



City of Prescott

City Council - Voting Meeting

March 26, 2024 | 3:00 PM
201 N Montezuma Street
City Council Chambers, 3rd Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Mayor Goode called the meeting to order 3:10 pm

2. INTRODUCTIONS / ANNOUNCEMENTS

Mayor Pro Tem Cantelme stated that the Civic Enhancement Committee is now accepting grant applications for FY25 Acker Trust Grants. Applications are due by Friday, April 12. She added that the Building Safety Advisory & Appeals Board and The Industrial Development Authority Board are accepting applications for vacancies now through Friday, May 24. National Library Week begins Saturday, April 6 and the Prescott Public Library will host a variety of events during the week of April 7-13 visit www.prescottlibrary.info for additional information.

3. INVOCATION - Matt Kottman with Solid Rock Christian Fellowship

4. PLEDGE OF ALLEGIANCE - Councilmember Rusing

5. ROLL CALL

Phil Goode - Mayor
Connie Cantelme - Mayor Pro Tem
Lois Fruhwirth - Councilwoman
Ted Gambogi - Councilman
Brandon Montoya - Councilman
Eric Moore - Councilman
Cathey Rusing - Councilmember

6. PROCLAMATIONS

- A. Water Awareness Month - April 2024
Councilmember Rusing presented the Proclamation.
- B. Vietnam Veterans Day - March 29, 2024
Mayor Goode presented the Proclamation.

7. PRESENTATIONS

- A. Presentation of Checks to Participating Non-Profits of the Light the World Giving Machine

Representatives Brett and Nicole Mangum provided a presentation to Council, staff and the public regarding the Light the World Giving Machine. In Prescott,

nearly \$86,000 was raised in two weeks through local donations, and they recognized local non-profit organizations and presented checks for this highly successful program. They thanked the community and State Representatives for the program who were present for the presentation.

- B. Presentation to Firefighter of the Year Travis Mayo & Paramedic of the Year Brandon Scott

Fire Chief Holger Durre provided a presentation recognizing Fire employees of the year. There were six nominations among the fire staff.

Firefighter Mayo thanked everyone for nominating him and commented on how honored he is to be here and serve the department and community.

- C. Recognition of Prescott Police Department 2023 Employee of the Year Award Recipients:
 - A. Bill Hill, Volunteer of the Year
 - B. Officer Alec Williamson, Rookie of the Year
 - C. Brandee Cerda, Public Safety Dispatcher of the Year
 - D. Dawn Thomas, Civilian Employee of the Year
 - E. Sergeant Pat Mora, Supervisor of the Year
 - F. Detective Jasmine Cardenas, Officer of the Year

Police Chief Amy Bonney provided a presentation to the Police employees of the year who also were nominated and recognized by their peers.

8. OPEN CALL TO THE PUBLIC

A. Suzette Conrardy addressed the Council regarding the failed recall effort which she said never made sense to the members of the public who support Mayor Goode. She admonished current and former Councilmembers who speak on the radio regarding the Council. It is important for the public to participate, listen and think critically.

B. Harry Oberg addressed the Council regarding what he called a dark and unnecessary chapter in the history of Prescott. He was raised here and knows people on both sides of the issue. This has been an embarrassment to our city and residents. He added that whoever released the confidential records should step down from office, and stated that the news media appeared to be in the bag for the recall.

9. CONSENT AGENDA

MOTION BY COUNCILMEMBER RUSING TO APPROVE CONSENT AGENDA ITEMS 9.A. THROUGH 9.O.; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (7 - 0)

- A. Approval of Meeting Minutes from the March 12, 2024 Executive Session, and the March 12, 2024 Voting Meeting.
- B. Adoption of Resolution No. 2024-1874, Approving City Contract No. 2024-159, an Intergovernmental Agreement with the Yavapai-Prescott Indian Tribe for the Reimbursement of Construction Costs for the Installation of a New Water Main Within the Tribe's Quaka Crossing Project.

