestrian amenities. A golf course may be permitted based on water allocation. ~~No new Commercial uses are permitted in Impact Zones 2 through 6. New residential development is uses are permitted only in Impact Zone 6, however not within the 1-mile wide swaths.~~ 60 LDN noise contour.

APPENDIX B Section 6 bottom paragraph:

~~..... This is the reason for the extension in the runway<sup>21</sup> approach and departure route to five miles and the additional area into the airport influence area.~~

APPENDIX B Section 7:

~~The runway approach and departure routes, each one mile wide, are designed to protect the runway approaches and departures from incompatible development.~~

Add APPENDIX H:

**Airport Impact Zone 1 – Runway Protection Zone**

The Runway Protection Zones (RPZ) is trapezoidal in shape and centered about the extended runway centerline. It extends from 200 feet beyond the end of the area usable for takeoff and landing. The narrower end of each RPZ is the closest to the runway end. The most critical segment of flight occurs within the RPZ. In this zone aircraft are the most vulnerable and the risk of accident is very high.

**Airport Impact Zone 2 – Inner Safety Zone**

The Inner Safety Zone is rectangular in shape and centered about the extended runway centerline extending from the wider edge of the RPZ. The Inner Safety Zone together with the RPZ encompasses 30% to 50% of all near-airport accident sites.

**Airport Impact Zone 3 – Inner Turning Zone**

The Inner Turning is conical in shape which is encompassed by a 30 degree angle to either side of the extended runway centerline, and a radius of 5,000 feet. Its vertex is situated on the runway centerline 200 feet off the runway end. It encompasses location where especially general aviation aircraft are turning from their final approach legs of the standard traffic pattern and are descending from pattern altitudes, as well as the area where departing aircraft normally complete their transition from takeoff power and flap setting to a climb mode and have begun turning to their en route heading.

**Airport Impact Zone 4 – Outer Safety Zone**

The Outer Safety Zone is rectangular in shape and centered about the extended runway centerline. It extends from the outer edge of the Inner Safety Zone. At airports with high activity levels, like PRC, it encompasses the areas used by

approaching aircraft at an altitude typically less than traffic patterns, also it is applicable to airports with straight-in instrument approach procedures.

#### **Airport Impact Zone 5 – Sideline Safety Zone**

The Sideline Safety Zone is rectangular in shape and centered on the runway centerline. It is defined by a 1,000 foot centerline offset on each side of the runway that connects the Inner Turning Zone on each end of the runway. While this zone is typically within airport boundaries, and it is not overflow, it is designed to mitigate the damages that could be caused by an aircraft losing directional control on takeoff.

#### **Airport Impact Zone 6 – Traffic Pattern Zone**

The Traffic Pattern Zone is defined by an area 5,000 feet wide, centered on the runway centerline, extending from the Sideline Safety Zone to the edges of the Outer Safety Zone. It encompasses all other portions of regular traffic patterns and pattern entry routes. While the risk of an accident within this zone is low, potential consequences can be severe.

#### **Add APPENDIX I:**

Adoption of Part 77 Airport Approach Zones is defined as follows:

1. Primary surface - an imaginary surface longitudinally centered on a runway which extends 200 feet beyond each end of the runway. The elevation of any point on the primary surface is the same as the elevation of the nearest point on the runway centerline. The width of the primary surface shall be as defined in Part 77.25(c).
2. Inner approach surface – a surface longitudinally centered on the extended runway centerline and extending outward and upward from each end of the primary surface extends for a horizontal distance of 10,000 feet at a slope of 50 to 1. The inner edge of the inner approach surface shall be the same as the primary surface and shall expand uniformly to a width of 4,000 feet.
3. Transition surface – a surface extending outward at right angles to the runway centerline and the runway centerline extended and upward at a slope of 7 to 1 from the sides of the primary surface and from the sides of the approach surfaces for a horizontal distance of 1050 feet or until a height of 150 feet above the established airport elevation. Transitional surfaces for those portions of the precision approach surface which project through and beyond the limits of the conical surface, extend a distance of 5,000 feet measured horizontally from the edge of the approach surface and at right angles to the runway centerline.
4. Outer approach surface - a surface longitudinally centered on the extended runway centerline and extending outward and upward from each end of the Inner Approach Zone for a horizontal distance of 40,000 feet at a slope of 40 to 1. The inner edge of the

outer approach surface shall be 3,000 feet wide and shall expand uniformly to a width of 16,000 feet.

5. **Horizontal surface** - A horizontal plane 150 feet above the established airport elevation, the perimeter of which is constructed by swinging arcs with a radii of 10,000 horizontal feet from the center of each end of the primary surface of each runway and connecting the adjacent arcs by lines tangent to those arcs. The inner edge shall be established at the point at which the Transitional surface achieves a height of 150 feet above the established airport elevation
6. **Conical surface** - A surface extending outward and upward from the periphery of the horizontal surface at a slope of 20 to 1 for a horizontal distance of 4,000 feet.

**Add APPENDIX J:**

**Spacing and classification of additional airports:** Within a radius of eight (8) miles from the center of the Prescott Municipal Airport any airport of Class 1 or greater shall be denied if within the Prescott City boundary or discouraged if within another jurisdiction. Except as otherwise provided, the minimum distance between the Prescott Municipal Airport and any other airport hereafter established, measured from center to center, shall be not less than:

<u>Class of Other Airport</u>	<u>Distance from Prescott Municipal Airport</u>
I	7 miles
II	8 miles
III	9 miles
IV or larger	10 miles

**Airport classification shall be in accord with the following schedule:**

<u>Length of Longest Landing Strip</u>	<u>Class</u>
Under 2700 feet plus 1/4 elev. above sea level	I
2700 to 3700 feet plus 1/4 elev. above sea level	II
3700 to 4700 feet plus 1/4 elev. above sea level	III
Over 4700 feet plus 1/4 elev. above sea level	IV or larger

SECTION 4. THAT the Mayor and Staff are hereby authorized to take all necessary steps to effectuate said Airport Specific Area Plan Amendment.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this \_\_\_\_ th day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
LYNN MULHALL, City Clerk

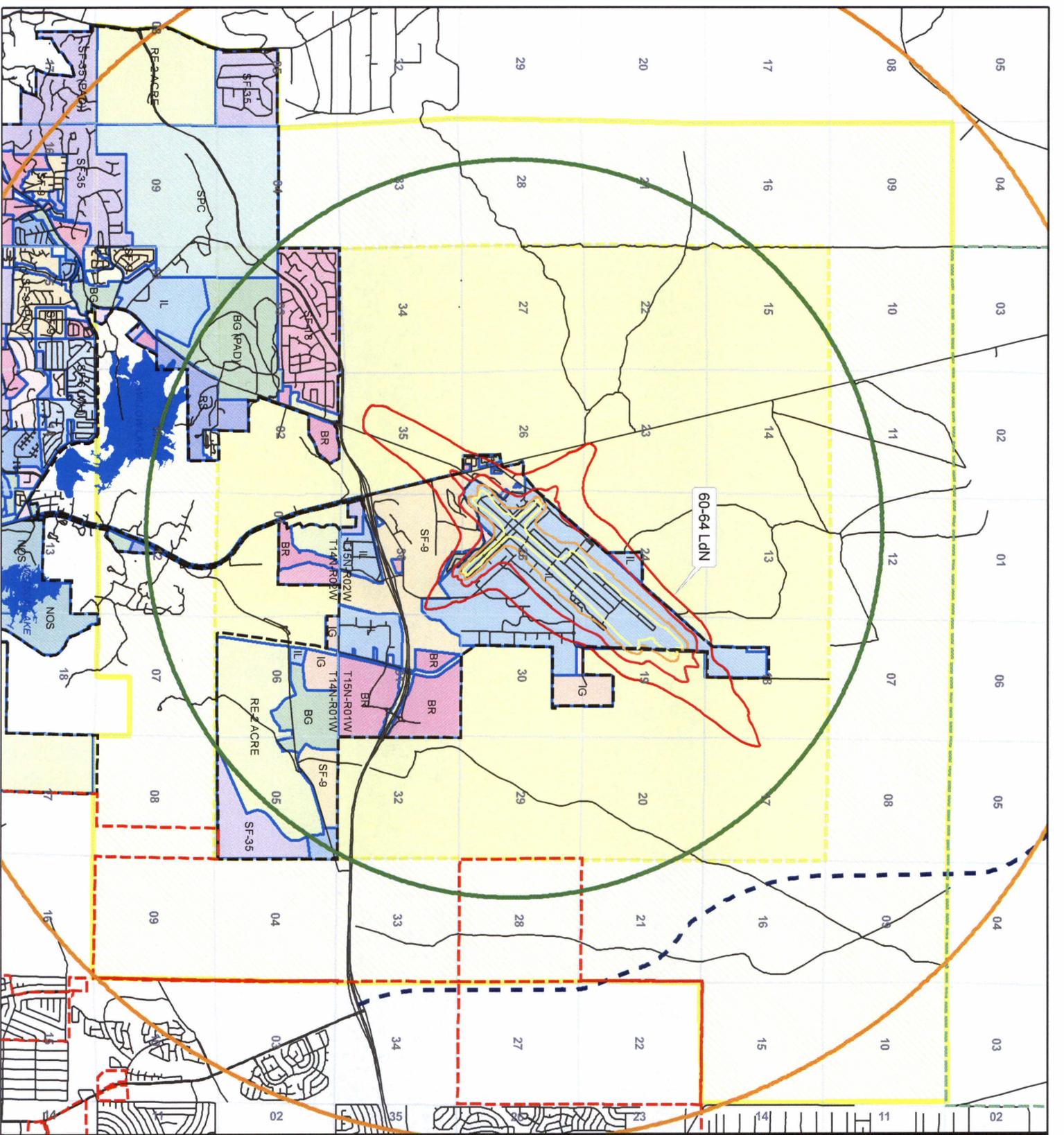
\_\_\_\_\_  
JON M. PALADINI, City Attorney

