



City of Prescott

AED Development Agreement Frequently Asked Questions

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Below are some common questions that the City is receiving regarding the development agreement with Arizona Eco Development.

Q) Will the City approve of a 30 day extension to allow more time for public review and comment?

A) There is no set date for a vote. City Council will determine a voting date by majority consensus.

Q) Does the development agreement leave a way for the AED to back out of donating the 474 acres of Granite Dells public Natural Open Space (NOS) in the South Annexation after the annexation has been approved and entitlements have been granted to AED?

A) No. AED's requirement to convey the 474 acres is unconditional and will occur within or less than 30 days following the expiration of the referendum period.

Q) Does the city require that the annexation is effective only upon successful transfer of all NOS and that delivery of water services by the City is contingent upon transfer of NOS as well?

A) State Law says that the annexation must take effect 30 days following approval. The agreement is fully dependent on each party performing its respective obligations. If one party fails to perform, then the other party is not required to perform its obligations.

Q) Does the current DA allow construction of an at-grade crossing of the Peavine if the City cannot secure funding for a grade-separated crossing? Is the city willing to confirm in writing that it will source appropriate funding for a grade-separated crossing and that NO at-grade crossing may be constructed?

A) Although the Letter of Intent from June 2020 provided AED with an at-grade crossing for the resort, construction of a grade separated crossing is secured with this agreement. Funding will be provided by either: 1. A Community Facilities District; or 2. The City's 1% streets sales tax.

Q) Does the Current DA allow AED's Sever and Transfer obligation for the 375 acre-feet per year of Watson Lake surface rights to "time out" if City water service-related approvals are delayed.

A). If the City cannot acquire the necessary easements to serve water and sewer to section 33 within three years following approval of the development agreement, both the City's obligation to provide water and sewer to the proposed 1,000 homes, and AED's obligation to sever and transfer the 375 acre feet will go away, unless both parties mutually agree to a time extension.

Q) Will the City commit to retaining the water in the lakes and remove the possibility that it could be diverted for additional development?

A) The agreement provides that the 375 acre feet of surface water is committed for the sole purpose of recreation and recharge.

Q) Does the Current DA allows AED to retain all vested rights in the event that the agreement is terminated or challenged by a call for reconsideration or referendum?

A) No. AED's development and other rights vest at the expiration of the referendum period. The only right that is immediately conveyed to AED by the DA is the City's obligation to rescind if the annexation or rezoning is referred during the 30 day period.

Q) Does the Current DA allow AED to extend rights and provisions of the agreement to future properties, without a public process?

A) No. The agreement allows for the City to include additional land (section 32) at the discretion of the City. All such actions must go through a public process and final approval must be taken at a duly noticed City Council meeting.

Q) After the DA is executed, will AED be able to increase the total number of residential units on additional properties without submission of a separate development plan?

A) AED may reallocate residential units from different approved areas only upon review and approval by the City. The Development agreement allows AED to move density from one parcel to another, but there can be no increase in density on the south parcel. Density can be moved from the south parcel to the north, away from the Dells, and among the north parcel, the Granite Dells Parkway parcel and Section 33. This movement must comply with zoning, subdivision and building/development requirements set forth in the City Land Development code.

Q) What is the benefit of providing water and sewer to Section 33 if not annexed into the City of Prescott?

A) Section 33 is not contiguous to the city limits of Prescott and therefore cannot be annexed into the City under state law. The developer will pay the full cost of extending water and sewer liens to Section 33 and users will pay all applicable water and sewer development impact fees. Additionally, water users will pay an additional 30% surcharge because they are located outside the City. All effluent generated by Section 33 will be treated and returned to the aquifer as permanent recharge.