



AGENDA

**PRESCOTT CITY COUNCIL
COMBINED WORKSHOP & VOTING MEETING
Tuesday, November 4, 2014
3:00 PM**

**Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its **Combined Workshop and Regular Voting Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending this meeting through the use of a technological device.

- ◆ **CALL TO ORDER**
- ◆ **INTRODUCTIONS**
- ◆ **INVOCATION** Reverend Kimball Arnold
 St. Luke's Episcopal Church
- ◆ **PLEDGE OF ALLEGIANCE** Mayor Pro Tem Lamerson
- ◆ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall	
Mayor Pro Tem Lamerson	Councilman Kuknyo
Councilman Arnold	Councilman Lazzell
Councilman Blair	Councilwoman Wilcox

- ◆ **ANNOUNCEMENTS**
- ◆ **PROCLAMATION**
 - A. Proclaiming November 3 - 7, 2014, as Patient Blood Management Awareness Week
 - B. Proclaiming November 2014, as Alzheimer's Disease Awareness Month
 - C. Proclaiming November 29, 2014, as Small Business Saturday
 - D. Proclaiming November 2014, National Home Health and Hospice Month

◆ **PRESENTATION**

- A. Prescott Chamber of Commerce - Introduction of new businesses

I. CONSENT AGENDA

CONSENT ITEMS I.A. – I.B. LISTED BELOW MAY BE ENACTED BY ONE MOTION. ANY ITEM MAY BE REMOVED AND DISCUSSED IF A COUNCIL MEMBER SO REQUESTS.

- A. Approval of minutes for the City Council meeting held on October 28, 2014
- B. Approval of purchase of one (1) ea. boom and pin assembly from Titan Machinery in the total amount of \$14,713.51, to repair the Transfer Station Crane (Solid Waste Fund)

RECOMMENDED ACTION: MOVE to approve Consent Agenda Items I.A.-I.B.

II. REGULAR AGENDA

- A. Appointment of Ken Foote and Kevin Lane to the City of Prescott Municipal Property Corporation (MPC) Board of Directors

RECOMMENDED ACTION: MOVE to appoint Ken Foote and Kevin Lane to the Municipal Property Corporation Board of Directors.

- B. Approval of purchase of asphaltic rubber crack sealant from Crafcro, Inc., using State of Arizona Contract No. ADSP013-035060 in an amount not to exceed \$100,000.00 (Streets Fund)

RECOMMENDED ACTION: MOVE to approve the purchase of asphaltic rubber crack sealant from Crafcro, Inc., using State of Arizona Contract No. ADSP013-035060 in an amount not to exceed \$100,000.00.

- C. Approval of (1) agreement with the Greater Prescott Regional Economic Partnership (GPREP); and (2) FY 15 annual membership payment in the amount of \$40,000.00 (City Contract No. 2015-069)

RECOMMENDED ACTION: MOVE to (1) approve City Contract No. 2015-069 with GPREP for FY 15; and (2) authorize payment to

GPREP in the amount of \$40,000.00 for City membership in Fiscal Year 2015.

- D. Approval of Amendment No. 1 to City Contract No. 2014-185 with Fann Contracting for the Park Avenue Improvements Project, to permit blasting for rock removal

RECOMMENDED ACTION: MOVE to approve Amendment No. 1 to City Contract No. 2014-185 for the Park Avenue Improvements Project.

III. DISCUSSION ITEMS

- A. Public workshop on the current City utilities rate setting process
- B. Discussion of billing credits for water leaks on the customer side of meters
- C. Progress report/update on the ICMA recommendations for the Prescott Fire Department
- D. Briefing on full-scale aviation exercise scheduled for November 8, 2014, at Prescott Municipal Airport

IV. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
- (v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));

- (vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Dana R. DeLong, CMC, City Clerk

MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING

DEPARTMENT: City Clerk

AGENDA ITEM: Approval of minutes for the City Council meeting held on October 28, 2014

Approved By:

Date:

City Clerk: DeLong, Dana	10/30/2014
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Item Summary

Presented for approval are the City Council minutes of the Regular Voting Meeting held on October 28, 2014.

Attachments

1. October 28, 2014, Regular Voting Meeting Minutes

Recommended Action: MOVE to approve the City Council meeting minutes as presented.

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, OCTOBER 28, 2014
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL HELD ON OCTOBER 28, 2014, in the COUNCIL CHAMBERS located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the meeting to order at 3:00 P.M.

◆ **INTRODUCTIONS**

No introductions were given.

◆ **INVOCATION** by Pastor Jesse Liles, Willow Hills Baptist Church

◆ **PLEDGE OF ALLEGIANCE** by Mayor Kuykendall

◆ **ROLL CALL:**

Present:

Absent:

Mayor Kuykendall
Mayor Pro Tem Lamerson
Councilman Arnold
Councilman Blair
Councilman Kuknyo
Councilman Lazzell
Councilwoman Wilcox

None

◆ **ANNOUNCEMENTS**

Craig McConnell, City Manager, announced that a public hearing would be held in the Council Chambers regarding the water rate adjustments, that evening. He noted that the topic would come before Council the following week at a Public Workshop, with a second meeting in Council Chambers on November 6, 2014, at 6:00 P.M.

◆ **PROCLAMATION**

A. Proclaiming November 2014 as Charitable Tax Credit Giving Month

Councilman Arnold read the proclamation and presented it to Kathleen Murphy, President & CEO of Big Brothers Big Sisters.

I. CONSENT AGENDA

- A. Approval of minutes for the Council meetings held on October 7, 2014 and October 14, 2014
- B. Adoption of Ordinance No. 4911-1449 authorizing acceptance of a waterline easement from Prescott Development Group, LLC
- C. Approval of purchase of two (2) ea. Konica Minolta Bizhub C284E multi-function copy machines from Konica Minolta with five-year service contracts using Mohave Educational Services Cooperative (MESC) pricing in the total amount of \$11,219.12 (City Contract No. 2015-063; Various Funds)

MAYOR PRO TEM LAMERSON MOVED TO APPROVE CONSENT AGENDA ITEMS I.A. - I.C.; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

II. REGULAR AGENDA

- A. Public Hearing and consideration of a Series 07, Beer & Wine Bar liquor license application from Lynn Van Der Heyden, applicant for the Elks' Theatre & Performing Arts Center, located at 117 East Gurley Street

Dana DeLong, City Clerk, presented. The application was properly posted for the State-mandated 20-day period. No petitions or protests had been received during that period. The application cleared Planning and Zoning and the City of Prescott Police Department.

COUNCILMAN KUKNYO MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.

COUNCILMAN KUKNYO MOVED TO APPROVE LIQUOR LICENSE APPLICATION NO. 07137003, FOR A SERIES 07, BEER & WINE BAR LICENSE FOR THE ELKS' THEATRE & PERFORMING ARTS CENTER LOCATED AT 117 EAST GURLEY STREET; SECONDED BY COUNCILWOMAN WILCOX; PASSED UNANIMOUSLY.

- B. Presentation/upgrade regarding the special event application and approval process

Joe Baynes, Recreation Services Director, presented. He said staff reviewed the process every year to make the process better for the stakeholders and promoters. He showed a PowerPoint that included the following:

- BACKGROUND – important source of sales tax generation

Mr. Baynes noted that Northern Arizona University (NAU) was working on a new visitor study with the City of Prescott.

- TRANSIENT OCCUPANCY TAX GRANTS – the grant process was amended to include “Tourism” and “Community” events, which had City funding limits of \$5,000.00 and \$2,000.00, respectively
- PERMITTING PROCESS – Special Events had a positive economic value and staff must balance the value of the event with the impact on the community. He said the process involved a criteria letter, the Special Event application and the review of each application by the Special Events Committee

Councilman Blair noted that event organizers were given first priority by the date on the letter of request. Mr. Baynes noted that conflict rarely existed and staff was usually able to time the events appropriately to avoid conflict. He noted that they looked at how the event reflected Prescott’s image and if the event had been ongoing.

Councilman Lazzell asked if staff had considered having someone from the business community on the committee. Mr. Baynes noted that he would discuss that question further on in the presentation.

- CHANGES TO THE APPLICATION AND APPROVAL PROCESS IMPLEMENTED IN FY14 – identification of Event Levels, Fees, and Deposits depended upon the type and location of event

Mayor Pro Tem Lamerson asked if the NAU study would measure the impact of the events on the downtown business community. Mr. Baynes said yes. Mayor Pro Tem Lamerson asked that NAU be alerted to the information the City of Prescott was looking for.

Councilman Blair asked that a member of Council be involved with the Special Events group so that Council would be informed as to what was happening in the community. Councilman Kuknyo replied that he was the Council liaison.

Mr. Baynes noted that staff wanted to start their own web page for Special Events with downloadable site plans for event promoters.

- EVENT TYPE “LEVELS” – these included Courthouse Plaza Street, City Facilities, Low Impact Events and Private Property
- APPLICATION AND PROCESSING BY EVENT LEVEL

- **SPECIAL EVENT LIQUOR LICENSE PROPOSED PROCESS ADJUSTMENTS**
– to comply with State Statute, it was necessary to establish a submittal deadline and process for scheduling the applications for recommendation at a City Council meeting. The Special Event Liquor License Application and payment of fees must be submitted to the City Clerk's Office 90 days prior to the event. The application would then be submitted to Council for recommendation 45 days prior to the event and the State would received the approved application no later than 10 days prior to the first day of the event.

Councilman Arnold noted that under the new process, events like the Whiskey Row Fire and Prescott Strong Events would not have occurred. Mr. Baynes said that was correct, unless there was an emergency action that could be taken that he was unaware of.

Councilman Kuknyo noted that some of the Special Event paperwork got held up for incomplete information and the liquor portion of the application may have been delayed. He asked if there was a way to speed up the process, perhaps by adding a special fee.

Jon Paladini, City Attorney, noted that it was an operation decision to use the 90 days to process the application. He talked about the staff members who had to review the application before the City Council approved that application, or not.

Councilman Arnold asked how the City could make sure that exceptions were not abused, but were nimble enough that emergency events could get produced quickly. Mr. Paladini noted that events could occur without the sale of liquor. Mr. Baynes said he would look into the schedule and a possible late fee.

- **SPECIAL EVENT LIQUOR LICENSE PROPOSED APPLICATION PROCESS**

Councilman Lazzell asked whose function it would be to audit the 25 percent of gross revenues or all spirituous liquor due the charity. Mr. Baynes said it would be the charity's duty to audit the revenues.

Mr. Paladini said the Liquor Department could audit those types of requirements.

- **CURRENT FEES**

Councilman Arnold noted that there had been a discussion about the events being taxable for the City. He asked what the findings were. Mark Woodfill, Finance Director, said that if the event was non-profit, it would not be subject to tax. He said there was a \$25.00 fee per vendor.

Mr. Paladini asked for clarification. He asked if 50 percent of the revenue from a Special Event that went to other than the non-profit would be taxable. Mr. Woodfill said the City Code had an exemption for non-profit events, which was an option that the Council put in the Code. He noted that a non-profit event used to have to get Transient Merchant

Licenses for each booth and pay significant tax fees. It precluded non-profits from having those types of events.

Councilman Arnold asked if the City was able to cost recover the needed amount through fees or should Council re-evaluate the sales tax collection.

Mayor Kuykendall asked what the State's policy was for collecting sales tax on spirituous liquor sales on the Courthouse Square. Mr. Woodfill said he would have to research State tax liquor law. Mayor Kuykendall asked if for-profit events could use the streets and Courthouse Plaza. Mr. Baynes said yes.

Mayor Pro Tem Lamerson said the City policy had been setting up unfair competition for non-profits to benefit off the history of the downtown, without the same rules as the merchants had to follow.

Councilman Kuknyo noted that the Special Events brought many people to the downtown area and merchants should open their doors during the events. The charities used the events to make money to keep their doors open. He noted that the promoter did all of the work to produce the event and the charity just collected the check. There were many things to work on to help the businesses work with the events.

Councilwoman Wilcox noted that working with the Downtown Partnership and coordinating the timing of the events would improve the situation.

Councilman Arnold noted that the events had positive impacts to the City. He noted that streets remained closed after events were over and there needed to be better communication between the City and the person in charge of the event. He said the City's policies should be clear, without a lot of bending.

Councilman Kuknyo said the Whiskey Off-Road did a great presentation to the City discussing the impact of the event. The average household income of the participants was \$100,000.00, which were people who had money to spend on art and jewelry.

Councilman Lazzell said there were local businesses that should be taken into consideration.

Mayor Pro Tem Lamerson said the City needed to have a better understanding of what it was doing right and what it could be doing better.

Mr. Baynes continued with the presentation.

- STAKEHOLDER MEETINGS
- PROPOSED PROCESS ADJUSTMENTS

- Create a simple checklist for event promoters to track their application status
- Add appeal process information to the application

Councilman Arnold asked if the language was tight enough on the appeal. Mr. Baynes said that he would look into it.

- Adjust submittal timeline to reflect liquor license approval from Council
- Clearly address safety requirements
- Adjust membership on the ad-hoc Special Events Committee
- Revise scheduling procedure to allow for 18 – 24 month calendar

- POLICY CHANGES FOR DISCUSSION

- Consider setting a curfew for events where alcohol is served
- Designate and compensate an “event boss”

Councilman Arnold said there were too many events this year where there was not a City employee to contact for help. He said the event boss should be involved through the approval process.

Councilman Kuknyo said there should also be an event boss from the event side.

- Consider changes to street closure process
- Coordinate Parking Garage fee days to reduce fees during the events
- Continue discussion with Mile High Middle School to use football field for events

Councilman Kuknyo thanked the citizens for promoting events in the City.

- C. Approval of purchase of Accessible Pedestrian Signal (APS) equipment from JTB Supply Company, in an amount not to exceed \$16,981.44 to retrofit six (6) traffic signal locations on Willow Creek Road for visually impaired pedestrians

Ian Mattingly, City Traffic Engineer, presented. The item would authorize the purchase of 32 accessible pedestrian signal pushbuttons at six intersections along Willow Creek Road from Montana Drive to Dan Carroll Heritage Park Road. The buttons provided safety and accessibility to the existing signalized crossings, for the visually impaired. Embry Riddle University requested the signals for their students.

Mr. Mattingly said each signal had an audible locator tone and messages indicating when to walk and when to wait. The system was customizable to each signal.

Councilman Kuknyo asked if there was a volume control. Mr. Mattingly said yes.

Councilwoman Wilcox asked if the City of Prescott had a master plan for installing these signals, rather than staff acting in a reactive mode. She said that the City should not just be responding to requests. This was the type of thing where the Bicycle Advisory Committee could be very helpful because it would be comprised of people who were on the ground.

Mr. Mattingly said staff would like to move forward with a City-wide implementation in future years.

Councilman Blair recommended that areas around affordable housing would be a good place to start.

Councilman Kuknyo noted that he had heard signals that were very loud and annoying and he was glad these would have volume controls. He commented on the ramps that were installed on the corners of the sidewalks.

Mayor Pro Tem Lamerson noted that the City had to pay attention to all groups of people and treat them equally.

Russ Willis, President of Prescott Alternative Transportation, addressed the Council. He said that anything that improved life for pedestrians on Willow Creek Road was good. He also agreed that the City needed citizens who were familiar with various intersections to advocate for the different groups of people. He would like to be proactive to make the entire community more accessible to pedestrians and bicycles.

Councilman Arnold asked about the equipment and the data that would be collected from the signals. Mr. Mattingly said he would also like to get more information on that topic.

MAYOR PRO TEM LAMERSON MOVED TO APPROVE THE PURCHASE OF ACCESSIBLE PEDESTRIAN SIGNAL (APS) EQUIPMENT FROM JTB SUPPLY COMPANY TO RETROFIT SIX (6) TRAFFIC SIGNAL LOCATIONS ON WILLOW CREEK ROAD, IN AN AMOUNT NOT TO EXCEED \$16,981.44; SECONDED BY COUNCILMAN KUKNYO; PASSED UNANIMOUSLY.

- D. Ratification of City Contract No. 2015-056 with Ripple Industries, LLC, for emergency SCADA services in an amount not to exceed \$22,250.00 (Wastewater Fund)

Joel Berman, Utilities Manager, presented. He noted that the Wastewater Treatment Plant utilized communication technology known as Supervisory Control and Data Acquisition (SCADA). The technology was used to monitor, control and alert staff of operating conditions within the plant, such as power failures, motor, pump and valve status. He said the old system was showing signs of failure.

The ratification would provide automation and controls services for mechanical and electrical equipment. He noted that the cost of the system would have been much higher if staff did not purchase it when they did and get the information off of the old system.

COUNCILMAN ARNOLD MOVED TO RATIFY CITY CONTRACT NO. 2015-056; SECONDED BY COUNCILMAN KUKNYO; PASSED UNANIMOUSLY.

E. Award of City Contract No. 2015-057 for Zone 101 Waterworks Materials to Ferguson Waterworks in an amount not to exceed \$87,469.60.

Joel Berman, Utilities Manager, presented. He noted that City Contract No. 2008-164 was a pre-annexation development agreement between the City of Prescott and Granite Dells Properties. The agreement stated that the City shall be responsible to pay the owner for the cost to install any on-site water transmission facilities, which are upsized at the City's request, beyond what is necessitated for the owner's development.

Mr. Berman said the owner needed a 12 inch water main to service his property. However, through modeling, the City verified that a 16 inch main was what the City needed to serve properties beyond. He said it was more financially beneficial for the City to enter into a public/private partnership to install the infrastructure now, then to retrofit the waterline at a future date. The developer would pay the difference between the two pipe sizes.

Councilman Arnold asked if the upsize agreements were common for the City. Mr. Berman said yes.

Craig McConnell, City Manager, said the agreement was a matter of fairness. Each party must understand what the ground rules were.

Councilman Arnold said the pricing was for a half mile of pipe. Mr. Berman noted that it was a very good value.

□□□MAYOR PRO TEM LAMERSON MOVED TO AWARD CITY CONTRACT NO. 2015-057 FOR ZONE 101 WATERWORKS MATERIALS TO FERGUSON WATERWORKS IN AN AMOUNT NOT TO EXCEED \$87,469.60; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

III. ADJOURNMENT

There being no further business to be discussed, the Regular Voting Meeting of October 28, 2014, adjourned at 4:25 P.M.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

DANA R. DeLONG, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Voting Meeting of the City Council of the City of Prescott, Arizona held on the 28th day of October, 2014. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2014.

