



City of Prescott

Council Subcommittee on Water Issues

March 3, 2026 | 9:30 AM
201 N Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

AGENDA

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

Viewing & Participation

This meeting may be viewed on Channel 64, Facebook Live or on the City's website: [City of Prescott Live Meeting Feed](#)

Public comments for Council may be submitted through the City website: [Public Comment Form](#)

1. CALL TO ORDER

2. ROLL CALL

3. DISCUSSION & ACTION ITEMS

- A. Approval of the February 3, 2026 Council Subcommittee on Water Issues Meeting Minutes.
Recommended Action: MOVE to approve the minutes as presented
- B. Presentation & Discussion Regarding the 2022 Amended Water Management Policy - Current Residential & Non-Residential Water Budget Overview for January 1, 2026, through February 23, 2026.
Recommended Action: This item is for discussion only. No formal action will be taken.
- C. **WSA25-037:** A Water Service Application Submitted by, James R Griset. Location: 136, 138, and 140 Montezuma Street, APN 109-02-014A.
Recommended Action: MOVE to recommend forwarding WSA25-037 to Council for approval or denial
- D. **WSA26-005:** A Water Service Application Submitted by Woda Cooper Development, INC. Location: Between Lakeview Plaza Lane & Mogollon Road South of Willow Creek Road, a Portion of APN 106-20-509,508,507A,506A
Recommended Action: MOVE to recommend forwarding WSA26-005 to Council for approval or denial
- E. **WSA26-002:** Water Service Application Submitted by Commerce Construction Co, LP. Location: State Route 89 and Jenna Lane, APN 102-05-033H.

Recommended Action: MOVE to recommend forwarding WSA26-002 to Council for approval or denial

- F. Presentation & Discussion Regarding Potential Revisions to City Code Section 2-1-8 Regarding Sewer Requirements for Water Service.

Recommended Action: MOVE to recommend forwarding revision of City Code 2-1-8 to Council for approval or denial

4. ADJOURNMENT

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:

- (1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (4) 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));
- (5) 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));
- (6) 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));
- (7) 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)).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 2/26/26 at 11:00 a.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Sarah M. Thornhill

Sarah M. Thornhill, City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: March 3 Subcommittee on Water Issues
DATE: March 3, 2026
DEPT: City Clerk
ITEM #: 3.A
SUBJECT: Approval of the February 3, 2026 Council Subcommittee on Water Issues Meeting Minutes.

ITEM SUMMARY

This item is for the approval of the minutes from the February 3, 2026 Council Subcommittee on Water Issues meeting. Staff recommends approval of the minutes as presented.

BACKGROUND

None.

FINANCIAL IMPACT

There is no fiscal impact associated with this item.

RECOMMENDED ACTION

MOVE to approve the minutes as presented

ATTACHMENTS

1. February 3, 2026 WIS Minutes

City of Prescott
Council Subcommittee on Water Issues



February 3, 2026 | 9:30 AM
201 N Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Chair Rusing called the meeting to order at 9:34 a.m.

2. ROLL CALL

Chair Rusing
Member Fruhwirth
Member Garing

3. DISCUSSION & ACTION ITEMS

A. Approval of the December 2, 2025 Council Subcommittee on Water Issues Meeting Minutes.

MOTION BY MEMBER FRUHWIRTH TO APPROVE THE DECEMBER 2, 2025 MINUTES; SECONDED BY CHAIR RUSING: PASSED (3 - 0)

B. Presentation & Discussion Regarding the 2022 Amended Water Management Policy - Current Residential & Non-Residential Water Budget Overview for January 1, 2026, through January 22, 2026.

Water Resource Manager Brian Ruiz provided an update on the water budgets. The Amended 2022 Water Policy (Guidelines 11–13) establishes a semi-annual water budget for residential and non-residential projects. For the period January 1, 2026, through June 30, 2026, the budget is 25 acre-ft/year for residential projects and 25 acre-ft/year for non-residential projects. Between January 1 and January 22, 2026, no new residential projects were approved administratively or by Council, and no residential water was allocated. The full residential budget of 25 acre-ft/year remains available. During the same period, two non-residential projects were approved administratively, allocating a total of 0.22 acre-ft/year. The remaining non-residential budget is 24.78 acre-ft/year. One project was approved under an existing contract: a new single-family home in the Forest Ridge at Hassayampa subdivision. Projects approved under existing contracts are not counted toward the water budget and are provided for reference only.

Chair Rusing asked how long it takes to get a water service application approved.

Operations Manager Will West stated that 15-days is the standard for a single-family residence project.

This item was for discussion only. No formal action was taken.

- C. **WSA25-060:** Water Service Application Submitted by Embry-Riddle Aeronautical University. Location: A Portion of APN 106-03-004, Comprising 240 Acres, in T14N, R02W, Section 03, SE 1/4.

Mr. Ruiz discussed a Water Service Application for a 16-unit campus housing project located on the Embry-Riddle campus west of Willow Creek Road. Under the Amended 2022 Water Management Policy, a Water Service Agreement application was submitted for review of estimated water usage and approval of water service. No formal planning application is required per the Land Development Code. The application includes a basic site plan and vicinity map identifying the project location within the campus. The project consists of four dormitory-style buildings with four residential units each, totaling 16 units. City staff prepared a demand analysis using residential multipliers from the Water Resources Management Model. Estimated indoor water use for the residential buildings is 1.92 acre-feet per year. The proposed landscaping includes approximately 5,000 square feet of turf and low-water-use plants consistent with the Prescott AMA Fifth Management Plan. Turf water use is estimated at 0.25 acre-feet per year, and low-water-use landscaping is estimated at 1.0 acre-foot per year, for a total anticipated project water demand of 3.17 acre-feet per year. Key milestones include application receipt on November 19, 2025; application deemed complete on December 9, 2025; Water Issues Subcommittee review on February 3, 2026; and City Council consideration scheduled for March 10, 2026.

Chair Rusing commented on the project and asked for clarification on the turf calculation.

Mr. Ruiz clarified the calculation.

Chair Rusing asked for more details on why so much turf is in the plan.

Embry-Riddle Representative Deena Magana spoke and advised that the plan was created by the engineer and could be adjusted if needed.

Member Fruhwirth expressed concern with the inclusion of turf in the proposal, noting that the city is investing in programs to encourage residents to remove turf and conserve water. She stated that approving ornamental turf would be inconsistent with those efforts, especially since previous dorm projects presented to the body used low-water landscaping. She indicated she had no issues with the remainder of the proposal, aside from the turf.

Member Garing agreed with other Subcommittee Members.

Member of the public Jay Ruby asked whether the project design includes stormwater catchment features, noting it could serve as a model for the community, and that Embry-Riddle may have the resources to implement such a system. He also inquired whether measuring captured stormwater could potentially reduce the project's annual water use in acre-feet.

Member Fruhwirth asked if we have a stormwater capture program.

Mr. Ruiz responded that the city does have stormwater requirements in place, which are currently based on a volumetric approach focused on mitigating increased runoff to prevent downstream flooding impacts. He noted that this differs from the concept being discussed, which would involve using stormwater more effectively to offset potable water use.

Chair Rusing suggested reviewing the city's water management policy to consider incorporating requirements for stormwater capture, such as catchment basins or measures to prevent runoff into streets and reuse it for landscaping.

MOTION BY CHAIR RUSING TO RECOMMEND FORWARDING WSA25-060 TO COUNCIL FOR APPROVAL WITHOUT WATER FOR THE TURF; SECONDED BY MEMBER FRUHWIRTH: PASSED (3 - 0)

D. Presentation & Discussion Regarding an Update on the PFAS Treatment Study.

Public Works Utilities Manager Steve Olfers provided the presentation. This item is a follow-up discussion by City staff regarding the December 2, 2025, Water Issues Subcommittee (WIS) presentation. The presentation will address Subcommittee questions, provide updated information on the status of the PFAS study, and reference background materials from the December meeting. Mr. Olfers explained that the current focus is on returning Well 5 to operation, as it is a high capacity well that would significantly reduce pressure on other wells once PFAS is treated and removed. He stated that a study is underway to evaluate solutions, with the city engaging Dibble as a consultant to help turn ideas into practical processes. He noted that a hydrogeologic evaluation and draft report have provided valuable insight into subsurface conditions, and that particle tracking modeling has improved understanding of groundwater sources, movement, and potential mitigation strategies, which will be forthcoming.

Member Fruhwirth asked why Airport Well No. 5 has higher concentrations of PFAS compared to the other wells.

Mr. Olfers responded that the consultant's report will include all those specific details, and they hope to have the report in front of council within the next six months. He continued the presentation and stated that staff are currently evaluating PFAS treatment alternatives, reviewing available technologies and considering affordability and operational feasibility, noting that each option has pros and cons. He explained that a draft treatment evaluation document has been received and is under review, with comments being returned to the vendor, after which a hydraulic analysis will be conducted. He emphasized that adding a treatment system affects system hydraulics due to head loss and must be analyzed to ensure the airport water system can continue operating under normal conditions. He added that the evaluation will also inform needed airport infrastructure upgrades. Mr. Olfers noted that a final roadmap report will compile all findings into a comprehensive document, which will be presented to the Committee upon completion.