**City of Prescott**  
**Airport Specific Area Plan**  
**Figure 1**

**Influence Areas & Existing Zoning**

- Prescott City Limits
- Prescott Valley City Limits
- Chino Valley City Limits
- 3 Mile Radius
- 5 Mile Radius
- Zoning Line
- Glassford Hill Extension
- Roads
- Inner Influence
- Airport Noise Overlay
- 60 - 64 LDN
- 65 - 69 LDN
- 70 - 74 LDN
- GT 75 LDN
- No residential within the 60 LDN or higher

**CAUTION**  
MAP IS BASED ON INTERCISE CHANGE MAPS FOR GENERAL REFERENCE ONLY.  
FOR ADDITIONAL INFORMATION VISIT WWW.CITYOFPRESCOTT.COM



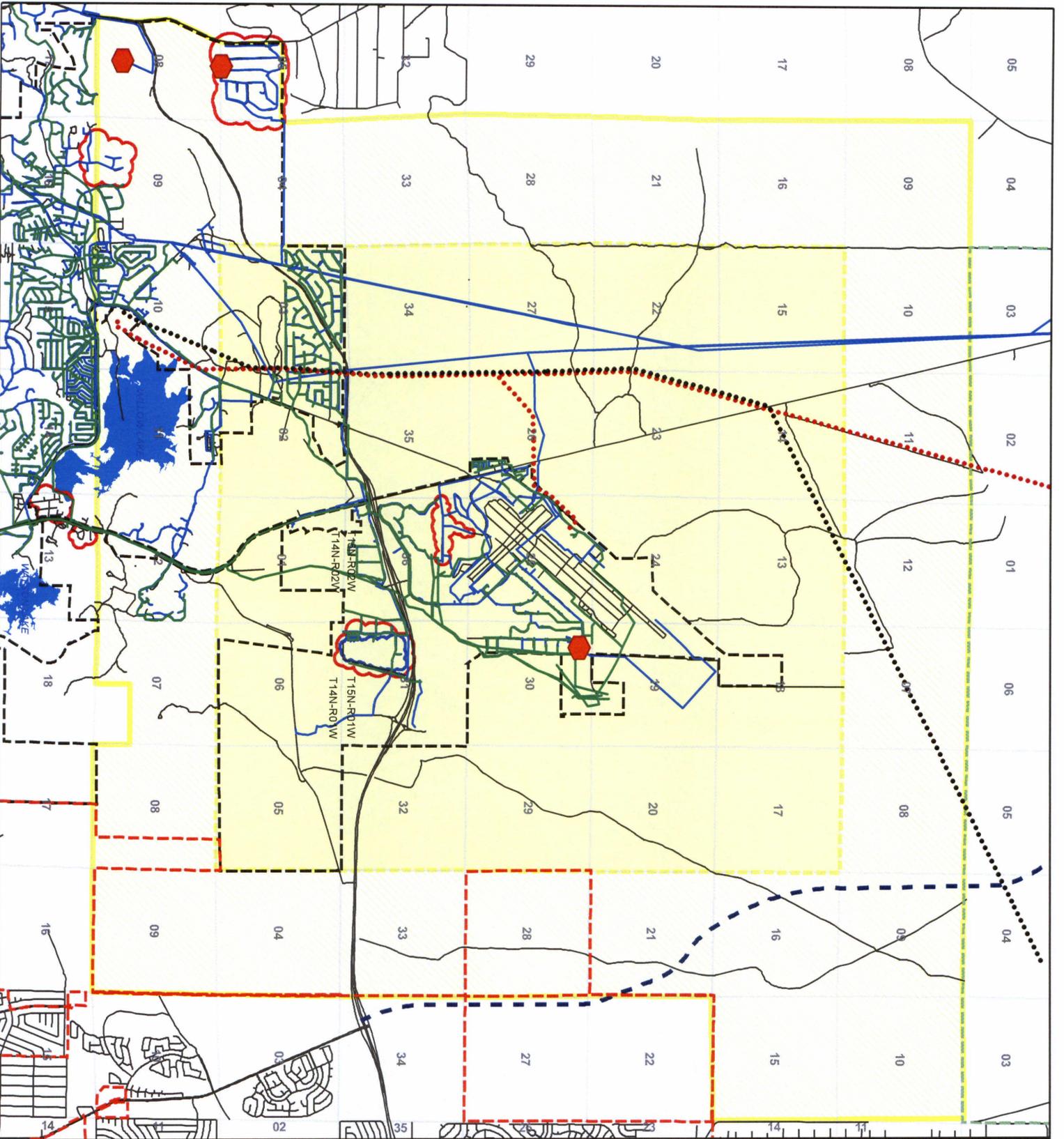
# City of Prescott Airport Specific Area Plan

Figure 2

## Infrastructure

- Prescott City Limits
- Chino Valley City Limits
- Prescott Valley City Limits
- Glassford Hill Extension
- Roads
- Inner Influence
- ASAP Boundary
- Water Points
- Tanks
- Waterline
- Sewerline
- APS Power Corridors
  - 69 KV
  - 230 KV
- Non Service Areas
- Individual Septic
- Individual Well

