

PRESCOTT CITY COUNCIL
STUDY SESSION MEETING
TUESDAY MAY 9, 2017
PRESCOTT, ARIZONA

MINUTES OF THE STUDY SESSION MEETING OF THE PRESCOTT CITY COUNCIL
HELD ON MAY 9, 2017, in the COUNCIL CHAMBERS located at CITY HALL, 201
SOUTH CORTEZ STREET, Prescott, Arizona.

1. CALL TO ORDER

Mayor Oberg called the meeting to order at 1:00 p.m.

2. ROLL CALL:

Present:

Absent/Excused:

Mayor Oberg
Mayor Pro Tem Lamerson
Councilman Blair
Councilman Lazzell
Councilwoman Orr
Councilman Sischka
Councilwoman Wilcox

3. DISCUSSION ITEMS

- A. Presentation by Prescott National Forest re building a new facility on City
leased property at Pioneer Park

Celeste Gordon, Prescott National Forest, Public Services Staff Officer, introduced
Kendra Bull, Forest Engineer.

Ms Bull gave a presentation on why they were consolidating. She said the Prescott
National forest completed a facility master plan considering all of the facilities on the
forest, and realized that many of the offices were underutilized and required significant
deferred maintenance. The building that would be consolidated was Chino Valley,
Bradshaw Ranger District and the Supervisor's office. These were proposed to be in
one building by 2021. She said the new location would be located in the southeast
corner near Pioneer Parkway and Commerce drive. She said there were several
benefits for this location. She said they were seeking a letter of support for the City to
locate the new office on proposed BLM parcel.

Ms. Bull said the land conveyance would be to sell Groom Creek work center, Verde
land parcels, Chino Valley Ranger District, and Bradshaw Ranger District. She said the

design and construction would take about three years from start to finish and would start in the fall of 2018.

Councilman Lazzell asked if they owned the other building. Ms. Bull replied they had leased it.

Mayor Oberg said they may need a lot of lead time working with the BLM as they work as slow as molasses.

Mayor Pro Tem Lamerson appreciated the Forest Service relocating to the City. He asked what support they were looking for from the City. Ms. Gordon said what they would need was a letter of support allowing them to look at that parcel to build an office.

Mayor Pro Tem Lamerson thanked them for their clarification and keeping in mind the BLM was a government entity and they had a good relationship with them.

Joe Baynes, Recreation Services Director, said currently they leased the land under the Recreational Act which meant they could build any government building but would need to step aside and write a letter of support.

Mayor Oberg asked if it was City owned property. Mr. Baynes said it was BLM land leased by the City.

Councilman Blair asked how this would affect the City in the future and did they have any future plans for that piece of property.

Mr. Baynes said it was a great piece of property to acquire and they had no future park plans for it. He did like the fact that there would be a visitor center open seven days that the City would not have to staff.

Councilwoman Wilcox asked if it would be necessary to reroute any of the trails.

Mr. Baynes said no, there would not be any infrastructure in the area.

Michael Lamar, City Manager, asked for more information on the visitor center. Ms. Gordon said the visitor center would provide information from a resources standpoint fire related or other information.

Mr. Lamar asked if it would provide City information. Ms. Gordon said yes. They were looking at a partnership and would be happy to do informational material there.

Mayor Oberg asked how soon they needed letter. Ms. Gordon said as soon as possible.

B. Economic Development Update by Jim Robb

Jim Robb, The ROBB Group, presented an economic development update. He talked about talented students that would love to stay in Prescott instead of relocating.

Mr. Robb talked about the Vision Statement and it was to create high paying jobs in Prescott. The Mission Statement was to create businesses that would have highly paid employees through technology transformation from our institutions of higher education by way of incubation and/or satellite offices from major corporations; to create technology conferences that bring company senior executives to the area.

Mr. Robb said he would like to bring conferences and satellite offices to the area.