Chair Rusing asked for more information on the treatment options available.

Mr. Olfers responded that they did a detailed evaluation of the options available

and have come to find that Ion Exchange looks like the best option with the information available today.

Member Garing commented that he is interested in the Ion Exchange but has concerns about the regeneration of the resin.

Mr. Olfers clarified that the manufacturer does not require regeneration of resin.

Member Garing commented on his experience and asked if the city is looking at exactly where the PFAS is located or what layer it might be coming from.

Mr. Olfers explained that depth sampling has not been conducted for Airport Well No. 5. He noted that depth sampling was performed at Chino Well No. 3 while it was offline to determine the source of PFAS, but results showed contamination throughout all aquifer layers. Based on those findings, staff did not pursue depth sampling for Airport Well No. 5, as there was no conclusive layer that could be isolated or blocked.

Member Garing asked if we know how much PFAS is in our wastewater effluent that is being used for recharge.

Mr. Olfers replied they have not been regularly tested, but are exploring as there is no guidance yet from the EPA and ADEQ.

Chair Rusing agreed that it is important. She added that Airport Well 5 is located near the end of the runway and recharge ponds and wondering if the location has to do with the high PFAS levels and might need to relocate Well 5 not downstream from a recharge location.

Member Garing agreed and would like to find a well without PFAS.

Mr. Olfers added that if a good treatment is found for Well 5 it will essentially be cleaning the aquifer since it is such a large well.

Mr. Olfers continued the presentation, advising that the consultant would also conduct virtual and in-person meetings, including City Council and a public meeting. The study is expected to take approximately one year and will provide data to support future policy and infrastructure decisions. In October 2025, ADEQ notified the city of available funding to assist with PFAS treatment system development. Water Operations is currently reviewing additional scope items to be funded through ADEQ for inclusion in the existing consultant contract. Chair Rusing summarized the City's actions so far and doing their best to keep water safe.

This item was for discussion only. No formal action was taken.

- E. Presentation & Discussion Regarding a Progress Report on the Long-Term Water Management Plan.

Water Resource Project Manager Leslie Graser provided a progress report on the Long-Term Water Management Plan (LTWMP) to the Council Subcommittee

on Water Issues. All consultants for the project are under contract, and a kickoff meeting with the infrastructure consultant was held on January 20, 2026. Updated project information, including the 2024 Baseline – Conservation fact sheet, is available on the city website and Participate Prescott. Council and Subcommittee meetings have been scheduled at key milestones, and interdepartmental coordination is ongoing. Ms. Graser reported on consultation meetings held with multiple City departments to align the LTWMP with the City Council Strategic Plan FY2025–2029. Coordination included meetings with Airport, Economic Development, Community Development, and Recreation Services to address public safety needs, infrastructure improvements, economic development, workforce housing, and natural environment goals. The Water Resources Management Model (WRMM) has been updated to reflect new facilities, airport-related development, housing needs, and recreation planning efforts.

Chair Rusing commented that she was asked to be a part of the County's Water Resource and Open Space Management Committee and is excited to work on regional cooperation with water.

Member Fruhwirth asked if Council could have a chance to look at all the documents before it comes down to decision-making time.

Ms. Graser agreed and will confer with the Department Director to coordinate. She continued the presentation, which included an overview of WRMM data analysis related to the City's current and future water obligations. Existing water customers are represented using color coding specifically different than additional growth associated with known contractual obligations to understand future demand potential. Examples were shown for areas within Prescott, portions of unincorporated Yavapai County, Chino Valley, state trust land, and several major development agreements and intergovernmental agreements, including Deep Well Ranch, AED North and South, and Stringfield Ranch. These analyses are being used to verify water obligations tied to existing contracts and long-term planning assumptions.

Chair Rusing asked if the city is required to supply water to the State Land.

Ms. Graser responded she will bring back more details at a future meeting.

Chair Rusing commented that Stringfield Ranch has an additional adjacent clause in their Development Agreement, as do a few others. She would like to look at not including that clause in future agreements. She also asked if some of this information be included in the General Plan including a detailed map.

Member Garing agreed that the future water commitments are very important to know.

Member Fruhwirth commented that she is happy with the amount of detail going into future water use.

Chair Rusing clarified if the LTWMP looks at just one area or multiple, including

Big Chino Water Ranch.

Ms. Graser replied that Big Chino will be initially addressed in the phase one document with other alternative supply options such as Advanced Water Purification. A more extensive evaluation including cost estimating of alternative water sources will be conducted in Phase 2 of the water planning.

This item was for discussion only. No formal action was taken.

4. GENERAL ANNOUNCEMENTS FROM STAFF

Water Resources Project Manager, Tracie Beasley, provided an update on Water Conservation and introduced an ad that is now placed in the Prescott Relocation Guide. Also, the second Eye on Water event was held with 40 plus citizens in attendance.

Mr. Ruiz provided an overview of the 80th annual Colorado River Water Users Association (CRWUA) Conference, which convened water leaders, managers, tribal representatives, federal officials, and stakeholders to discuss the future of the Colorado River. The dominant theme of the conference was a negotiation deadlock, as Basin States have been unable to reach a long-term water management agreement for post-2026 operations. Discussions highlighted significant divisions between the Upper Basin and Lower Basin states regarding future water allocations and management strategies. Next steps include continued negotiations in Washington, D.C., with the goal of reaching a “deal in principle” by February 14, 2026.

Mr. Ruiz also addressed High Water User Definition. He outlined key considerations for regulating large-volume water users, including the City’s authority to limit or condition water service, existing and projected water supply constraints, and implications related to the designation of Assured Water Supply. Discussion also included how large-volume water users may be defined, such as by peak daily demand, seasonal demand, annual demand, or a combination of these measures. Potential regulatory requirements discussed included the adoption of conservation plans and “bring your own water” provisions for large-volume users. Staff noted that several Arizona municipalities have adopted Large Water User ordinances. Cities identified include Chandler, Avondale, Gilbert, Marana, Mesa, Peoria, Phoenix, Tempe, and Tucson.

Member Rusing commented she would like to add the high water user definition and questions to the water application. Do they contribute, do they provide high-paying jobs and contribute to the TPT.

5. ADJOURNMENT

There being no further business to discuss, Chair Rusing adjourned the meeting at 11:10 a.m.

CATHEY RUSING, Mayor

ATTEST:

TOREY DAWSON, Deputy City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: March 3 Subcommittee on Water Issues
DATE: March 3, 2026
DEPT: Public Works
ITEM #: 3.B
SUBJECT: Presentation & Discussion Regarding the 2022 Amended Water Management Policy - Current Residential & Non-Residential Water Budget Overview for January 1, 2026, through February 23, 2026.

ITEM SUMMARY

This item is for a review and discussion regarding the current residential and non-residential water budgets, including projects that have received approval for water between January 1, 2026, through February 23, 2026.

BACKGROUND

The Amended 2022 Water Policy, Guidelines 11-13, established a semi-annual water budget for residential and non-residential projects. The budget set for January 1, 2026, through June 30, 2026, for residential projects is 25 acre-ft/year and the budget set for non-residential projects is 25 acre-feet per year.

Between January 1, 2026, and February 23, 2026, no new residential projects were approved administratively or by Council (Water Policy Guideline 2). The remaining water in the residential budget is 25 acre-feet per year of water.

Between January 1, 2026, and February 23, 2026, five new non-residential projects were approved administratively (Water Policy Guideline 2) for 0.72 acre-ft/year of water. The total remaining non-residential budget is 24.28 acre-feet per year.

Between January 1, 2026, and February 23, 2026, one new project was approved under existing contracts. This project was a new single-family home located within Forest Ridge at Hassayampa subdivision. Projects under existing contracts are not included in the water budget and are provided only for reference (Guideline 9).