**CAUTION**  
MAP IS BASED ON IMPRECISE  
SOURCE DATA AND SHOULD  
BE USED AS A GENERAL  
REFERENCE ONLY.

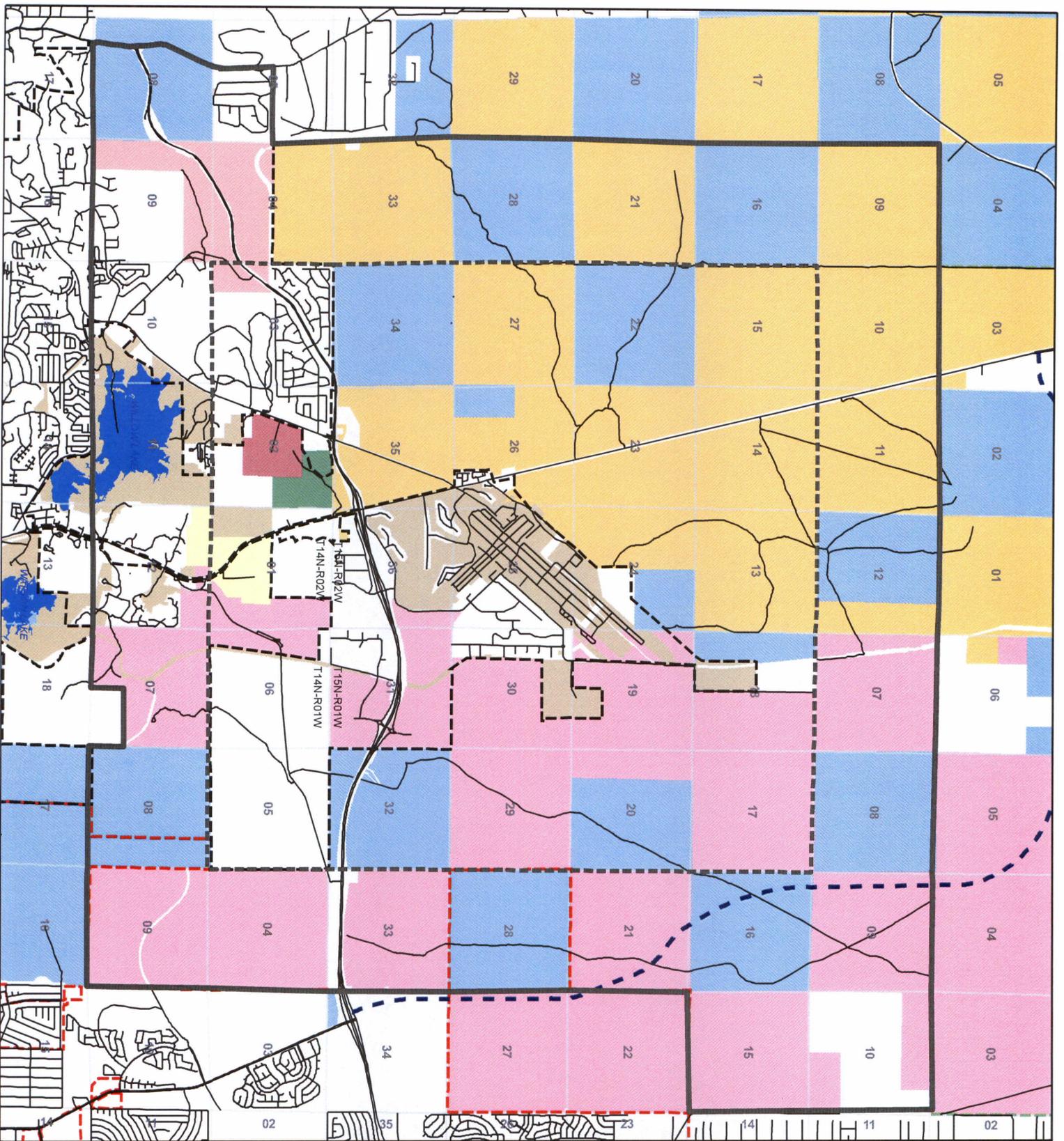


**City of Prescott**  
**Airport Specific**  
**Area Plan**  
**Figure 3**

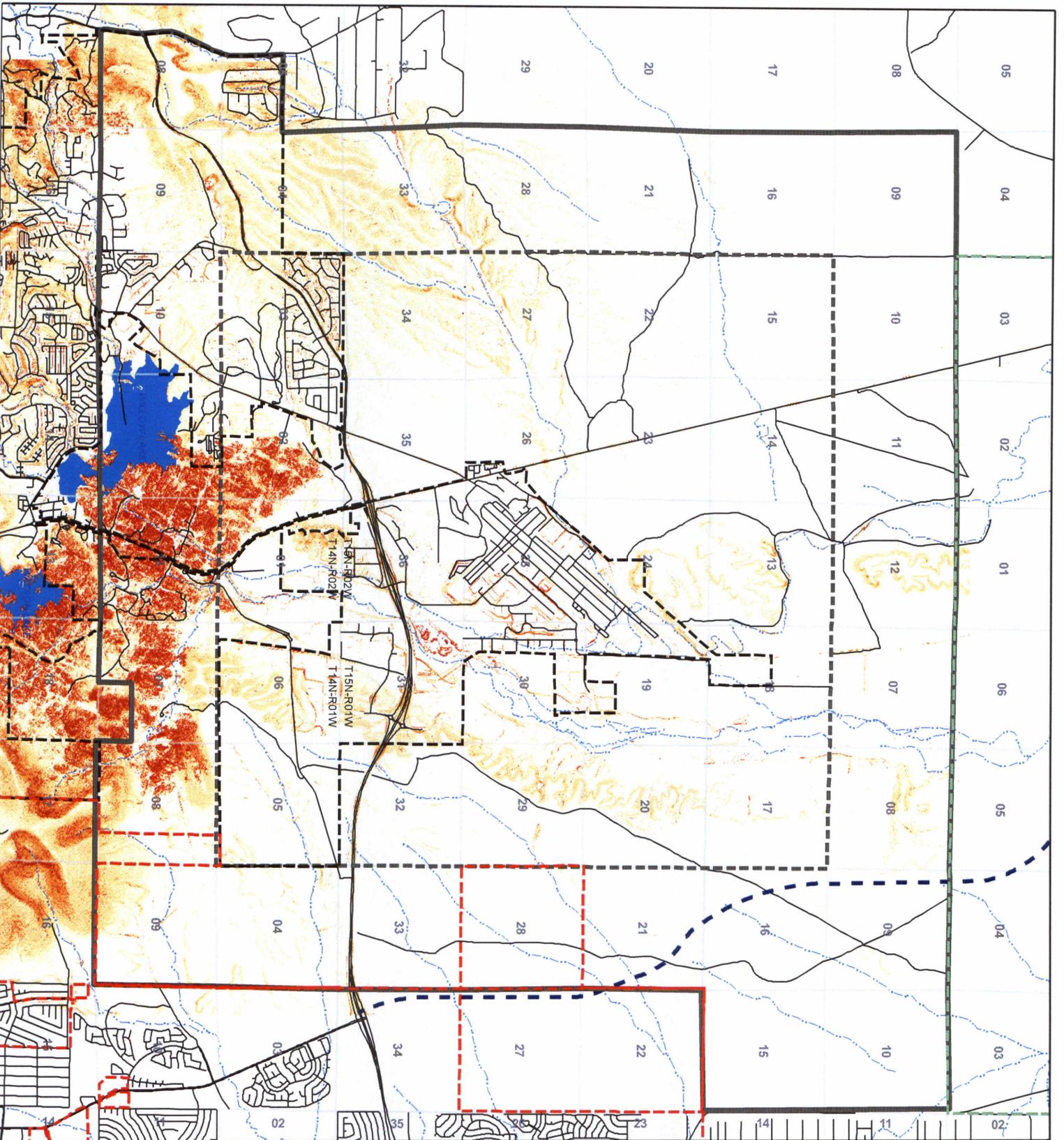
**Land Ownership**

-  Prescott City Limits
-  Chino Valley City Limits
-  Prescott Valley City Limits
-  Roads
-  Glasford Hill Extension
-  Inner Influence
-  ASAP Boundary
-  City of Prescott
-  City of Prescott
-  Deep Well Ranch
-  Granite Dells Ranch
-  BLM
-  Polk (Kieckhefer Property)
-  Diamond E Ranch
-  Rifle Ranch
-  State of Arizona

**CAUTION**  
 MAP IS BASED ON IMPRECISE  
 SOURCE DATA. SOURCE DATA  
 IS NOT A GUARANTEE OF  
 ACCURACY. SOURCE DATA IS  
 FOR REFERENCE ONLY.