AFFIX
CITY SEAL

DANA R. DeLONG, City Clerk

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: Field and Facilities Services

AGENDA ITEM: Approval of purchase of one (1) ea. boom and pin assembly from Titan Machinery in the total amount of \$14,713.51, to repair the Transfer Station crane (Solid Waste Fund)

Approved By:		Date:
Director:	Miller, Stephanie	10/28/2014
City Manager:	McConnell, Craig	10/28/2014

Item Summary

The Solid Waste Division is requesting authorization to purchase one (1) ea. boom and pin assembly to repair the Transfer Station crane.

Background

The Solid Waste Division uses a pedestal boom crane to load trash and recycling materials into trailers for transport to the landfill and recycling facilities. On October 20, 2014, the boom and pin assembly broke. During inspection of the boom and pin assembly after it failed, several cracks were also found in the boom. Fleet Services mechanics are manufacturing a temporary repair to keep the crane working; however, the new boom and pin assembly is required for permanent operation. There is a 9- to 12-week lead time for the assembly.

Tucson Tractor Sales is the authorized Allied crane dealer in the state of Arizona and, as such, is a sole source provider. Fleet Services mechanics will install the new boom and pin assembly to make the repair upon receipt of the item.

Financial Impact

Funding of \$14,713.51 is available within the Solid Waste Division's FY 2015 budget.

AGENDA ITEM: Approval of purchase of one (1) ea. boom and pin assembly from Titan Machinery in the total amount of \$14,713.51, to repair the Transfer Station crane (Solid Waste Fund)

Attachment

1. Titan Machinery quote dated October 22, 2014

Recommended Action: MOVE to approve the purchase of one (1) ea. boom and pin assembly Titan Machinery in the total amount of \$14,713.51.

788

TUCSON
 1701 W GRANT RD
 TUCSON AZ 85745-1205
 Phone: 520-623-5848
 Phone: 800-924-5848
 Fax: 520-623-6058

TITAN MACHINERY

See us for all of your
 parts and service solutions.

Customer: 19743390
Sold To: CITY OF PRESCOTT
 PO BOX 2059
 PRESCOTT AZ 86302-2059

Counter Ticket: 18505 QP **Date Open:** 10/22/14 **Customer PO:**
Invoice: **Date Closed:** **Tax Code:** Government Taxable
Sold by: JAANDERSON **Time:** 18:40:03 **Status:** Open

Qty	Vendor	Part Number	Description	Bin	Price	Amount
1	ALI	818913	BOOM		10,790.00	10,790.00
2	ALI	818885	SHIM		73.50	147.00
2	ALI	818666	PIN		490.00	980.00
4	ALI	667279	NUT		3.50	14.00
4	ALI	620605	Counter Quote		1.05	4.20
1	ALI	818669	PIN		420.00	420.00
1	ALI	818671	PIN		340.00	340.00
			Quote good if ordered before		0.00	0.00
			11/21/14		0.00	0.00
			Availability is aprx 9 Weeks		0.00	0.00
1		FREIGHT	Estimated		990.00	990.00
			TAX		0.00	0.00
					1,028.31	1,028.31
					0.00	0.00
					0.00	0.00

No return without this invoice. No return on electrical components. 20% restocking charge on return of all special orders. No returns after 30 days. A service charge will be assessed equal to the lesser of 1.5% per month or the maximum rate permitted by law on all delinquent accounts, until paid in full.

X
Phone: 928-777-1203

Subtotal \$14,713.51
Sales Tax
Total \$14,713.51
Payment Due \$14,713.51

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: City Clerk

AGENDA ITEM: Appointment of Ken Foote and Kevin Lane to the City of Prescott Municipal Property Corporation (MPC) Board of Directors

Approved By:		Date:
City Clerk:	DeLong, Dana	10/27/2014
City Manager:	McConnell, Craig	10/28/2014

Item Summary

This item is presented for consideration of the appointments of Ken Foote and Kevin Lane to the Municipal Property Corporation Board of Directors.

Background

The City of Prescott, Arizona Municipal Property Corporation is a non-profit corporation incorporated under the laws of the state on October 26, 1972. The principal objective of the MPC is to finance the construction and acquisition of municipal buildings and improvements to land owned by the City. The MPC may issue debt secured by a pledge of excise taxes and state shared sales taxes or other revenue subject to sufficient debt service coverage.

Two vacancies currently exist on the Municipal Property Corporation Board. The MPC Board recently held their annual meeting and discussed candidates to fill the vacancies. As a result of that discussion, the MPC Board voted to recommend Ken Foote and Kevin Lane for appointment to the Board.

Members of the Council Appointment Committee reviewed the candidate information and are recommending Mr. Foote and Mr. Lane for appointment.

Attachments

1. Profile of Ken Foote
2. Profile of Kevin P. Lane

Recommended Action: **MOVE** to appoint Ken Foote and Kevin Lane to the Municipal Property Corporation Board of Directors.



Ken Foote

Personal Profile

Raised in Tucson, Arizona

Married to my wife Christy for 11 years and have two daughters, Brenna, 7 and Danielle, 5

Have lived in Prescott since 1994 and enjoy everything that is Prescott

Professional Profile

Chose to leave the corporate world in 1994, moved to Prescott to rejoin family. After a three year commitment in family business and then some travelling, created FooteWork Auto License & Title Service and have operated since 1998

Former Prescott Kiwanis President and Board member
Chairman, Arizona Motor Vehicle Providers Association
Chairman, Transportation Committee Prescott Arizona Skyfest

Experiences

U.S. Marine Corps veteran
Private pilot
Avid outdoors enthusiast
Extensive traveler



Kevin P. Lane

Kevin Lane is the founding principal of Lane Brothers & Company, Incorporated a fee-only registered investment advisory firm. Lane Brothers manages stock, bond and real estate portfolios for individuals, families and private foundations. Prior to the formation of his firm 25 years ago Kevin began his career on Wall Street with PaineWebber in 1980. He moved to Arizona in 1982 and has been a resident of Prescott since 1996.

Kevin in his community activities has served on the Board of Directors of Access 13, Past President of the Kiwanis Club of Prescott and Chairman of the Prescott Community Kiwanis Foundation. He presently serves on the Board of Directors of Tis Art Gallery on Cortez Street.

Kevin with two kids in college divides his time between Prescott, Phoenix and any nice beach worldwide.

1550 PLAZA WEST DRIVE PRESCOTT, ARIZONA 86303
Phone: (928) 776-8870 Fax: (928) 776-0828

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: Field and Facilities Services

AGENDA ITEM: Approval of purchase of asphaltic rubber crack sealant from Crafc, Inc., using State of Arizona Contract No. ADSPO13-035060 in an amount not to exceed \$100,000.00 (Streets Fund)

Approved By:		Date:
Director:	Miller, Stephanie	10/28/2014
City Manager:	McConnell, Craig	10/28/2014

Item Summary

Approval of this item will authorize the purchase of asphaltic rubber crack sealant for the Street Maintenance Division. The Division makes an annual one-time purchase of crack sealant and receives several deliveries of the material throughout the year.

Background

Crack sealant is an integral part of the City's Pavement Preservation and Rehabilitation Program. In addition to preventing deterioration of streets from moisture intrusion on streets identified by Street Maintenance Division personnel throughout the year, the process is used in conjunction with the annual Chip Seal Program to extend the life of pavement segments determined by Engineering Services. Crews work through the colder months to maximize the effectiveness of the process. The Street Maintenance Division applied almost 236,000 pounds of crack sealant on City streets during FY14. The \$100,000.00 (maximum) purchase this year equates to approximately 200,000 pounds of this material.

Financial Impact

Funding of \$100,000.00 has been budgeted in FY15 for this purchase and is available in the Streets Fund.

Attachment

1. Crafc, Inc., quote dated October 15, 2014

Recommended Action: MOVE to approve the purchase of asphaltic rubber crack sealant from Crafc, Inc., using State of Arizona Contract No. ADSPO13-035060 in an amount not to exceed \$100,000.00.



420 N. Roosevelt Avenue
Chandler, AZ 85226
(602) 276-0406 (800) 528-8242
FAX: (480) 940-0313

QUOTE # PVSQRQ1069-03

Date Quoted 10/15/2014
EXPIRATION DATE 6/5/2015

Quote To:	Account Code:	Ship To:
City of Prescott Pam Risaliti 2800 Sundog Ranch Road Prescott, AZ 86301		City of Prescott 2800 Sundog Ranch Road Prescott, AZ 86301

Phone: 928-777-1659

Fax:

Pam Risaliti

Email: pam.risaliti@prescott-az.gov

928-777-1659

pam.risaliti@prescott-az.gov

Project Title:	ADOT Sealant Contract ADSP013-035060
----------------	--------------------------------------

Bid Date:	Terms:	Net 30 Days
Bid Number:	F.O.B.:	ORIGIN/PREPAID/CHARGED BACK
Project Start Date:	Ship Via:	Truck/Common Carrier
Ship Before: 6/5/2015	Salesman Code:	AZ1-AZ DOT CONTRACT
Quote Effective Dates: 4/8/2013 TO 6/5/2015	Quoted By:	Jason Raya
	Region Code:	WR7

Estimated Time to Ship After Receipt of Order: Quoted at time of order.

Customer:	City of Prescott	Quote Number	PVSQRQ1069-03
Project Title:	ADOT Sealant Contract ADSP013-035060	Date	10-15-14

Part #	Description	Unit	Qty.	Quote Price	Ext. Price
34518-31	POLYFLEX TYPE 2	LB	200,000	\$0.4457	\$89,140.0000
	Shipping cost per truckload to: Prescott area \$425.00				

COMMENTS:

Polyflex II & III (34518 & 34521) pricing based upon ADOT Sealant Contract ADSP013-035060 and is not a delivered price (additional shipping charges added F.O.B. Chandler, AZ)

All pricing is based upon full truck load quantities (45,000 pounds)

Prices do not include current applicable sales taxes of 7.8%

All material not able to be produced before the expiration date of the quote will be re-quoted based on the available date of production

If forklift required then an additional \$250.00 charge will be added to invoice

Revision #1: Updated pricing and extended duration of quote

Revision #2: Updated tax rate and extended duration of quote

Revision #3: Updated duration of quote

NOTE: Quantities may be limited at CrafcO's discretion.

Pricing and availability are subject to change without notice.

Pricing does not include applicable taxes. Tax exemption forms must be on file prior to invoicing. Unpaid sales tax will be reported to State and Local tax authorities. Extension is net after terms.

FOB DEFINITIONS:

O/PPD/NC Origin/Prepaid/No Charge - CrafcO will pay all shipping charges.

O/COL Origin/Collect - Freight charges will be collected by the freight carrier at the delivery point.

O/PPD/CB Origin/Prepaid/Charge Back - CrafcO will pay the shipping charges and charge it to the customer including drop charges and other charges that apply.

O/PPD/Fixed/CB Origin/Prepaid/Charge Back - CrafcO has quoted a fixed freight cost that will be added to the invoice plus drop charges that apply.

THIRD PARTY - Freight charges are billed direct by the freight company to an account set up by the customer.

Pavement Preservation Products Restocking Policy

CrafcO will only accept the return of products that have been authorized in writing in advance. To obtain authorization contact your customer service representative. A written authorization will be faxed or emailed to you. A copy of the RETURN AUTHORIZATION must accompany the material being returned.

Not all products are returnable. Products that have a shelf life or are considered made to order or special order may not be returned. No used parts may be returned.

All returns are subject to restocking charges.

All products returned must be in the original packaging and be in good and salable condition. CrafcO reserves the right to charge repackaging charges in addition to restocking charges.

Restocking Charges

PARTS (*)15%

EQUIPMENTNon Returnable

SEALANT (*)25%

SILICONENon Returnable

GEOCOMPOSITESNon Returnable

MASTIC (*)25%

POLYPATCH (*)25%

TECHCRETE (*)25%

OTHER STANDARD INVENTORIED ITEMS (*) 25%

CUSTOMER IS RESPONSIBLE FOR ALL SHIPPING COSTS ON RETURNED MATERIALS.

(*) Not all purchases are returnable. Any part or product that is non-standard or obsolete is not returnable. Request information on the acceptability for returns for any specific

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: Economic Initiatives

AGENDA ITEM: Approval of (1) agreement with the Greater Prescott Regional Economic Partnership (GPREP); and (2) FY 15 annual membership payment in the amount of \$40,000.00 (City Contract No. 2015-069)

Approved By:		Date:
Economic Initiatives Director:	Burt, Jeff	10/27/2014
City Manager:	McConnell, Craig	10/30/2014

Item Summary

This item is to: (1) formalize City of Prescott participation and membership in GPREP by approving the enclosed contract; and (2) authorize the City's FY 15 budgeted payment to GPREP per the attached invoice in the amount of \$40,000.00. GPREP is finalizing its organizational start-up and initiating the economic development activities identified in the attached 2013-2014 GPREP Action Plan.

Background

Public and private representatives have been meeting for more than two years to create a regional economic development organization. That entity has now been formed as the Greater Prescott Regional Economic Partnership (GPREP). The mission of GPREP is to market Greater Prescott as a place to do business and help grow the region's economy by attracting new capital investment and jobs. GPREP is finalizing its organizational activities and moving to initiate its ongoing economic development activities.

Public sector membership in GPREP is expected to include Prescott, Prescott Valley, Chino Valley, Dewey Humboldt, and Yavapai County. Private sector members number 17, and are growing. The FY 15 budget is projected to be approximately 60% and 40% publicly and privately funded, respectively. The GPREP budget year is July to June.

Key milestones for GPREP beyond budget, Bylaws, and staff include approval of a Protocol Agreement (attached) that defines how members will function and cooperate; approval of an electronic prospect tracking tool (p-Track attached) that defines how prospect information is collected, distributed and shared among member communities;

Agenda Item: Approval of (1) agreement with the Greater Prescott Regional Economic Partnership (GPREP); and (2) FY 15 annual membership payment in the amount of \$40,000.00 (City Contract No. 2015-069)

and developing the organization's website (under construction).

The primary focus of GPREP in FY 2015 is marketing in order to gain visibility for the region and the newly formed organization. Specific marketing activities include defining target industries, outreach marketing to companies and national site selection firms, and direct sales missions (Prescott's Department of Economic Initiatives will be an active participant).

Key provisions of the GPREP agreement include: responsibilities of GPREP (Mission and Goals) and Prescott (staff participation), retention and expansion policies, GPREP's economic development services, reporting responsibilities, recognition of GPREP as the regional economic development organization, and Prescott's funding support.

Financial Impact

The FY 15 invoice from GPREP is \$40,000.00. This amount is included in the City's FY 15 General Fund budget. The City is a public member of GPREP. Its financial support of GPREP is determined each year by the GPREP Board based on population.

Attachments

1. GPREP Agreement (City Contract No. 2015-069)
2. Exhibit A GPREP Economic Development Action Plan – July 2013
3. Exhibit B Protocol Agreement
4. Exhibit C Project Tracking Policy
5. FY 15 GPREP Invoice

Recommended Action: **MOVE** to (1) approve City Contract No. 2015-069 with GPREP for FY 15; and (2) authorize payment to GPREP in the amount of \$40,000.00 for City membership in Fiscal Year 2015.

**AGREEMENT BETWEEN
THE GREATER PRESCOTT REGIONAL ECONOMIC PARTNERSHIP
AND THE CITY OF PRESCOTT
City Contract No. 2015-069**

The Council of the City of Prescott has approved participation in and support of the Regional economic development program of the GREATER PRESCOTT REGIONAL ECONOMIC PARTNERSHIP (“GPREP”), an Arizona non-profit corporation. The purpose of this agreement (“Agreement”) is to set forth the Regional economic development program that GPREP agrees to undertake, the support that Prescott agrees to provide, the respective roles of GPREP and Prescott and the payments of Prescott to GPREP for the fiscal year July 1, 2014 - June 30, 2015.

NOW, THEREFORE, in consideration of the mutual promises contained herein, Prescott and GPREP agree as follows:

I. RESPONSIBILITIES OF GPREP

- A. MISSION:** GPREP works create a Regional identity to assist local companies expand, attract new quality businesses, and foster capital investment in the Greater Prescott Region (“the Region”), thereby making the Region more competitive with other Regions.
- B. GOALS:** GPREP is guided by and strategically focused on two specific long-range goals:
 - 1. Marketing the Region to generate qualified business/industry prospects in targeted economic clusters.
 - 2. Leveraging public and private allies and resources to locate qualified prospects, improve overall competitiveness, and sustain organizational vitality.
- C. RETENTION AND EXPANSION POLICY:**
 - 1. GPREP’s primary role is developing the Region’s market intelligence strategy for high wage, base industry clusters in coordination with representatives of GPREP member communities.
 - 2. Retention and expansion of existing businesses within GPREP member communities is primarily a local issue.
 - 3. GPREP will support its member communities’ efforts to retain and expand existing businesses through coordinating Regional support and providing research on key retention and expansion projects.
 - 4. GPREP will advise its member communities when an existing company contacts GPREP regarding a retention or expansion issue, subject to any legal or contractual non-disclosure obligations.

- D. ACTION PLAN AND BUDGET:** In accordance with the Mission, Goals and Retention and Expansion Policy set forth above and subject to the availability of adequate funding, GPREP shall implement the Action Plan and Budget adopted by GPREP's Board of Directors, a copy of which has been delivered to Prescott, receipt of which is hereby acknowledged. A summary of the Action Plan is attached hereto as **Exhibit A** ("GPREP Action Plan"). Prescott shall be informed of any changes in the adopted GPREP Action Plan which will materially affect or alter the priorities established therein. Such notification will be in writing and will be made prior to implementation of such changes. Notwithstanding the foregoing, Prescott acknowledges and agrees that GPREP may, in its reasonable judgment in accordance with its own practices and procedures, substitute, change, reschedule, cancel or defer certain events or activities described in the GPREP Action Plan as required by a result of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPREP's reasonable control. GPREP shall solicit the input of Prescott on the formulation of future marketing strategies.
- E. ECONOMIC DEVELOPMENT SERVICES:** GPREP's implementation of the GPREP Action Plan and economic development services under this Agreement shall generally be encouragement of new industries, businesses, service, investments, and resources to come into the Region. This involves the cooperation and coordination with each member community, local business and organizations. In the event of changing market conditions, funding availability, unforeseen expenses or other circumstances beyond GPREP's reasonable control, these performance targets may be revised with the prior written approval of a majority of the designated members of GPREP's Economic Development BAT ("BAT").

