



City of Prescott

City Council - Voting Meeting

July 8, 2025 | 3:00 PM
201 N Montezuma Street
City Council Chambers
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Mayor Goode called the meeting to order at 3:03 p.m.

2. INTRODUCTIONS / ANNOUNCEMENTS

Mayor Pro Tem Cantelme announced that at the June 24th Voting Meeting, Council unanimously adopted Resolution No. 2025-1917 which placed Prop485 for a Utility Franchise Election on the November 4th General Election ballot. This will renew a franchise agreement with APS which expires in May 2026, and the Council has determined that it is beneficial for the city to grant a new franchise to APS conferring the right to utilize the city's rights-of-way for the provision of electricity. Arguments for and against Prop485 will be accepted by the City Clerk's Office through **5 pm on August 8th**. Citizens are encouraged to submit and pay for their arguments through a direct link on the city website, but arguments may also be filed via email to city.clerk@prescott-az.gov in Word format. All submitted arguments must meet the following criteria:

- 1) Shall not exceed three hundred (300) words in length;
- 2) Shall be accompanied by a \$100.00 per argument fee;
- 3) Shall include the name of the individual or committee chair if sponsored by a political committee, address and telephone number of those providing the argument(s).

She added that the Council Subcommittee on Appointments is currently seeking applications for the Fire Board of Appeals, Tourism Advisory Committee, Civic Enhancement Committee and the Prescott Preservation Commission. Applications are due to the city by **5:00 p.m. on Friday, July 11, 2025.**

3. INVOCATION - Pastor Kyle Gustavson with Heights Church

4. PLEDGE OF ALLEGIANCE - Councilman Moore

5. ROLL CALL

Phil Goode - Mayor
Connie Cantelme - Mayor Pro Tem
Lois Fruhwirth - Councilwoman
Ted Gambogi - Councilman
Patrick Grady - Councilman
Brandon Montoya - Councilman
Eric Moore - Councilman

6. PROCLAMATIONS

- A. National Parks & Recreation Month - July 2025
Councilman Moore presented the Proclamation.

7. OPEN CALL TO THE PUBLIC

A. D. Carter LaBarge addressed the Council regarding the \$15 million state budget allocation and suggested that there should be no bonuses or disbursements to Rodeo staff.

B. Tony Hamer addressed the Council and asked if Prescott has lost it's way. The present election highlights tensions with harsh rhetoric, and the Council's rejection of the 2025 General Plan reflects responsiveness to concerns which shows that the immunity is shaping its future through community engagement. Conflict between Cathey Rusing and Kell Palguta do not reflect well on the community, suggested that the city should look at priorities in the Strategic Plan when putting together their meeting agendas. Prescott should blend innovation with inclusion.

8. CONSENT AGENDA

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CONSENT AGENDA ITEMS 8.A. THROUGH 8.F.; SECONDED BY COUNCILMAN MONTOKA: PASSED (7 - 0)