City of Prescott Goals

- Stronger Local Economy and Expanded Tax Base
- Better Mobility: Improved Roads, Transportation
- Managed Growth for a Balanced Community
- Polished City – Beautiful and Clean
- First Class Utility System
- Alive Downtown

Strategic partnerships

- Investment partners, fund
- Incubation partners
- Corporate partners
- Workforce development partners
- I.P. development & licensing partners

Objectives

- Establish local tech incubation fund
- Facilitate local cyber & tech conferences
- Attract new corporate (satellite) offices, investment
- Formalize local cyber & tech ecosystem
- Develop cyber & tech workforce with Universities

Tactics

- **Attract:** Leading edge Cybersecurity, technology companies, investment funds and executives.
- **Build:** Local Cybersecurity & Tech Conferences, Security Operation Centers, Tech Company Satellite Offices, Incubators (around Universities), Investment Funds, I.P. Creation from within Universities.
- **Brand:** “Cyber-Hub”: Innovation, Atmosphere & Lifestyle highlight Embry Riddle, NAU, Yavapai, Prescott College, Incubator, Corporate I.P and success.
- **Scale:** License and distribute I.P. nationally. Establish formal internship, mentorship programs from K-12 to Universities to fuel job growth in cyber & tech

roles. Utilize Incubator and Satellite Office success to attract larger data center, hosting, SOC providers and tech companies.

He mentioned Bend, Oregon, and that it was very much like Prescott. They took their tourism and became the number one small city in the U.S. They had turned it into a great place to live.

Opportunities-Why Prescott

- Access to local Universities, resources, I.P., facilities.
- Access to growing student, executive, investor community.
- Access to commercial buildings, facilities, data centers, security operations centers, "Cyber-Hub".
- Access to tax and other economic incentives.
- Access to low cost living, attractive atmosphere, lifestyle.

Growth Blueprint-Building Blocks

- Development
- Licensing
- Incubation
- Investment

Councilwoman Wilcox asked what other investment they would need in order to make this happen. Mr. Robb said a high-end custom boutique that could hold at least 100 or so people.

Councilwoman Wilcox asked if they would require economic incentives to make this happen. Mr. Robb said yes, if the group was big enough.

Councilwoman Orr said what she liked working with what they already had. The talent was amazing and what he was doing was great.

Mr. Robb said they looked at the assets; the weather, the plaza, the entertainment, Yavapai College, and Embry Riddle. He said he was working with Microsoft to bring coding to the college, which was a two-year degree and he had a meeting to get some of the students to get involved. He said the average pay was \$85,000.00 a year.

Mayor Oberg said he and the City Manager had been working with Mr. Robb and would be a part of the entire project.

Mr. Robb said he was working on putting the pieces together for all of the colleges and Universities.

Mayor Pro Tem Lamerson said it was a nice presentation. He said the environment was very important and he thanked him for all he had done.

Councilman Sischka said his enthusiasm was contagious and he appreciated it.

Mr. Lamar said they had to take advantage of what they had and leverage it with what they were doing. He said they had the quality of life and the outdoor amenities for the millennials.

Councilman Sischka said it looked like their job was to lower the age of Prescott. He would love to see that happen.

Mr. Robb said when they looked at Bend, Oregon, they found it was hard to get anywhere, but then they got direct flights to other cities. He said that was what Prescott needed, a direct flight to San Jose, the Silicon Valley and that would lure them here.

Councilwoman Orr said it was about quality not quantity. She said they did need to push forward with the airport.

Councilman Blair said a good friend of his started Centex he said his friend said if they had an airport it would be phenomenal.

Mayor Oberg said many were moving out of California because of the cost of living and they felt Arizona had a good quality of life. He said Embry-Riddle was growing by 10% a year. It was important to do an incubator especially associated with a University.

Mr. Robb said they had everything here except an airport.