FINANCIAL IMPACT

There is no fiscal impact associated with this item.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

1. Water Budget Presentation

**WATER POLICY TRACKING TABLE
APPROVED PROJECTS**

NON-RESIDENTIAL PROJECTS							
	PROJECT TYPE	DESCRIPTION	PERMIT NUMBER	ADDRESS	AFY	APPROVAL TYPE	DATE APPROVED
1	NON-RESIDENTIAL	Seventh Day Adventist School	B2404-092	2980 Willow Creek Road	0.03	ADMIN-COMMERCIAL UNDER 1.5 AFY	1/3/2025
2	NON-RESIDENTIAL	Hair Salon	Pending	3227 Lakeside	0.19	ADMIN-COMMERCIAL UNDER 1.5 AFY	1/6/2026
3	NON-RESIDENTIAL	RV and Self Storage Facility	B2511-104	6725 Airport Ave	0.2	ADMIN-COMMERCIAL UNDER 1.5 AFY	1/29/2026
4	NON-RESIDENTIAL	Office Shell Buildout	Pending	2222 Cirrus Dr	0	ADMIN-COMMERCIAL UNDER 1.5 AFY	1/29/2026
5	NON-RESIDENTIAL	Service Garage	B2312-063	2206 Cirrus Ave	0.3	ADMIN-COMMERCIAL UNDER 1.5 AFY	1/30/2026
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							

TOTAL APPROVED	0.72
TOTAL BUDGET	25.00
TOTAL REMAINING	24.28

**WATER POLICY TRACKING TABLE
APPROVED PROJECTS**

APPROVED UNDER EXISTING CONTRACT

	PERMIT TYPE	# OF RES UNITS	PERMIT NUMBER	ADDRESS	AFY	APPROVAL TYPE	EXISTING ENTITLEMENT	DATE APPROVED	DEMAND METHOD	
1	RESIDENTIAL	SFR-Forest Ridge at Hassayampa	1	B2512-125	2115 Forest Mountain Rd.	0.17	N/A EXISTING CONTRACT/AGREEMENT	Forest Ridge at Ha	1/13/2026	WRMM MULTIPLIER
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										

	Number of Projects	Res Units	AF
Total Residential	1	1	0.17
Total Non-Residential	0	0	0.00
Totals	1	1	0.17

Existing Entitlement for water can be in the following forms:
Groundwater Subdivision - Committed demand to platted areas as of 1998
Contract - Recorded agreement with the City for an allocated amount of water for a project of project area.



TO: MAYOR AND CITY COUNCIL
AGENDA: March 3 Subcommittee on Water Issues
DATE: March 3, 2026
DEPT: Public Works
ITEM #: 3.C
SUBJECT: **WSA25-037: A Water Service Application**
Submitted by, James R Griset. Location: 136,
138, and 140 Montezuma Street, APN 109-02-
014A.

ITEM SUMMARY

This item is for review of Water Service Application WSA25-037 for a 47-unit hotel project. The site is located at 136, 138, and 140 Montezuma Street.

BACKGROUND

Per the Amended 2022 Water Management Policy, a Water Service Agreement (WSA) application was submitted for this project for review of estimated water usage and approval of water service (See Attachment 1). No formal planning application is required for this project per the Land Development Code. The WSA application package includes a basic site plan and vicinity map to show the proposed footprint and location of the project (Attachments 2 & 3).

A demand analysis was prepared by City staff using non-residential water multipliers from the Water Resources Management Model (WRMM). The project consists of a four-story hotel building with a total of 47 rooms, a lobby bar, a 4th floor terrace bar, and a ballroom/meeting room. Using similar hotel and amenities demand from the WRMM, the estimated demand for the development is 5.6 acre-feet per year. The project has no proposed landscape component and historical usage per the WRMM is 0.1 acre-feet per year. The total demand for this application was determined to be 5.5 acre-feet per year.

Applicant has completed the following:
Application Received: June 16, 2025
Application Deemed Complete: January 27, 2026
Planning and Zoning Commission: N/A
Water Issues Subcommittee: March 3, 2026
City Council: April 14, 2026

FINANCIAL IMPACT

There is no fiscal impact at this time.

RECOMMENDED ACTION

MOVE to recommend forwarding WSA25-037 to Council for approval or denial

ATTACHMENTS

1. Attachment 1_WSA
2. Attachment 2_Vicinity Map
3. Attachment 3_Site Plan
4. Presentation_WSA25-037



WATER SERVICE AGREEMENT APPLICATION

Water Resource Management Division
 201 N. Montezuma St., Prescott, AZ 86303
 (P) 928.777.1405

Water Service Agreement Applications are submitted in accordance with City Water Management Policy. Submit all documents directly to the Permit Center at 201 N. Montezuma St., Prescott, AZ 86303. Please print your contact information legibly.

APPLICANT INFORMATION

Applicant:	See below	Contact Person:	
Address:		City/State/Zip:	
Phone:		Email:	
Property Owner:	James R Griset	Contact Person:	Jim Griset
Address:	717 Lido Park Drive, Suite H	City/State/Zip:	Newport Beach, CA 92663
Phone:		Email:	

PROJECT SITE

Address:	136 S Montezuma Street
Current Zoning:	DTB
Proposed Zoning:	DTB
Assessor's Parcel Number(s) of Existing Property:	109 - 02 - 014
Existing Water Service (Y/N):	Yes
Existing Sewer Service (Y/N):	Yes
Existing Well (Y/N):	No
If Yes, Well Registry No.:	N/A

PROJECT DESCRIPTION

Is the project Residential or Commercial? **Commercial**

Please provide brief description:
 New 4-story hotel

of Proposed Units: **47 guest rooms** # of Proposed Lots: **N/A**

Has a Water Demand Analysis been completed (commercial)? **Yes**

Has a building permit application been submitted? **No**

Has a Planning and Zoning Recommendation been made? **No**

For Commercial Applications: Please check any of the following categories that apply to this development

<input type="checkbox"/> Food Service Facility	<input type="checkbox"/> Vehicle Service Facility
<input type="checkbox"/> Industrial/Manufacturing Facility	<input type="checkbox"/> Medical Facility
<input type="checkbox"/> Dental Facility	<input checked="" type="checkbox"/> Other Please Describe: Hotel

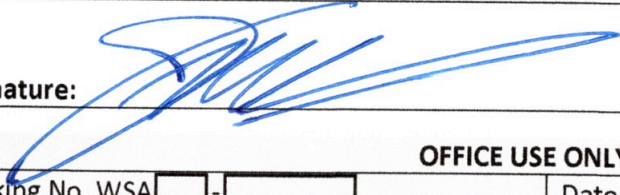
Prohibited substances and pollutant concentration limits for discharge into the sanitary sewer and wastewater treatment system are provided in Prescott City Code 2-1-39 and 2-1-44. Illegal discharges to stormwater sewer systems are provided in Prescott City Code 16-5-1.

Please describe any prohibited substances and pollutants utilized or generated by this development that may be discharged into the City's stormwater sewer or sanitary sewer and wastewater treatment facilities.

None

Please note that the City of Prescott operates a Municipal Separate Storm Sewer System (MS4) and a Wastewater Pretreatment Program. These programs are mandated by the Environmental Protection Agency (EPA) and overseen by the Arizona Department of Environmental Quality (ADEQ). By signing this application, the applicant acknowledges that they will be responsible for abiding by all laws and regulations required by these programs for mitigation of hazardous materials and pollutants prior to discharging into the City's storm sewer system and/or the City's sanitary sewer system and wastewater treatment facilities. The applicant further acknowledges that they will be responsible for all costs associated with meeting discharge standards required by these programs.

Applicant Signature:



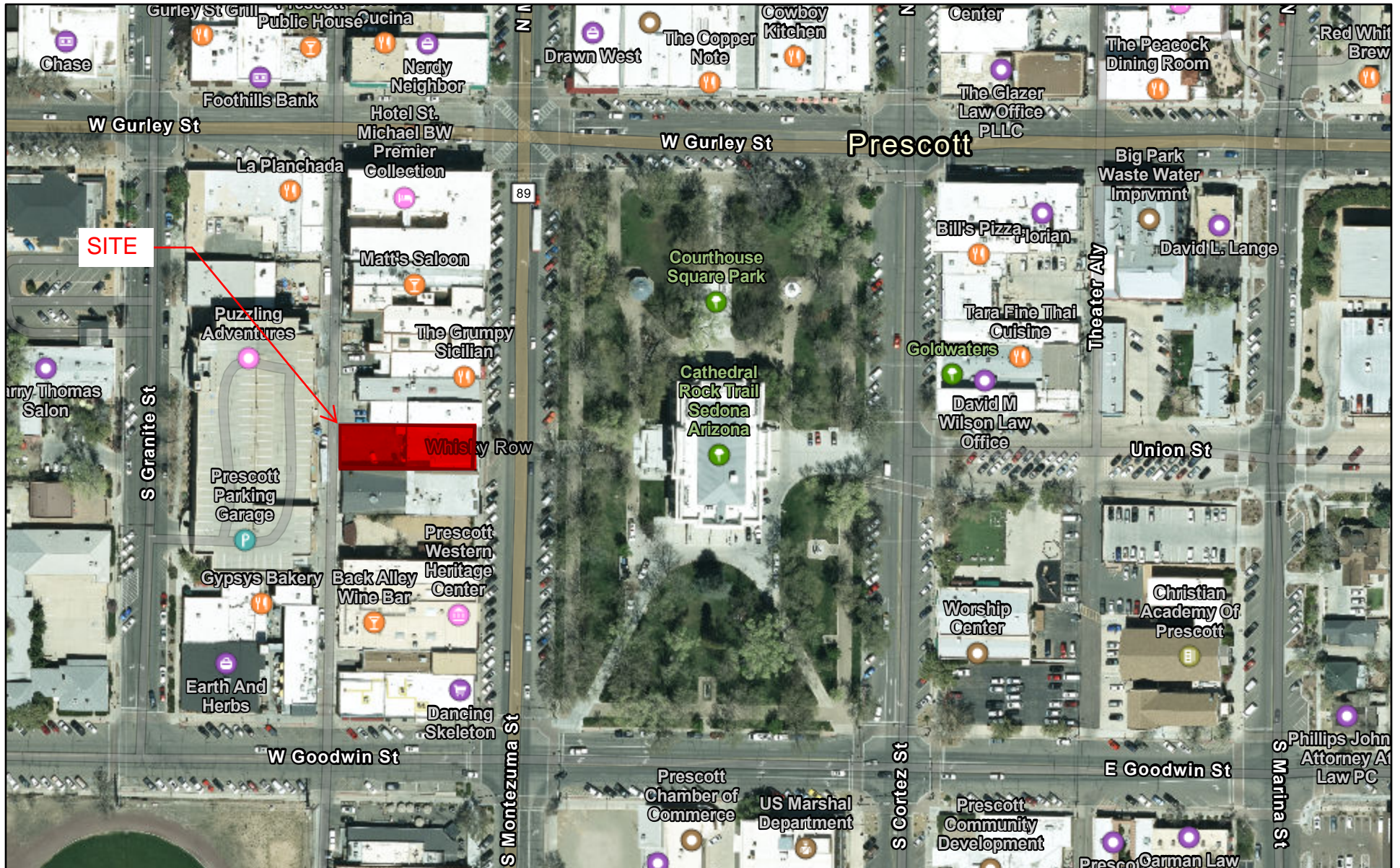
Date: 6/13/25

OFFICE USE ONLY

Assigned Tracking No. WSA -

Date entered

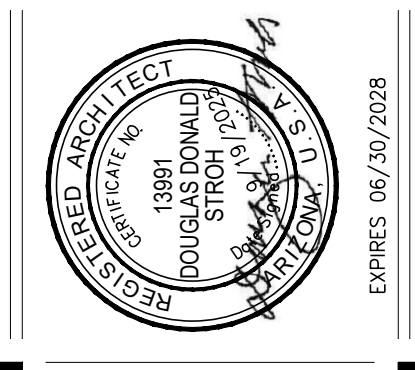
136 S Montezuma Street



2/22/2026



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STROTH ARCHITECTURE, INC.
 1577 Plaza West
 Prescott, AZ 86303
 (928) 771-0548

JIM GRISET
 PRESCOTT PLAZA HOTEL
 136 S MONTEZUMA ST
 PRESCOTT, AZ 86303

REVISION

SHEET
 SITE PLAN
 A-1

PROJECT DATA

PROJECT DESCRIPTION:
 BOUTIQUE HOTEL, 4 STORIES WITH 41 ROOMS, A COVERED PLAZA TERRACE ON THE 4th LEVEL, OVERALL DESIGN TO COMPLEMENT AND PRESERVE THE HISTORIC ARCHITECTURE AND AMBIENCE OF COURTHOUSE SQUARE. PROPOSED COVERED ROOFTOP TERRACE COULD ACCOMMODATE A LUNE BAR, BAR, RESTAURANT, SPECIAL EVENT VENUE, SOCIAL AREA OR PRIVATE CLUB FOR GUESTS, OR OTHER USES TBD. MAY INCLUDE AN OUTDOOR FIREPLACE.

OWNER:
 JIM GRISET
 111 LIDO PARK DRIVE, SUITE H
 NEWPORT BEACH, CA 92663

PROJECT ADDRESS:
 136 S. MONTEZUMA STREET
 PRESCOTT, AZ 86303

APN: PARCEL 109-02-014A

ZONING: DOWNTOWN BUSINESS (DTB)

CONSTRUCTION TYPE: II-B CONSTRUCTION

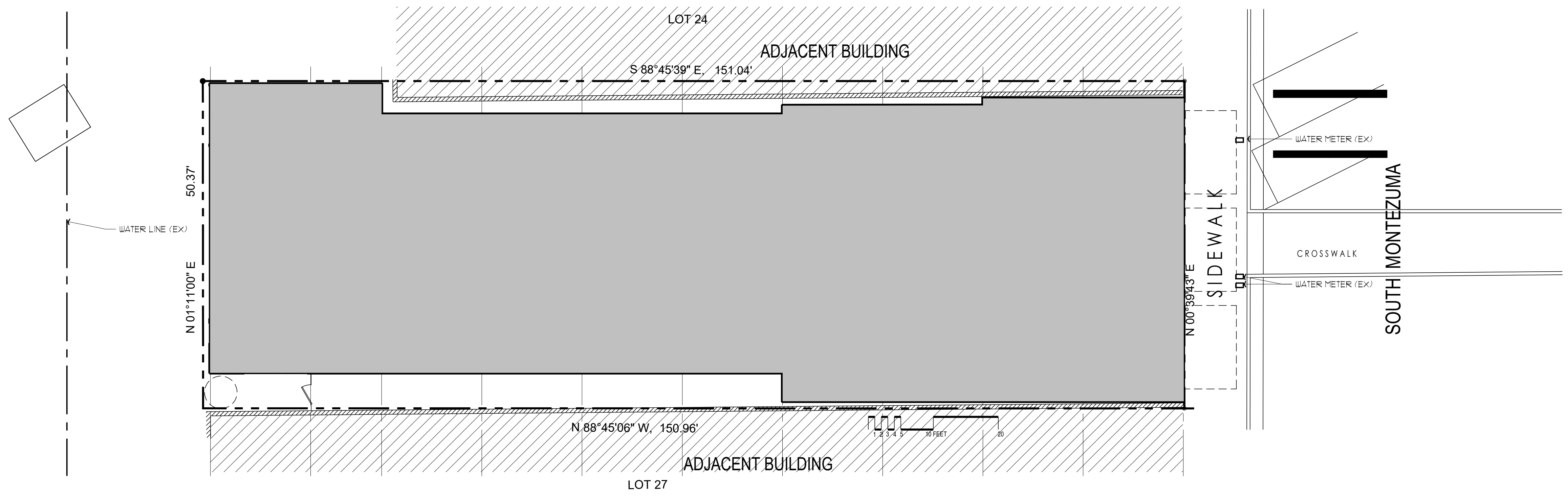
OCCUPANCY TYPE: R-1 DWELLING (HOTEL)

FIRE SPRINKLERS WILL BE INSTALLED

PARKING:
 NONE REQUIRED

CITY OF PRESCOTT
 PRE-APPLICATION NUMBER: T.B.D.

PRELIMINARY



1 SITE PLAN
 SCALE: 1" = 10'-0"

136 S Montezuma Street



2/22/2026



Microsoft, Vantor, Sources: Esri, TomTom, Garmin, SafeGraph, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

WSA25-037 Application Summary

- 47 Room Hotel with 2 bars & meeting room
- Estimated demand for buildings – 5.6 AFY
- Estimated demand for landscape – 0 AFY
- Previous Usage – 0.1 AFY
- Estimated Total Demand – 5.5 AFY



TO: MAYOR AND CITY COUNCIL
AGENDA: March 3 Subcommittee on Water Issues
DATE: March 3, 2026
DEPT: Public Works
ITEM #: 3.D
SUBJECT: **WSA26-005:** A Water Service Application Submitted by Woda Cooper Development, INC. Location: Between Lakeview Plaza Lane & Mogollon Road South of Willow Creek Road, a Portion of APN 106-20-509,508,507A,506A

ITEM SUMMARY

This item is for a Water Service Application WSA26-005, for an 82-unit multifamily project. The site is between Lakeview Plaza Lane and Mogollon Road south of Willow Creek Road.

BACKGROUND

Per the Amended 2022 Water Management Policy, a Water Service Agreement (WSA) application was submitted for this project for review of estimated water usage and approval of water service (Attachment 1). No formal planning application is required for this project per the Land Development Code. The WSA application package includes a basic site plan and vicinity map to show the proposed footprint and location of the project (Attachments 2 & 3).

A demand analysis was prepared by City staff using residential water multipliers from the Water Resources Management Model (WRMM). The project consists of 82 multifamily units and a parking lot with landscape buffer areas. Using the WRMM multifamily average water use of 0.12 acre-feet per unit per year gives 9.8 acre-feet per year of demand for the building. Approximately 1 acre of landscaped area is proposed. Using ADWR's suggested 1.5 acre-feet per year for low-water use plants, the outdoor demand was estimated at 1.5 acre-feet per year. The total demand estimated for the project is 11.3 acre-feet per year.

Applicant has completed the following:
Application Received: January 28, 2026
Application Deemed Complete: February 6, 2026
Planning and Zoning Commission: N/A
Water Issues Subcommittee: March 3, 2026
City Council: March 10, 2026

FINANCIAL IMPACT

There is no fiscal impact at this time.