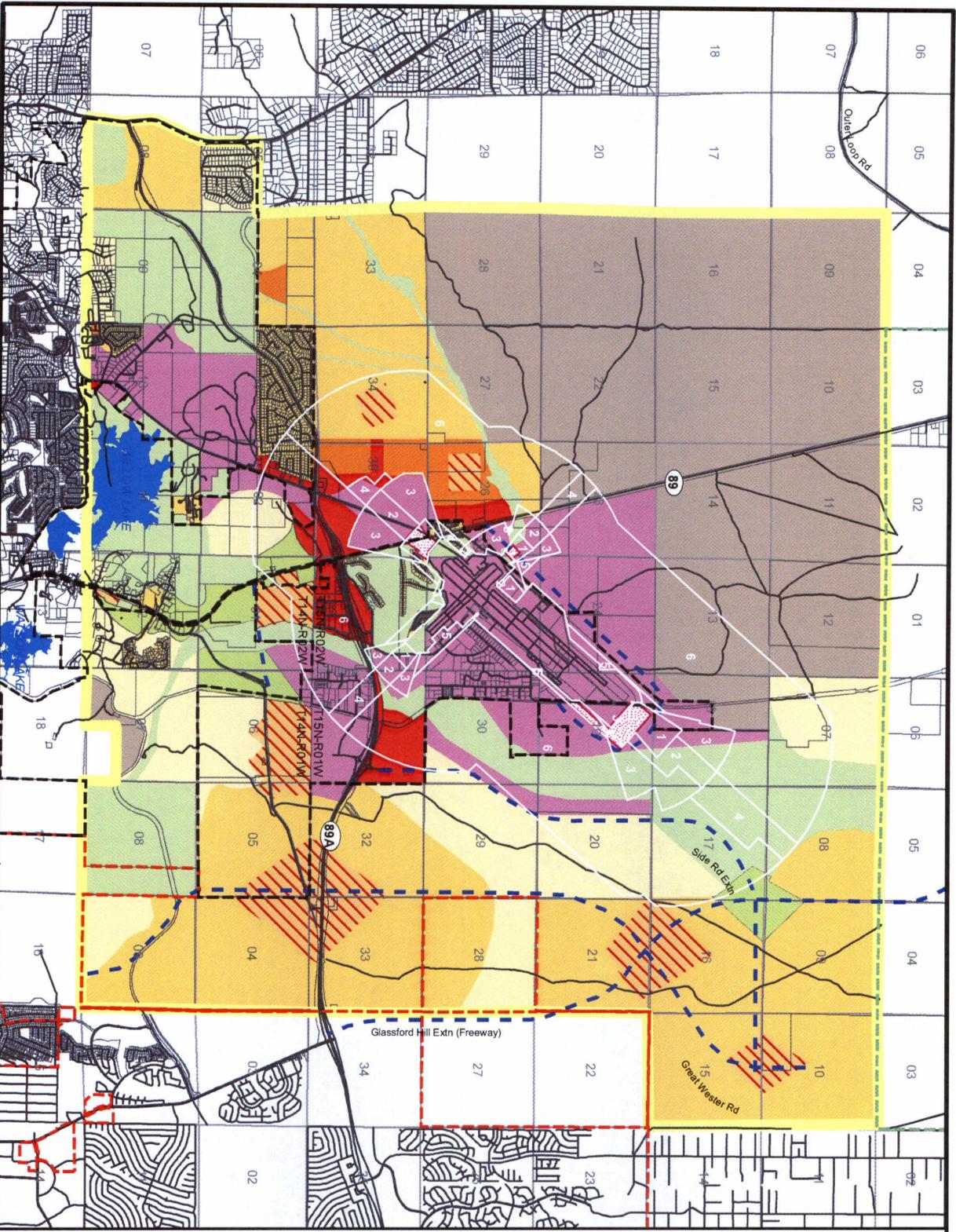
**City of Prescott**  
**Airport Specific**  
**Area Plan**  
**Figure 4**  
**Slopes**



Prescott City Limits  
 Chino Valley City Limits  
 Prescott Valley City Limits  
 Glassford Hill Extension  
 Roads  
 Inner Influence  
 ASAP Boundary  
**Slope Analysis**  
 0 - 5 Degrees  
 6 - 10  
 11 - 20  
 21 - 30  
 GT 30 Degrees

**CAUTION**  
MAP IS BASED ON IMPRECISE  
SOURCE DATA. SOURCE DATA  
REFERENCE ONLY.  
DATE: 10/20/2011 10:52:53 AM





**CITY OF PRESCOTT**  
*Everett's Heartland*  
**City of Prescott**  
**Airport Specific**  
**Area Plan**

**Figure 6**  
**Existing**  
**Landuse Plan**  
 May 2013

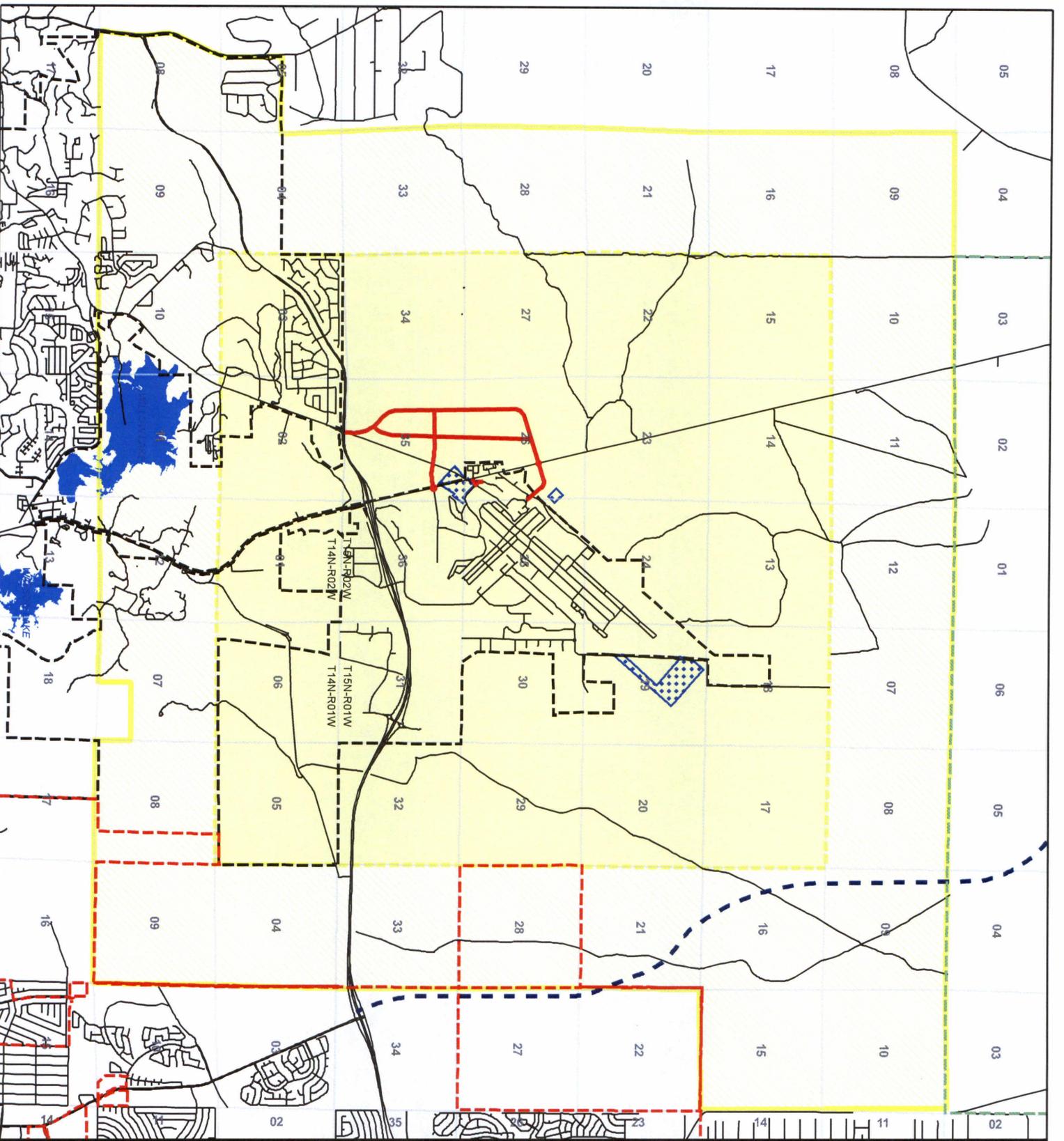
- Airport Impact Zones
    - Zone 1: Clear Zone
    - Zone 2-5: No residential uses, restricted commercial uses
    - Zone 6: Residential and commercial uses as permitted by zoning code. No residential within the 60 LDN or higher (See Figure 1)
  - Prescott City Limits
  - Chino Valley City Limits
  - Future Arterial Streets
  - ASAP Boundary
  - Recommended Airport Clear Zones
- Land Use (Proposed)**
- RECREATION/ OPEN SPACE
  - INDUSTRIAL
  - COMMERCIAL/ EMPLOYMENT
  - COMMERCIAL/ RECREATION
  - COMMERCIAL
  - LOW INTENSITY NONRESIDENTIAL USES TARGETED NEAR ESTABLISHED NEIGHBORHOODS
  - MIXED USE
  - MED-HIGH DENSITY RES
  - LOW-MED DENSITY RES
  - VERY LOW DENSITY RES
  - AGRICULTURAL/ RANCHING
- CAUTION**  
 MAP IS BASED ON LATEST AVAILABLE DATA. CHANGES AND NON-GENERAL INFORMATION SHOULD BE OBTAINED FROM THE CITY OF PRESCOTT PLANNING DEPARTMENT.
- Miles  
 0 0.5 1 1.5