- C. Approval of City Contract Nos. 2024-183 through 2024-189 for Submersible and Non-Submersible Pumps, Motors, Parts and Repairs in an Amount not to Exceed \$575,000.00. Funding is Budgeted & Available in the Water and Wastewater Funds.
- D. Approval of City Contract No. 2024-180 for the Purchase of a New 2024 Toro TX 1000 Mini Track Loader with Multiple Attachments in the Amount of \$67,760.95. Funding is Budgeted & Available in the Streets Fund.
- E. Approval of City Contract No. 2024-172 and City Contract No. 2024-175 for Supervisory Control and Data Acquisition (SCADA) Systems Repair & Design in an Amount not to Exceed \$200,000 Per Year. Funding is Budgeted & Available in the Water and Wastewater Funds.
- F. Approval of City Contract No. 2024-141A2, an Amendment to City Contract No. 2024-141 for the Purchase of Two (2) Arrow Board Equipped Pickup Trucks in the Total Amount of \$118,976.56. Funding is Budgeted & Available in the Streets, Water, Wastewater and Solid Waste Funds.
- G. Adoption of Resolution No. 2024-1878 Approving City Contract No. 2024-182 Authorizing the City of Prescott to Enter into an IGA with Yavapai County for the Construction of a New Trailhead Facility, Including Improvements to Pioneer Parkway, a Driveway, Parking Lot and Restroom Facility.
- H. Approval of City Contract No. 2024-179 with VARI Sales Corporation Using OMNIA Partners Cooperative Purchasing for the Purchase of Furniture for Fire Department Offices in the Amount of \$76,044.15. Funding is Available in the General Fund.
- I. Approval of Applications & Acceptance of Three (3) Arizona Governor's Office of Highway Safety Grant for Federal Fiscal Year 2025 as Follows: 1) \$205,658 for Accident Investigation Materials & Supplies; 2) \$43,445 for DUI Enforcement Overtime, Materials and Supplies, and 3) \$36,371 for Speed & Aggressive Driver Enforcement Overtime, Materials and Supplies. All Grants are Fully Funded by the Arizona Governor's Office of Highway Safety.
- J. Adoption of Resolution No. 2024-1879 Approving the Council Policy Regarding Contracts with Public Officers and Employees of the City.
- K. Approval of City Contract No. 2024-195 with CompuNet Incorporated for Cybersecurity Software in an Amount not to Exceed \$60,601.76. Funding is Budgeted & Available in the IT Budget.
- L. Approval of City Contract No. 2024-196 with CentralSquare Technologies for Enterprise Asset Management Software Cloud Migration & Related Services in

an Amount not to Exceed \$107,625.03 Using TIPS Contract No. 220105 Pricing. Funding is Budgeted & Available in Various Public Works Department Funds.

- M. Approval of City Contract No. 2024-066A1, a Task Order Amendment to City Contract No. 2024-066 with Dibble for Design Phase of the Aircraft Rescue and Fire Fighting (ARFF), Operations, Maintenance and Snow Removal (SRE) Building at Prescott-Regional Airport - Ernest A. Love Field in an Amount not to Exceed \$759,992.00. The Project Will be 100% Funded by the Already Approved ADOT Grant (E3S301D).
- N. Approval of City Contract No. 2024-194 with ADB Safegate to Upgrade the Existing Airfield Lighting Electrical Distribution Systems from a Discontinued ACE 2 System to the New ACE 3 System at the Prescott Regional Airport - Ernest A. Love Field in an Amount not to Exceed \$82,917.32. Funding is Budgeted & Available in the Airport Fund.
- O. Approval of City Contract No. 2024-199 with J. Dallin Kimble for the City Manager Employment Contract.

10. CONSENT ORDINANCE

- A. Adoption of Ordinance No. 2024-1854 Approving City Contract No. 2024-176, a Parking Lot Lease Agreement Between the City of Prescott and Fouquieria LLC for Extra Parking to Service City Hall Located on North Montezuma Street, Prescott, Arizona.

Mayor Goode commented that he does not support this Ordinance, there are high priority financial requirements coming forward to the city and having additional parking is a want and not a need. It would be convenient, we have to keep our focus on the things that need to be done and eliminate conveniences that impact our General Fund.

Councilmember Rusing commented that she saw a discrepancy in the dollar amounts. She commented that parking is a premium downtown and it is not unusual for companies or government agencies to lease parking, and need to be realistic and she supports it.

Interim Deputy City Manager Joe Baynes addressed the Council and stated that the number of parking spaces in the lease changed and it decreased the amount to \$10,250. There was an appraisal done and it was a comp to the parking garage, will be for city employees to open up parking to the public.

Councilman Montoya asked what brought on looking at the parking in the first place, particularly when thinking about a meeting like today when we have a lot of people who want to come and participate in the meeting but can't because of parking as well as consolidating city services into this building. This is something to do to ensure that people can attend meetings and staff can still go about city

business, especially when being able to work side-by-side has been beneficial for departments.

Mr. Baynes confirmed and added that there will be twenty additional staff members that will be coming into this building when services are consolidated.

Mayor Pro Tem Cantelme asked what percentage of the time we are in need of the spaces outside of Council meetings.

Mr. Baynes responded that typically it will be council days, but as staff comes over it will be more and more. He added that he has looked at other sites as well for looking at long term solutions and this will just be a year to year.