- A. Approval of Meeting Minutes from the June 12, 2025 Special Council Meeting, the June 24, 2025 Study Session, and the June 24, 2025 Voting Meeting.
- B. Approval of Multiple Contracts for Annual Marketing & Sponsorship of Signature Events as Follows: 1) City Contract No. 2026-031 with the Prescott Chamber of Commerce for Arizona's Christmas City; 2) City Contract No. 2026-032 with Prescott Frontier Days for the World's Oldest Rodeo; 3) City Contract No. 2026-033 with Prescott Downtown Partnership for the Summer Concert Series. Funding is Budgeted & Available through Transient Occupancy (Bed) Tax Funds.
- C. Approval of Multiple City Contracts for the Tourism Advisory (TAC) Grant Awards Annual Marketing Support for Events Run by Local Non-Profits as Follows: 1) City Contract No. 2026-003 For the 13th Annual Hope Fest; 2) City Contract No. 2026-004 For the 37th Annual Cowboy Poets Gathering; 3) City Contract No. 2026-005 For the 47th Annual Whiskey Row Marathon; 4) City Contract No. 2026-006 For the 51st Annual Phippen Western Art Show & Sale; 5) City Contract No. 2026-007 For the 19th Annual All Corvette Car Show; 6) City Contract No. 2026-009 For the Arizona Philharmonic Eighth Season; 7) City Contract No. 2026-010 For the Art in the Pines, 6th Annual Plein Air Festival; 8) City Contract No. 2026-011 For Chalk it Up! Prescott; 9) City Contract No. 2026-012 For the Festival of Trees; 10) City Contract No. 2026-013 For the NYE Whiskey Row Boot Drop; 11) City Contract No. 2026-014 For the Prescott Area Artist Studio Tour; 12) City Contract No. 2026-015 For the Bluegrass Festival; 13) City Contract No. 2026-016 For the Prescott Film Festival; 14) City Contract No. 2026-017 For the Prescott Fine Art & Wine Festival; 15) City Contract No. 2026-018 For the Prescott Highland Games and Celtic Fair; 16) City Contract No. 2026-019 For the Prescott Indian Art Market; 17) City Contract No. 2026-020

For the Prescott Shootout; 18) City Contract No. 2026-021 For Prescott Doc Hollidaze; 19) City Contract No. 2026-022 For the Riddle Rally for Veterans; 20) City Contract No. 2026-023 For the Solstice Flute Camp & Concert; 21) City Contract No. 2026-024 For Decompositions & Whale Fall; 22) City Contract No. 2026-025 For the Watson Lake Car Show & Swap Meet; 23) City Contract No. 2026-026 For Wildlights & Animal Sightings; 24) City Contract No. 2026-027 For the Yavapai Fair; 25) City Contract No. 2026-028 For Yes! Explorers Challenge. Funding is Available and Budgeted Through Transient Occupancy (Bed) Tax Funds.

- D. Approval of City Contract No. 2024-217A3, an Amendment to City Contract No. 2024-217 with Civic Solutions for Continued Services Related to the Economic Development Strategic Plan. Funding is Budgeted & Available in the Economic Development Fund.
- E. Adoption of Resolution No. 2025-1934 and Resolution No. 2025-1935 Designating the City of Prescott Chief Fiscal Officer for Fiscal Years 2025 and 2026.
- F. Approval of City Contract No. 2026-001 for Banking Services with Wells Fargo Bank.

9. CONSENT ORDINANCE

MOTION BY MAYOR PRO TEM CANTELME TO ADOPT CONSENT ORDINANCE ITEMS 9.A. THROUGH 9.D.; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (7 - 0)

- A. Adoption of Ordinance No. 2025-1898 Setting the FY26 City Property Tax Levy.
AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF PRESCOTT, SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE PROVIDING FUNDS FOR THE GENERAL MUNICIPAL EXPENSES, FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE 2026
- B. Adoption of Ordinance No. 2025-1901 Authorizing the Granting of an Ingress & Egress Easement to Arizona Public Service Company.
AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT ("CITY"), YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE GRANTING OF AN INGRESS & EGRESS EASEMENT TO ARIZONA PUBLIC SERVICE COMPANY (APS) FOR ACCESS TO APS OWNED PROPERTY FOR EXPANSION OF THE WILLOW CREEK SUBSTATION, AUTHORIZING THE MAYOR AND STAFF TO EXECUTE ANY AND ALL DOCUMENTS TO EFFECTUATE SAID UNDERGROUND UTILITY EASEMENT