**City of Prescott**  
**Airport Specific**  
**Area Plan**  
**Figure 7**

**Circulation Plan**

-  Prescott City Limits
-  Chino Valley City Limits
-  Prescott Valley City Limits
-  Roads
-  Future Road Alignments
-  Glasford Hill Extension
-  Recommended Airport
-  Clear Zones
-  Inner Influence
-  ASAP Boundary

**CAUTION**  
 MAP IS BASED ON AIRPORT SITE  
 PLAN AND AIRPORT SPECIFIC  
 SOURCE MAPS AND GENERAL  
 REFERENCE ONLY.  
 PRESCOTT, AZ 86301-3700



# City of Prescott

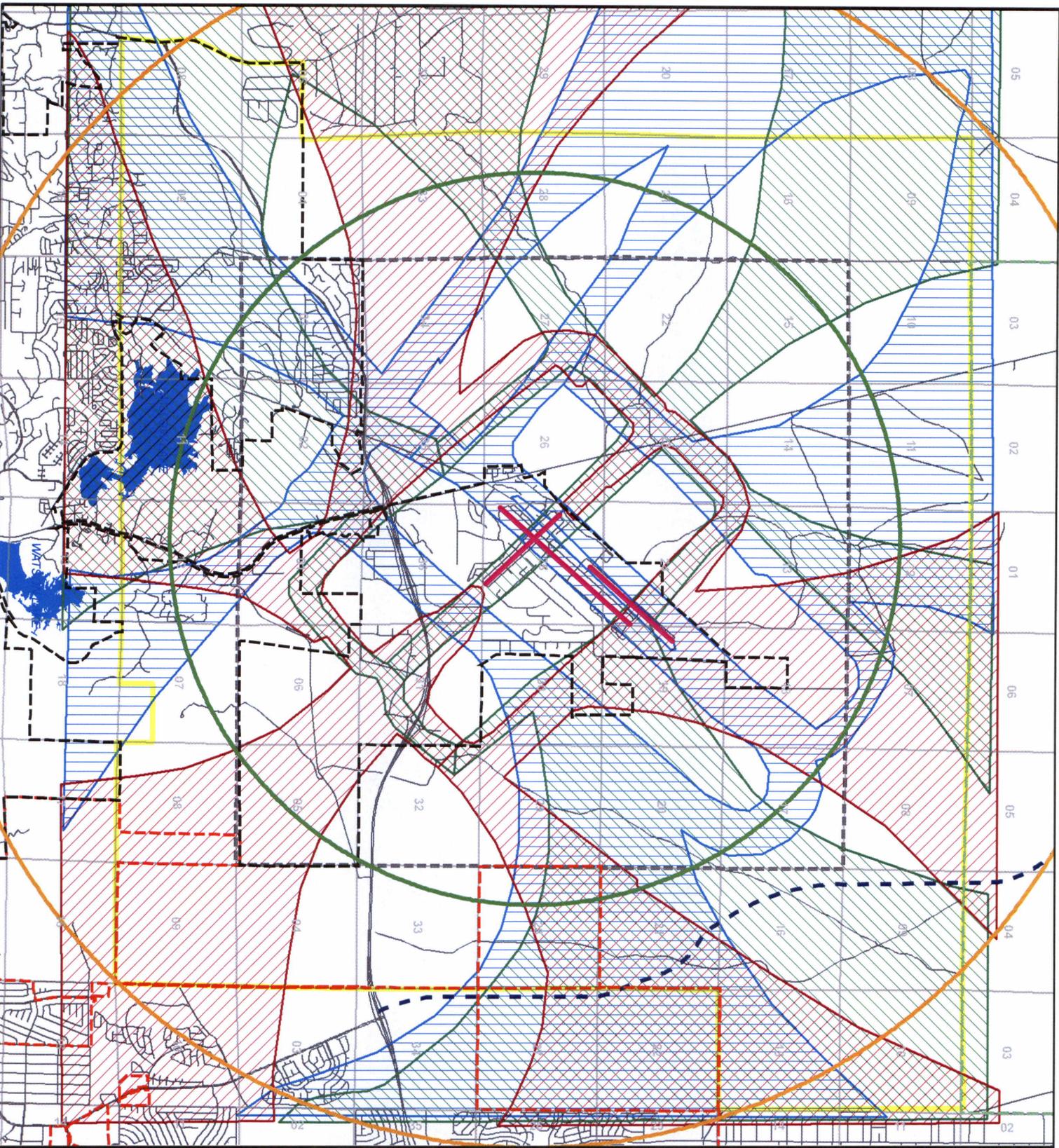
Airport Specific Area Plan

## Appendix A

Airport Runway Approach Patterns

-  Prescott City Limits
-  Chino Valley City Limits
-  Prescott Valley City Limits
-  Runway Locations
-  Glassford Hill Extension
-  ASAP Boundary
-  Inner Influence
- Buffers**
  -  3 Mile Radius
  -  5 Mile Radius
- Airport Approach Patterns**
  -  RWY 12
  -  RWY 30
  -  RWY 3R/3L

**CAUTION**  
 MAP IS BASED ON AERIAL PHOTOGRAPHY  
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 © 2010 THE CITY OF PRESCOTT