RECOMMENDED ACTION

MOVE to recommend forwarding WSA26-005 to Council for approval or denial

ATTACHMENTS

1. Attachment 1_WSA
2. Attachment 2_Vicinity Map
3. Attachment 3_SITE PLAN
4. Presentation_WSA26-005



WATER SERVICE AGREEMENT APPLICATION

Water Resource Management Division
 201 N. Montezuma St., Prescott, AZ 86303
 (P) 928.777.1405

Water Service Agreement Applications are submitted in accordance with City Water Management Policy. Submit all documents directly to the Permit Center at 201 N. Montezuma St., Prescott, AZ 86303. Please print your contact information legibly.

APPLICANT INFORMATION

Applicant: <input type="text" value="Woda Cooper Development, Inc."/>	Contact Person: <input type="text" value="Omer Sarig"/>
Address: <input type="text" value="500 South Front Street"/>	City/State/Zip: <input type="text" value="Columbus, OH 43215"/>
Phone: <input type="text" value="216-316-7224"/>	Email: <input type="text" value="osarig@wodagroup.com"/>

Property Owner: <input type="text" value="Lakeview Plaza, LLC"/>	Contact Person: <input type="text" value="Ken Mabarak"/>
Address: <input type="text" value="2076 Golf Links Drive"/>	City/State/Zip: <input type="text" value="Prescott, AZ 86301"/>
Phone: <input type="text" value="(928)-776-1900"/>	Email: <input type="text" value="ken@azemail.us"/>

PROJECT SITE

Address:

Current Zoning: Proposed Zoning:

Assessor's Parcel Number(s) of Existing Property:

- -
 - -
 - -
 - -

Existing Water Service (Y/N): Existing Sewer Service (Y/N):

Existing Well (Y/N): If Yes, Well Registry No.:

PROJECT DESCRIPTION

Is the project Residential or Commercial?
 Please provide brief description:

Proposing development of 80 units of general occupancy multi-family in a 4-story corridor elevator served building, Lakeview Grove. Lakeview Grove will consist of one, two, and three bedroom units, and will include an integrated clubhouse with a community room, fitness center, and laundry room. There will also be an outdoor playground area.

of Proposed Units: # of Proposed Lots:

Has a Water Demand Analysis been completed (commercial)?

Has a building permit application been submitted?

Has a Planning and Zoning Recommendation been made?

For Commercial Applications: Please check any of the following categories that apply to this development

<input type="checkbox"/> Food Service Facility <input type="checkbox"/> Industrial/Manufacturing Facility <input type="checkbox"/> Dental Facility	<input type="checkbox"/> Vehicle Service Facility <input type="checkbox"/> Medical Facility <input checked="" type="checkbox"/> Other Please Describe: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Multi-Family</div>
--	---

3111 Lakeview Plaza



2/9/2026



Sources: Esri, Vantor, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland,



BUILDING INFORMATION

NET BUILDING AREA:

1ST FLOOR:
 RESIDENTIAL: 15,150 SF
 COMMON: 4,210 SF

2ND FLOOR:
 RESIDENTIAL: 16,850 SF
 COMMON: 2,510 SF

3RD FLOOR:
 RESIDENTIAL: 16,850 SF
 COMMON: 2,510 SF

4TH FLOOR:
 RESIDENTIAL: 16,850 SF
 COMMON: 2,510 SF

TOTAL NET: 77,440 SF
TOTAL GROSS: 87,940 SF (21,985 PER FLOOR)

LOT COVERAGE: 16.1%

IMPERVIOUS COVERAGE: 38.2%

UNIT MIX:

1BR: 40 650SF = 26,000 SF
 2BR: 22 850SF = 18,700 SF
 3BR: 20 1050SF = 21,000 SF

TOTAL: 82 65,700 SF

PARKING COUNT

PARKING:

REQUIRED PARKING: 144
 NEW PARKING: 144

SITE LEGEND

- NEW BUILDING
- SIDEWALKS
- DRIVES
- PLAY GROUND
- DECOMPOSED GRANITE
- TREE NATIVE TO REGION
- TREE NATIVE TO REGION
- TREE NATIVE TO REGION
- SHRUB NATIVE TO REGION



2/9/2026



Sources: Esri, Vantor, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland,

BUILDING INFORMATION

NET BUILDING AREA:

1ST FLOOR:	
RESIDENTIAL:	15,150 SF
COMMON:	4,210 SF
2ND FLOOR:	
RESIDENTIAL:	16,850 SF
COMMON:	2,510 SF
3RD FLOOR:	
RESIDENTIAL:	16,850 SF
COMMON:	2,510 SF
4TH FLOOR:	
RESIDENTIAL:	16,850 SF
COMMON:	2,510 SF
TOTAL NET:	77,440 SF
TOTAL GROSS:	87,940 SF (21,985 PER FLOOR)

LOT COVERAGE: 16.1%

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UNIT MIX:

1BR:	40	650SF =	26,000 SF
2BR:	22	850SF =	18,700 SF
3BR:	20	1050SF =	21,000 SF
TOTAL:	82		65,700 SF

PARKING COUNT

PARKING:

REQUIRED PARKING:	144
NEW PARKING:	144

SITE LEGEND

	NEW BUILDING		TREE NATIVE TO REGION
	SIDEWALKS		TREE NATIVE TO REGION
	DRIVES		TREE NATIVE TO REGION
	PLAY GROUND		SHRUB NATIVE TO REGION



SITE PLAN | PRO.5

LAKEVIEW GROVE

3111 LAKEVIEW PLAZA LN, PRESCOTT, AZ, 86301

JANUARY 29, 2025

WSA26-005 Application Summary

- 82-unit Multi-family
- Estimated demand for buildings – 9.8 AFY
- Estimated demand for landscape – 1.5 AFY
- Previous Usage – None
- Estimated Total Demand – 11.3 AFY



TO: MAYOR AND CITY COUNCIL
AGENDA: March 3 Subcommittee on Water Issues
DATE: March 3, 2026
DEPT: Public Works
ITEM #: 3.E
SUBJECT: **WSA26-002:** Water Service Application
Submitted by Commerce Construction Co, LP.
Location: State Route 89 and Jenna Lane, APN
102-05-033H.

ITEM SUMMARY

This item is for review of a Water Service Application WSA26-002, for a +/- 371,000 SF commercial project located within the Deep Well Ranch Master Plan area. The site is located at State Route 89 and Jenna Lane.

BACKGROUND

Per the Amended 2022 Water Management Policy, a Water Service Agreement (WSA) application was submitted for this project for review of estimated water usage and approval of water service (See Attachment 1). No formal planning application is required for this project per the Land Development Code. The WSA application package includes a basic site plan and vicinity map to show the proposed footprint and location of the project (See Attachments 2 & 3).

A demand analysis was prepared by City staff using nonresidential water multipliers from the Water Resources Management Model (WRMM). The project consists of multiple large, medium, and small buildings for retail shops, restaurants, banking, and other uses associated with large regional shopping centers. Demand estimates for the buildings were based on similar types of commercial buildings taken from the WRMM. The total estimated demand for buildings is 20.3 acre-feet per year. Based on the site plan presented, the landscape area was determined to be 5.1 acres. Using ADWR's suggested 1.5 acre-feet per year for low-water use plants, the outdoor demand was estimated at 7.6 acre-feet per year. The total demand estimated for the project is 27.9 acre-feet per year.

Per Water Policy Guideline 14, no single WSA shall be approved for water usage estimates greater than 50% of the remaining semi-annual Water Budget. Projects that request more than 50% of the remaining budget may:

- a. File a WSA application to be considered when the next Water Budget is available.
- b. Appeal the 50% rule. The applicant shall demonstrate the benefits to the City such as job creation, wages, sales tax, economic impacts, or other benefits to the City. All such requests shall be reviewed by the Water Issues Subcommittee and the Council. If City Council grants an appeal, the amount of water granted in the appeal would be included in the annual water assessment to City Council.

The applicant has requested an appeal of the 50% rule. Attachment 4 includes the development benefits letter prepared by the applicant.

Applicant has completed the following:
Application Received: January 16, 2026
Application Deemed Complete: January 29, 2026
Planning and Zoning Commission: N/A

FINANCIAL IMPACT

There is no fiscal impact at this time.

RECOMMENDED ACTION

MOVE to recommend forwarding WSA26-002 to Council for approval or denial

ATTACHMENTS

1. Attachment 1_WSA
2. Attachment 2_Vicinity Map
3. Attachment 3_Site Plan
4. Attachment 4_Economic Benefit and Water Service Appeal Report 2.13.2026
5. Presentation_WSA26-002



WATER SERVICE AGREEMENT APPLICATION

Water Resource Management Division
 201 N. Montezuma St., Prescott, AZ 86303
 (P) 928.777.1405

Water Service Agreement Applications are submitted in accordance with City Water Management Policy. Submit all documents directly to the Permit Center at 201 N. Montezuma St., Prescott, AZ 86303. Please print your contact information legibly.