The parties acknowledge that GPREP is a cooperative organization effort among GPREP and its member communities. Accordingly, Prescott and GPREP covenant and agree to work together in a productive and harmonious manner, to cooperate in furthering GPREP's goals. Prescott and GPREP further covenant and agree to comply with the Regional Cooperation Protocol, attached hereto as **Exhibit B**, in all material respects.

GPREP's services are to be conscientiously and diligently pursued, guided by the GPREP Action Plan. GPREP will meet with the BAT on a monthly basis to provide relevant factors and circumstances and discuss the approach to be taken in order to achieve the target(s). Failure to meet a performance target will not, by itself, constitute breach hereunder unless GPREP (i) fails to inform Prescott of such event or (ii) fails to meet with BAT to present a plan for improving its performance during the balance of the term of the Agreement, which, if GPREP fails to comply with either step, will constitute breach for which Prescott may terminate this Agreement as outlined below.

- F. REPORTS:** GPREP shall provide to Prescott the following reports and information on a quarterly basis:

1. A quarterly progress report of achievements outlined in the GPREP' Action Plan.

2. The project name and information of individuals or entities inquiring during the quarter about starting or expanding of business in the Region.
3. An annual report to Prescott for the current year ending June 30, 2015.

II. RESPONSIBILITIES OF PRESCOTT

A. STAFF SUPPORT OF GPREP EFFORTS: Prescott shall provide staff support to GPREP's economic development efforts as follows:

1. Prescott shall respond to leads or prospects referred by GPREP in a professional manner within the time frame specified by the lead or prospect if Prescott desires to compete and if the lead is appropriate for the Prescott as outlined in the P-Track Policy attached hereto as **Exhibit C**. When available, Prescott agrees to provide its response in the format developed jointly by the BAT and GPREP;
2. Prescott shall provide appropriate local hospitality, tours and briefings for prospects visiting sites in Prescott Government's geographic area;
3. Prescott shall provide an official economic development representative to represent Prescott on the BAT;
4. Prescott shall cooperate in the implementation of GPREP/BAT process improvement recommendations including the use of common presentation formats, exchange of information on prospects with GPREP's staff, the use of shared data systems, land and building data bases and private sector real estate industry interfaces;
5. Prescott shall use its best efforts to respond to special requests by GPREP for particularized information about Prescott within three (3) business days after the receipt of such request;
6. In order to enable GPREP to be more sensitive to Prescott Government's requirements, Prescott may, at its sole option deliver to GPREP copies of any Prescott approved economic development strategies, work plan, programs and evaluation criteria. GPREP shall not disclose the same to the other participants in GPREP or their representatives;
7. Prescott shall utilize its best good faith efforts to cause an economic development professional representing Prescott to attend all marketing events and other functions to which Prescott has committed itself; and
8. Prescott agrees to work with GPREP to improve Prescott's competitiveness and market readiness to support the growth and expansion of the targeted industries as identified for Prescott.

- B. RECOGNITION OF GPREP:** Prescott agrees to recognize GPREP as Prescott's officially designated Regional economic development organization for marketing the Region.

III. ADDITIONAL AGREEMENTS OF THE PARTIES:

- A. PARTICIPATION IN MARKETING EVENTS AND PROVISION OF TECHNICAL ASSISTANCE:** Representative(s) of Prescott shall be entitled to participate in GPREP's marketing events provided that such participation shall not be at GPREP's expense. When requested and appropriate, GPREP will use its best efforts to provide technical assistance and support to Prescott's economic development staff for business location prospects identified and qualified by Prescott and assist Prescott with presentations to the prospect in Prescott or the prospect's corporate location.

B. COMPENSATION:

1. Prescott agrees to pay **\$40,000.00** for services to be provided by GPREP pursuant to the Agreement during the fiscal year ending on June 30, 2015, as set forth in this Agreement. The payment by Prescott may, upon the mutual and discretionary approval of the board of directors of GPREP and Prescott's Council, be increased or decreased from time to time during the term hereof in accordance with the increases or decreases of general application in the per capita payments to GPREP by other local governments which support GPREP.
2. Funding of this Agreement shall be subject to the annual appropriations of funds for this activity by the Prescott Council pursuant to the required budget process of the City;
3. Nothing herein shall preclude Prescott from contracting separately with GPREP for services to be provided in addition to those to be provided hereunder, upon terms and conditions to be negotiated by Prescott and GPREP; and GPREP shall submit invoices for payment on an annual basis.
4. Agreement Term. Unless otherwise stated this Agreement shall be effective from July 1, 2014 through June 30, 2015.

IV. GENERAL PROVISIONS:

- A. COVENANT AGAINST CONTINGENT FEES:** GPREP warrants that no person or selling agent has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee.
- B. PAYMENT DEDUCTION OFFSET PROVISION:** GPREP recognizes the provisions of Prescott Government's code may require that no payment be made to any contractor as long as there is any outstanding obligation due to Prescott, and directs that any such obligation may be offset against payment due to GPREP.

- C. ASSIGNMENT PROHIBITED:** No party to this agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and no effect.
- D. INDEPENDENT CONTRACTOR; NO AGENCY:** Nothing contained in this Agreement creates any partnership, joint venture or agency relationship between Prescott and GPREP. At all times during the term of this Agreement, GPREP shall be an independent contractor and shall not be an employee of Prescott. GPREP shall have no authority, express or implied, to act on behalf of Prescott in any capacity whatsoever as an agent of Prescott. GPREP shall have no authority, express or implied, pursuant to this Agreement to bind Prescott to any obligation whatsoever.
- E. COMPLIANCE WITH APPLICABLE FEDERAL AND STATE LAWS REQUIRED.** GPREP understands and acknowledges that it shall at all times comply with all applicable laws, statutes, rules, regulations, and ordinances in their performance under this Agreement.
- F. TERMINATION.** Prescott shall have the right to terminate this Agreement if GPREP shall fail to duly perform, observe or comply with any covenant, condition or agreement on its part under this Agreement and such failure continues for a period of thirty (30) days (or such shorter period as may be expressly provided herein) after the date on which written notice requiring the failure to be remedied shall have been given to GPREP by Prescott; provided, however, that if such performance, observation or compliance requires work to be done, action to be taken or conditions to be remedied which, by their nature, cannot reasonably be accomplished within thirty (30) days, no event of default shall be deemed to have occurred or to exist if, and so long as, GPREP shall commence such action within that period and diligently and continuously prosecute the same to completion within ninety (90) days or such longer period as Prescott may approve in writing. Termination of this Agreement shall be the sole and exclusive remedy of the parties arising from a breach of this Agreement by the other. The parties knowingly and voluntarily waive any claims to damages of any nature and type against the other, its members, directors, officers, agents and employees, arising from a breach of this Agreement.
- G. PRESCOTT'S REVIEW OF GPREP RECORDS.** GPREP must keep all Agreement records separate and make them available for audit by Prescott personnel upon request.
- H. NOTICES.** Any notice, consent or other communication required or permitted under this Agreement shall be in writing and shall be deemed received at the time it is personally delivered, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, three (3) days after the notice is deposited in the United States mail addressed as follows:

If to City: Craig McConnell
Prescott City Manager
City of Prescott
201 S. Cortez
Prescott, Arizona 86303
Phone: 928-777-1100
Fax: 928-777-1255

If to GPREP: Steve Rutherford
President
Greater Prescott Regional Economic Partnership
7351 East Civic Circle, Room 143
Prescott Valley, Arizona 86314
Phone: (928) 772-4883
FAX: (928) 775-6165

Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address or the person to receive notice by notifying the other party as provided in this paragraph.

- I. NO WAIVER.** Except as otherwise expressly provided in this Agreement, any failure or delay by any party in asserting any of its rights hereunder will not operate as a waiver of any such future rights.
- J. SEVERABILITY.** If any provision of this Agreement shall be found invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.

K. CAPTIONS. The captions contained in this Agreement are merely a reference and are not to be used to construe or limit the text.

L. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS. This Agreement may be executed in up to three (3) duplicate originals, each of which is deemed to be an original. This Agreement and the below-listed exhibits which are incorporated herein by this reference, constitutes the entire understanding and agreement of the parties.

Exhibit A – GPREP Action Plan
Exhibit B – Regional Cooperation Protocol
Exhibit C – P-Track Policy

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of Prescott or GPREP, and all amendments hereto must be in writing and signed by the appropriate authorities of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement this ____ day of _____, 2014.

Prescott, a municipal corporation

By: _____

ATTEST:

By: _____
Its: Dana DeLong, City Clerk

APPROVED AS TO FORM:

By: _____
Its: Attorney

GREATER PRESCOTT REGIONAL
ECONOMIC PARTNERSHIP
an Arizona nonprofit corporation

By: _____
Steve Rutherford, President

Exhibit A
GPREP Economic Development Action Plan - July 2013

Exhibit B

Protocol Agreement
Greater Prescott Regional Economic Partnership
And
Municipal Members of the BAT

The foundation of this document is built on trust and the spirit of Regional cooperation among the entities involved. GPREP and the BAT of its member communities should work together as partners on projects involving the communities which GPREP represents, regardless of the source of the lead.

1. GPREP Team Partners will demonstrate a commitment to the positive promotion of the Greater Prescott Region and its communities as a globally competitive Region.
2. GPREP Team Partners will maintain the highest standards of economic development prospect handling, including confidentiality, without jeopardizing a prospect's trust to secure the probability of a Regional locate. Partners agree to respect the prospect's request for confidentiality but also agree to notify each other as to the existence of a project with a confidentiality requirement when able and shall make a good-faith effort to involve the appropriate state, Regional or local partners at the earliest possible time.
3. Unless otherwise restricted, agree to coordinate through GPREP for any prospect considering a project in any of the communities that GPREP represents, understanding that GPREP is in a unique position to represent and speak on Regional economic development issues and on characteristics of the Region's economy. Likewise, GPREP recognizes that the Arizona Commerce Authority is the exclusive organization leading the state's economic development efforts and that Arizona Commerce Authority is in a unique position to represent and speak on state incentives, programs and major policy matters. GPREP and Arizona Commerce Authority also acknowledge that communities are in the best position to speak about local incentives and efforts surrounding the local economy.
4. For projects that originate with a GPREP member community, GPREP will be available as confidential research access, topical expertise or as a service provider, to add value to the community in securing the project. Additionally, GPREP will not e-track the project unless the community lead makes such a request to do so.
5. GPREP will form a BAT to include representation from each of the municipalities, Yavapai Prescott Indian Tribe, NACOG, Yavapai College, a Chamber of Commerce Representation, and Utilities.
5. GPREP Team Partners will provide accurate and timely information in response to specific requests by all prospects. When a client has narrowed sites to specific GPREP member communities, GPREP and will make a good- faith effort to inform those affected BAT members first. BAT members agree to provide information solely on their own community when the information requested is site-specific (ie, cost of land, taxes, development fees, utility availability and cost, zoning process timing, permit timing and local incentives). When site-specific information related to other GPREP communities is requested, BAT members agree to (i) direct GPREP prospects back to GPREP or (ii) direct non-GPREP generated prospects to contact the affected communities directly, and as a courtesy.
6. Prospect source and the determination of any lead prospect will follow the policies of the GPREP p-Track agreement as developed and agreed upon by the member communities.

7. Agree that regardless of the lead source, public locate announcements shall be coordinated among the company, GPREP member community, and GPREP to reflect inclusiveness and cooperation of all partners.
8. Encourage collaborative efforts to expand or relocate businesses within the Region and prohibit preparatory use of local financial incentives for existing jobs to companies with current operation in another GPREP community.
9. Inform GPREP member community prior to or as soon as possible when a company visits or physical site visit within their community will occur. BAT members will be the primary point of contact for the company when community information is needed.
10. Formalize a process to convene GPREP, Arizona Commerce Authority Board Representatives and BAT member communities semi-annually, and cooperate in the exchange of information and ideas reflecting practices, procedures and policies relating to prospect handling and Regional economic development.
11. Work collectively to maintain a high level of trust and integrity by and between GPREP, Arizona Commerce Authority and the BAT of GPREP member communities
12. If there is evidence that protocol has not been followed or a professional conflict arises, the matter will be referred to the BAT. If the matter cannot be resolved by the BAT, the GPREP President will review the matter and may, at his or her discretion, consult or involve the GPREP Board. Disciplinary action may be taken as determined by the Board of Directors.
13. Partners agree to abide by this protocol agreement and uphold the highest standards of Regional economic development cooperation. Partners agree to uphold the highest standards of Regional and statewide economic development cooperation.

Name _____ Date _____
(Please Print)

Signature _____

Exhibit C

Project Tracking (p-Track) Policy

The p-Track is GPREP's standard process of distributing, collecting, and sharing a prospect's request for available real estate with GPREP member communities.

The process, as outlined below, is designed to provide value to our B.A.T (BAT) partners by maintaining an equal opportunity for response by all our member communities in order to give the best information to our prospects within a timely manner. For every prospect/client that requests such assistance, GPREP will, within 24 hours, email a p-Track request to all communities for available real estate and other data needed that matches our client's specifications.

It is also agreed that the following scenarios below GPREP will not send or share a p-Track:

- Prospect is already represented by a real estate professional who will be handling the real estate search
- Community is the lead, and prospect was brought to GPREP by a local B.A.T. partner
- Prospect has asked GPREP not to pursue a real estate search

1. The p-Track will be sent to all B.A.T. members unless Prospect has a narrow geographic area under consideration. Possible criteria for delivery to less than the full B.A.T. membership include but are not limited to:

- i. Proximity to a client
- ii. Vendor
- iii. Airport
- iv. Transportation corridor for export or import
- v. University/Community College
- vi. Cluster of like businesses, and
- vii. Labor Force

2. Once the p-Track is sent, B.A.T. partners will respond within the timeframe set by the client.
3. p-Track emails will be retained for three years after initial send date or 12 months after officially closed . Additionally, GPREP will have electronic or written verification from the prospect if the geographic area for the p-Track is less than full B.A.T. membership.
4. GPREP will include all properties, submitted by B.A.T. partners, which meet the minimum specifications as outlined by the Prospect. If properties are submitted that do not meet specifications, GPREP will notify the community that the sites were eliminated.
5. Upon receipt of community submittals from B.A.T. partners, GPREP will compile the available real estate package and send it to the Prospect within one business day.
6. GPREP will send a new p-Track out for any clients whose real estate requirements have changed in a way that will allow additional community submittals for consideration.

7. Community disputes on any adherence to this policy will be addressed with mediation as outlined in the GPREP protocol Agreement.

Community: _____

Community Representative: _____

Date: _____



Greater Prescott Regional Economic Partnership

Economic Development Action Plan 2013-2016

Sponsored by



Economic Development Action Plan For the Greater Prescott Regional Economic Partnership

PREPARED BY:
ESI CORPORATION

5635 North Scottsdale Road
Suite 170
Scottsdale, Arizona 85250
(602) 265-6120
www.esicorp.net

July 5, 2013

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Acknowledgements

Arizona Public Service and ESI Corporation would like to acknowledge and thank the people and organizations who contributed to this planning process effort.

Technical Advisory Committee

Name	Representing
Anessa Andrews	Central Arizona Partnership
Tim Barnett	Yavapai Regional Medical Center
Dane Beck	Beck Legacy Group
Bob Been	Central Arizona Partnership
Peter Bourgois	Yavapai Prescott Indian Tribe
Councilman Al Carlow	City of Prescott
Mike Cole	APS
Teri Drew	NACOG
Brad Fain	Fain Signature Group
Mike Fann	Fann Contracting
Sandy Griffis	YCCA
David Hall	Embry Riddle Aeronautical University
Mike Kinnison	BBVA Compass Bank
Gary Marks	Prescott Valley Economic Development Foundation
Dave Maurer	Prescott Chamber of Commerce
Mayor Chris Marley	Town of Chino Valley
Mayor Terry Nolan	Town Dewey-Humboldt
Steve Rutherford	Rutherford Investments, Inc
Rowle Simmons	Yavapai County
Robert E. Smith	Town of Chino Valley
Larry Tarkowski	Town of Prescott Valley
Joseph Van Bourgondien	SCORE
Steve Walker	Yavapai College
Kristin Woolever	Prescott College

Stakeholder Interviews

Name	Organization
Dr. Francis H. Ayers	Embry Riddle Aeronautical University
Tim Barnett	Yavapai Regional Medical Center
Michael Dailey	Prescott Aerospace
Mike DeSoto	M&I Windows
David Hall	Embry Riddle Aeronautical University
Mel Lawyer	Print Pak
John Markham	Cobham
Gary Marks	Prescott Valley Economic Development Foundation
Mayor Marley	Town of Chino Valley
Jack Smith	Ace Hardware Distribution
Robert Smith	Town of Chino Valley
Larry Tarkowski	Town of Prescott Valley
Steve Walker	Yavapai College
Kristin Woolever	Prescott College



This report was sponsored by Arizona Public Service to assist communities in understanding the economy of their region and help them develop a strategic plan that fits their circumstances.

Prepared by ESI Corp



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1. EXECUTIVE SUMMARY

Background

Over the course of the last decade, the greater Prescott region has experienced significant population growth, which has outpaced both Yavapai County and Arizona as a whole. The three industry sectors that demonstrated the greatest employment gains from 2000 to 2010 include:

- Educational and Healthcare Services
- Retail Trade
- Finance, Insurance and Real Estate

The Prescott region has a strong competitive advantage in several industry clusters, including: Manufacturing, Defense and Security, Aviation and Aerospace, Transportation and Healthcare. The industry cluster that employs the most number of people in the region is Healthcare with over 6,100 jobs. This industry cluster also experienced the greatest employment growth at 57 percent over the 10 year time horizon. Manufacturing in the Prescott region has nearly two and one-half times the number of jobs than the state's average, but suffered a 3 percent decline over 10 years.

The civic and business leadership within the Prescott area recognize the importance of regionalism and have come together to create the Greater Prescott Regional Economic Partnership (GPREP). Crafting the economic development strategic plan for implementation is one of the first steps to be undertaken. This plan represents a three-year blueprint to enhance job creation for the region, and includes an action plan and cluster based strategies.