- C. Adoption of Ordinance No. 2025-1902 Authorizing the Acceptance of a Public Utility Easement from 1212 Warrior Way, LLC.
AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT ("CITY"), YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE ACCEPTANCE OF A PUBLIC UTILITY EASEMENT FROM 1212 WARRIOR WAY, LLC, AUTHORIZING THE MAYOR AND STAFF TO EXECUTE ANY AND ALL DOCUMENTS TO EFFECTUATE SAID EASEMENT
- D. Adoption of Ordinance No. 2025-1904 Approving City Contract No. 2026-044, A Purchase Agreement Between the City of Prescott and LEC Holdings, LLC for the Purchase of One (1) Lot at the Prescott Regional Airport for the Future Site of the Air Traffic Control Tower.
AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT ("CITY"), YAVAPAI COUNTY, ARIZONA, APPROVING CITY CONTRACT 2026-044, A LAND PURCHASE AGREEMENT BY AND BETWEEN THE CITY (BUYER) AND LEC HOLDINGS, LLC (SELLER), FOR THE DESIGN AND INSTALLATION OF A NEW AIR TRAFFIC CONTROL TOWER AT THE PRESCOTT REGIONAL AIRPORT

10. LIQUOR LICENSE

- A. Public Hearing and Consideration for a New Series 12 Restaurant Liquor License Application from Michele Anne Moore, Applicant, for The County Seat. Location: 120 W Gurley Street.
MOTION BY MAYOR PRO TEM CANTELME TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (7 - 0)
MOTION BY MAYOR PRO TEM CANTELME TO APPROVE ITEM 10.A.; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (7 - 0)
- B. Public Hearing and Consideration for a New Series 3 In State Microbrewery Liquor License Application from John Darrel Allen, Applicant, for Mile High Beer Project. Location: 219 N Cortez Street #D.
Applicant John Allen addressed the Council regarding the brewery which will be located next to Peregrine Books on North Cortez Street.
MOTION BY COUNCILWOMAN FRUHWIRTH TO CLOSE THE PUBLIC HEARING; SECONDED BY MAYOR PRO TEM CANTELME: PASSED (7 - 0)
MOTION BY COUNCILWOMAN FRUHWIRTH TO APPROVE ITEM 10.B.; SECONDED BY COUNCILMAN MOORE: PASSED (7 - 0)

11. REGULAR AGENDA

- A. Approval of City Contract No. 2026-045 for the FY26 Pavement Preservation – SR 89 & Prescott Lakes Parkway Project in an Amount not to Exceed

\$5,327,460.00, Utilizing the 1GPA Contract; and Approval of Night Work for the Project. Funding is Budgeted & Available in the Streets Fund.

Deputy Public Works Director Janet Ramsey introduced PMP Project Manager Greg Patrick and provided a presentation regarding the project. She reminded everyone that the Pavement Preservation Program is very specific and targeted to help increase the city's PCI and longevity of the roadway systems.

Mr. Patrick continued with an overview of the project location, which are vital corridors for the community. Along Hwy89 the project will run from Willow Creek roundabout to Yavpe Connector, and on Prescott Lakes Parkway between Hwy89 to Hwy69. The improvements will use a stone matrix for asphalt, and milling will be done to rebuild the roadway. Currently PCI is a 74 and a lot of progress has been made but there is more room to grow.

Councilwoman Fruhwirth asked if the material was going to be as smooth as Hwy89 near the VA hospital.

Mr. Patrick responded that it is a different material but should have a similar feel.

MOTION BY COUNCILMAN GAMBONI TO APPROVE CITY CONTRACT NO. 2026-045 & NIGHT WORK; SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (7 - 0)

- B. Approval of City Contract No. 2025-142 with Dibble & Associates Consulting Engineers, Inc. for the Per-and Polyfluoroalkyl Substances (PFAS) Remediation Study and Recommendations in the Amount of \$475,642.00. Funding is Budgeted & Available in the Water Fund.

Utilities Manager Steve Olfers provided a presentation to the council regarding the PFAS Consulting Contract. These chemicals were found in city water in 2022 and have been working to mitigate it since that time. This is the first step in determining permanent remediation and getting Airport Well 5 back online.