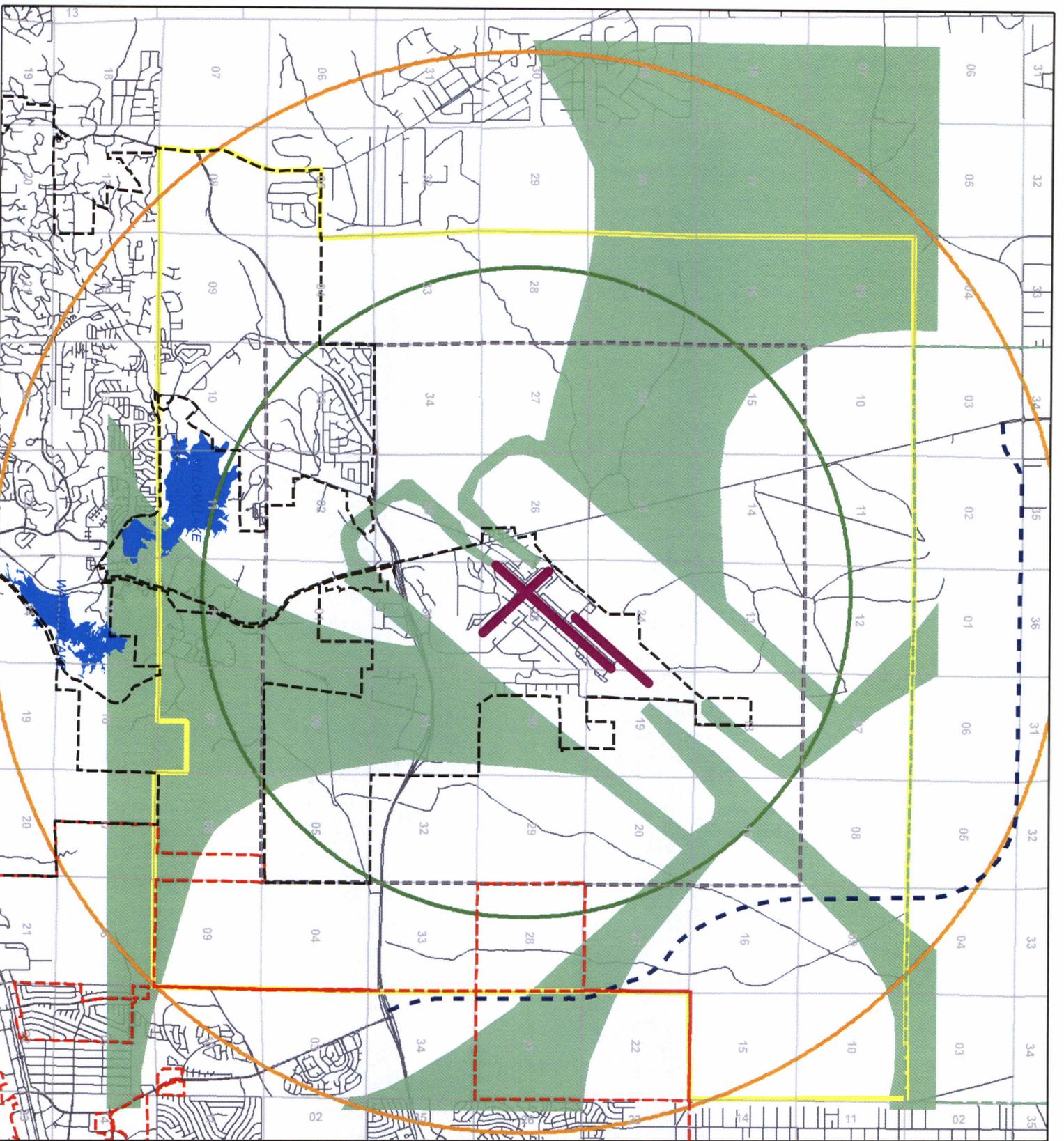


**City of Prescott**  
 Airport Specific  
 Area Plan  
**Appendix A**

**Airport Runway  
 Approach Patterns  
 RWY 21L/21R**

-  Prescott City Limits
-  Chino Valley City Limits
-  Prescott Valley City Limits
-  Runway Locations
-  Glassford Hill Extension
-  Roads
-  Inner Influence
-  ASAP Boundary
- Buffers**
-  3 Mile Radius
-  5 Mile Radius
- Airport Approach Patterns**
-  RWY 21L/21R

**CAUTION**  
 MAP IS BASED ON IMPROVED  
 SOURCE AND FOR GENERAL  
 REFERENCE ONLY.  
 THE CITY OF PRESCOTT ASSUMES NO LIABILITY

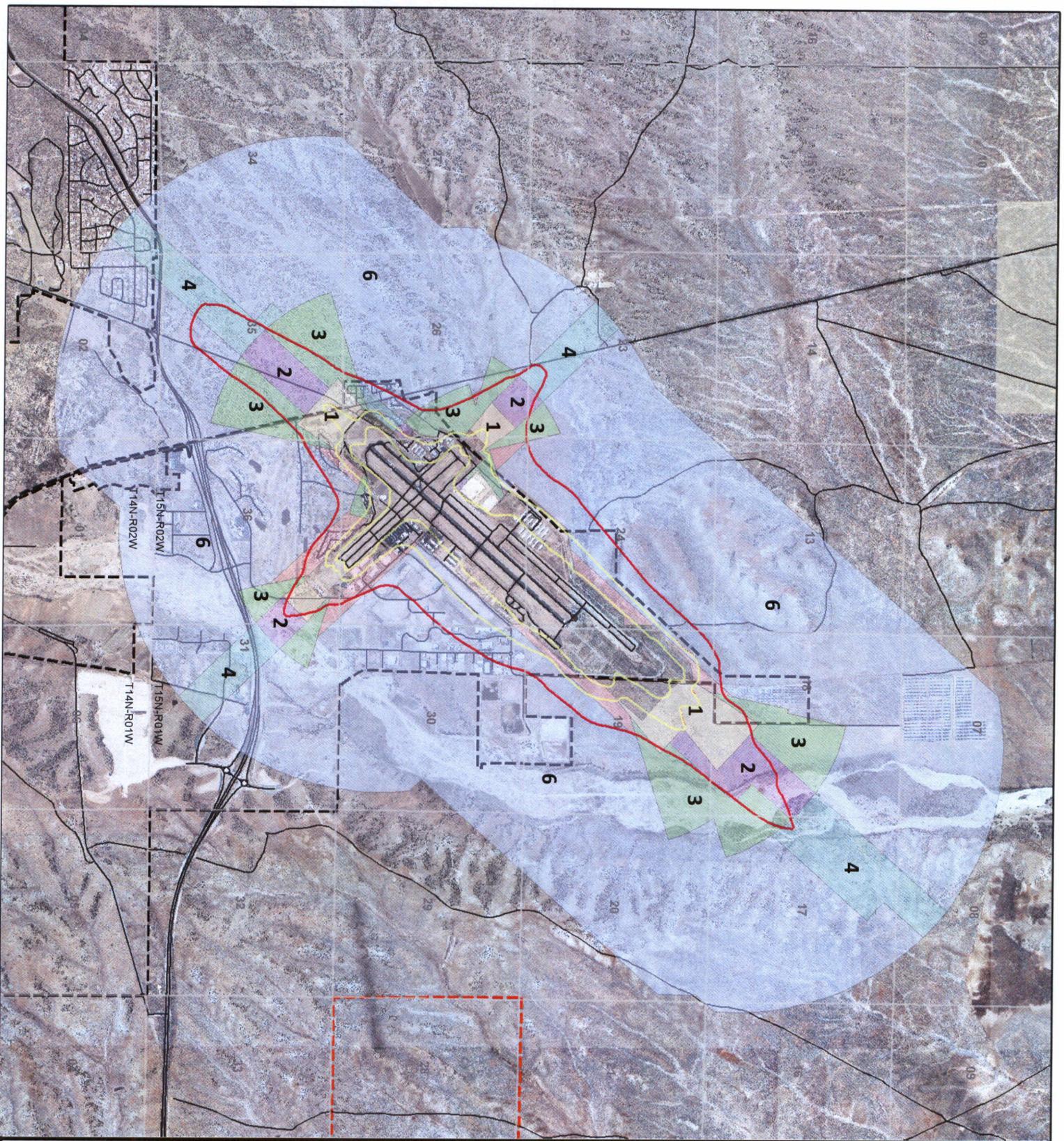


**City of Prescott**  
 Airport Specific  
 Area Plan  
**Appendix H**

**Impact Zones &  
 Noise Contours**

-  Prescott City Limits
-  Prescott Valley City Limits
-  Roads
- Airport Impact Zones**
-  1
-  2
-  3
-  4
-  5
-  6
- Airport Noise Overlay**
-  60 - 64 LDN
-  65 - 69 LDN

**CAUTION**  
 MAP IS BASED ON AIRPORT  
 SOURCE DATA SUBJECT TO  
 CHANGE. THIS IS NOT A  
 GUARANTEED OR  
 WARRANTED PRODUCT.  
 THE CITY OF PRESCOTT ASSUMES NO LIABILITY FOR  
 ANY ERRORS OR OMISSIONS.



**RESOLUTION NO. 4188-1350**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE CITY OF PRESCOTT TO ENTER INTO AMENDMENT ONE TO THE PRE-ANNEXATION DEVELOPMENT AGREEMENT FOR GRANITE DELLS ESTATES WITH GRANITE DELLS ESTATES PROPERTIES, INC., AND GRANITE DELLS ESTATES PROPERTIES II, INC. (CITY CONTRACT NO. 2008-164A1); AND AUTHORIZING THE MAYOR AND CITY STAFF TO TAKE ANY AND ALL STEPS NECESSARY TO ACCOMPLISH THE ABOVE.**

**RECITALS:**

WHEREAS, Granite Dells Estates Properties, Inc., and Granite Dells Estates Properties II, Inc., are the owners of certain real property within the City limits; and

WHEREAS, in 2007 Granite Dells Estates Properties, Inc., Granite Dells Estates Properties, II, Inc., and the City of Prescott entered in a Pre-Annexation Development Agreement, City Contract No. 2008-164, pertaining to said real property known as Granite Dells Estates; and

WHEREAS, the parties wish to amend and make certain modifications to said Agreement.