APPLICANT INFORMATION

Applicant:	Commerce Construction CO., LP	Contact Person:	Jim Hardison
Address:	2555 E. Camelback Rd., Suite 210	City/State/Zip:	Phoenix AZ 85016
Phone:	[REDACTED]	Email:	[REDACTED]

Property Owner:	CDC Prescott LLC	Contact Person:	Jim Chamberlain
Address:	150 W. Washington St., Suite 210	City/State/Zip:	Tempe AZ 85016
Phone:	[REDACTED]	Email:	[REDACTED]

PROJECT SITE

Address: NW corner of SR-89 and SR-89A

Current Zoning: SPC Proposed Zoning: [REDACTED]

Assessor's Parcel Number(s) of Existing Property:
 [REDACTED]-[REDACTED]-[REDACTED] [REDACTED]-[REDACTED]-[REDACTED] [REDACTED]-[REDACTED]-[REDACTED] [REDACTED]-[REDACTED]-[REDACTED]

Existing Water Service (Y/N): N Existing Sewer Service (Y/N): N

Existing Well (Y/N): N If Yes, Well Registry No.: [REDACTED]

PROJECT DESCRIPTION

Is the project Residential or Commercial? Commercial

Please provide brief description:
 The District at Deep Well Ranch will be an approximately 371,000 SF open air retail power center with a mix of national, regional, and local tenants.

of Proposed Units: 15 # of Proposed Lots: [REDACTED]

Has a Water Demand Analysis been completed (commercial)? YES

Has a building permit application been submitted? NO

Has a Planning and Zoning Recommendation been made? NO

For Commercial Applications: Please check any of the following categories that apply to this development

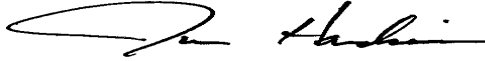
<input checked="" type="checkbox"/> Food Service Facility	<input type="checkbox"/> Vehicle Service Facility
<input type="checkbox"/> Industrial/Manufacturing Facility	<input type="checkbox"/> Medical Facility
<input type="checkbox"/> Dental Facility	<input checked="" type="checkbox"/> Other Please Describe: Mixed retail

Prohibited substances and pollutant concentration limits for discharge into the sanitary sewer and wastewater treatment system are provided in Prescott City Code 2-1-39 and 2-1-44. Illegal discharges to stormwater sewer systems are provided in Prescott City Code 16-5-1.

Please describe any prohibited substances and pollutants utilized or generated by this development that may be discharged into the City's stormwater sewer or sanitary sewer and wastewater treatment facilities.

This project and future tenants are not anticipated to discharge prohibited substances or pollutants into the City's storm sewer, sanitary sewer, or wastewater treatment facilities. Grease and oil interceptors and grease traps would be included in the construction of any food service facilities to mitigate the discharge of fats, oils, or greases of animal or vegetable origin into the waste stream.

Please note that the City of Prescott operates a Municipal Separate Storm Sewer System (MS4) and a Wastewater Pretreatment Program. These programs are mandated by the Environmental Protection Agency (EPA) and overseen by the Arizona Department of Environmental Quality (ADEQ). By signing this application, the applicant acknowledges that they will be responsible for abiding by all laws and regulations required by these programs for mitigation of hazardous materials and pollutants prior to discharging into the City's storm sewer system and/or the City's sanitary sewer system and wastewater treatment facilities. The applicant further acknowledges that they will be responsible for all costs associated with meeting discharge standards required by these programs.

Applicant Signature: 

Date: 2/3/2026

OFFICE USE ONLY

Assigned Tracking No. WSA -

Date entered

Deep Well Commercial Site



2/9/2026

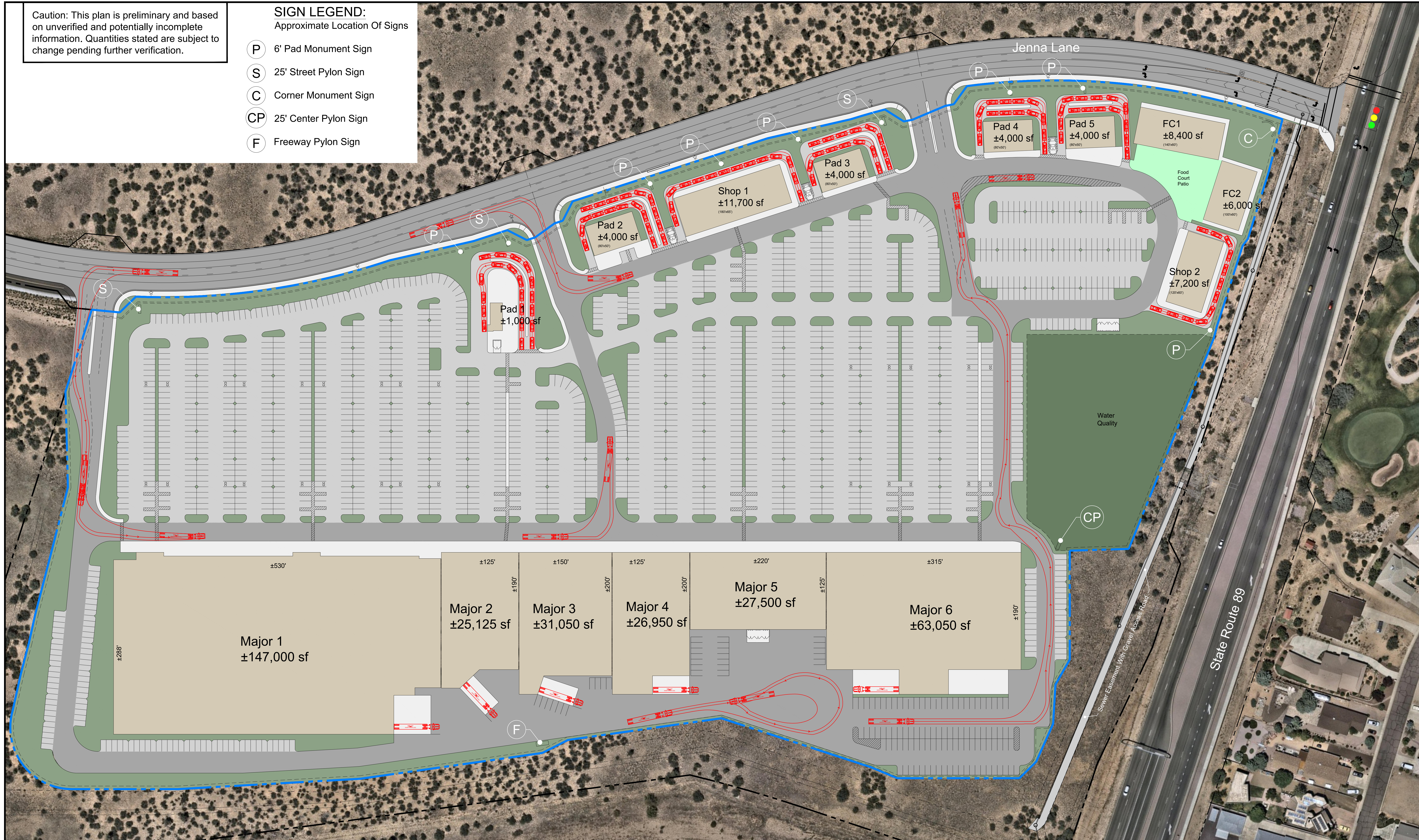


Sources: Esri, TomTom, Garmin, SafeGraph, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, Esri, NASA,

Caution: This plan is preliminary and based on unverified and potentially incomplete information. Quantities stated are subject to change pending further verification.