Councilman Moore commented on the importance of making meetings as accessible as possible for the public and he sees this as a benefit for them. if additional parking is not provided people may not be able to attend, and have already received numerous complaints about access to the Council Chambers. He is in favor of this.

Councilman Gambogi commented that he appreciates staff being proactive and addressing the parking issues at this location.

Councilwoman Fruhwirth asked how many cars are being stored for city use.

Mr. Baynes responded that it is approximately 5-6.

MOTION BY COUNCILMAN MONTTOYA TO ADOPT ORDINANCE NO. 2024-1854; SECONDED BY COUNCILMEMBER RUSING: PASSED (5 - 2) MAYOR GOODE AND MAYOR PRO TEM CANTELME DISSENTING

11. LIQUOR LICENSE

- A. Public Hearing and Consideration for a New Series 6 Bar Liquor License Application from John Alexander Phillips, Applicant, for The Prep Kitchen. Location: 402 W Goodwin Street.
Applicant John Phillips was present and addressed the Council regarding the space which used to be occupied by Joanne's Bakery which they will be taking over, will be doing wine and alcohol pairings into that area. Addition to their current model.

Mayor Goode commented that the restaurant is very popular and wished them luck with the expansion.

MOTION BY COUNCILMEMBER RUSING TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN MONTTOYA: PASSED (7 - 0)

MOTION BY COUNCILMEMBER RUSING TO APPROVE ITEM 11.A.; SECONDED BY MAYOR PRO TEM CANTELME: PASSED (7 - 0)

- B. Public Hearing and Consideration for a New Series 12 Restaurant Liquor License Application from Jeffrey Craig Miller, Applicant, for The Angry Crab Shack.

Location: 520 Miller Valley Road.

**MOTION BY COUNCILMEMBER RUSING TO CLOSE THE PUBLIC HEARING;
SECONDED BY COUNCILMAN MONTOYA: PASSED (7 - 0)**

**MOTION BY COUNCILMEMBER RUSING TO APPROVE ITEM 11.B.;
SECONDED BY MAYOR PRO TEM CANTELME: PASSED (7 - 0)**

12. REGULAR AGENDA

- A. Presentation, Discussion & Possible Action Regarding Recommendations from the Workforce Housing Committee (WHC).

Special Projects Coordinator Amber Fraser provided a presentation to the Council regarding the Workforce Housing Committee which was formed by Council and had its first meeting in May 2023 and introduced the presentation.

Fire Chief Holger Durre also addressed the Council regarding the significant need in the community for workforce housing, and highlighted a recent high quality candidate who was unable to attain workforce housing in our community and had to turn down a job offer. This is a complex issue and a long term one that he is happy to see the Council addressing.

Mayor Pro Tem Cantelme stated that she is the Council liaison for the Committee and commented on how impactful this issue is and the complexity of the situation. She reiterated that this is workforce housing for people that are working and serving our community.

Councilman Montoya asked about the "teacherage" at Taylor Hicks and the ability to leverage that for these issues.

Chief Durre responded that it is a wonderful option to have, but we do need additional options as well.

Councilmember Rusing stated the importance of doing this at a local level.

Councilman Gambogi thanked Chairman Fann and the Committee for taking on this issue. He added that there are a variety of plans in the community including the General Plan, Traffic Coordination, police training etc. and all of these need to be coordinated as we compete for Fire and Police. He asked the community to support this.

Committee Member Nicole Kennedy thanked the Council for their commitment to these issues and city staff for all of their efforts as well. She provided a presentation to Council regarding the proposals from the Committee:

- * WHC Mission - plan and preserve workforce housing solutions to promote a healthy and vibrant community for all

- * WHC Vision - facilitate housing solutions to attract and retain quality employees and lead to improved service delivery and quality of life for our residents and workforce

- * Workforce Definition - generally, based on HUD and ULI definitions plus local statistics and research we define workforce as those that earn about 60%-120%

of the area's median income and based on our current area income (FY23) of \$76,000 for a family of four the scale would start at \$46,250 - \$92,040. Workforce includes employees in occupations critical to a community's functioning across areas like education, healthcare, public safety, construction and other key services

* Workforce Housing Definition - residential properties, such as apartments or homes that are designated to be affordable for individuals and families and different from a direct governmental subsidized housing program. The goal is to offer housing that is no more than 30% of household gross income, including utilities, prioritizing and coordinating a vetting process to identify those with the greater need. This will provide the target monthly workforce housing rent and mortgage amount at \$1,150 (not including utilities)

Short Term Goals (1-3 Years):

- * Pursue match funding for a full-time workforce housing facilitator position or engage a third party to act in this role
- * Formalize a third-party stakeholder organization group
- * General Plan Housing Element draft
- * Create two separate educational packets
- * Research the best financial program solutions for the city and stakeholders
- * ADU Code Revision
- * Create a Workforce Housing Policy for Council consideration
- * Create a city program similar to the Yavapai County Home of My Own Program
- * Community Outreach
- * Set up a fund account for Workforce Housing

Councilwoman Fruhwirth asked about a grant that Council previously approved and expressed her fears related to code revisions to ADU's that may lead to unintended consequences.