C. Legislative Update

Tyler Goodman, Management Analyst, gave a Legislative Update

- HB2410 (heart) and HB2161 (cancer) FF's worker's comp. The heart bill requires an incident to be report within 24 hours of the precipitating event. The cancer bill was amended to limit the presumption time to 15 years after the conclusion of active service. Both were sent to the Governor on May 8th and were expected to be signed.
- SB1332 allows for full and final settlement of claims so that ongoing costs aren't incurred. This was sent o the Governor on May 4th and was expected to be signed.
- Governor's Budget for University and budget in general. The legislature passed a \$100 million budget and it includes a bonding plan for state universities without touching TPT or the shared revenue formula. It would be done though annual appropriations staring with \$27 million in FY18. The budget includes a back fill of \$30 million in HURF funds over the next two years for local street and road

projects. The intent was to reduce HURF sweeps by FY20 by appropriating \$30 million to DPS from the state General Fund and to give an additional \$30 million to FY20 to cities and towns.

- HB2595/SB1152 consolidated election dates. This was brought into budget discussions as a quid pro quo to get a vote. This provision was approved in the House but was defeated last week in the Senate in the form of SB1152. A second vote under re consideration was taken and failed. It appeared that the Governor's signature on the budget was contingent on getting the bill in. Barry Aarons had worked on ensuring an amendment made the effective date on this bill after December 31, 2017, thus it would not be affected by the City's election this year. If passed and challenged in court, it was likely that a charter city's ability to determine its own election dates would be upheld.

Bills the City opposed and their outcomes.

- HB2477 civil asset forfeiture. Signed by Governor on April 12th.
- HB2521 Construction Sales Tax. Never made it through the House due to lack of votes.
- HB2178 Municipal election dates. Never heard in the House Committee.
- HB2179 Intergovernmental Agreements. Never passed the House it was retained on the calendar.
- SB1329 Fire flow requirements. Passed the Senate, pulled from the House by sponsor.
- SB1247 Conservation easement; in lieu of payments. Never passed the House.
- HB2419 SE City/County occupational licenses. Died in the Senate.

Bills the City supported and their outcomes

- SB1063 PSPRS risk pool. Signed by the Governor on May 1st.
- HB2333 Patient referral inducements; unlawful compensations. Never assigned to committee.
- SB1407 Worker's Compensation; notice. Had good traction but died near the end of session in the House.

Neutral bills

- HB2213 GPLET Reform. Signed by the Governor on March 30th. Amendments nullified any potential damage to Prescott in the future use of GPLET.

Items to work on during the legislative interim

- House ad hoc committee on PSPRS
- Exempt well drilling
- Budget amendment for hotshots
- Home Rule
- Follow up on SB1152 consolidated election dates with League.

Mayor Oberg said when he spoke to Barry Aarons; he was trying to schedule something to give the Council an update. Mr. Goodman said he did speak with Mr. Aarons and he would be here for May 23rd meeting.

Councilwoman Wilcox asked about the budget bill and thought it looked like a bunch of money what was being cut. Mr. Goodman said he did not know the details but would look into it.

Councilwoman Wilcox asked Mr. Goodman to convey that question to Mr. Aarons and maybe he could address it at the next meeting update.

Councilwoman Orr said she appreciated Senator Fann, and said the consolidation bill passing was very difficult, but the Governor wanted this bill to go through. She appreciated Barry Aarons for putting the amendment into the bill.

Jon Paladini, City attorney, said it would be a good idea to look into a rural regional airport authority to have some property taxes authority.

Mayor Oberg said he would take this into consideration.

4. ADJOURNMENT

There being no further business to be discussed, the Study Session Meeting of May 9, 2017, adjourned at 2:07 p.m.

HARRY B. OBERG, Mayor

ATTEST:

DANA R. DeLONG

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the City Council of the City of Prescott, Arizona held on the 25th day of April 2017. I further certify the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2017.

AFFIX
CITY SEAL

DANA R. DeLONG, City Clerk