A Strength, Weaknesses, Opportunities and Threats (SWOT) assessment was conducted through interviews with TAC members and key stakeholders, along with supplemental desk research. Findings from these interviews provided insight into potential growth strategies, opportunities for collaboration, and market trends and gaps. These interviews also helped in understanding key success factors, local competition and barriers to economic development. Key findings of the SWOT provide a foundation for the development of the plan and include the following:

- The Prescott region image is centered around its Western history and known for tourism and retirement.
- Regional strengths include high concentration of higher education facilities, fabulous quality of life and the presence of the Prescott Regional Airport, i.e. Ernest A. Love Field.
- Weaknesses within the region include difficulty in attracting a skilled workforce, insufficient supply of affordable housing, the lack of jobs within base industry, availability of shovel ready land for development, and telecommunications infrastructure that has not kept pace with today's data applications.
- The biggest barrier as a region is lack of community cohesiveness and trust, which makes it difficult to come together on common goals.

Economic Development Action Plan

The GPREP Economic Development Action Plan is predicated around five focus areas with an overarching goal for each area. Embodied within each goal are action items and benchmarks to measure success. These focus areas were formulated based on the results of the background research, interviews, and Technical Advisory Committee input. The order of the focus areas and their supportive goals, action items and implementation steps are not prioritized based on their value to the region. To achieve any measure of success in economic development, implementation of action items within all focus areas must be undertaken simultaneously.

Focus Area	Goal
Marketing	•Create a business brand and marketing campaign for the region designed to achieve the economic development actions.
Recruitment	•Enhance the regional job base by attracting companies within three industry clusters.
Retention & Expansion	•Facilitate the expansion of local business and job creation/retention.
Research & Capacity Building	•Develop and maintain a repository of data and information on the region and provide technical assistance to member communities.
Investor Relations	•Build public and private sector support for GPREP.

In addition to these five focus areas, the plan also identifies cluster based strategies. Research at the national level show that clusters drive economic vitality by generating jobs and wages for residents and expanding purchases of products and services from local suppliers, all resulting in a positive ripple effect to create benefits for every community within a region. The Technical Advisory Committee determined that GPREP would initially focus its economic development efforts on the following industry clusters:

- Manufacturing
- Aviation and Aerospace
- Defense and Security

Next Steps

Launching a new regional economic development organization is a major endeavor and requires many steps including creating a non-profit organization and filing the articles of incorporation, conducting a fundraising campaign, and staffing the organization.

Next steps, outlined by the GPREP organization committee, include constituting the board of directors with both public and private sector representatives, continue the fundraising campaign and securing multi-year commitments from the quad cities, Yavapai County and the private sector. Finally, it is imperative to have people in place to begin implementing the three-year economic development Action Plan. In that regard a sub-committee was formed to begin discussions relating to hiring an Executive Director or retaining the services of a consultant.

2. GREATER PRESCOTT REGION

BACKGROUND

The Greater Prescott Region is a rapidly growing area located 85 miles north of Phoenix in central Yavapai County. This area also known as the Quad-City Region includes Prescott, Prescott Valley, Chino Valley, and Dewey-Humboldt. With a current population of approximately 94,000, the greater Prescott region is one of the fastest growing areas in the state of Arizona, and Yavapai County. Known for its temperate climate and small town feel this area has become a very popular destination for many, especially retirees.

This area is also considered a great tourist destination thanks to its heritage and great natural environment. The city of Prescott was Arizona's territorial capitol at the time of its founding in 1864, and there is a rich prehistoric history dating back 12,000 years. Surrounded by picturesque views of forests and mountains this area is also home to several different wildlife species. The characteristics of this region have provided it with the opportunity to attract new business opportunities that will enable the region to expand into a well established economic center.

POPULATION GROWTH AND DEMOGRAPHICS

The population of the greater Prescott region has more than doubled since the 1990's and has increased by 30 percent between 2000 and 2010, with an annual growth rate of 3 percent. Table 1 illustrates the population growth for the region for the years 1990 through 2010.

Table 1 - GPREP Population Growth 1990-2010

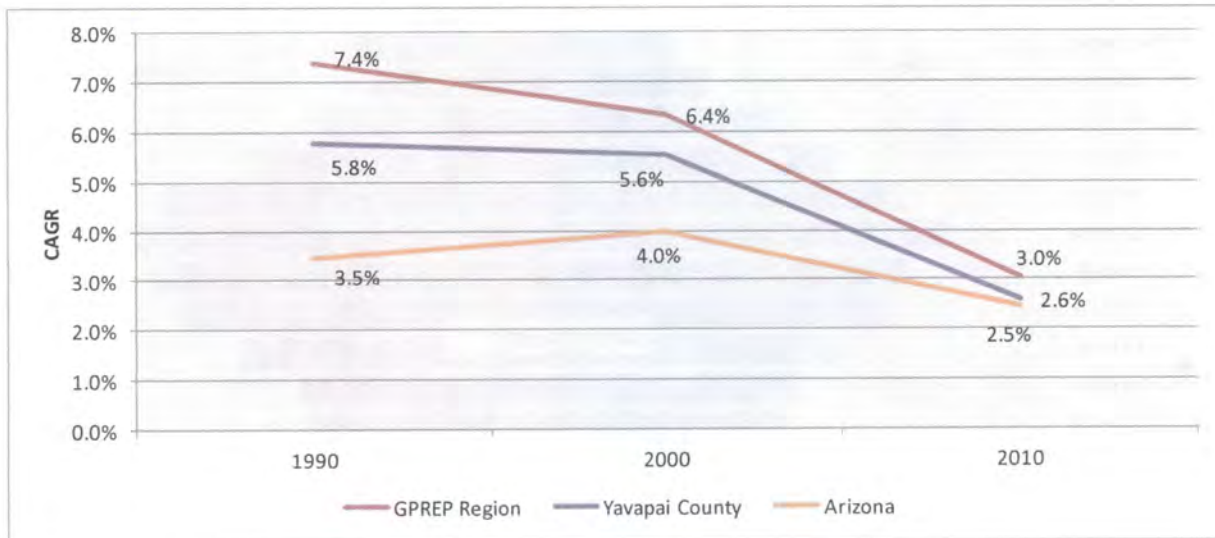
	Chino Valley	Dewey-Humboldt ¹	Prescott	Prescott Valley	Total	Annualized Growth
1990	4,837	3,640	26,455	8,858	43,790	---
2000	7,835	6,295	33,938	23,535	71,603	6.4%
2010	10,817	3,894	39,843	38,822	93,376	3.0%

Source: US Census 1990, 2000, and 2010

Note 1: 1990 and 2000 are figures for Dewey-Humboldt CDP, the town of Dewey-Humboldt was incorporated in 2004 and has a smaller geographic area, and there was no actual drop in population.

Figure 1 illustrates that the annualized growth rate for the region is greater than the state of Arizona and Yavapai County over this same time period. Beginning in 2000, all geographies are growing, but at a slower growth rate, with the greater Prescott region at 3 percent compared to the State as a whole at 2.5 percent.

Figure 1 - Greater Prescott Region Annual Growth Rates, 1990-2010



Source: US Census 1990, 2000, and 2010

Note 1: Dewey-Humboldt CDP was not large enough to appear in the 1980 census

AGE AND ETHNICITY

The greater Prescott region has a relatively older population due to the large amount of retirees that reside there. Table 2 shows that all of the towns in the region have experienced an increase in the median age over the last two decades.

Table 2 - GPREP Median Age, 1990-2000

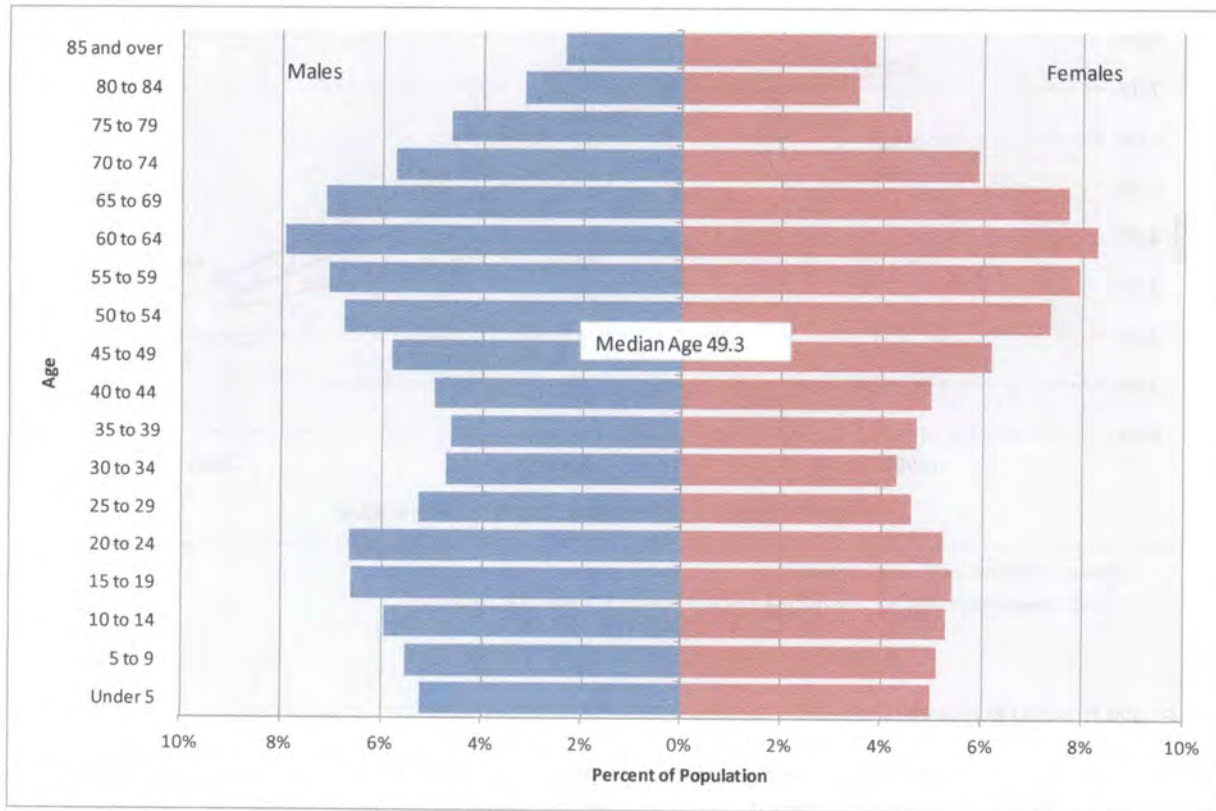
	Chino Valley	Dewey-Humboldt ¹	Prescott	Prescott Valley
1990	37.9	53.7	43.5	37.7
2000	39.8	53.9	47.8	37.3
2010	44.8	49.3	54.1	40.6

Source: US Census 1990, 2000, and 2010

Note 1: 1990 and 2000 figures are for Dewey-Humboldt CDP

A population pyramid is useful in analyzing the distribution of age and gender of the Quad-City region. Figure 2 illustrates the age and gender distribution of the region, and clearly shows the large proportion of retired individuals. An estimated median age for the quad cities area is 49.3 years old.

Figure 2 - GPREP Population Pyramid, 2010



Source: US Census 2010

The age pyramid illustrates a large bulge surrounding the 60 to 64 age cohort, while the prime working years, defined by those between the ages of 25 to 54, is small by comparison. This demographic can most likely be attributed to the large in-migration of retirees to the region.

The race and ethnic composition of the greater Prescott region is largely white, and has remained fairly steady since 1990. Table 3 gives a detailed breakdown of population by race, including an estimate of the Hispanic or Latino population. Since 2000 most categories with the exception of white have grown, making it evident that the population in this area is becoming more diverse.

Table 3 - GPREP Population by Race and Ethnicity

	1990		2000		2010	
Race	Count	Percent	Count	Percent	Count	Percent
Total	132,199	100.0%	71,603	100.0%	93,376	100.0%
White	118,270	89.5%	66,419	92.8%	84,082	90.0%
Black or African American	975	0.7%	317	0.4%	651	0.7%
American Indian/Alaska Native	1,497	1.1%	770	1.1%	1,044	1.1%
Asian	1,484	1.1%	445	0.6%	1,019	1.1%
Native Hawaiian/Pacific Islander	176	0.1%	63	0.1%	115	0.1%
Some Other Race	6,395	4.8%	2,319	3.2%	4,110	4.4%
Two or More Races	na	na	1,270	1.8%	2,355	2.5%
Ethnicity						
Hispanic or Latino (of any race)	18,444	14.0%	6,484	9.1%	11,960	12.8%

Source: US Census 1990, 2000, and 2010

Note 1: 1990 and 2000 figures are for Dewey-Humboldt CDP

INCOME

Residents of the greater Prescott region have median household income's ranging from \$38,972 in Dewey-Humboldt to \$44,086 in Prescott Valley. Table 4 shows that all of the cities in the region have grown at a comparable rate to the county as a whole.

Table 4 - GPREP Household Income 1990-2010

	Chino Valley	Dewey-Humboldt ¹	Prescott	Prescott Valley	Yavapai County
1990	\$18,646	\$27,266	\$22,517	\$21,848	\$22,060
2000	\$32,289	\$36,839	\$35,446	\$34,341	\$34,901
2010	\$41,978	\$38,972	\$43,867	\$44,086	\$44,084

Source: US Census 1990, 2000, and 2010

Note 1: 1990 and 2000 figures are for Dewey-Humboldt CDP

EDUCATIONAL ATTAINMENT

Educational attainment levels in the greater Prescott region show a smaller share of the population with less than a four year degree compared to the State, as illustrated in

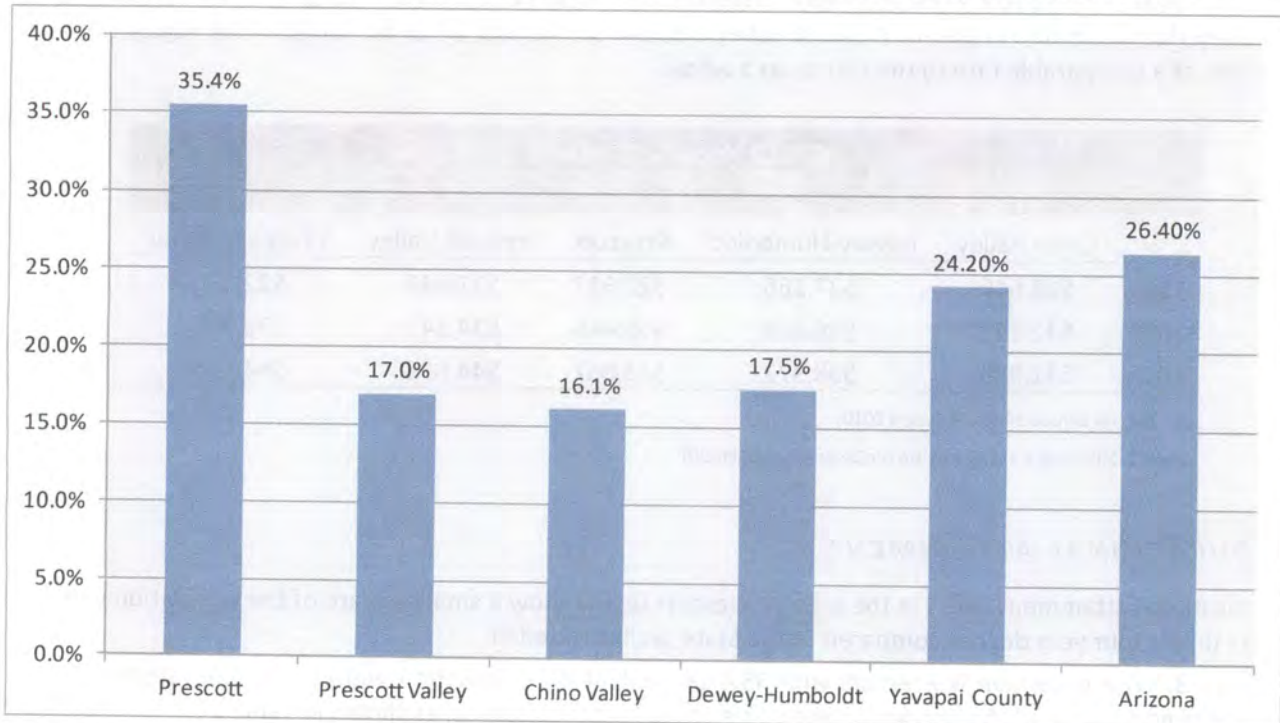
Figure 3. The exception is Prescott with 35.4 percent of the population with a four year degree. A notable percentage of the residents have some college with no degree, as shown in Table 5.

Table 5 - GPREP Educational Attainment, 2011

	Prescott		Prescott Valley		Chino Valley		Dewey-Humboldt	
EDUCATIONAL ATTAINMENT	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Population 25 years and over	31,146	31,146	25,510	25,510	7,599	7,599	2,730	2,730
Less than 9th grade	764	2.5%	1,049	4.1%	162	2.1%	23	0.8%
9th to 12th grade, no diploma	1,534	4.9%	1,903	7.5%	642	8.4%	224	8.2%
High school (or equivalency)	6,889	22.1%	7,096	27.8%	2,426	31.9%	719	26.3%
Some college, no degree	8,398	27.0%	8,961	35.1%	2,402	31.6%	1,141	41.8%
Associate's degree	2,549	8.2%	2,171	8.5%	742	9.8%	144	5.3%
Bachelor's degree	6,320	20.3%	3,046	11.9%	776	10.2%	304	11.1%
Graduate or professional degree	4,692	15.1%	1,284	5.0%	449	5.9%	175	6.4%
High school graduate or higher	---	92.6%	---	88.4%	---	89.4%	---	91.0%
Bachelor's degree or higher	---	35.4%	---	17.0%	---	16.1%	---	17.5%

Source: US Census, 2011 ACS 3 Year Estimate

Figure 3 - GPREP, Yavapai County, and Arizona Percent Bachelor's Degree or Higher, 2011



Source: US Census, 2011 ACS 3 Year Estimate

LABOR FORCE AND EMPLOYMENT

The labor force in the greater Prescott region has increased significantly since 2000 as shown in Table 6. As illustrated the annual growth rate was nearly double that of Yavapai County between 2000 and 2010. The total growth of the region would be higher but the measurement for Dewey-Humboldt shows a decrease due to the fact that the 2000 data was taken for Dewey-Humboldt CDP, which had a larger geographic area than the currently incorporated town of Dewey-Humboldt.