Member Kennedy stated that the grant was applied for but they have not received information regarding whether an award was issued or not. The funds are required to go to specific projects related to workforce housing. She added that short-term rentals are already allowed in ADUs per the city code.

Community Development Director Chelsea Walton added that ADUs are being looked at on two paths, the code currently states that we cannot rent ADUs long-term which the Committee and staff agrees should be changed. With the other conversation around mitigating issues around short-term rentals staff is looking into that as well.

Councilman Montoya commented that he understands the value in allowing ADUs to be rented long-term, he stated that places like Tucson have addressed this topic as well and wondered if there is another incentivization that could be done to help with these issues.

Ms. Walton responded that the Planning Division is monitoring legislation and what other municipalities are doing. The Committee request will be worked into an overarching review of this code and that will come before Council in the future and then the Committee can work on the incentive side of things.

Mayor Pro Tem Cantelme added that the Committee has looked at every angle of things and options for incentivizing things.

Councilwoman Fruhwirth commented that she did not see enough information in the packet regarding a fund account for Workforce Housing and would like more details regarding that item.

Councilmember Rusing stated it is important for the city to have skin in the game and suggested that available city property be reviewed with City Real Estate Administrator Bryan Sparks.

Member Kennedy responded that they have looked into that, she added that all of this is early stages for these items and this is about having a line item for focusing on these issues.

Ms. Fraser responded that it doesn't have to be done today, but it would be the line item where the grant funding would go if it is received.

Mayor Goode asked how the funding would be spent. Because of the complexity of the number of proposals today, until there is a priority list bringing on someone to staff to look at this is premature, he would like a more well defined plan of action before that decision is made.

Ms. Fraser responded that the grant funding would have to go toward a housing plan for the community and there would need to be someone to coordinate that plan whether it is a city employee or a consultant. Future funding is not known at this time.

Councilman Gambogi stated this isn't the only solution to this problem, could build another 1500 houses or pay people more which he doesn't assume everyone is in favor of. He feels the Committee is on track for a viable solution but would like to see some numbers tied to the proposals, there needs to be a plan.

Ms. Fraser added that to get the funding a plan would have to be in place and being implemented by 2026 and if there is not a person on staff for that it would be shared among the current staff. This is a new grant, do have a quote from a Housing Plan organization and that is 50-60k and would then need a person to implement that plan.

Councilwoman Fruhwirth commented that it seems they are confusing two items. It seems to her that there needs to be a general ledger line item to place this funding in, but with the change for the better addition it confuses the line item. She is all for accepting the grant funding if we get it but her concern is the blank set up of this account, she felt more detail was necessary.

Interim City Manager Tyler Goodman stated that this item shows Council support for this goal, the hiring of people putting in for grants/accepting funds etc. would have to come back to Council.

Committee Chairman Fann echoed Mr. Goodman's comments. The Committee serves at the will of the Council, they can't distribute money or apply for grants without the approval of Council. This is a guideline from Council and anything else would come back to Council for action.

Mayor Pro Tem Cantelme added this would be a vessel to place the funds in if they are received, there isn't a clear picture of how many hours or months would be necessary to get this all addressed. Need to keep working through all of this.

Councilmember Rusing thanked the Committee for taking this task on, she stated that workforce housing should be within city limits and they should work in city limits and that property should be deed restricted.

Long Term Goals (3-5 years):

- * Facilitate or partner in creating a tangible product
- * Create a regional workforce housing strategic plan
- * Identify the number of units needed

Member of the public Kenneth Fidyk addressed the Council and stated that it seems this all is still early stages, while we do need workforce housing for critical positions in the community but he is concerned about how the federal government will impact what the city can do with workforce housing. He asked that the Council seriously consider being proactive in dealing with the invasion that is coming.