SIGN LEGEND:
Approximate Location Of Signs

- P** 6' Pad Monument Sign
- S** 25' Street Pylon Sign
- C** Corner Monument Sign
- CP** 25' Center Pylon Sign
- F** Freeway Pylon Sign



	Parking Requirements	Per # SF	Parking Spaces Required	Parking Spaces Provided	Drive Thru Parking Required	Drive Thru Parking Provided	Accessible Parking Required	Accessible Parking Provided	Over / Under	Cart Corral Spaces Provided
Major 1	Retail General	147,000	200	735						
Major 2	Retail General	25,125	200	126						
Major 3	Retail General	31,050	200	156						
Major 4	Retail General	26,950	200	135						
Major 5	Retail General	27,500	200	138						
Major 6	Retail General	63,050	200	316						
Shop 1	Retail General	11,700	200	59	10	14				
Shop 2	Retail General	7,200	200	36	10	12				
Food Court 1	Restaurant Standard	8,400	100	84						
Food Court 2	Restaurant Standard	6,000	100	60						
Pad 1	Restaurant Standard	1,000	100	10	10	20				
Pad 2	Fast Food	4,000	150	27	10	19				
Pad 3	Fast Food	4,000	150	27	10	16				
Pad 4	Fast Food	4,000	150	27	10	14				
Pad 5	Fast Food	4,000	150	27	10	15				
Total		370,975		1,963	1,989		30	62	26	28

	Site Area (Acres)	Building Area (±SF)	Coverage (%)
Major 1		147,000	
Major 2		25,125	
Major 3		31,050	
Major 4		26,950	
Major 5		27,500	
Major 6		63,050	
Shop 1		11,700	
Shop 2		7,200	
Food Court 1		8,400	
Food Court 2		6,000	
Pad 1		1,000	
Pad 2		4,000	
Pad 3		4,000	
Pad 4		4,000	
Pad 5		4,000	
Total	38.32	370,975	22.22%

The District at Deep Well Ranch Building Uses

Building	Use
Major 1	Big-box retail/superstore
Major 2	General merchandise/soft goods
Major 3	General merchandise/soft goods
Major 4	General merchandise/soft goods
Major 5	General merchandise/soft goods
Major 6	Grocery
Shop 1	Multi-tenant mix of service oriented retail, soft goods, and food users (approximately 9 tenants)
Shop 2	Multi-tenant mix of service oriented retail, soft goods, and food users (approximately 6 tenants)
FC 1	Multi tenant quick service restaurants (approximately 7 tenants)
FC 2	Multi tenant quick service restaurants (approximately 5 tenants)
Pad 1	Fast food or sit-down restaurant/service station, financial institution, or general merchandise
Pad 2	Fast food or sit-down restaurant/service station, financial institution, or general merchandise
Pad 3	Fast food or sit-down restaurant/service station, financial institution, or general merchandise
Pad 4	Fast food or sit-down restaurant/service station, financial institution, or general merchandise
Pad 5	Fast food or sit-down restaurant/service station, financial institution, or general merchandise

MAJESTIC REALTY CO.
13191 Crossroads Parkway North
Suite 100
City of Industry, California 91746-3497

COMMERCE CONSTRUCTION CO., L.P.
13191 Crossroads Parkway North
Suite 100
City of Industry, California 91746-3497

SITE PLAN
THE DISTRICT AT DEEP WELL RANCH
PRESCOTT, AZ

REVISIONS

NO.	DATE	BY

SCALE: 1" = 60'

EXHIBIT 31 (2026 01 12) SITE PLAN

DRAWN BY DATE
CCC

CCC JOB NO.

SHEET NO. **A1**

Water Service Appeal and Economic Benefit Report

Proposed +/-370,975 square foot “Power Center” located at the Northwest Corner of SR-89 and SR-89A in Prescott, Arizona

Prepared for:

Brian T. Ruiz, P.E., CFM

Water Resources Manager

Community Development

Prepared by:

Majestic Realty Co.

2/13/2026

1. Executive Summary

Majestic Realty Co. proposes the development of a +/-370,975 square foot power center at the NWC of SR-89 and SR-89A in the City of Prescott. The City has estimated annual water demand for the project at approximately 28 acre-feet per year, which exceeds 50 percent of the available water budget for the current allocation cycle and therefore requires review by the Water Issues Subcommittee (WIS) and City Council pursuant to Water Policy Guideline 14.

This report has been prepared by Majestic Realty Co. to support a Water Service Appeal for a proposed retail development within the City of Prescott. The intent of this report is to provide the Water Issues Subcommittee and City Council with a clear, quantitative summary of the project’s anticipated economic and fiscal benefits to the City of Prescott.

2. Project Description

The proposed development consists of a +/-370,975 square foot power center featuring a mix of national and regional retail tenants. The project is designed to serve Prescott residents as well as the broader regional trade area by providing destination-oriented retail uses that strengthen the City’s commercial base and reduce retail leakage.

Majestic Realty Co. intends to own and operate the project over the long term, while becoming a member of the community, and maintaining a stable and productive shopping center that contributes to the local economy and tax base.

3. Construction Phase Economic Impact

During construction, Commerce Construction Co. projects that this project will support approximately 1,550 jobs. The construction project will generate short-term economic benefits, including:

- Employment across construction trades and professional services
- Spending with local and regional contractors, suppliers, engineers, architects, and consultants
- Temporary wage generation supporting household spending in the Prescott area

The project will also generate significant impact fees to the City of Prescott.

4. Ongoing Employment Impact

Upon completion and full occupancy, the center will support a substantial number of permanent retail and service jobs. Based on benchmarks published in the City of Prescott 2024 “Non-Utility Land Use Assumptions and Infrastructure Improvements Plan,” there are 5,012 projected 2026 retail and restaurant jobs in the City of Prescott and 2,360,000 square feet of projected retail and restaurant floor area, equating to approximately **2.13 jobs per 1,000 square feet** of gross floor area.

Applying these benchmarks to the proposed development, the project is projected to support approximately **790 permanent retail and restaurant jobs**, including management, sales, and operational positions. These jobs represent ongoing employment opportunities for Prescott residents and contribute to local household spending.

5. Retail Sales and Sales Tax Impact

Power center developments anchored by national and regional tenants typically generate strong and consistent retail sales volumes. Based on the below benchmarks published by the International Council of Shopping Centers (ICSC), the proposed +/-**370,975 square foot** development results in estimated annual retail sales of approximately **\$135.8 million**.

Sales Tax Revenue Calculation Methodology

Sales tax revenue projections were calculated by applying The City of Prescott **2.95% Transaction Privilege Tax (TPT)** on estimated taxable retail sales per ICSC’s conservative estimates, shown in the chart below. State and county sales taxes are excluded from the City revenue estimate.

Building	ICSC Sales Category	SF	Projected Sales	ICSC Projected Sales (PSF)
Major 1	Department Store	147,000	\$33,810,000	\$230.00
Major 2	Apparel	25,125	\$6,733,500	\$268.00
Major 2	Apparel	31,050	\$8,321,400	\$268.00
Major 4	Apparel	26,950	\$7,222,600	\$268.00
Major 5	Home Goods	27,500	\$6,792,500	\$247.00
Major 6	Supermarket	63,050	\$44,513,300	\$706.00
Shop 1	Mix of Specialty Retail/Services/Specialty Restaurant/Specialty Food	11,700	\$4,952,025	\$423.25
Shop 2	Mix of Specialty Retail/Services/Specialty Restaurant/Specialty Food	7,200	\$3,047,400	\$423.25
FC1	Mix of Fast Food and Specialty Food	8,400	\$5,703,600	\$679.00
FC2	Mix of Fast Food and Specialty Food	6,000	\$4,074,000	\$679.00
Pad 1	Specialty Food	1,000	\$588,000	\$588.00
Pad 2	Mix of Fast Food and Services	4,000	\$2,514,000	\$628.50
Pad 3	Mix of Fast Food and Services	4,000	\$2,514,000	\$628.50
Pad 4	Mix of Fast Food and Services	4,000	\$2,514,000	\$628.50
Pad 5	Mix of Fast Food and Services	4,000	\$2,514,000	\$628.50
		370,975	\$135,814,325	\$366.10

1. Annual City Sales Tax Estimate

Applying the 2.95% City TPT rate to projected taxable retail sales results in estimated City of Prescott sales tax revenue of **approximately \$4.0 million annually**.

These revenues represent a recurring fiscal benefit supporting City services, infrastructure, and public facilities.

6. Property Tax and Long-Term Fiscal Impact

In addition to sales tax revenue, the project will contribute to the City’s property tax base through increased assessed value associated with the development. As a stabilized retail asset, the project is expected to provide **approximately \$580,800 in annual property tax revenues** that support City and regional taxing jurisdictions over the long term.

Project Construction Value: +/-**\$60,000,000** * 16% (2025 commercial assessment ratio) * 6.05% (2025 tax rate) = +/- **\$580,800**

7. Projected Annual Economic Impact Summary

Category	Projected Impact
Gross Leasable Area	+/-370,975 SF
Retail Format	Power Center
Tenant Mix	National and Regional Retailers
Permanent Employment	+/-790 jobs
Average Sales per Square Foot	+/- \$366 psf
Estimated Annual Retail Sales	+/- \$135.8 million
Estimated City of Prescott Sales Tax Revenue (2.95%)	+/- \$4.0 million annually
Annual Property Tax Contribution	+/- \$580,800

8. Fiscal and Community Benefits

In addition to direct fiscal impacts, the project will provide broader benefits to the City of Prescott, including:

- Reduced retail sales leakage to surrounding communities
- Improved retail access and convenience for residents
- Strengthened position as a regional retail destination
- Catalyst for commercial retail development along the SR-89A corridor
- Accelerate residential growth and serve the needs of the +/-15,000 new homes coming to North Prescott in the near future.

9. Conclusion

The economic and fiscal benefits to the City of Prescott are substantial, measurable, and recurring. The project will generate sustained employment, significant annual retail sales, City sales tax revenue, and long-term property tax contributions.