What are PFAS and Why do they matter:

- * General name for fluoridated carbon chains that do not break down in the environment, often referred to as "forever chemicals"
- * EPA Rules & changes issued in 2023
- * In 2024 the city sought a consultant to help evaluate treatment options
- * Additional EPA changes in 2025, and extended deadline for compliance to 2031

Testing & Results in Prescott Water System:

- * City wells tested in 2022
- * Test quarterly
- * Airport Well 5 results were greater than 4 parts per trillion (PPT) and was subsequently removed from the water system
- * Airport Well 5 is the city's highest-producing well

Councilman Montoya asked if the costs of this contract would be included in the settlement regarding PFAS litigation.

Deputy City Attorney Matt Podracky responded that it will.

Evaluating Treatment:

- * Dibble was selected for their expertise in providing PFAS remediation and recommendation services
- * Contract Scope includes - hydraulic analysis of airport distribution system and treatment alternatives

Contract Scope:

- * PFAS Roadmap (Final Report)
- * Vendor will provide workshops for staff - thirteen total virtual and in-person meetings and workshops; including two Council meetings
- * Timelines - first technical memo after 20 weeks, conclusion roadmap provided within 48 weeks after NTP

Mayor Goode commented that he has been studying this issue and when he was at a recent water users forum he met vendors and discussed new technologies. Virtually every municipality has to deal with this issue, but he feels there will be significant technology innovation coming so keeping this project scope limited and focused is the best idea.

Councilman Moore asked what the current PPT is at well 5.

Mr. Olfers responded that it is at 15 PPT, and added that the distribution system at the airport is not compatible for blending.

MOTION BY COUNCILMAN GAMBOGI TO APPROVE CITY CONTRACT NO. 2025-142; SECONDED BY COUNCILMAN MOORE: PASSED (7 - 0)

- C. Approval of City Contract No. 2026-047 with Hawk Contracting LLC for the Construction of the Bradshaw Drive Guardrail Installation Project in an Amount Not to Exceed \$494,444.00. Funding is Budgeted & Available in the Streets Fund.

Capital Program Manager Tim Sherwood provided a presentation regarding the project on this minor collector in the City of Prescott. The contract will be for approximately 45 days.

Councilman Moore commented that the road has been in place for a long time and asked why staff is proposing this project now.

Mr. Sherwood responded that it was brought up to our Traffic Manager and a study was done which warranted the installation.

MOTION BY MAYOR PRO TEM CANTELME TO APPROVE CITY CONTRACT NO. 2026-047; SECONDED BY COUNCILMAN MONTTOYA: PASSED (7 - 0)

- D. Public Hearing and Approval of the 2025-2029 Consolidated Plan and First Year Annual Action Plan for Community Development Block Grant (CDBG) Program. **Recommended Action: 1) MOVE to close public hearing; and 2) MOVE to**

approve the 2025-2029 Consolidated Plan and First Year Annual Action Plan

CDBG Coordinator Michael McInnes provided a presentation to the council regarding the consolidated plan and annual action plan.

What is the Consolidated Plan:

- * Federal requirement for communities receiving CDBG Funds
- * 5-year strategic planning document that assesses community housing and development needs, establishes priorities and funding strategies, guides annual CDBG investment decisions, demonstrates compliance with federal objectives
- * Current 2020-2024 plan expires June 30, 2025, new plan is required to continue the city's program which is in it's 21st year and must primarily benefit low and moderate-income residents

Past Recipients:

- * USVets
- * People Who Care
- * Prescott Chamber Foundation
- * Matforce
- * Big Brothers, Big Sisters
- * Meals on Wheels
- * Prescott Area Shelter Services
- * Launch Pad
- * Community Nature Center
- * Community Counts
- * Catholic Charities
- * Polara Health
- * CCJ
- * NAZCare

Comprehensive Input Porcess:

- * CDBG Citizens Advisory Committee met throughout the planning process to review community needs, develop strategies and make funding recommendations
- * Professional Housing Needs Assessment
- * Community workshops and stakeholder meetings
- * 30-day public comment period (June 8 - July 8)

Top Needs Identified (top 3):

- * Housing affordability crisis - 29.2% of households are cost-burdened
- * Services for aging population - 40.5% of residents over 65, transportation for seniors and disabled residents
- * Emergency and transitional housing