Table 6 - GPREP Labor Force Participation Rates

	2000	2010	Annual Growth
GPREP Total	30,149	41,456	3.8%
Chino Valley	3,442	4,681	3.6%
Dewey-Humboldt ¹	2,417	1,748	-2.8%
Prescott	14,205	16,869	1.9%
Prescott Valley	10,085	18,158	8.0%
Yavapai County	71,822	87,953	2.2%

Source: US Census 2000, and 2010

Note 1: 2000 figure is for Dewey-Humboldt CDP which has a larger population, there was no actual drop in labor force

EMPLOYMENT BY INDUSTRY

As shown in Table 7, employment in the greater Prescott region is concentrated in educational, health and social services, retail trade, arts, entertainment, recreation and food services. The construction industry is also close behind these other categories.

Chino Valley has a higher concentration of employment within manufacturing, transportation, warehousing, and utilities, and finance, insurance and real estate. Dewey-Humboldt leads the region in construction and public administration employment, while Prescott exceeds in information, professional and scientific, and educational, health and social service jobs. Finally, Prescott Valley has a higher concentration in retail trade, and arts, entertainment, food services and recreation.

Table 7 - GPREP Industry Employment, 2010

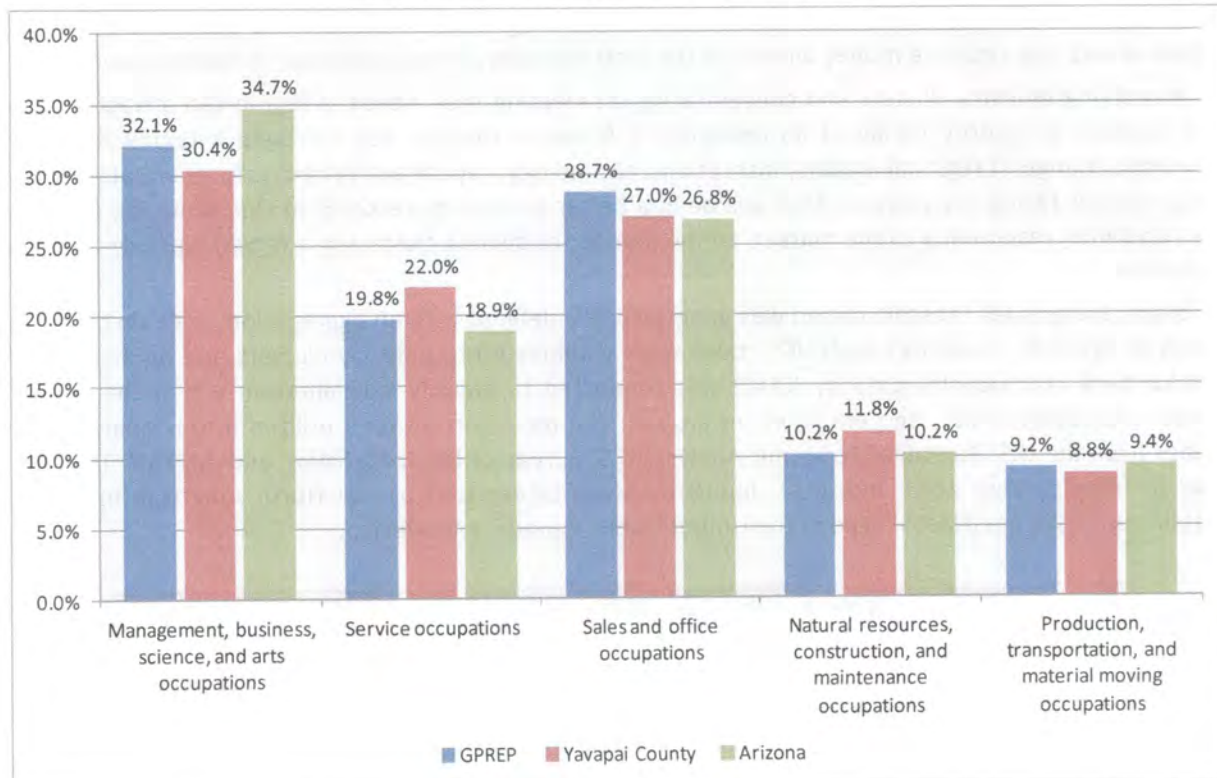
	Chino Valley	Dewey-Humboldt	Prescott	Prescott Valley	Total
Agriculture, forestry, fishing and hunting, and mining	1.2%	2.3%	1.5%	1.1%	1.3%
Construction	9.5%	12.5%	6.3%	11.3%	9.1%
Manufacturing	8.8%	8.2%	6.3%	5.2%	6.2%
Wholesale trade	3.3%	5.3%	1.5%	3.2%	2.6%
Retail trade	12.1%	11.0%	13.7%	18.5%	15.5%
Transportation and warehousing, and utilities	4.2%	0.8%	2.8%	4.0%	3.4%
Information	0.6%	0.4%	1.7%	1.1%	1.3%
Finance, insurance, real estate, and rental/ leasing	9.0%	5.3%	6.4%	5.0%	6.1%
Professional, scientific, and related occupations	6.0%	7.1%	8.5%	5.8%	7.0%
Educational, health and social services	26.0%	27.1%	31.5%	24.2%	27.5%
Arts, entertainment, recreation, and food services	8.5%	5.5%	10.8%	11.2%	10.5%
Other services (except public administration)	5.7%	3.8%	6.4%	4.8%	5.5%
Public administration	5.1%	10.8%	2.5%	4.5%	4.0%

Source: US Census 2010

EMPLOYMENT BY OCCUPATION

The occupational concentration of the region is in management, business, science, and arts occupations, which is closely followed by sales and office occupations. Figure 4 shows that the region has an occupational structure very similar to Yavapai County and the State of Arizona.

Figure 4 - Occupational Employment, 2010



Source: US Census 2010

3. INDUSTRY CLUSTERS

CLUSTER ANALYSIS

To understand the economic drivers of the Prescott region's economy, apart from Yavapai County as a whole, an industry cluster analysis was prepared. Industry clusters are defined as networks of firms within a region that benefit from business-to-business relationships and share common markets, labor pools, technologies, supplier industries, and institutional support services such as educational institutions or other specialized education and training programs. Without these economic drivers, a region would only circulate money already in the local economy, losing economic momentum over time.

By identifying industry clusters and concentrating on meeting their needs, a region can attract wealth and increase prosperity for all of its residents. A focus on clusters also can help a region adapt to economic change. If regional leaders, institutions, technology, capital and infrastructure, are attuned to the pressures facing key clusters, they will be in a better position to respond to cluster needs. Clusters are constantly responding to the market, so the number of distinct clusters in a region typically changes over time.

To begin, the greater Prescott region was geographically defined with an aggregation of 12 zip codes as noted in Table 8. Industries by NAICS codes were combined into industry clusters and an analysis of employment and industry data by NAICS was conducted to identify specialization within the region, cluster employment size, and employment growth. The most current data utilized in this analysis and comes from the U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and IMPLAN. The data year for employment 2001 and 2011. Industries were categorized by the North American Industrial Classification System (NAICS) used in the United States, Canada, and Mexico.

Table 8 - GPREP Economic Region by Zip Code

Prescott	Prescott Valley	Chino Valley	Dewey-Humboldt
86301	86312	86323	86327
86302	86314		86329
86303	86315		
86304			
86305			
86313			

Source: USPS

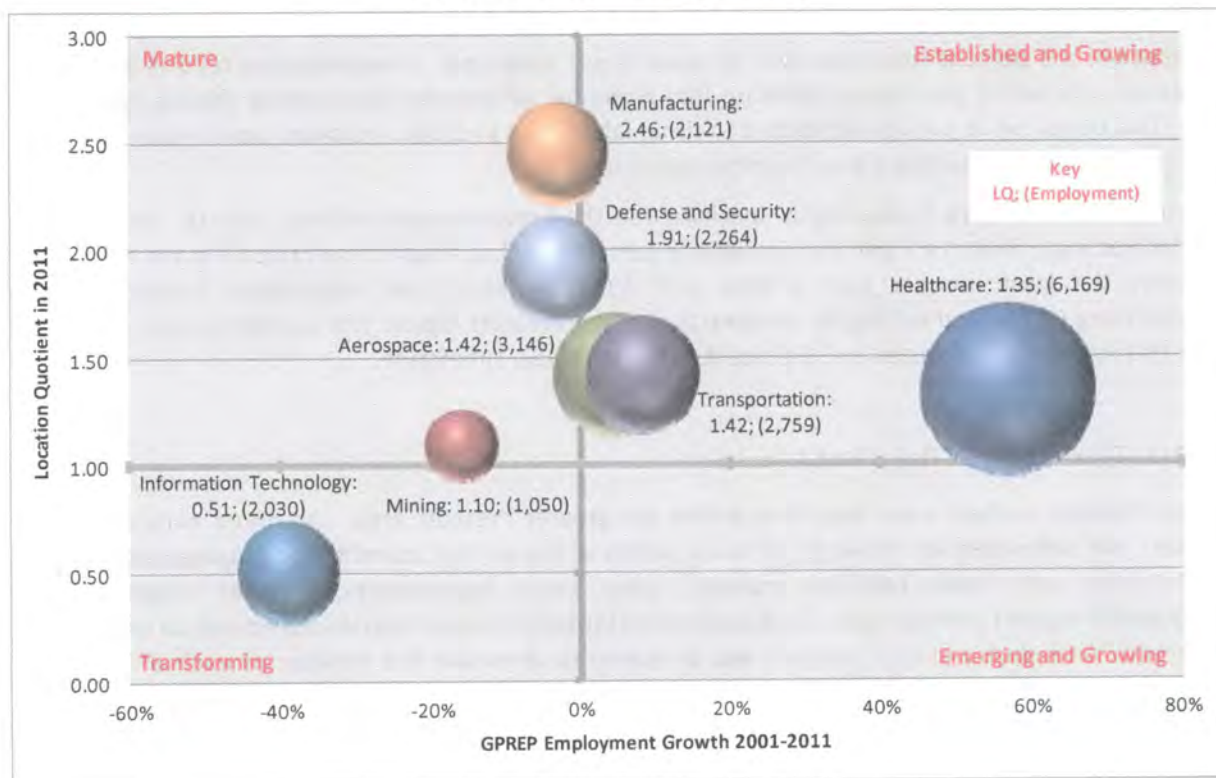
Several factors were utilized in evaluating the industry cluster, including the relative employment concentration, known as the location quotient (LQ), the number of jobs linked to each industry cluster, and employment growth. Location quotients were used to identify the relative concentration of local employment within a given business sector. A location quotient (LQ) was computed for each industry cluster using the following mathematical formula:

$$LQ = \frac{\text{GPREP Region Industry Employment} / \text{GPREP Region Total Employment}}{\text{Arizona Industry Employment} / \text{Arizona Total Employment}}$$

An industry cluster graphic (Figure 5) was prepared for the region to help identify competitive strengths and weaknesses of the various clusters. The size of the bubble represents industry cluster by number of workers. The vertical axis represents the LQ which shows the relative concentration of that industry to Arizona as a whole. With the Arizona average being 1.0, anything above 1.0 reveals a greater concentration in employment than the state.

The horizontal axis represents employment growth from 2001 to 2011. The bubbles right of the vertical axis are driving the region's growth. Industries above the horizontal axis are more significant to the region than to the rest of the state (In terms of workers employed.)

Figure 5 - GPREP Industry Clusters



The four quadrants of the chart illustrates the industry's economic position within the region. As noted earlier, industries with a LQ greater than one have a high local concentration. Each quadrant of the chart tells a story.

Upper right quadrant - industries in this quadrant are more concentrated in the region and becoming more so over time. These industries, both large and small are established and growing.

Lower right quadrant - industries in this quadrant are not as concentrated relative to the county as a whole, but as they continue to emerge and grow they will contribute more to the region's economic base.

Upper left quadrant - these industries are mature and have a high concentration within the region, but their concentration is declining over time.

Lower left quadrant - industries in this quadrant are less concentrated relative to the state and are declining in employment, either due to industry-wide technological market changes or a declining competitive advantage.

As can be seen in Figure 5, the region has a strong competitive advantage in several industry clusters, including: Manufacturing, Defense and Security, Aviation and Aerospace, Transportation and Healthcare. The industry cluster that employs the most number of people in the region is Healthcare with over 6,100 jobs. This industry cluster also experienced the greatest employment growth over the 10 year time horizon at 57 percent. Aerospace and Transportation are also specialized in the greater Prescott region and saw an increase in job growth at 5 and 8 percent effectively.

Manufacturing has nearly two and one-half times the number of jobs than the state's average, but suffered a 3 percent decline in jobs over 10 years. Given the 29 percent decline in manufacturing jobs nationwide, a 3 percent reduction over 10 years is not significant. Manufacturing reports and recent developments within the industry indicate that a number of manufacturers are re-shoring back to the U.S. This trend can in part be attributed to rising labor costs in China, India and other Asian countries, which has eroded the industry's cost competitiveness.

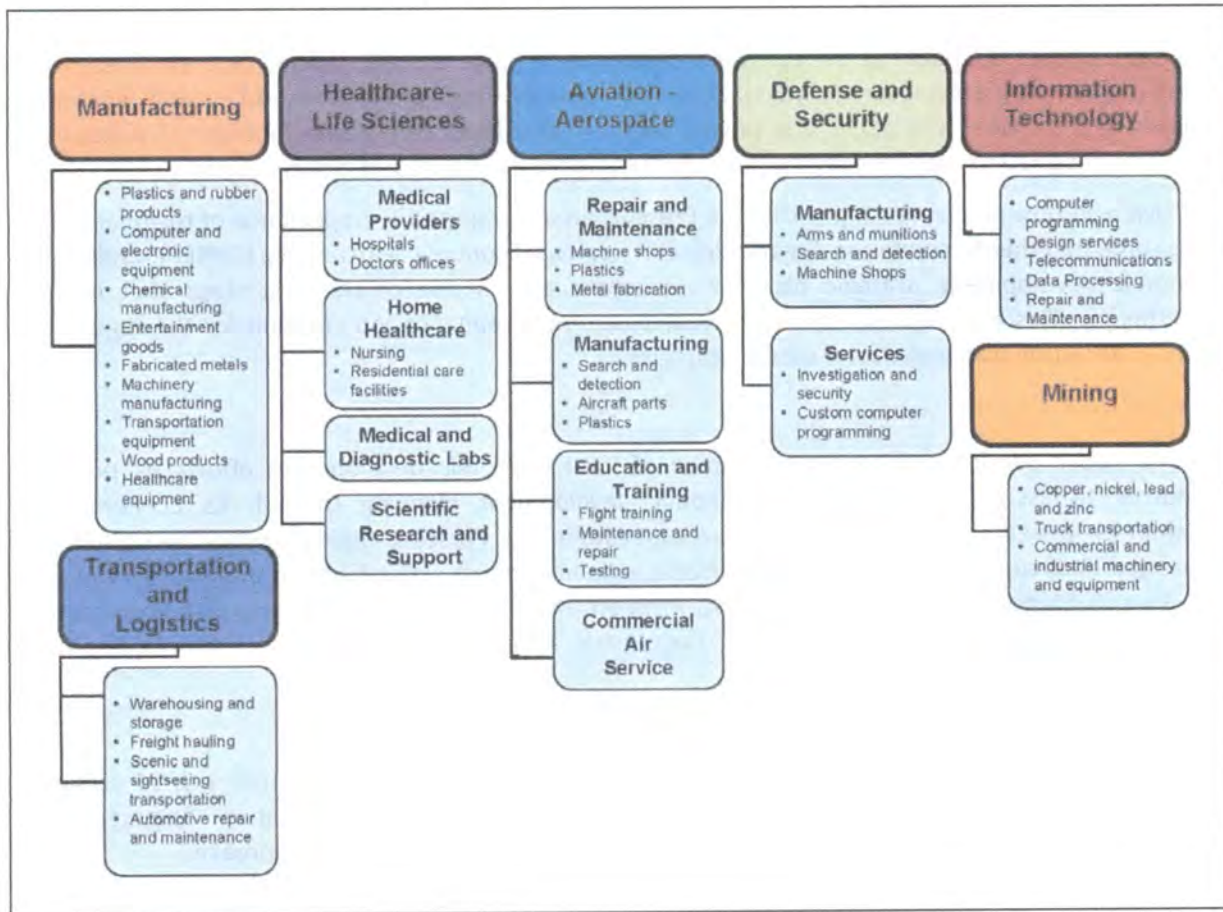
Aviation and Aerospace is also highly specialized in the Prescott region with a 1.42 LQ. This industry cluster also experienced a 3 percent decrease in jobs. Mining has a high concentration in the region, but employs the least number with a little over 1,000 workers. Last, Information Technology is a transforming cluster and not highly concentrated in the Prescott region. The number of jobs associated with this industry was reduced by 39 percent over the 10 year timeframe.

INDUSTRY CLUSTER FORMATION

Seven industry clusters were identified within the greater Prescott area. As noted earlier, industry clusters are comprised of networks of firms within a region that benefit from business-to-business relationships and share common markets, labor pools, technologies, supplier industries, and institutional support services such as educational institutions or other specialized education and training programs. An industry cluster diagram was prepared to showcase the makeup of each of the seven clusters and is presented in Figure 6. It is important to note that some industries can be associated with more than one cluster, such as machine shops, which suggests the presence of a potential supply chain.

Clusters drive economic vitality, generating jobs and wages for residents and expanding purchases of products and services from local suppliers, all resulting in a positive ripple effect to create benefits for every community within the region.

Figure 6 - Industry Cluster Diagram



The Technical Advisory Committee met, reviewed, and discussed the industry clusters and determined that GPREP would initially focus its economic development efforts on the following industry clusters:

- Manufacturing
- Aviation and Aerospace
- Defense and Security

4. ECONOMIC DEVELOPMENT ACTION PLAN

In today's market the name of the economic development game is "regionalism." Successful economic development programs leverage regional assets, benefit from shared resources and encourage cohesiveness between the public and private sectors. This leads to the development of policies and programs designed to make the region more competitive in a national and global economy.

The civic and business leadership within the Prescott area recognize the importance of regionalism and have come together to create the Greater Prescott Regional Economic Partnership (GPREP). Crafting the economic development strategic plan for implementation is one of the first steps that is being undertaken. This plan represents a three-year blueprint to enhance job creation for the region, and includes an action plan and cluster based strategies.