**ENACTMENTS:**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT the City of Prescott hereby approves Amendment One to the Pre-Annexation Development Agreement for Granite Dells Estates, which Amendment is attached hereto as Exhibit "A" and made a part hereof, and shall be identified as City Contract No. 2008-164A1.

SECTION 2. THAT the Mayor and City staff are hereby authorized to take any and all steps deemed necessary to accomplish the foregoing.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 2nd day of July, 2013.

---

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

---

LYNN MULHALL, City Clerk

---

JON PALADINI, City Attorney

**AMENDMENT ONE TO PRE-ANNEXATION DEVELOPMENT AGREEMENT  
FOR  
GRANITE DELLS ESTATES**

City of Prescott Contract No. 2008-164 A1

THIS AMENDMENT TO THAT CERTAIN PRE-ANNEXATION DEVELOPMENT AGREEMENT for Granite Dells Estates (“Amendment”), City of Prescott Contract No. 2008-164, is made effective this 2nd day of July, 2013, by and among the **City of Prescott** (hereinafter “City”), an Arizona municipal corporation, **Granite Dells Estates Properties, Inc.**, an Arizona corporation, and **Granite Dells Estates Properties II, Inc.**, an Arizona corporation (hereinafter collectively “Owner”). City and Owner may be jointly termed “Parties” or individually “Party.”

**RECITALS:**

- A. City and Owner are the Parties to that certain Pre-Annexation Development Agreement (hereinafter “Agreement”) recorded at Book 4574, Page 221, Official Records of Yavapai County, Arizona, which Agreement is applicable to the real property described in the Agreement (“Property”).
- B. Pursuant to adoption of Ordinance No. 4860-1317 by the City Council at their meeting of July 2, 2013, certain of the Property has been rezoned, as described on Exhibit A thereto (“Rezoned Property”), to allow for, among other things, the construction of up to 600 additional residential dwelling units, for a new maximum on the Property of 1,310 residential dwelling units.
- C. Pursuant to Paragraph 23 of the Agreement and A.R.S. § 9-500.05 C., the Parties desire to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements set forth in the Agreement and this Amendment, the sufficiency of which is acknowledged by the Parties, it is agreed as follows:

**AMENDMENT:**

1. The foregoing Recitals are incorporated herein by this reference.
2. The Agreement is hereby modified as follows, and shall become operative on the effective date of Ordinance No. 4860-1317.

- a. The first sentence of Section 5.01.01 is amended to delete “five hundred fifty (550) total residential units in the residential areas set forth in the Preliminary Plan” and insert “one thousand three hundred ten (1310) total residential units in the residential areas set forth in the Preliminary Plan, which includes the one hundred sixty (160) Workforce Housing Units described in Section 5.01.04 below” in lieu thereof.

- b. Section 6.02 is deleted in its entirety and replaced by the following:

**6.02 Residential Water.** Unless otherwise increased pursuant to Section 6.06, City shall reserve, allocate, and provide a maximum of two hundred forty-eight and one-half (248.5) acre feet of potable water for residential development of the Property, fifty-six (56) acre feet of which shall be solely available for development of work force housing as defined and approved as such by the City, subject to future water regulations and regulatory actions as may be applicable as set forth in A.R.S. § 9-1204(4).

- b. Section 6.05 is hereby deleted in its entirety.

- c. Section 6.06 is hereby added, consisting of the following:

**6.06 Water Service Agreement.** The parties may, from time to time by separate action, amend the Water Service Agreement, Exhibit H, to reflect changes in use of the Property, the allocation of additional water to the Property, and/or other regulations and regulatory actions as may be applicable as set forth in A.R.S. § 9-1204(4).

3. Except as otherwise specifically deleted and/or modified in this Amendment, all other terms and conditions of the Agreement are confirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Pre-Annexation Development Agreement effective on the day and year first above written.





## Granite Dells Estates

### Proposal for Earn-out of Additional 210 Acre-Feet (AF) of Water for Rezoned Property

June 24, 2013

Phase	Color on Master Plan	Number of Lots	Water Required for Phase	Water Earned for Completion of Prior Phase	Remaining Balance (AF) at Completion of Phase
Opening Balance					248.50
I	Blue/Yellow	212	74.20	--	174.30
II	Brown	102	35.70	74.20	212.80
III	Blue	99	34.65	35.70	213.85
IV	Sedona Red	160	56.00	34.65	192.50

#### Notes

1. The "Earn-out" approach creates a mechanism for Granite Dells Estates (GDE) to control its own destiny based on performance, with the flexibility to respond to market conditions.
2. The actual progression of phasing and housing types (single-family and/or multi-family, market and/or workforce) will depend upon market conditions.
3. The Opening Balance is 248.5 acre-feet, the quantity allocated from the original Water Service Agreement.
4. Additional water is "earned" when both of the following are accomplished: (a) a phase is completed; and (b) a final plat is approved for the next phase.
5. Crediting of water "earned" to subsequent phases is subject to availability within the Alternative Water category of the City's Water Portfolio.
6. The maximum quantity of additional water corresponding to the rezoning (maximum of 600 additional residential dwelling units) is 210 acre-feet.
7. The term during which additional water can be "earned" is 20 years.
8. At present, GDE is engaged in conversations with congregate care developers/providers. As a result, a large congregate care development could become Phase II of development in lieu of, or simultaneously, with Phase II of lot development as contemplated in the table above.

**ALTERNATIVE 1 FOR FIRST AMENDMENT TO WATER SERVICE AGREEMENT**

**AGREEMENT FOR POTABLE WATER #WSA07-028  
FIRST AMENDMENT  
Granite Dells Estates  
Granite Dells Estates Properties, Inc., and Granite Dells Estates Properties II, Inc.  
City Contract No. 2008-165 A1**

WHEREAS, Granite Dells Estates Properties, Inc., and Granite Dells Estates Properties II, Inc. (the "Applicant"), and the City of Prescott (the "City") entered into that certain Agreement for Potable Water #WSA07-028, City Contract No. 2008-165, on November 30, 2007; and

WHEREAS, by Ordinance No. 4860-1317 adopted July 2, 2013, the City Council has approved the rezoning of portions of the Property described by the Agreement, increasing the maximum number of residential units from 710 to 1,310, of which 160 remain designated as "workforce" residential dwelling units; and

WHEREAS, the Agreement provides that any change in use of the Property exceeding 550 "market" and 160 "work force" residential dwelling units shall result in the termination of the Agreement; and

WHEREAS, the Applicant and the City (the "Parties") mutually wish to update, revise, and maintain in effect the Agreement, as amended herein, to reflect the new maximum number of residential units and set forth the specific understandings relative to the availability of potable water to serve the Property, as rezoned; and

WHEREAS, City Council Resolution No. 4071-1141 (March 2011) set forth policy regarding reservations of water for requests to rezone vacant residential parcels; and

WHEREAS, the City Council finds that the conceptual basis of the policy set forth in Resolution No. 4071-1141 may reasonably be applied to the Property, as rezoned.

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That this Agreement, as amended, shall relate to the Property, as more particularly described by the Agreement; and become operative upon Ordinance No. 4860-1317 taking effect.
2. That the City will permanently reserve and make available for development a maximum of 248.5 acre feet of potable water annually (the "Cap") to serve the residential portion of the Property.
3. That Sub-paragraphs 2a, 2b, 2c, 2d, 2e, 2g, and 2j of the Agreement are hereby deleted, each in their entirety..
4. That the aforementioned rezoning of portions of the Property shall not create an entitlement to additional water to serve the increased number of residential dwelling units, rather, it is expressly understood and agreed that the legal entitlement to water for a property shall be created solely by approval of a water service agreement approved by the City Council pursuant to the City Code and 2005-2010 Water Management Policy for the City of Prescott, as extended and/or otherwise superseded by formal action of the City Council..

5. That upon approval by the City of a final plat for the 400th residential unit on the Property, the Applicant may apply to the City for an allocation of water above the Cap to serve additional residential units to be developed (the "Application").