2025-2029 Consolidated Plan Priorities:

- * Housing rehabilitation and accessibility improvements
- * Projects improving public facilities and infrastructure
- * Essential services in transportation, meals and health services
- * Emergency shelter and transitional housing support

*Economic development and job creation

CDBG Funding Overview:

* \$275,024 for 2025 estimated allocated for the City of Prescott

* Projected five-year \$1.375 million

* HUD has a formula they use to determine how much communities should and will receive

Project Recommendations:

* Parks & Recreation - ADA compliant restrooms at Community Nature Center

* Boys and Girls Club - safety fencing installation for playground serving LMI children

* Prescott Cupboard Food Bank - interior renovation to improve food distribution space and capacity

* Agape House - HVAC, surge protectors, maintenance shed and facility improvements

* Prescott Meals on Wheels - purchase of commercial steam kettle to increase meal production capacity

* Launch Pad Teen Center - parking lot repaving for safe access at youth center

* Public Works - drainage improvements and flood mitigation in Dexter neighborhood

* People Who Care - transportation and support services for seniors and disabled residents

* New Horizons - wheelchair accessible transportation and support services for senior and disabled residents

* Wrapped in Love Diaper Bank - distribution of diapers, hygiene products and incontinence supplies to LMI families and seniors

Councilman Moore asked if CDBG funds could be used for rental assistance for seniors.

Mr. McInnes responded that it can be, but it is limited. The COVID CDBG money is available for a period of six (6) months and regular CDBG funding is three (3) months.

Councilman Grady asked about the economic development and job creation priority has any specific projects or ideas that might present in the future.

Mr. McInnes responded that there have been past job mentorship programs, but the consolidated plan has been left as flexible as possible to see about finding these types of projects.

Mayor Goode commented that a few years ago he felt that the same organizations were always coming in, so he is pleased to see that there is a wider number of applicants now based on the work that Mr. McInnes has done.

Member of the public Shea Richland addressed the Council regarding the Bradshaw Senior Living and issues with rent increases in addition to the significant cost of living increases for seniors. 80-90% of residents are women, who statistically have a much more difficult time preparing for apartments. She

added that nobody at the Chamber Foundation is getting back to any of the residents. Affordable living for seniors is a crisis, and she feels that the CDBG funding should go to that.

Member of the public Sandra Hammond addressed the Council as a resident of Bradshaw Senior Living. Rent continues to increase, sometimes more than once a year, and she is priced out at this point, but she has nowhere else to go.

Member of the public Judith Ann Reynolds addressed the Council echoed previous speakers as a resident of Bradshaw Senior Living. It is a nice community, and she can't imagine being anywhere else. She encouraged the Council to take this struggle into consideration.

Member of the public Lorene Faye Peterson addressed the Council with the same concerns regarding increasing rent at the Bradshaw Senior Living.

Member of the public Linda Larson addressed the Council asking for help from the Council regarding funding for senior living.

Mayor Goode commented that CDBG funds have many restrictions and limitations, and he doesn't know what the answer is.

**MOTION BY COUNCILMAN GAMBOGI TO CLOSE THE PUBLIC HEARING;
SECONDED BY MAYOR PRO TEM CANTELME: PASSED (7 - 0)**

**MOTION BY COUNCILMAN GAMBOGI TO APPROVE THE 2025-2029
CONSOLIDATED PLAN AND FIRST YEAR ANNUAL ACTION PLAN;
SECONDED BY MAYOR PRO TEM CANTELME: PASSED (6 - 1)
COUNCILMAN MOORE DISSENTING**

- E. **FNP25-001:** A Final Plat for Senator Cottages, a 37-Unit Subdivision on an Approximate 11-Acre Parcel Generally Located off of Senator Highway on the Old Drive-in Property and a Water Service Application. Site Zoning: SF-9 (Single Family). Location: APN 110-06-002F. Property Owner: RCJ Irrevocable Trust. Applicant: Lyon Engineering.