PLANNING PROCESS

Arizona Public Service has been a champion of local economic development efforts by providing resources to assist communities in economic development planning through its Economic and Community Development Department. Leaders within the Prescott region approached APS and requested their support in an effort to organize a regional economic development program for the quad city area of Chino Valley, Dewey-Humboldt, Prescott and Prescott Valley. Several planning meetings were held with area leaders to discuss their goals and lay the groundwork for an economic development planning process.

Early Stages

Community leaders within the quad city area have long felt that a regional approach to economic development would yield greater results to the area economy and foster job creation. They requested the assistance of APS to facilitate meetings in order to help them organize their approach.

Initial meetings were held with the organizational team for GPREP and APS representatives. A survey of the group was conducted to learn if there would be support for implementing a regional economic development program, and to inquire about opinions on the organizational structure. Subsequent meetings were held to facilitate a dialogue to discover common ground as a region and discuss organizational structures, funding and next steps. Sub committees were created to focus on three areas: mission, finances and regional structure.

The organizing committee of GPREP agreed upon their next steps, which included the preparation of an economic development strategic plan to be implemented by GPREP. A mission statement was crafted for the new organization and a fund raising brochure was prepared.

Economic Development Plan Creation

To commence the economic development planning process a Technical Advisory Committee (TAC) was formed whose role was to provide input and be a sounding board to the development of the plan. The TAC met three times over the course of the process and consisted of 20 members. The committee included elected officials and municipal managers from each of the four communities, and representatives from Yavapai County, NACOG, higher education, the Tribe and the private sector.

Interviews were conducted over two days with representatives from the four cities as well as the private sector, noted below. The objective of the interviews was to gain a firsthand perspective regarding economic development opportunities and barriers, industry targets, role of the regional economic

development group, and perceptions of the region. These interviews resulted in a broad picture of the critical issues and opportunities surrounding economic development in the Prescott region and findings were used to prepare the SWOT analysis.

- Town of Chino Valley
- City of Prescott
- Town of Prescott Valley
- M&I Windows
- Cobham
- Ace Hardware Distribution
- Print Pak
- Prescott Aerospace
- Prescott College
- Yavapai College
- Embry Riddle Aeronautical University
- Yavapai Regional Medical Center
- Prescott Valley Economic Development Foundation

KEY FINDINGS

Findings from these interviews provided insight into potential growth strategies, opportunities for collaboration, and market trends and gaps. They also helped in understanding key success factors, local competition and barriers to economic development. While subjective, this information is critical in giving GPREP the most up to date picture of the regional market including its strengths and weaknesses. The key findings from these interviews are detailed below. The full SWOT analysis is included in Appendix A of this report.

- **Area Image** - Based on input received during the interviews the perception of the region is rooted in its Western history, encompassing references to cowboys and Whiskey Row. The area is known for tourism and retirement, which were key themes enumerated several times by stakeholders during the interviews. In reality, the regional economy is much more diverse and boasts employment in key sectors such as manufacturing, aviation, aerospace, healthcare and education.
- **Regional Strengths to Leverage** - One of the key foundations that supports economic development is the presence of higher education facilities. The Prescott region have several colleges including Yavapai College, Prescott College, Northern Arizona University, and Embry Riddle Aeronautical University. Having three colleges within a market the size of the Prescott region is an enormous strength. The quality of life of the region is highly touted, including the climate, outdoor and recreational amenities, well maintained roads, and access to metropolitan Phoenix; all of which have been a magnet for retirees. The regional airport, Ernest A. Love Field is an underutilized asset and has not achieved its greatest potential. The addition of a modern terminal building, extension of the runway, regular and reliable commercial air service to key markets, and the attraction of aviation and aerospace related industry should be a major focus.
- **Weaknesses to Address** - Retaining recent graduates and attracting a skilled workforce has been challenging for the region. Drawbacks have included the lack of affordable housing and insufficient jobs within base industry, such as aerospace and manufacturing. From a business retention and recruitment standpoint, there is little shovel ready land available and the existing inventory of buildings is not of the size that is in demand by potential users. In addition to improvements to

Ernest A. Love Field, telecommunications infrastructure has not kept pace for data applications and transportation and utility costs are high.

- **Community Cohesiveness** - The general opinion is that there is little collaboration and a great deal of divisiveness among the four communities. The inability to come together on common goals for the region is due to past history, which manifests itself into mistrust. Finding common ground will be vital for the success of the region and job creation.

OPPORTUNITIES

Interviews resulted in the identification of several potential opportunities for the region. Key opportunities are noted below.

- **Unmanned Aerial Systems (UAS)** - By 2018 the projected growth of commercial unmanned aerial systems is over 700 percent.¹ As UAS technology trickles down from the military into commercial applications, such as implementing mapping, first responder support and surveillance of large areas, knowing which sectors are poised to grow the fastest will enable economic developers to stay ahead of the market as it emerges and capitalize on the coming expansion. The presence of Embry Riddle University combined with Yavapai College enables the region to create a foothold within this market, which encompasses research and development, manufacturing and pilot training.
- **Ernest A. Love Field** - The construction of a modern terminal building with amenities that travelers and pilots desire, as well as runway extension, airfield safety enhancements and regular and reliable commercial air service, could be a game changer for the greater Prescott Region. The elevation of Ernest A. Love Field is more conducive to flying year-round than the Flagstaff airport. With the proper investments Ernest A. Love Field could become a true regional commercial airport; something that is lacking in this part of Arizona. Airports have been catalysts for regional development, urban renewal as well as tourism and convention business. They support business operations and locations. Cultivating additional sources of revenue for the airport through the strategic development of land assets for aviation and aviation related development as well as non-aviation commercial development will be necessary. Consideration should be given to the establishment of a regional airport authority with bonding capabilities.
- **Career Technical Education (CTE)** - Aligning workforce development with industry clusters is crucial for the successful implementation of cluster strategies. This requires a clear understanding of the industries in the region and a common understanding of the knowledge and skills required to compete successfully. Potential gaps in education programs that were identified during the interviews include aviation maintenance, repair and overhaul (MRO), and medical technology. There are many existing educational programs offered in the region, but not all employers are aware of their existence. Expanding opportunities and building partnerships with business and education ensures that workforce needs are being met.

¹WinterGreen Research

- **Brand and Marketing Development** - Creating one cohesive economic development brand and marketing message for the region is much more powerful than a number of small voices. It is vitally important for local government, chambers of commerce, business groups and destination marketing organizations to work together to bring a message and brand to life. The Prescott region currently has a brand embodied in Western history, tourism and retirement. What can the region do to leverage the existing brand and parlay that into economic development marketing?

Branding is the art of differentiation

Your brand is what sets you apart from everyone else. When someone mentions your community's name, what is the first thing that comes to mind? The name must become synonymous with the brand.

ECONOMIC DEVELOPMENT ACTION PLAN

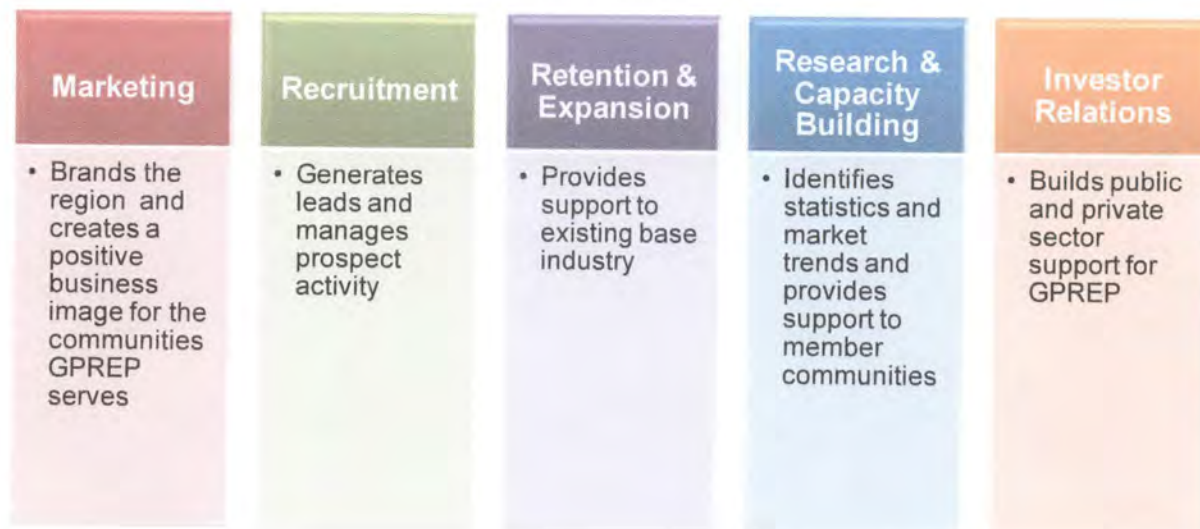
A mission statement was prepared by the GPREP leadership during the initial stages of formation of the organization. This mission statement is being used to guide the direction of the Economic Development Action Plan.

Mission Statement

To create a regional identity to help local companies expand, attract new quality businesses, and foster capital investment in the greater Prescott region, thereby making our region more competitive with other regions and ensuring a vibrant and self-sustaining regional economy.

The GPREP Economic Development Action Plan is predicated around five focus areas, which are depicted in Figure 7. These focus areas were formulated based on the results of the background research, interviews, and Technical Advisory Committee input. The order of the focus areas and their supportive goals, action items and implementation steps are not prioritized based on their value to the region. To achieve any measure of success in economic development, implementation of action items within all focus areas must be undertaken simultaneously.

Figure 7 - Economic Development Action Plan Focus Areas



Each focus area of the following action plan has an overarching goal followed by action items and implementation steps. The three-year plan suggests which year an action item should commence. Preliminary benchmarks in which to measure performance have also been identified for each focus area. Once the plan is underway, GPREP leadership may want to modify the benchmarks that are used to track progress. Following the five focus area goals are cluster based strategies for implementation.

Table 9 - Economic Development Action Plan

Marketing Goal - Create a business brand and marketing campaign for the region designed to achieve the economic development actions.			
Actions:	Year 1	Year 2	Year 3
1. Create a website to promote the region.	X		
- Secure a domain name - Retain the services of a web developer - Gather the information and data to be included - Update on a regular basis			
2. Develop a "business brand" for the region.	X		
- Retain the services of a company that has experience in branding and marketing for economic development. - Form a working sub-committee to develop a RFP and send it to a pre-qualified list of firms. - Work with the selected firm and provide oversight and input. - Arrange a roll out the completed brand to the local market.			
3. Develop marketing materials.	X		
- Prepare a marketing brochure for the region and a 1-2 page promotional piece for each targeted industry cluster. - Utilize the brand and templates provided from the branding initiative. - Conduct the necessary research to determine what to include in the marketing pieces.			
4. Design a communications plan.		X	
- Create a master calendar to plan and track marketing activities. - Consider the development and deployment of an e-newsletter. - Create and maintain a database of contacts to keep apprised of GPREP activities, events and regional successes.			
5. Foster a working relationship with the Arizona Commerce Authority (ACA).	X		
- Include the ACA on a master distribution list of GPREP information/data - Participate on applicable prospecting missions and trade shows initiated by the ACA - Annually hold a FAM tour with representatives with ACA.			
6. Hold an annual meeting with community partners and donors to present results and information.		X	
- Prepare an annual progress report of GPREP achievements, including number of active prospects, new jobs created/retained, etc. - Work with community partners to organize a business lunch or dinner to present the annual report and outline upcoming objectives.			
Benchmarks: Number of hits to website, launch of the GPREP brand, number of marketing materials distributed, participation in prospecting events, attendance at the annual GPREP meeting.			

Business Recruitment Goal - Enhance the regional job base by attracting companies within three industry clusters.

Actions:	Year 1	Year 2	Year 3
1. Generate leads within the industry clusters for the region.	X		
- Focus on Aviation and Aerospace, Defense and Security and Manufacturing Clusters - Work with community and Tribal partners to prepare a marketing outreach campaign, which could include direct sales calls, email blasts, direct mail, FAM tours, etc. - Implement the program and track progress.			
2. Manage prospect activity.	X		
- Develop a system for tracking prospect activity or acquire prospect tracking software . - Create a monthly activity report to distribute to economic development partners. - As appropriate brief Board members.			
3. Establish prospect handling protocol among the community partners.	X		
- Create a sub-committee consisting of community partners and Tribal representatives to develop prospect handling procedures. - Review protocols of other organizations and determine what will work best for GPREP. - Formally adopt the procedures.			
4. Build relationships with Site Location Advisors.		X	
- Prepare and maintain a list of site location advisors. - Identify approaches to connect with these advisors, which could include trade shows, visit them on their own turf, hold special events, FAM tours, etc.			
Benchmarks: Number of prospects or active deals in progress, number of sales calls made, jobs created, square feet of space absorbed or built, capital investment, increase in the average industry wage.			

Business Retention and Expansion Goal - Facilitate the expansion of local business and job creation/retention.

Actions:	Year 1	Year 2	Year 3
1. Support local business retention and expansion efforts currently underway by local economic development organizations and chambers of commerce.		X	
- Following the B3 model used by Prescott and Prescott Valley, participate in one-on-one business calls and provide follow up services as needed/requested. - Identify local business needs and level of satisfaction of doing business in the region, which could impact recruitment and retention efforts. - When appropriate conduct visits to corporate headquarters - Work with local, and if applicable, state economic development partners to effectuate change.			
2. Share data and information with BRE partners on the region as needed.		X	
- Determine the type of data/information that may be useful to BRE efforts. - Provide information periodically throughout the year or as requested.			
3. Hold business roundtables with local business establishments.		X	
- In collaboration with the local economic development programs and chambers of commerce, organize/participate in regular roundtable meetings with local business establishments. - As requested prepare information for presentation at the meeting.			
4. Partner with local organizations such as SBDC, NAU Business Assistance Center, and SCORE to provide support for Entrepreneurship Programs.			X
- Refer companies/entrepreneurs to the SBDC who may need assistance in starting up or accelerating their company. - Maintain a referral list of resources to provide upon request.			
5. Help implement Yavapai County Sector Strategies for the Prescott Region.	X		
- Become a name sponsor of meetings that are designed to galvanize the business community into identifying opportunities and policies that are needed to become more competitive. - In collaboration with others in the region and state, identify sector strategies and help drive the implementation of strategies that line up with the Prescott Region industry clusters, such as light manufacturing and healthcare. - Participate in or co-chair sector strategy committee(s).			
Benchmarks: Number of local business calls made, jobs retained or created, square feet of space absorbed or built, capital investment, number of attendees at business roundtable, number of referrals to the partner organizations.			

Research and Capacity Building Goal - Develop and maintain a repository of data and information on the region and provide technical assistance to member communities.

Actions:	Year 1	Year 2	Year 3
1. Conduct an asset inventory of the Greater Prescott Region.	X		
- Review other region asset inventories to determine what data should be collected and maintained. - Identify data sources , gather and format the data for distribution to community partners and prospects. - Upload applicable information to the GPREP website. - Update asset inventory at least annually.			
2. Meet with area partners on a regular basis.	X		
- Prepare quarterly reports that track prospect and marketing activity and progress. - Hold quarterly meetings to review and discuss progress reports. - Identify additional data or research needed for the region and determine what should be collected and who should collect it.			
3. Provide technical assistance to community partners		X	
- As requested, support community partners by providing technical assistance on matters pertaining to implementation, such as industrial park development. - As needed, refer community partners to subject matter experts. - Monitor and track progress.			
4. Enhance the knowledge and skill set of GPREP and its Community Partners.			X
- Identify applicable economic development training sessions and workshops that would enhance the knowledge of GPREP staff as well as that of community partners. - Attend economic development conferences to stay connected to new and innovative economic development ideas and strategies for implementation. - Consider sponsoring /hosting a training session for community partners on subject matter(s) relevant to enhancing the knowledge base.			
Benchmarks: Up-to-date asset inventory, dissemination of quarterly reports, level of community members' satisfaction.			

Investor Relations Goal - Build public and private sector support for GPREP.			
Actions:	Year 1	Year 2	Year 3
1. Conduct an annual fundraising campaign.	X		
- Meet with existing corporate and municipal donors as needed. - Prepare a list of potential donors to pursue funding commitments. - Update the fundraising brochure to showcase GPREP activities and job creation/retention successes. - Establish a fundraising committee consisting of Board members, identify fundraising goals and launch the campaign.			
2. Operationalize GPREP	X		
- Hire an Executive Director. - Develop GPREP operating procedures manual. - Develop and adopt an annual operating budget.			
3. Promote a culture among community leaders that motivates them to invest in the greater good of the region.		X	
- Identify issues important to economic development and engage community leaders and stakeholders to advocate for GPREP. - Make presentations at various public policy boards, commissions, and committees to provide a perspective and understanding of regional economic development issues and innovative solutions. - Encourage non-profit organizations to become engaged in economic development.			
Benchmarks: Fundraising goals achieved, board member participation in board and committee meetings.			

CLUSTER BASED STRATEGIES

Industry clusters drive a region's economic wealth by generating jobs and wages for residents and expanding purchases of products and services from local suppliers; all resulting in positive ripple effects to create benefits for every community in the region. By devising strategies to support clusters, the region can strengthen cluster firms as well as the overall economy.

Three of the seven clusters identified in Chapter 2 were chosen by the TAC for inclusion within the three-year Economic Development Action Plan. These include: Aviation and Aerospace, Defense and Security, and Manufacturing. These three clusters comprise 15 percent of the total employment in the region and represent 17 percent of the total payroll.

Table 10 - Cluster Strategies

Goal 1: Build a stronger education pipeline of skilled workers			
Actions:	Year 1	Year 2	Year 3
1. Create seamless connections between the components of the system.			X
- Identify by industry cluster the knowledge and skill demands of the workplace. - Determine the gaps between primary, secondary and post secondary systems, between education and workforce programs and between these programs and the skill demands of the workplace. - Collaborate with workforce providers to fill the gaps and provide a seamless system.			
2. Build partnerships between business and education.			X
- Meet with business representatives to learn about their workforce needs. - Provide information on existing training programs applicable to their business that are offered in the region. - Work with primary and secondary education providers so that career ladders can be developed. - Regularly review JTED courses for their relevance to industry clusters.			
3. Improve linkages between workforce and economic development.			X
- Develop an outreach system to obtain data analysis and input from a wide variety of businesses. - Integrate data sources to enhance labor market supply-demand information. - Modify data so that it is useful to both government and private sector businesses.			
Benchmarks: Number of jobs absorbed by local graduates, economic impact of graduates that stay in the area, local industry satisfaction with workforce.			