MOTION BY COUNCILMAN GAMBOGI TO APPROVE WHC'S VISION, MISSION, WORKFORCE DEFINITION & WORKFORCE HOUSING DEFINITION, AND TO CREATE A WORKFORCE HOUSING ACCOUNT IN THE GENERAL LEDGER RECOMMENDATIONS; SECONDED BY COUNCILMEMBER RUSING: PASSED (6 - 1) MAYOR PRO TEM CANTELME DISSENTING

MOTION BY COUNCILMAN MOORE TO APPROVE WHC'S SHORT TERM & LONG TERM GOALS, APPROVE THE RECOMMENDATION TO PURSUE FUNDING FOR A FULL-TIME WORKFORCE HOUSING FACILITATOR POSITION AND APPROVE THE WHC'S COMMUNITY OUTREACH PLAN; SECONDED BY COUNCILMEMBER RUSING: PASSED (6 - 1) COUNCILMAN GAMBOGI DISSENTING

- B. Adoption of Ordinance No. 2024-1855 Approving City Contract No. 2024-197, an IGA Between the City of Prescott & Central Arizona Fire and Medical Authority (CAFMA) to Exchange Properties, Resulting in CAFMA's payment of \$550,000 to the City General Fund.

Fire Chief Holger Durre provided a presentation to Council regarding an exchange of property which have been operated over the last 15 years by the opposite response teams. Exchange will allow for expediency and will bring in a transfer of funds to the city of Prescott based on the difference in value of the property.

Councilman Gambogi asked about the location of the two stations (Iron Springs

Station 51 is ours and operated by CAFMA), Station 72 houses our engine and is owned by CAFMA on 6th Street.

Councilmember Rusing asked if this money can be kept in the Fire Department budget to be used toward implementation of the Strategic Plan.

Interim City Manager Tyler Goodman responded that it can be allocated and budgeted through the budget process.

Mayor Goode commented that it was never contemplated that Fire Administrative Offices would be moved to this building and moving the vehicles has created more of a challenge and asked if this would alleviate that.

Chief Durre responded that there is contemplation to have administrative staff included in one of the proposed new or remodeled stations, coming here allowed staff to come in and work together as well as addressing not enough space for the staff that exists.

Councilman Moore asked if there is a policy regarding city sold assets going toward paying off this building and if these funds should go to that.

Mr. Goodman responded that it is up to the Council direction and discretion of Council, that has been what is done to date. If it is General Fund it will offset one or the other.

**MOTION BY COUNCILMAN MOORE TO ADOPT ORDINANCE NO. 2024-1855;
SECONDED BY COUNCILMAN MONTROYA: PASSED (7 - 0)**

- C. Adoption of Resolution No. 2024-1875, Approving the Amended 2022 Water Management Policy; and Approval of Additional Recommendations from the Mayor's Commission on Water Policy Review & Monitoring.
- Water Resource & Environmental Service Manager Brian Ruiz provided a presentation to the Council regarding the amended water policy which was discussed at a previous meeting. Following Council direction to staff, the Resolution was amended to reflect an amendment rather than a rescission of the 2022 Policy. There were two other minor revisions to address the new name and changes to the policy. Additionally, recommendations from the Commission remain unchanged from the previous meeting discussions.

**MOTION BY COUNCILWOMAN FRUHWIRTH TO ADOPT RESOLUTION NO. 2024-1875 AND APPROVE ADDITIONAL RECOMMENDATIONS FROM THE MAYOR'S COMMISSION ON WATER POLICY REVIEW & MONITORING;
SECONDED BY COUNCILMEMBER RUSING: PASSED (7 - 0)**

- D. Presentation & Discussion Regarding an Appeal of the Prescott Preservation Commission's Denial of a 55-Room Hotel on Whiskey Row at 136-140 S. Montezuma Street.
- City Attorney Joseph Young addressed the Council regarding the procedural posture regarding this matter. The Preservation Commission has the authority under code to review certain projects and either approve or disapprove. Now the

Council will review that decision de novo to analyze and determine as a quasi-judicial body related to this matter. The action before the Council today will be to affirm or reverse the decision of the Prescott Preservation Commission (PPC), and if they reverse it the project moves forward.

City Clerk Sarah Siep reviewed the process for the item presentations and stated it would go in the following order: city staff presentation, applicant appeal presentation, PPC representative opportunity to speak, opportunity for applicant rebuttal, discussion and questions from Council, public comment and finally a vote as reviewed by Mr. Young.