Community Planner Tammy Dewitt addressed the Council regarding the Final Plat, which is in substantial conformance with the preliminary plat and stated that she is available to answer questions.

Member of the public Sue Tatar addressed the Council as a resident in the area and discussed the changes and significant traffic increases on the road. She asked if a traffic analysis has been done.

Ms. Dewitt responded that one was done with the preliminary plat stage. Now the Council need only approve since this is in substantial conformance with the preliminary plat. She added that there is a secondary access point as well.

Scott Lyon with Lyon Engineering added that there will be a gate at emergency access, a left turn lane on senator highway will be improved.

Councilwoman Fruhwirth commented that the traffic issues are related to many things going on, and asked if Pedestrian Bicycle & Traffic Advisory Committee (PBTAC) could take a look at Senator Highway because this plat is in substantial compliance.

Mayor Pro Tem Cantelme agreed, it is time to look at a study for traffic-calming on that street.

Deputy City Attorney Matt Podracky cautioned that Council is off-topic and if that is something the Council would like to look at, it can be discussed at a future time.

**MOTION BY MAYOR PRO TEM CANTELME TO APPROVE FNP25-001;
SECONDED BY COUNCILWOMAN FRUHWIRTH: PASSED (7 - 0)**

- F. **HP25-004:** Continuation of an Appeal with Updated Design for Review & Discussion Related to the Proposed Demolition of the Existing Building and Construction of 47-Room, 4-Story Boutique Hotel (Prescott Plaza Hotel). Location: 136, 138 & 140 S Montezuma Street, APN: 109-02-014A. Zoning: DTB; Historic Preservation District: #1 Courthouse Plaza. Applicant/Owner: Jim Griset. Architect: Doug Stroh.

Planning Manager Alex Bramlette provided a presentation to the Council regarding the continuation of an appeal for the Prescott Plaza Hotel and the redesign.

Summary:

- * Proposal has been through Prescott Preservation Commission - two study sessions and one voting meeting
- * Applicant appealed to Council in March 2024 and Council upheld the denial
- * Applicant has revised the design further and is returning to the Council for a continuation of the appeal
- * Applicant will need to apply for a Special Use Permit due to size; will be required to go through PPC courtesy review, Planning & Zoning and then Council for final review and approval

Changes:

- * Reduced by one story
- * Lowered building height from 48' to 43.6'
- * Rooftop terrace was moved to the fourth floor
- * Juliet balconies added in the middle of 2nd and 3rd stories
- * Sandstone frieze and banding removed
- * Window configuration at sidewalk level modified

Ms. Bramlett reviewed the renderings provided by the applicant.

Potential Next Steps:

- * Schedule for future voting session
- * Reverse findings and approve proposal
- * Affirm findings and deny the proposal

Mayor Goode commented that because the design has changed and addressed previous concerns, this is viewed as an almost new application.

John Riches with the Goldwater Institute addressed the Council on behalf of Jim Griset, who has a right to lawfully use and develop his property. He would like to replace a building and bring enhanced vitality to Whiskey Row. Mr. Griset has made substantial revisions to this project since it was first proposed, listening to public and staff comments. The legislature passed ARS 9-843 which requires when a Council is considering a permit it has to base approval or denial on clear/specific criteria, and once an application is submitted, the local government has 60-days to act on it. The denial of this proposal was based on arbitrary requirements. Yesterday, he was walking around the courthouse and recognized how much Barry Goldwater understood the importance of property rights. Every citizen in this community deserves clarity and consistency and should be able to invest in their property. In this case, there are no lawful criteria that would warrant denial of this project. It was submitted on June 16 and, therefore, the city must act on it by August 16.

Councilman Montoya asked the Deputy City Attorney to address the 60-day requirement.

Deputy City Attorney Matt Podracky responded that "action" would be a denial or approval, an action to continue has not been contemplated.

Councilman Moore commented that when this discussion happened last year there was a lot of public dissent and push back from Mr. Griset, and he said it was a gift to the city. He stated that if Mr. Griset wants to give a gift to the city, it should be affordable housing for seniors.