Goal 2: Become an economic development center for Unmanned Aerial Systems (UAS).

	Year 1	Year 2	Year 3
Actions:			
1. Create a UAS regional cluster network that includes industry, workforce and education representatives.		X	
• Convene a roundtable with the cluster network to discuss UAS and identify the top opportunities for the region, which could include research, development, testing, flight service, pilot training and manufacturing. • Develop specific strategies with measurable outcomes and implementation commitments. • Determine the future role of the UAS cluster network.			
2. Educate elected officials on the importance of this industry cluster.		X	
• Prepare an economic impact report on the UAS industry cluster and distribute it to local and statewide elected officials. • Conduct regular briefings with elected officials. • Prepare and distribute a fact sheet on the UAS cluster.			
3. Identify legislative issues important to the UAS industry cluster.		X	
• Monitor state and national legislation pertinent to this industry. • As appropriate collaborate with others within Arizona to author and support statewide legislation.			
4. Be proactive at the local, state and national levels.		X	
• Collaborate with other organizations in Arizona and the U.S. to further the objective of growing the UAS industry cluster. • Take on leadership role(s) when appropriate to enhance the visibility of the Prescott Region as a center for UAS.			
Benchmarks: Creation of an unmanned aerial systems industry cluster, adoption of legislation important to this cluster, preparation of an economic impact analysis.			

Goal 3: Identify policies at the local and state levels that strengthen the region's ability to be successful.

Actions:	Year 1	Year 2	Year 3
1. When required identify weaknesses in the permitting process of member communities.		X	
- Monitor the permitting process for flexibility, predictability, speed, and fees. - Provide feedback and suggestions to each municipality.			
2. Identify incentives that promote economic development.		X	
- Based on the needs of the industry clusters, conduct research on competitor city incentive programs. - List local and state incentives that are currently in place that are being used or could be used. - Establish a GPREP deal closing fund to stimulate local expansion and the recruitment of new business within the industry clusters. - Closely monitor the use and return on investment of the deal closing fund (i.e. number of jobs created, average wages paid, overall contribution to the local tax base, etc.).			
3. Benchmark the Prescott Region to the competition.		X	
- Identify key competitor cities and monitor the incentives that they offer. - On a bi-annual basis research and compare the cost of doing business in the region against competitor areas. Include information such as wages, utilities, taxes, transportation costs, etc. - Prepare a benchmark report and distribute to community partners and board members.			
4. Participate in Sector Strategy Meetings	X		
<i>(cross referenced with Business Retention and Expansion Goal, Action item #5)</i> - Help identify legislative policy that will help the region become more competitive. - Participate in or co-chair sector strategy committee(s).			
Benchmarks: Services offered to community partners, competitor city analysis, return on investment from incentives.			

Goal 4: Enhance the region's competitiveness through investments in catalyst projects.			
Actions:	Year 1	Year 2	Year 3
1. Develop Ernest A. Love Field into a robust employment center for the region.			X
• Compile a database of what economic development activity has been achieved at comparable airports around the country. • Identify approaches, financing mechanisms and other tools that have been utilized that could be emulated. • Develop a timeframe to implement recommendations from the Airport Master Plan. • Pursue Foreign Trade Zone designation at the airport. • Consider the creation of an Airport Authority.			
2. Increase the availability of industrial sites within the region.		X	
• Pursue plans for industrial park development at the airport as well as greenfield sites. • Based on industry clusters, determine the range of parcel sizes that would have the highest demand. • Identify infrastructure needs, associated costs and financing mechanisms in order to create "shovel ready" sites.			
Benchmarks: Number of acres of fully serviced industrial sites, jobs generated by catalyst projects, value of capital investment, implementation of airport master plan.			

5. NEXT STEPS

Launching a new regional economic development organization is a major endeavor and requires many steps including the creation of the organizational structure, fundraising and staffing. The organizing committee for the GPREP has been actively working and have recently filed Articles of Incorporation with the Arizona Secretary of State's Office. At the last Technical Advisory Committee meeting held June 2013 several next steps were discussed and agreed upon.

Board of Directors Composition

The Board of Directors for GPREP will consist of 21 members and have an Executive Committee that would initially be three members and not to exceed seven members. The terms of office would be staggered and the composition of the Board of Directors would consist of representatives from both the public and private sectors. The objective is to have a diverse makeup of private sector members representing healthcare, finance/banking, education and private business. The board will meet quarterly with the Executive Committee meeting more frequently.

Preliminarily the Board would be comprised of the following government and business representatives.

Government Representatives:

- City of Prescott
- Town of Prescott Valley
- Town of Chino Valley
- Town of Dewey-Humboldt
- Yavapai County Board of Supervisors
- Yavapai Prescott Indian Tribe

Business Representatives:

- Healthcare
- Higher education
- Finance/Banking
- Private industry (8 to 12 members)

Individuals were assigned the task of contacting prospective Board members to solicit their interest and willingness to serve on the board.

Fund Raising

The GPREP Finance sub-committee has launched its fund raising drive. Based on an earlier business plan created for GPREP, the preliminary goal is to raise between \$200,000 to \$300,000 per year for the operations of the regional partnership by securing multi-year commitments from both the public and private sectors. A fund raising brochure was prepared and members of the organizing committee have prepared a list of prospects to begin calling on.

Staffing

The GPREP organizing committee agreed that in order to launch the regional organization it will be necessary to hire an executive director or retain a contractor immediately. Relying solely on volunteers for implementation is very difficult and showing early successes will be important for the regional effort.

An ad hoc sub-committee was formed to begin discussions relating to hiring an Executive Director or retaining the services of a consultant. At a minimum, a job opening notice should be created which summarizes the role and responsibilities of the position and the experience required. Background on GPREP should also be provided along with a discussion of preliminary expectations of the position. This information could be used for a job posting or solicitation of a contractor.

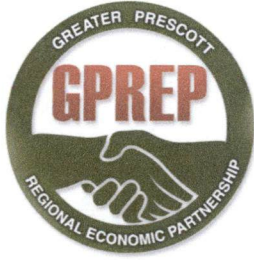
APPENDIX A – SWOT ANALYSIS

GPREP SWOT Assessment - April 2013

Strengths	Weaknesses
• Area has a moderate climate adding to the quality of life • Lack of congestion with well maintained roads and easy access to I-17 • Existing Career Technical Education Programs, such as mining program, welding, and pre engineering, helicopter and fixed winged flight school • Good schools and universities • Good proximity to Phoenix, California and Mexico • Ready able and willing workforce • Industrial lease rates are competitive • The region is free from natural disasters • Strong bus system in the region • Aerospace and a regional airport structure with a tech focused park • Business friendly environment • Tourism as a major economic driver • Outdoor and recreational amenities • Existing 2+2 program and high school students matriculating right into community college. • Yavapai College is nimble and can quickly provide training in the areas that an industry needs. • On-line learning for post bachelorette , NAU, YCC and Embry Riddle • The charter schools have good STEM programs. • Existing and proposed business and industrial parks	• Availability of jobs to retain and attract young adults is a challenge; it's a tough social scene for the younger generation • Inability to come together on common goals for the betterment of the region • Lack of financial incentives or a deal closing fund to attract/retain business in order to be competitive • Availability of shovel ready sites within the region is limited • Limited supply of desirable industrial and office space at competitive lease rates • The region lacks a modern airport terminal with more dependable and reliable air service to destinations other than Los Angeles and Denver • Need additional work at the airport, such as safety and runway lengths. • Electric utility rates are high and the rate structure is complicated • Trucking transportation costs are high due to logistics; disincentive for manufacturers with bulky product • Area does not have the high end telecommunications infrastructure needed for data centers • The region is viewed as a retirement destination • The supplier base does not grow because they don't have or can't get the capitalization • There is no rail service • Area workforce is not that large • Recruiting for mid level jobs and college graduates is difficult • The K-12 school system is not as good as other areas of the country and the school is big for a rural area • There is not an effective transit system between the Prescott region and Phoenix and Flagstaff

Opportunities	Threats
• Center for UAV testing and training, with Yavapai College focusing on teaching piloting drones, and Embry Riddle on research and manufacturing • New terminal building at the airport with additional amenities • Creation of an aviation maintenance training program • Establish a medical residency program at YRMC • Designation of additional enterprise zones • Capitalize on job creation in aerospace, healthcare, logistics, small regional data centers and small backup support centers, data storage and bioinformatics, gun manufacturing • Designation of employment centers • Development of Greenfield industrial sites in Chino Valley and Prescott Valley • Expansion of job shops who are suppliers and support services such as maintenance of aircraft • Environmental test labs due to the region's elevation (high UV due to the sun) • Meeting the demand for medical facilities and services for the aging population • Adding medical technology programs at the college • Creating one cohesive economic development marketing message and program for the region • Attraction of major sporting tournaments	• Lack of cooperation and divisiveness permeates the region • There is a "no growth" sentiment • Chino aquifer drops 6 feet a year and 90-95% of Prescott's water comes from the Chino watershed. • General population sees growth as negative because it attracts people • Availability of water, whether it is either real or perceived • Stigma of a retirement community • Taxing structure in AZ that disproportionately places burden on industry and equipment • Maintaining the quality of life (such as school system, affordable housing, etc.) in order to attract and retain talent • Great disparity in wealth and not a lot of disposable income • Municipal revenue structure with reliance on sales tax





Protocol Agreement

Greater Prescott Regional Economic Partnership And Municipal Members of the Business Action Team

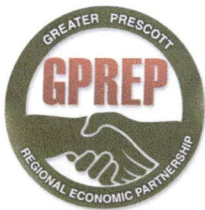
The foundation of this document is built on trust and the spirit of regional cooperation among the entities involved. GPREP and the Business Action Team of its member communities should work together as partners on projects involving the communities which GPREP represents, regardless of the source of the lead.

1. GPREP Team Partners will demonstrate a commitment to the positive promotion of the Greater Prescott region and its communities as a globally competitive region.
2. GPREP Team Partners will maintain the highest standards of economic development prospect handling, including confidentiality, without jeopardizing a prospect's trust to secure the probability of a regional locate. Partners agree to respect the prospect's request for confidentiality but also agree to notify each other as to the existence of a project with a confidentiality requirement when able and shall make a good-faith effort to involve the appropriate state, regional or local partners at the earliest possible time.
3. Unless otherwise restricted, agree to coordinate through GPREP for any prospect considering a project in any of the communities that GPREP represents, understanding that GPREP is in a unique position to represent and speak on regional economic development issues and on characteristics of the region's economy. Likewise, GPREP recognizes that the Arizona Commerce Authority is the exclusive organization leading the state's economic development efforts and that Arizona Commerce Authority is in a unique position to represent and speak on state incentives, programs and major policy matters. GPREP and Arizona Commerce Authority also acknowledge that communities are in the best position to speak about local incentives and efforts surrounding the local economy.
4. For projects that originate with a GPREP member community, GPREP will be available as confidential research access, topical expertise or as a service provider, to add value to the community in securing the project. Additionally, GPREP will not e-track the project unless the community lead makes such a request to do so.
5. GPREP will form a Business Action Team to include representation from each of the municipalities, Yavapai Prescott Indian Tribe, NACOG, Yavapai College, a Chamber of Commerce Representation, and Utilities.
5. GPREP Team Partners will provide accurate and timely information in response to specific requests by all prospects. When a client has narrowed sites to specific GPREP member communities, GPREP will make a good-faith effort to inform those affected Business Action Team members first. Business Action Team members agree to provide information solely on their own community when the information requested is site-specific (ie, cost of land, taxes, development fees, utility availability and cost, zoning process timing, permit timing and local incentives). When site-specific information related to other GPREP communities is requested, BAT members agree to (i) direct GPREP prospects back to GPREP or (ii) direct non-GPREP generated prospects to contact the affected communities directly, and as a courtesy

6. Prospect source and the determination of any lead prospect will follow the policies of the GPREP p-Track agreement as developed and agreed upon by the member communities.
7. Agree that regardless of the lead source, public locate announcements shall be coordinated among the company, GPREP member community, and GPREP to reflect inclusiveness and cooperation of all partners.
8. Encourage collaborative efforts to expand or relocate businesses within the region and prohibit preparatory use of local financial incentives for existing jobs to companies with current operation in another GPREP community.
9. Inform GPREP member community prior to or as soon as possible when a company visits or physical site visit within their community will occur. Business Action Team members will be the primary point of contact for the company when community information is needed.
10. Formalize a process to convene GPREP, Arizona Commerce Authority Board Representatives and Business Action Team member communities semi-annually, and cooperate in the exchange of information and ideas reflecting practices, procedures and policies relating to prospect handling and regional economic development.
11. Work collectively to maintain a high level of trust and integrity by and between GPREP, Arizona Commerce Authority and the Business Action Team of GPREP member communities
12. If there is evidence that protocol has not been followed or a professional conflict arises, the matter will be referred to the Business Action Team. If the matter cannot be resolved by the Business Action Team, the GPREP President will review the matter and may, at his or her discretion, consult or involve the GPREP Board. Disciplinary action may be taken as determined by the Board of Directors.
13. Partners agree to abide by this protocol agreement and uphold the highest standards of regional economic development cooperation. Partners agree to uphold the highest standards of regional and statewide economic development cooperation.

Name MARLIN D. KUYRENDALL Date 8-15-14
(Please Print)

Signature 



Project Tracking (p-Track) Policy

The p-Track is GPREP's standard process of distributing, collecting, and sharing a prospect's request for available real estate with GPREP member communities.

The process, as outlined below, is designed to provide value to our B.A.T (Business Action Team) partners by maintaining an equal opportunity for response by all our member communities in order to give the best information to our prospects within a timely manner. For every prospect/client that requests such assistance, GPREP will, within 24 hours, email a p-Track request to all communities for available real estate and other data needed that matches our client's specifications.

It is also agreed that the following scenarios below GPREP will not send or share a p-Track:

- Prospect is already represented by a real estate professional who will be handling the real estate search
- Community is the lead, and prospect was brought to GPREP by a local B.A.T. partner
- Prospect has asked GPREP not to pursue a real estate search

1. The p-Track will be sent to all B.A.T. members unless Prospect has a narrow geographic area under consideration. Possible criteria for delivery to less than the full B.A.T. membership include but are not limited to:

- i. Proximity to a client
- ii. Vendor
- iii. Airport
- iv. Transportation corridor for export or import
- v. University/Community College
- vi. Cluster of like businesses, and
- vii. Labor Force

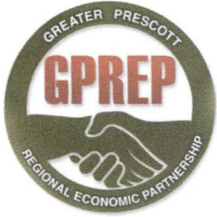
2. Once the p-Track is sent, B.A.T. partners will respond within the timeframe set by the client.
3. p-Track emails will be retained for three years after initial send date or 12 months after officially closed. Additionally, GPREP will have electronic or written verification from the prospect if the geographic area for the p-Track is less than full B.A.T. membership.
4. GPREP will include all properties, submitted by B.A.T. partners, which meet the minimum specifications as outlined by the Prospect. If properties are submitted that do not meet specifications, GPREP will notify the community that the sites were eliminated.
5. Upon receipt of community submittals from B.A.T. partners, GPREP will compile the available real estate package and send it to the Prospect within one business day.

6. GPREP will send a new p-Track out for any clients whose real estate requirements have changed in a way that will allow additional community submittals for consideration.
7. Community disputes on any adherence to this policy will be addressed with mediation as outlined in the GPREP protocol Agreement.

Community: CITY OF PRESCOTT

Community Representative: Marilyn D. King-Lace

Date: 8-15-14



INVOICE

Invoice Number: M1418

Invoice Date: 9/23/14

Greater Prescott Regional Economic Partnership

7351 E Civic Circle, Rm #143

Prescott Valley, AZ 86314

Phone: (928) 772-4883

E: dsteiger@gprepaz.com

www.gprep.org

TO: Mr. Craig McConnell
Town Manager
City of Prescott
201 S. Cortez
Prescott AZ 86303

Membership	Terms
Business Membership	Upon Receipt

Date	Description	Municipal Amount	Total Amount
Fiscal 2015	GPREP Municipal Membership	\$40,000.00	\$40,000.00
	THANK YOU FOR YOUR SUPPORT!		
Total Amount Paid			\$ 40,000.00

Make all checks payable to

GPREP

7351 E. Civic Circle #143

Prescott Valley, AZ 86314

Phone: 928-772-4883

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: Public Works

AGENDA ITEM: Approval of Amendment No. 1 to City Contract No. 2014-185 with Fann Contracting for the Park Avenue Improvements Project, to permit blasting for rock removal

Approved By:		Date:
Director:	Hash, Henry	10/30/2014
City Manager:	McConnell, Craig	10/30/2014

Item Summary

This item will authorize the contractor to utilize blasting as an approved method of rock removal for the Park Avenue reconstruction project.

Background

During design of the project, the City's Technical Specifications (Special Provisions - Section 601.2.11) were modified to preclude blasting as a method of rock removal.

While installing the 24" diameter storm drain on Summit/Glenwood Avenue, Fann Contracting encountered an area of hard rock locally referred to as "blue granite". Other rock previously encountered on the project was excavated to install the utilities utilizing an excavator-mounted hammer. In this location, however, the Contractor hammered the rock for two consecutive days (9/18 & 9/19/2014), but was only able to install 20 lineal feet of pipe, destroying two hammer bits in the process, compared to production of 100 lineal feet per day in the other areas. The blue granite has proven to be much harder than any other rock on the project.

The contractor took the initiative to bring a drill rig out to the project to determine the limits of the blue granite, in anticipation of requesting that the City consider blasting as an alternative removal method for the storm drain. The limits appear to extend for approximately 80-100 feet. Submittal of a request to allow blasting followed, accompanied by a blasting plan. Since blasting was not an approved method of rock removal per the Special Provisions, other design and construction alternatives were explored.