Historic Preservation Specialist Kaylee Nunez provided a presentation to Council with a condensed version of the information that was previously provided to PPC. She reviewed the building which was originally built in 1905, and then rebuilt in the 1960s following a roof collapse. The building is not currently on a historical register, however it is eligible to be due to its age. It is not architecturally significant, but is harmonious with Whiskey Row and the surrounding architecture. She continued with a review of the proposal:

- * 5-story boutique hotel at 138-140 S Montezuma Street
- * 48' height to top of fifth floor and 53' height to top of elevator overrun
- * Highest building point on Whiskey Row
- * Building width of 50' and depth of 150'
- * Brick veneer is primary exterior finish material, along with granite wainscoting and sandstone friezes, design also features cornices and lintels
- * Hotel will extend 3-stories high at back of sidewalk then step back approximately 20' to accommodate an open-air terrace, beyond the terrace it will extend two more stories to reach full five-story height

Analysis:

- * Reviewed against Chapter 8 of the Prescott Historic Master Plan
- * Materials and details - largely meet criteria
- * Windows and doors - largely meet criteria, except for 4th and 5th floor front facade windows and front door
- * Siting - largely meets criteria, step-back on third floor atypical however. Buildings in district have zero setback for entire height
- * Building Size and Scale - does not meet criteria, top point of building is 52.73', there are no district guidelines beyond three stories. Proposed building is out of scale and massing with district guidelines and adjacent buildings on Whiskey Row
- * Misc Elements - meets criteria as current building is noncontributory to national register, however, current building architecturally compatible with Whiskey Row
- * Also addressed "threat of character" - five story building could create an out of scale precedent

Width to Height Ratios:

- * In general the wider the building the taller it can be
- * Most buildings on Whiskey Row and in the district are approximately 1.5 to 2 times as wide as they are tall
- * 25-36' tall would be more appropriate height for a 50' wide building

State Historic Preservation Office Analysis:

- * Reviewed against the Secretary of Interior's Standards for the Treatment of Historic Properties (SOIS)
- * Applied standards 3, 9 and 10 for rehabilitation projects
- * Standards 3 and 10 met in entirety
- * Standard 9 not met
- * Rythm of Whiskey Row interrupted by height of new hotel
- * Recommended considering matching heights of extant adjacent horizontal features and break facade into smaller elements consistent with scale of surrounding buildings

Public Input for Preservation Commission:

- * Notices mailed to all property owners within 1/2 mile of the Courthouse (1,218) prior to each meeting
- * Articles published in the Courier four times
- * 135 responses received
- * 131 opposed and 4 in support
- * Height, negative impacts on character of the Plaza, parking and traffic and suggested alternative locations were all comments received

Conclusion:

- * Preservation Specialist recommended that the existing facade be maintained or rebuilt in a manner that compliments the scale and style of surrounding buildings as well as keeping overall building height within the more intimate scale of Whiskey Row (three-story maximum)
- * Project will not meet recommendations and staff recommended denial
- * PPC unanimously denied HP23-006 on August 11, 2023

Councilmember Rusing stated that this is a historic preservation district. The applicant has made efforts to address some issues but not all of the criteria, and asked if he could reapply if he met the additional criteria.

Ms. Nunez responded that Chapter 8 of the City's Plan holds more weight than the state and national standard.

Mr. Young concurred, it has to be compared to our documents and standards, as well as criteria.

Councilman Gambogi commented that he attended the PPC meetings and there was a lot to consider. He has a very narrow focus and asked about the height.

Ms. Nunez responded that it is 48' but there is a part that goes up to 53', she also discussed the height of surrounding significant buildings like the Courthouse, Post Office and Hotel St. Michael. From the southern or northern side you'd be able to see the elevator shaft.

Mayor Pro Tem Cantelme commented that she has spoken with several people in the downtown area, they want to preserve Whiskey Row going into the future. She is not opposed to a building going in there. This application largely meets the criteria in a variety of the standards, she stated that considering a hotel for that

area would be beneficial but bringing the massing down would be a better fit.

Councilman Moore commented that he was the previous liaison to the Preservation Commission and feels that the project as it stands now is not significantly different to how it was originally proposed and does not meet the criteria.

Councilman Montoya commented that the Council asks people to serve on city Commissions and are vetted by Council to make these kinds of recommendations. He only recalls one incident when a recommendation was made that the Council overrode. The overwhelming feedback from the community is not in favor of this project and if the Council wants to go against a recommendation we need a solid set of circumstances to do that.

Councilmember Rusing echoed Councilman Moore's comments that this will stick out like a sore thumb, she stands with the Preservation Commission.

Councilwoman Fruhwirth concurred, she views Council's role in serving the public and being a watch dog for the future. Our standards are clear.

Mayor Goode stated that the proposal fails to meet requirements for massing and scale which is a concern, additionally creating a precedent would also create issues. Parking is not required for businesses on Whiskey Row, but this would have a huge impact on parking requirements in the area and would have to close the fire lane during construction.

Ms. Nunez addressed scale and massing in relation to Whiskey Row is particularly important.