Mayor Goode commented that the state historical association has adopted guidelines and our own Preservation Commission has adopted some of these as well. They are not clear and unambiguous. Communities with historic character should be able to preserve that history, and have to balance property rights with that. He wants a detailed analysis before they can make a decision.

Mr. Podracky added that the applicant and his representatives are stating that the preservation guidelines are not clear. He read through the guidelines and criteria for specific districts.

Councilman Gambogi commented that this has gone from an objective analysis to emotional. There have been a number of modifications. This is a good-looking project that would enhance the area.

Mayor Pro Tem Cantelme agreed with Councilman Gambogi. There are so many emotions wrapped into how we feel about our history in Prescott. She has spoken with the City Attorneys and has experience with these types of projects, this project is now mostly in conformance. Could delay this, but at the end of the day she isn't sure that anything else can be done at this point. Wants to do the right thing for the City of Prescott.

Councilman Montoya commented that he would like a more detailed analysis from the preservation staff. The last time this appeal was heard it was a different-looking building.

Councilwoman Fruhwirth echoed comments from Councilman Monotya. Wants to know where it conforms and where it doesn't. Would like to meet the 60-day deadline but do so with a fully informed decision.

Councilman Moore commented on the fact that this also requires a Special Use Permit and also requires additional examination.

Councilman Grady concurred. He added that the community is having problems because it is new construction and, if you look at the SHPO guidelines, new construction is allowed. Feels that inviting in the expertise of SHPO would be beneficial as well.

Member of the public David Segal addressed the Council regarding the fact that this was already denied in March 2024. He discussed Administrative Procedures within the LDC which state that appeals must be filed within 30-days. He should be required to put in a new application.

Member of the public Kenneth Fidyk addressed the Council and echoed Mr. Segal's comments, there should be more time spent on this, and it should not be rushed through.

Member of the public Rick Sprain addressed the Council as the Chair of the Prescott Preservation Commission, Mr. Griset came to the Commission with a proposal that did not fit for downtown Prescott. Feels the applicant is doing an end-run in going around the PPC, Ms. Nunez should review the plans and make a determination on this. Whiskey Row is the crown jewel of Prescott. Requesting the proposal be rejected and returned to PPC.

Member of the public Glenn Bevilacqua addressed the Council as one of the owners of the Palace. They would make more money, but preserving history will not happen with this structure. The Goldwater Institute is threatening the city, and he encouraged the Council not to fold to it. The construction of this hotel would be incredibly difficult. The National Bank took over a year. He urged the city to adopt a plan related to parking if a footprint of a structure is changed by more than 15%.

Member of the public Melvyn Roop addressed the Council and read from a letter that he sent to the Council. Many of the things that he wanted to say have already been said, but he added that he attended all the meetings related to this project and when he first saw this proposal he thought about how fun it would be to work in this area. However, the over-designed and over-scaled nature of the project was disappointing to him. If a revised plan that is more modest in scale were presented, he believes it could be approved.

Member of the public Sandy Griffis addressed the Council and stated that she is not asking that the project be approved today; there are additional steps that the

developer needs to take and bring back. But she supports this project. Whiskey Row is not a location, it is a piece of Prescott's soul and any development in the area must honor the past while serving its future. She feels confident that the goal is not to change the spirit but to make sure that it remains relevant and vibrant for many years to come.

Member of the public Ralph Rodarte addressed the Council regarding them serving as the representatives of the public. He asked where the materials and equipment would be stored to complete the project and where everyone was going to park. Doesn't want Whiskey Row to be changed and need to consider how long this project will take as well.

Member of the public Rick Potock addressed the Council and stated that whether the project meets historical or building guidelines is less important than whether the hotel will make enough money downtown. This would take business away from those. You have to consider what a project will do for the community and what the benefit is.

Mayor Goode stated that good policy comes from good data, and he feels the Council is a little weak on that at this point. Recommends that action be postponed until full analysis comes from a Community Development/Historic Preservation Specialist.