After drilling several more holes, Fann again attempted to hammer the rock, to no avail. A

Agenda Item: Approval of Amendment No. 1 to City Contract No. 2014-185 with Fann Contracting for the Park Avenue Improvements Project, to permit blasting for rock removal

sample of the rock was submitted to the contractor's QC lab on October 15, 2014; the results indicate that the rock's compressive strength is 12,750 psi. Empire Machinery has relayed to Fann that the largest hammer bit they can provide is rated to 8,000 psi. On October 20, 2014, Fann attempted to use a product called Dexpan to break the rock as an alternative to blasting. Likewise, this method did not provide any relief. Dexpan is a material that expands when applied and can usually crack rock. The Dexpan has an ultimate strength of 10,000 psi. The contractor proceeded to hammer the rock 24 hours after the Dexpan was used, but was again unsuccessful.

On October 15, 2014, while installing the new sewer main in the 300 block of Park Avenue, south of Moreland Circle, the contractor encountered another area of blue granite that could not be removed. At this time, the sewer main installation has stopped until another option can be agreed to for the rock removal. Since identification of the second area of blue granite, the contractor and Public Works probed the remainder of Park Avenue, and have identified several other areas where the blue granite exists as well.

Fann has indicated that blasting will not result in any increased cost to the City. At the current rate of removal, the project will otherwise be lengthened 30 to 60 days, and extend public disturbance.

While an alternative to installing the storm drain per the project plans on Glenwood Avenue exists, at this time there does not appear to be a viable option to relocating the sewer/water mains on Park Avenue due to the locations of other significant utilities, and how the water/sewer systems are designed. Hence, it has been determined that an alternative alignment/design is not feasible. Joe Baynes, Recreation Services Director, has significant experience with blasting rock in this area. Mr. Baynes described the rock as "quarry quality" granite, meaning it is extremely hard, and concurred that blasting would be the most effective method of rock removal with minimal to no impacts to the adjacent homes. As an additional precaution, a third party review of any blasting plan submitted by Fann Contracting would be made.

Various residents within the project area have contacted the City to voice their concerns with the constant hammering, and have signed a petition supporting blasting.

Financial Impact

Amendment No. 1 does not provide for any change/increase in the contract amount.

The insurance certificate for the project has been updated to reflect blasting, if authorized by the City, and is included in Amendment No. 1. The coverages and limits specified have been coordinated with the City's insurer, the Arizona Municipal Risk Retention Pool.

Attachments

Agenda Item: Approval of Amendment No. 1 to City Contract No. 2014-185 with Fann Contracting for the Park Avenue Improvements Project, to permit blasting for rock removal

1. Amendment No. 1 Park Avenue Improvements Project

Recommended Action: **MOVE** to approve Amendment No. 1 to City Contract No. 2014-185 for the Park Avenue Improvements Project.

AMENDMENT No. 1
PARK AVENUE IMPROVEMENTS PROJECT CONTRACT
(CITY CONTRACT #2014-185)

Amendment Number 1 to the Park Avenue Improvements Contract ("Amendment") is made on the ____ day of _____, 2014, by and between the CITY OF PRESCOTT, an Arizona municipal corporation ("City") and Fann Contracting, Inc., an Arizona corporation ("Fann") (the City and Fann are collectively referred to as "Parties").

RECITALS:

- A. The City and Fann entered into that certain Park Avenue Improvements Project Contract on May 13, 2014, City Contract No. 2014-185 (the "Contract") whereby Fann agreed to serve as the general contractor for construction and work contemplated in the Contract (the "Project").
- B. During the course of the Project under the Contract, the City and Fann agreed that there would be no blasting permitted for this project pursuant to Contract Section 601.2.11.
- C. After the contract was let, blue granite was discovered in the project zone.
- D. The intent of this Amendment is to allow Fann to blast the blue granite.
- E. Cognizant that the blasting is contemplated to be done in an historic district, additional "blasting insurance coverage" from Fann is being required by the City.
- F. The City Council determines that it is in the best interest of the health, safety and welfare of the City to enter into this Amendment.

NOW, THEREFORE, the Parties enter into this Amendment as follows:

- 1. The current section 601.2.11 "ROCK EXCAVATION FOR UTILITY AND/OR DRAINAGE CONSTRUCTION" of the contract (City Contract 2014-185) is hereby deleted in its entirety as follows:

~~Section 601.2.11 of the City of Prescott Supplement is modified as follows:~~

~~**A. Shall be modified by ADDING the following:**~~

~~Contractor shall submit and receive approval of method prior to rock excavation.~~

~~**B. Shall be REPLACED in its entirety as follows:**~~

~~Blasting is NOT an approved method of rock excavation for this project.~~

2. That a new Section 601.2.11 “ROCK EXCAVATION FOR UTILITY AND/OR DRAINAGE CONSTRUCTION” is added to this contract as follows:

“Blasting

1. It is the Contractor's responsibility to determine the type of material he will encounter and whether blasting will be necessary.
2. Blasting shall be done only by experienced, qualified blasters. Blasting shall be done in accordance with the recommendations for best practice in Section 9 of the AGC Manual of Accident Prevention in Construction and in accordance with the recommendations for best practices of the Institute of Makers of Explosives. Also, all blasting must comply with the requirements of the Division of Industrial Safety and OSHA and all other federal, state and local ordinances.
3. When work requires blasting or explosive conditions, precautions shall be taken to protect life and property, and give proper warning to persons who may be in vicinity of work before blast is set off.
4. Blasting shall be performed in such a manner that no damage will result to any building, structure, pipeline, or facility on or off the site of work, above or below ground. Any damage suffered as a result of blasting shall be immediately settled, including repair or replacement.
5. Blasting shall be done in such a manner that the earth is not loosened or disturbed below the footing or foundation of any proposed structure. Loosened material below footings or foundations shall be replaced with Class C concrete.
6. The stemming of each hole or cover over explosive shall be sufficient to prevent surface blast wave, but in no case less than three (3) feet six (6) inches. Multiple holes shall be shot using millisecond delays.
7. The Contractor shall enlist the services of an experienced explosives professional for advice on blasting methods and for the protection of existing structures or facilities.
8. Blasting procedures shall comply with all rules and regulations as specified and determined by the Fire Marshall and/or the Public Works Director of Prescott.”

9. These provisions do not relieve the Contractor from following standard blasting protocol, plans, notifications and procedures that may be in place by any regulatory agency, including, but not limited to the City of Prescott's Resolution No. 3849.

3. The blasting insurance coverage requirements for Fann will be in an amount of ~~\$5~~2 million per occurrence/\$10 million aggregate. City of Prescott will be named additional insured on the blasting insurance coverage, evidenced by a Certificate of Insurance and endorsement.
4. The signatories to this amendment attest that they have the authority to lawfully bind their respective entities.
5. Except as expressly agreed to by the Parties in this Amendment, all terms, conditions, requirements and other matters set forth in the Contract remain the same and in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal this _____ day of _____, 2014.

CITY OF PRESCOTT, an Arizona municipal corporation

By: _____
MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

DANA R. DeLONG, City Clerk

JON M. PALADINI, City Attorney

Fann Contracting, Inc., an Arizona corporation

By: _____
Its: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/29/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Reseco Insurance Advisors, LLC 7901 N. 16th Street Suite 100 Phoenix AZ 85020		CONTACT NAME: PHONE (A/C No. Ext): 602-753-4250 FAX (A/C No.): 602-419-2242 E-MAIL ADDRESS: certificates@resecoadvisors.com															
INSURED Fann Contracting, Inc. P.O. Box 4356 Prescott AZ 86302		<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: Old Republic General Ins Corp</td> <td>24139</td> </tr> <tr> <td>INSURER B: RSUI Insurance</td> <td>22314</td> </tr> <tr> <td>INSURER C: Great American E&S Ins Co</td> <td>37532</td> </tr> <tr> <td>INSURER D: Navigators Insurance Company</td> <td>42307</td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Old Republic General Ins Corp	24139	INSURER B: RSUI Insurance	22314	INSURER C: Great American E&S Ins Co	37532	INSURER D: Navigators Insurance Company	42307	INSURER E:		INSURER F:	
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INSURER E:																	
INSURER F:																	

COVERAGES **CERTIFICATE NUMBER:**14/15 Contracting **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X	Y	A1CG06071401	6/1/2014	6/1/2015	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person) \$ 5,000
	☒ BIPD Ded \$1,000/Occur						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	☐ POLICY ☒ PROJECT ☐ LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY	X	Y	A1CA06071401	6/1/2014	6/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	☒ ANY AUTO						BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	☒ HIRED AUTOS ☒ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident) \$
							Owned/Hired Deductibles \$ 3,000/\$3,000
B	UMBRELLA LIAB	☒	OCCUR	NHA235640 (Primary \$1Mil)	6/1/2014	6/1/2015	EACH OCCURRENCE \$ 10,000,000
D	EXCESS LIAB	☒	CLAIMS-MADE	LA14EXC609761IV	6/1/2014	6/1/2015	AGGREGATE \$ 10,000,000
	DED ☒ RETENTION \$ 0			(\$9Mil XS \$1Mil)			
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y	N/A	A1CW06071401	6/1/2014	6/1/2015	☒ WC STATUTORY LIMITS ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Professional / Pollution			PCE879930205	6/1/2014	6/1/2015	Aggregate Limit \$2,000,000
	\$25,000 Ded/\$15,000 Ded						Limit Per Claim \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Park Avenue Project

City of Prescott, Owner, Architect, its directors, officers and employees are hereby named as Additional Insured on a Primary and Non-contributory basis. Waiver of subrogation applies to all parties listed as additional insured in regards to work performed by the Named Insured as required by written contract per attached endorsements.

THERE ARE NO EXCLUSIONS ON THE PRIMARY OR EXCESS POLICIES FOR X,C,U INCLUDING BLASTING

CERTIFICATE HOLDER

CANCELLATION

City of Prescott
433 N Virginia Street
Prescott, AZ 86301

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Greg Prentice/BECKY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
WHERE REQUIRED BY WRITTEN CONTRACT.	WHERE REQUIRED BY WRITTEN CONTRACT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
WHERE REQUIRED BY WRITTEN CONTRACT, BUT ONLY WHEN COVERAGE FOR COMPLETED OPERATIONS IS SPECIFICALLY REQUIRED BY THAT CONTRACT.	WHERE REQUIRED BY WRITTEN CONTRACT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

OLD REPUBLIC GENERAL INSURANCE CORPORATION

CHANGES ADDITIONAL INSURED PRIMARY WORDING SCHEDULE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Name of Additional Insured Person(s)
Or Organization(s):

Location(s) of Covered Operations

As required by written contract.

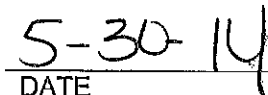
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The insurance provided by this endorsement is primary insurance and we will not seek contribution from any other insurance of a like kind available to the person or organization shown in the schedule above unless the other insurance is provided by a contractor other than the person or organization shown in the schedule above for the same operation and job location. If so, we will share with that other insurance by the method described in paragraph 4.c. of Section IV – Commercial General Liability Conditions.

All other terms and conditions remain unchanged.

Named Insured	FANN CONTRACTING, INC.		
Policy Number	A1CG06071401	Endorsement No.	
Policy Period	6-1-2014 to 6-1-2015	Endorsement Effective Date:	6-1-2014
Producer's Name:	RESECO INSURANCE ADVISORS, LLC		
Producer Number:			


AUTHORIZED REPRESENTATIVE


DATE

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

WHERE REQUIRED BY WRITTEN CONTRACT.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective: 6-1-2014	Countersigned By: (Authorized Representative)
Named Insured: FANN CONTRACTING, INC.	

SCHEDULE

Name of Person(s) or Organization(s): WHERE REQUIRED BY WRITTEN CONTRACT.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: FANN CONTRACTING, INC.

Endorsement Effective Date: 6-1-2014

SCHEDULE

Name(s) Of Person(s) Or Organization(s):

WHERE REQUIRED BY WRITTEN CONTRACT.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

WHERE REQUIRED BY WRITTEN CONTRACT IN ALL STATES WHERE APPLICABLE.

This endorsement changes the policy to which it is attached effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 6-1-2014

Policy No. A1CW06071401

Endorsement No. 000

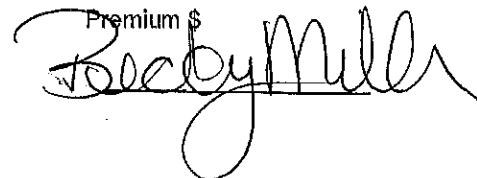
Insured FANN CONTRACTING, INC.

Insurance Company

OLD REPUBLIC GENERAL INSURANCE CORPORATION

Countersigned by

Premium \$



WC 00 03 13

(Ed. 4-84)

© 1983 National Council on Compensation Insurance.

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: Finance

AGENDA ITEM: Public workshop on the current City utilities rate setting process

Approved By:

Date:

Director:	Woodfill, Mark	10/22/2014
City Manager:	McConnell, Craig	10/27/2014

Item Summary

Raftelis Financial Consultants, Inc., will briefly review the utility rate adjustments necessary to fund the FY15-19 Water and Wastewater Infrastructure Improvement Plan, Capital Improvement Plan, and operational expenses, followed by an opportunity for public comments.

Background

Changes to City utility (water and wastewater) rates necessary to fund the financial plan were outlined at the October 7 and October 14, 2014, Council meetings. The rate setting process, and status of activities, is as follows:

10/3/14 Complete	Advertisement	Notification placed on the City's webpage informing the public of possible adjustments to water and wastewater rates.
10/7/14 Complete	Council Workshop	Presentation by Raftelis Financial Consultants on the Utility Rate Update. Discussion of rate adjustments necessary to fund the FY15-19 Water and Wastewater IIP/CIP and operational expenses; presentation of the schedule for the rate setting public process.
10/14/14 Complete	Council Voting Meeting	Presentation and discussion of public comments received; direction to proceed with rate setting process and/or other direction. Adoption of notice of intent to adjust rates; set a public hearing; and release the public report.
10/28/14 Complete	Public meeting with customers	Public Meeting #1 to present proposed rates and receive comments.
11/4/14 Current	Council Workshop	Presentation by Raftelis Financial Consultants on the Utility Rate Update and receive public comments.

Agenda Item: Public workshop on the current City utilities rate setting process

11/6/14	Public meeting with customers	Public Meeting #2 to present proposed rates and receive comments.
11/18/14	Council Voting Meeting	Presentation by Raftelis Financial Consultants on the Utility Rate Update and public hearing on the proposed rates.
12/2/14	Council Voting Meeting	Following the public hearing, Council could adopt an ordinance setting adjusted water and wastewater rates.
1/1/15	New rates in effect	Ordinance setting new rates effective not less than 30 days after adoption.

Recommended Action: This item is for presentation, discussion, and Council direction as deemed appropriate. No formal Council action is proposed for this meeting.

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: Finance

AGENDA ITEM: Discussion of billing credits for water leaks on the customer side of meters

Approved By:

Date:

Director:	Woodfill, Mark	10/27/2014
City Manager:	McConnell, Craig	10/28/2014

Item Summary

A policy is proposed that would provide relief to water utility customers who have experienced leaks on their side of the water meter resulting in significant utility bills. The water usage charge would be reduced by 50% subject to all of the following criteria being met:

1. The abnormal water quantity is due to a leak (or improper operation of a device) on the customer side of the meter.
2. The quantity billed is at least twice the 12 month average.
3. The leak must be repaired prior to filling out the Leak Adjustment Application.
4. All requests must be filed with the City within ninety (90) days of the issuance of the first bill reflecting the water loss.
5. Customers are eligible for only one credit during a 48 month period.
6. No more than two consecutive billing cycles will be adjusted.

Upon Council concurrence of the final version of the eligibility criteria, the policy will be brought back with the City Code changes required for implementation.

Background

The City is committed to providing the highest quality water service through superior customer service, strong financial management, and environmental stewardship. With a utility system as old as the City's, many of our customers also have older plumbing and experience leaks. The City has built a rate structure to encourage conservation. Although this has reduced water usage, it can result in costly bills for conservation-oriented customers who incur leaks.

Agenda Item: Discussion of billing credits for water leaks on the customer side of meters

In 2009, the City Manager approved a policy that allowed the water portion of the bill to be reduced by 50% if the following criteria were met:

1. The customer must notify the City within 90 days from the date of their statement that there was a leak or other unexplained high water usage
2. The usage must be extraordinarily higher than the normal usage of the account.

A new policy, with more specific, uniform eligibility criteria, is proposed for incorporation into the City Code.

As an actual example, a customer had a defective part which caused their toilet to run constantly. Their average monthly usage was 6,786 gallons, and monthly bill \$102.39. The leak resulted in 108,890 gallons being used during a one month billing cycle for which the bill was \$1,721.73. After the credit was applied the customer paid \$897.35.

The highest credit under the current policy was due to an irrigation system leak that went undetected. The normal bill for this irrigation meter was \$38.73 with an average usage of 3,758 gallons. Their leak resulted in 551,300 gallons being used during a one month billing cycle and a bill of \$11,162.68. After the credit was applied, the customer paid \$5,590.34.

The average annual number of customers and the total credits they received are 253 customers and \$85,000. During the unusually cold winter of 2013, 310 customers received \$119,098 in credits.

Recommended Action: This item is for presentation, discussion, and Council direction as deemed appropriate. No formal Council action is proposed for this meeting.

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: Fire

AGENDA ITEM: Progress report/update on the ICMA recommendations for the Prescott Fire Department

Approved By:		Date:
Fire Chief:	Light, Dennis	10/27/2014
City Manager:	McConnell, Craig	10/28/2014

Item Summary

This presentation will provide information about the on-going progress of tracking, researching, and implementing recommendations made by the ICMA Report on Fire Department Operations presented to Council on August 26, 2014.

Recommended Action: Presentation for Council information and discussion. No formal action to be taken.

**MEETING DATE/TYPES: COMBINED WORKSHOP AND 11-4-14
REGULAR VOTING MEETING**

DEPARTMENT: Airport / Fire

AGENDA ITEM: Briefing on full-scale aviation exercise scheduled for November 8, 2014, at Prescott Municipal Airport

Approved By:		Date:
Airport Manager:	Cox, John	10/29/2014
Fire Chief:	Light, Dennis	10/29/2014
City Manager:	McConnell, Craig	10/29/2014

Item Summary

The presentation will provide information about the full-scale emergency response exercise that is to take place on the airport property on Saturday, November 8, 2014, from approximately 0900 hours until 1300 hours. A full-scale emergency response exercise is required by CFR 14 part 139.125(h) in which “each holder of a Class I airport operating certificate must hold a full-scale airport emergency plan exercise at least once every 36 consecutive calendar months”.

Recommended Action: Presentation for Council information and discussion. No formal action to be taken.