Applicant Jim Grisette addressed the Council and introduced Jim Rounds with Rounds Consulting regarding the economic impacts of the hotel.

Mr. Rounds addressed Council regarding economic and fiscal impacts in the area. There have been many recommendations and they are aware of the way the vote will likely go on these items but it is still important to speak to this project as there was no financial analysis done related to the criteria for these items. This is a unique opportunity for the downtown area.

Tax and Economic Benefits:

- * Economic advancements through construction - \$200,000 in one time construction tax revenues
- * Ongoing fiscal contributions - 65 jobs and \$250,000 in ongoing tax revenue annually

Other Benefits:

- * Calculations set a defensible incentive ask of \$300,000 to \$400,000
- * Building owner didn't want to ask for incentives and cited wanting to be a community partner
- * One of the top economic development inputs is having a balanced budget
- * City needs more than just this one project, Prescott needs to shore up its

finances

* Subjective is still subjective - according to Stephen Ayers "placement of a hotel in the district is a perfectly acceptable and viable intervention and I do not believe it obscures any of the character defining elements of neighboring historic properties"

Councilman Montoya stated that he appreciated the context provided by Mr. Rounds, the materials were presented in the Council packet and he understands where he is coming from and there is credence to the broader topic however this is the most iconic row of Northern Arizona. This isn't a Council that is not everything or unwilling to look at economic impacts, but this is a historic and important district, it matters to the culture of our community. Don't want to lose our culture and identity in the process of ensuring economic development.

Mr. Rounds stated that he thinks the community's values should trump economic development, but still believes his comments are valid. If you are going to recommend to someone to do something different and it doesn't pencil out then you are just saying no.

Councilwoman Fruhwirth echoed Councilman Montoya's comments and stated that she is insulted by the comments that he is making off of one interaction. There is a culture importance to protecting this that the Council is taking very seriously.

Mayor Pro Tem Cantelme asked the City Attorney about the four options that Council has before them, and based on those options if this is turned down in the spirit of property rights does he intend to go back and try to meet requirements. She would like to try and allow him to go back to the drawing board, but only if he will comply.

Mr. Young reiterated that the Council may affirm or deny, or affirm or deny in part the decision of the PPC.

Mr. Griset stated that parking cannot be a consideration and added that the site is zoned for a hotel. The building is not historic and is listed as a non-contributing building, it has deteriorated beyond the point of rehabilitation and demolition is allowed. The height limit in the district is 50' without a Special Use Permit and current design is 48'. After the project was rejected he was able to identify a renowned expert in architecture and historic districts who stated that guidelines were met and the project is harmonious with the district. Only a quarter percent of the population of the city are in opposition to this project. Doesn't consider this the end of this quest, this is a deprivation of his property rights.

Mayor Pro Tem Cantelme asked which option would give him another option to go before PPC. This town cannot survive on Whiskey Row alcoholics, can't preserve the buildings when they are empty and need to be able to do something. Recognizing he does have property rights and coming into compliance would help us financially.

Councilmember Rusing stated that she supports PPC and their grounds for

denial of this project. She asked about making a motion regarding this.

Ms. Siep reiterated the process of the appeal and stated that the Council still needs to hear from PPC and the public.

Councilman Gambogi commented that he feels a bad precedent is being set today. At last week's Board of Adjustment meeting citizens came out against a development of a gas station and while they were against it he was amazed at how appropriately they handled themselves during that meeting. He hasn't seen friendly or neighborly behavior at this meeting, and it is out of bounds to attack a person.

Prescott Preservation Commission Vice Chair Mike King was present and addressed the Council. He added that he would've liked to address them before their dialogue because much of this will be repeat. This is a daunting responsibility and he stated that he has reviewed his notes from the Commission meetings and reviewed their decision regarding the proposal. The design criteria of the district are the guideline and the area has a long history of specific architectural criteria. He reviewed the Preservation Commission Master Plan and reviewed history of the district. He added that while parking and other implications are significant the PPC could not consider those, additionally could not consider economic impacts of the proposed project. Based on all of this criteria that is why the proposal was denied, but any new proposal that meets the criteria will be fully considered.

Mr. Griset commented that scale and massing has repeatedly come up and is a subjective term.

Councilman Montoya asked if scale and massing is a subjective term his understanding is they are measurable.

Ms. Nunez stated that these terms are not subjective it is based on the human and the building environment and are measurable dimensions.

Councilwoman Fruhwirth commented on scale and massing, and in both instances of the renderings you see the height and mass of this building. A three-story building or outdoor porch would be acceptable, and asked if the Council would be potentially interested in affirming in part or reverse in part to give another shot at the project to think through other ways to allow the hotel but meet the historic guidelines.