Councilman Gambogi added that this reminds him of "I don't know what I want, but I'll know it when I see it". He thinks it is important to see the objective benefit of this project, in bed tax and sales tax.

Mr. Podracky responded that the next regularly scheduled Council meeting is not until August 26 and need to consider the staff time required to update this. He asked the Mr. Riches to address if there would be a date certain that would be appropriate in their perspective.

Mr. Riches responded that he is not prepared to answer a date certain at this time, but he will review the applicable issues and get back to staff. He added that the purpose of the redesign was to comply with the issues initially raised, so it would be his hope that the analysis could be done quickly.

Councilman Moore asked about the "action" taken within 60-days, and if it had to be approved or denied or if it could be scheduled for a future date.

Mr. Podracky reviewed the statute and stated that it must be an approval or denial within 60-days after deemed administratively complete, unless another timeframe is provided for.

Council and staff discussion regarding scheduling and whether this is an "administratively complete" application.

City Clerk Sarah Siep stated that August 5 is available for a Special Meeting and the Council could direct that staff include a full evaluation and report from Kaylee Nunez and possibly the Prescott Preservation Commission if they are able to

meet in advance of the meeting.

MOTION BY COUNCILMAN GAMBOGI TO TABLE ACTION ON HP25-004 UNTIL A SPECIAL COUNCIL MEETING TO BE HELD TUESDAY, AUGUST 5 AT 3 P.M. WITH A FULL ADMINISTRATIVE REVIEW AND REPORT FROM THE CITY'S HISTORIC PRESERVATION SPECIALIST AND POSSIBLY FEEDBACK FROM THE PRESCOTT PRESERVATION COMMISSION IF ABLE TO CONVENE; SECONDED BY COUNCILMAN MOORE: PASSED (7 - 0)

- G. Discussion & Possible Action Regarding a Request from Councilmembers Related to Investigations and the Release of Information.

City Clerk Sarah Siep introduced the item and stated that this was a request from two members of the Council related to a public records request. There is no specific presentation related to this item, but it is open for discussion.

Deputy City Attorney Matt Podracky stated that there was a request made to the city related to documents that are deemed attorney-client privileged regarding complaints and outside investigations and related documents. The city deemed that seven items could not be released. However, after informed consent, four out of seven members of the Council could waive the privilege and release them either redacted or not; they could determine to maintain the privilege and not release or request a declaratory judgment related to the matter. In this case, the Yavapai County Superior Court would make a determination and review the documents in an "incamera review" in the judge's chambers.

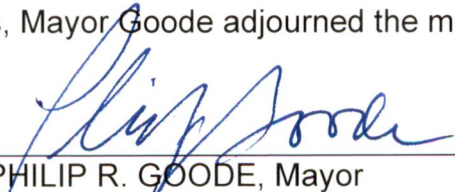
Mayor Goode stated that he has to rely on the expertise of the City's attorneys with whom he has spent a significant amount of time discussing this matter. In his opinion, the declaratory judgment action would shield the city from current threatened litigation

MOTION BY MAYOR GOODE TO DIRECT THE CITY ATTORNEY TO PURSUE A DECLARATORY JUDGMENT ACTION TO AFFIRM ATTORNEY CLIENT PRIVILEGE; SECONDED BY COUNCILMAN MONTOKA: PASSED (7 - 0)

12. ADJOURNMENT

Mayor Goode asked for a moment of silence for the ongoing issues in west Texas.

There being no further business to discuss, Mayor Goode adjourned the meeting at 6:00 p.m.



PHILIP R. GOODE, Mayor

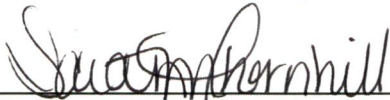
ATTEST:



SARAH M. THORNHILL, 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 July 8, 2025. I further certify the meeting was duly called and held and that a quorum was present.



Sarah M. Thornhill, City Clerk