6. That the City will accept, analyze, and respond to the Application considering the water resources available to the City at the time of such Application.

7. That all other terms, conditions, and understandings set forth and agreed to by the Agreement shall remain in force, unless specifically modified by this First Amendment.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

APPLICANT:  
GRANITE DELLS ESTATES PROPERTIES, INC.  
an Arizona corporation

\_\_\_\_\_  
BY:  
Its:

GRANITE DELLS ESTATES PROPERTIES II, INC.  
an Arizona corporation

\_\_\_\_\_  
BY:  
Its:

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
LYNN MULHALL  
City Clerk

\_\_\_\_\_  
JON PALADINI  
City Attorney

STATE OF ARIZONA            )  
  )ss.  
COUNTY OF YAVAPAI        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by Marlin D. Kuykendall, Mayor of the City of Prescott, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to within the instrument, and acknowledged that he executed it.

\_\_\_\_\_  
[Seal]

\_\_\_\_\_  
Notary Public

STATE OF ARIZONA            )  
  )ss.  
COUNTY OF YAVAPAI        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned Notary Public, personally appeared Michael W. Fann, who acknowledged himself to be the President of GRANITE DELLS ESTATES PROPERTIES, INC., an Arizona corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained.

\_\_\_\_\_  
[Seal]

\_\_\_\_\_  
Notary Public

STATE OF ARIZONA            )  
  ) ss.  
COUNTY OF YAVAPAI        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2013 before me, the undersigned Notary Public, personally appeared Michael W. Fann, who acknowledged himself to be the President of GRANITE DELLS ESTATES PROPERTIES II, INC., an Arizona corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained.

\_\_\_\_\_  
[Seal]

\_\_\_\_\_  
Notary Public

**ALTERNATIVE 2 FOR FIRST AMENDMENT TO WATER SERVICE AGREEMENT**

**AGREEMENT FOR POTABLE WATER #WSA07-028  
FIRST AMENDMENT  
Granite Dells Estates  
Granite Dells Estates Properties, Inc., and Granite Dells Estates Properties II, Inc.  
City Contract No. 2008-165 A1**

WHEREAS, Granite Dells Estates Properties, Inc., and Granite Dells Estates Properties II, Inc. (the "Applicant"), and the City of Prescott (the "City") entered into that certain Agreement for Potable Water #WSA07-028, City Contract No. 2008-165, on November 30, 2007; and

WHEREAS, by Ordinance No. 4860-1317 adopted July 2, 2013, the City Council has approved the rezoning of portions of the Property described by the Agreement, increasing the maximum number of residential units from 710 to 1,310, of which 160 remain designated as "workforce" residential dwelling units; and

WHEREAS, the Agreement provides that any change in use of the Property exceeding 550 "market" and 160 "work force" residential dwelling units shall result in the termination of the Agreement; and

WHEREAS, the Applicant and the City (the "Parties") mutually wish to update, revise, and maintain in effect the Agreement, as amended herein, to reflect the new maximum number of residential units and set forth the specific understandings relative to the availability of potable water to serve the Property, as rezoned; and

WHEREAS, City Council Resolution No. 4071-1141 (March 2011) set forth policy regarding reservations of water for requests to rezone vacant residential parcels; and

WHEREAS, the City Council finds that the conceptual basis of the policy set forth in Resolution No. 4071-1141 may reasonably be applied to the Property, as rezoned.

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That this Agreement, as amended, shall relate to the Property, as more particularly described by the Agreement; and become operative upon Ordinance No. 4860-1317 taking effect.
2. That the City will permanently reserve and make available for development 248.5 acre feet of potable water annually to serve the residential portion of the Property, which quantity may be increased as provided hereinafter.
3. That Sub-paragraphs 2a, 2b, 2c, 2d, 2e, 2g, and 2j of the Agreement are hereby deleted, each in their entirety.
4. That through development of residential dwelling units on the Property, additional quantities of water may be "earned" provided, however, that the total allocation to the Property shall not exceed 458.5 acre-feet annually, consisting of the initial reservation of 248.5 acre-feet plus a maximum of 210 acre-feet earned, corresponding to the 600 additional residential units authorized by Ordinance No. 4860-1317, and subject to the following:

a. Additional water may be "earned" when both of the following are accomplished: a residential phase is completed, and a final plat is approved for the next residential phase.

b. The total allocation to the Property shall not exceed 458.5 acre-feet annually, consisting of the initial reservation of 248.5 acre-feet plus a maximum of 210 acre-feet earned, corresponding to the 600 additional residential units authorized by Ordinance No. 4860-1317.

c. The crediting of water so "earned" to subsequent residential phases shall be subject to availability within the Alternative Water category of the City's Water Portfolio.

d. Water may be "earned" as herein provided for a term of twenty (20) years from the effective date of this Amendment One. Upon expiration of the twenty-year period, the City may, at its sole option, extend the term. In the event the City elects to not extend the term, there shall be no further entitlement by the Applicant, its successors and/or assigns, to additional water to serve the Property.

5. That all other terms, conditions, and understandings set forth and agreed to by the Agreement shall remain in force, unless specifically modified by this First Amendment.

DATED this 2nd day of July, 2013.

APPLICANT:  
GRANITE DELLS ESTATES PROPERTIES, INC.  
an Arizona corporation

\_\_\_\_\_  
BY:  
Its:

GRANITE DELLS ESTATES PROPERTIES II, INC.  
an Arizona corporation

\_\_\_\_\_  
BY:  
Its:

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this 2nd day of July, 2013.

\_\_\_\_\_  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
LYNN MULHALL  
City Clerk

\_\_\_\_\_  
JON PALADINI  
City Attorney

STATE OF ARIZONA            )  
  )ss.  
COUNTY OF YAVAPAI        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by Marlin D. Kuykendall, Mayor of the City of Prescott, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to within the instrument, and acknowledged that he executed it.

\_\_\_\_\_  
[Seal]

\_\_\_\_\_  
Notary Public

STATE OF ARIZONA            )  
  )ss.  
COUNTY OF YAVAPAI        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned Notary Public, personally appeared Michael W. Fann, who acknowledged himself to be the President of GRANITE DELLS ESTATES PROPERTIES, INC., an Arizona corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained.

\_\_\_\_\_  
[Seal]

\_\_\_\_\_  
Notary Public

STATE OF ARIZONA            )  
  ) ss.  
COUNTY OF YAVAPAI        )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2013 before me, the undersigned Notary Public, personally appeared Michael W. Fann, who acknowledged himself to be the President of GRANITE DELLS ESTATES PROPERTIES II, INC., an Arizona corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained.

\_\_\_\_\_  
[Seal]

\_\_\_\_\_  
Notary Public

Prescott City Charter, Article I Section 4 (Proposition 400)

**Section 4 - Boundaries**

- a. Declaration of Policy: The people of the City of Prescott believe it is in the best interest of the city to establish additional local requirements for annexation to ensure that any future expansion of the city's boundary does not undermine the city's efforts to attain safe-yield or otherwise threaten the water supply of city residents.
- b. The boundaries of the city shall be the boundaries as established at the time this charter takes effect, or as such boundaries may be changed thereafter in the manner authorized by law, except that any increase in the corporate limits of the City of Prescott by annexation that equals or exceeds two hundred fifty (250) acres shall: 1) require an affirmative vote by three-fourths of the city council by "ayes and nays"; 2) require a public comment period of no less than sixty (60) days before a vote of the city council takes place, which shall begin at the time of a formal vote on a master plan by the planning and zoning commission; 3) require a public presentation of the public comments received To the city council by city staff; and 4) include a requirement that all effluent generated by new development in the annexed area be used for permanent recharge. The requirements of this section apply not only to single annexations of 250 acres or more, but also to multiple annexations of smaller parcels that have been owned by the same person or entity within ten (10) years from the date of the proposed annexation.
- c. Severability - If any provision of this measure is declared invalid by a court of competent jurisdiction, such invalidity does not affect other provisions that can be given effect without the invalid provision and to this end the provisions of this measure are declared to be severable.

(Adopted November 8, 2005)