Mr. Young responded that it would be either affirm in part or deny in part, it would be like a condition and the council would have to articulate what would need to go back to PPC to meet.

Councilmember Rusing stated that she remembers when this building we are in was being proposed and the main issue was the height, the city should comply with its guidelines and not bend the rules so the Council should agree with the PPC.

Mayor Goode opened the floor for public comment.

Member of the public Glenn Bevilacqua addressed the Council as a neighboring business owner and 50-year real estate professional, just because he is a property owner doesn't mean you can do whatever you want. An interior remodel at the Galloping Goose has been going on for over six months, construction projects do not go as planned. The depreciation of the character of this area is something our community would never recover from if this project went through.

Member of the public David Segel addressed the Council regarding the love of the area here in Prescott, he feels insulted by the comments from Mr. Rounds and Mr. Griset. Veiled threats of a lawsuit are reprehensible, he addressed Fruhwirth and Cantelme regarding the fact that Mr. Griset said a flat out no on compliance and giving him a do-over is a slap in the face. He has been at every meeting and spoken up at every meeting and the vast majority of constituents do not want this project period.

Member of the public Don Biele addressed the Council regarding protection of the crown jewel of Prescott, there are opportunities to enhance but still need to preserve. This is an old, run down building and a state of the art hotel is what is proposed. He doesn't understand why downtown merchants aren't screaming to get this done, people staying there will spend money and then leave. Doesn't know how Council could say no and then approve a project on City property.

Member of the public Kenneth Fidyk addressed the Council regarding what is going on in California possibly happening here. The Council after hearing comments only have one decision to make and that is affirm the denial from PPC.

Member of the public Richard Thompson addressed the Council regarding developers bringing forward proposals that don't meet criteria, the Council should affirm the denial.

Member of the public Linda Thompson addressed the Council stating that it is a treat to be in agreement with the Council, she concurred that she feels insulted by comments. They have no clue who we are, there are people from all walks of life and careers here. We are proud of this iconic community, there is no point in saying maybe because he already said no won't comply.

Member of the public Peggy Glenn addressed the Council and stated that Mr. Griset did not do due diligence regarding the property he purchased. Mass and scale is not subjective, no is no.

Member of the public Stephen Parker addressed the Council regarding the applicant not listening to what the people here are saying. He has been in construction for many years and when this building starts coming down it won't come down alone. There are better locations.

Member of the public Debbie Wyatt addressed the Council regarding the fact that people of Prescott do not want this and this is a city planning and management issue. She asked why this parcel is zoned for a hotel which is not appropriate for

the area and would be a disservice to the residents. Hopes the Council denies this.

Member of the public John O'Neil Lutes addressed the Council as a business operator in the surrounding area, the scale and mass would allow for employees to take up parking all of the time. These things are shared resources of the community and there aren't enough of those surrounding Whiskey Row not only during construction but once it is completed and occupied.

Member of the public Autumn Kline addressed Council as a neighboring business owner, she is in her business five days a week and visitors and locals love the history downtown. Removing businesses will cut down on foot traffic and will not help business, and disruptions during the construction process would be detrimental. Loss of revenue would be experienced, and this would be a disservice to the community.

Member of the public Don Kosco addressed the Council and thanked the PPC for their presentation. He is a Prescott native, we are stewards of this community and need to look long and hard at all development in this community. The Plaza is a gem and can't act hastily about development around it. The size and scale would stand out and not be congruent with the rest of the architecture of the area. Neighboring buildings could also be negatively impacted and would lead to other proposals of a similar nature.

Member of the public Wendy Johnson addressed the Council stating that her granddaughter plays on the Plaza, the project is beautiful but should not be in that location because it will be detrimental to the structure of the surrounding buildings. As far as the economics go, if people are frustrated because they can't park that will be negatively impactful. She is happy to see consensus on this.

**MOTION BY MAYOR GOODE TO AFFIRM THE DECISION OF THE
PRESCOTT PRESERVATION COMMISSION; SECONDED BY
COUNCILMEMBER RUSING: PASSED (7 - 0)**

13. ADJOURNMENT

Quote: "The care of human life and happiness and not their destruction is the first and only legitimate object of good government." - Thomas Jefferson

There being no further business to discuss, Mayor Goode adjourned the meeting at 7:13 p.m.



PHILIP R. GOODE, Mayor

ATTEST:



SARAH M. SIEP, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Voting Meeting of the City Council Voting Meeting of the City of Prescott, Arizona held on March 26, 2024. I further certify the meeting was duly called and held and that a quorum was present.



Sarah M. Siep, City Clerk