Based on these City-level benefits, approval of the requested water service is requested.

Prepared for submittal to the
City of Prescott – Water Issues Subcommittee and City Council

Deep Well Commercial Site



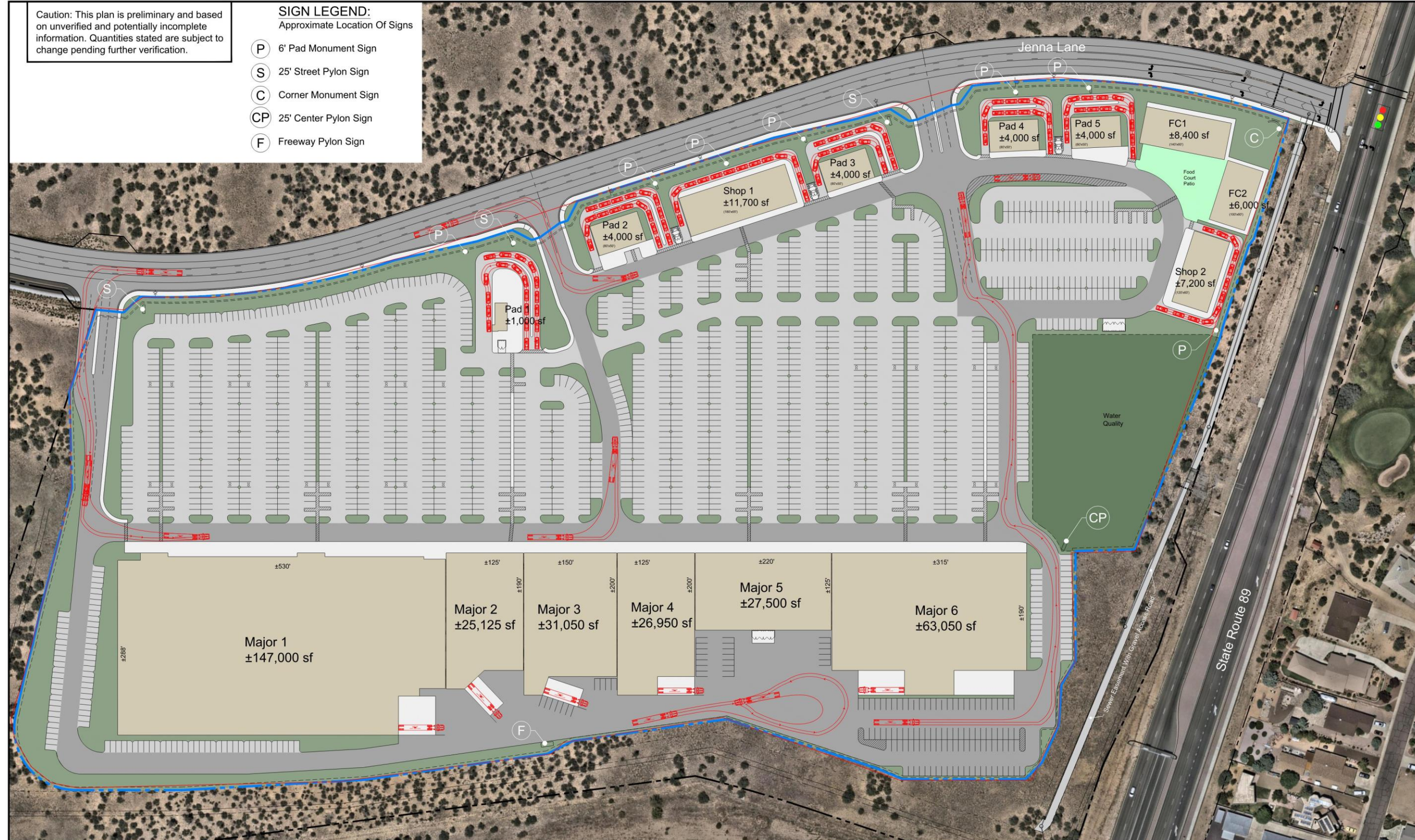
2/9/2026



Sources: Esri, TomTom, Garmin, SafeGraph, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community, Esri, NASA,

Caution: This plan is preliminary and based on unverified and potentially incomplete information. Quantities stated are subject to change pending further verification.

- SIGN LEGEND:**
Approximate Location Of Signs
- (P) 6' Pad Monument Sign
 - (S) 25' Street Pylon Sign
 - (C) Corner Monument Sign
 - (CP) 25' Center Pylon Sign
 - (F) Freeway Pylon Sign



		Parking Requirements	Per # SF	Parking Spaces Required	Parking Spaces Provided	Drive Thru Stacking Required	Drive Thru Stacking Provided	Accessible Parking Required	Accessible Parking Provided	Over / Under	Cart Corral Spaces Provided	Site Area (Acres)	Building Area (±SF)	Coverage (%)	
Major 1	Retail General	147,000	/	200	735							Major 1	147,000		
Major 2	Retail General	25,125	/	200	126							Major 2	25,125		
Major 3	Retail General	31,050	/	200	156							Major 3	31,050		
Major 4	Retail General	26,950	/	200	135							Major 4	26,950		
Major 5	Retail General	27,500	/	200	138							Major 5	27,500		
Major 6	Retail General	63,050	/	200	316							Major 6	63,050		
Shop 1	Retail General	11,700	/	200	59	10	14					Shop 1	11,700		
Shop 2	Retail General	7,200	/	200	36	10	12					Shop 2	7,200		
Food Court 1	Restaurant Standard	8,400	/	100	84							Food Court 1	8,400		
Food Court 2	Restaurant Standard	6,000	/	100	60							Food Court 2	6,000		
Pad 1	Restaurant Standard	1,000	/	100	10	10	20					Pad 1	1,000		
Pad 2	Fast Food	4,000	/	150	27	10	19					Pad 2	4,000		
Pad 3	Fast Food	4,000	/	150	27	10	16					Pad 3	4,000		
Pad 4	Fast Food	4,000	/	150	27	10	14					Pad 4	4,000		
Pad 5	Fast Food	4,000	/	150	27	10	15					Pad 5	4,000		
Total		370,975			1,963	1,989		30	62	26	28	Total	38.32	370,975	22.22%

Building	Use
Major 1	Big-box retail/superstore
Major 2	General merchandise/soft goods
Major 3	General merchandise/soft goods
Major 4	General merchandise/soft goods
Major 5	General merchandise/soft goods
Major 6	Grocery
Shop 1	Multi-tenant mix of service oriented retail, soft goods, and food users (approximately 9 tenants)
Shop 2	Multi-tenant mix of service oriented retail, soft goods, and food users (approximately 6 tenants)
Food Court 1	Multi tenant quick service restaurants (approximately 7 tenants)
Food Court 2	Multi tenant quick service restaurants (approximately 5 tenants)
Pad 1	Fast food or sit-down restaurant/service station, financial institution, or general merchandise
Pad 2	Fast food or sit-down restaurant/service station, financial institution, or general merchandise
Pad 3	Fast food or sit-down restaurant/service station, financial institution, or general merchandise
Pad 4	Fast food or sit-down restaurant/service station, financial institution, or general merchandise
Pad 5	Fast food or sit-down restaurant/service station, financial institution, or general merchandise

MAJESTIC REALTY CO.
 15000 S. 15th Avenue
 Suite 100
 Phoenix, AZ 85042
 Phone: (602) 998-1111
 Fax: (602) 998-1112
 www.majesticrealty.com

COMMERCIAL CONSTRUCTION CO., L.P.
 15000 S. 15th Avenue
 Suite 100
 Phoenix, AZ 85042
 Phone: (602) 998-1111
 Fax: (602) 998-1112
 www.commercialconstructionco.com

THE DISTRICT AT DEEP WELL RANCH
 PRESCOTT, AZ

DRAWN BY DATE
 CCC JOB NO.
 SHEET NO.
A1

EXHIBIT 31 (2026 01 12) SITE PLAN SCALE: 1" = 60'

WSA26-002 Application Summary

- +/- 371,000 Square Foot Commercial Center
- Estimated demand for buildings – 20.3 AFY
- Estimated demand for landscape – 7.6 AFY
- Previous Usage – None
- Estimated Total Demand – 27.9 AFY



TO: MAYOR AND CITY COUNCIL
AGENDA: March 3 Subcommittee on Water Issues
DATE: March 3, 2026
DEPT: Community Development
ITEM #: 3.F
SUBJECT: Presentation & Discussion Regarding Potential Revisions to City Code Section 2-1-8 Regarding Sewer Requirements for Water Service.

ITEM SUMMARY

This item addresses a potential update to City Code 2-1-8 to remove the sewer requirement for water service for single residential homes under specific circumstances.

BACKGROUND

City Code 2-1-8 provides statutory provisions for the service of City water outside the City limits. Currently, City Code 2-1-8 part C.1.b permits one single-family dwelling unit on a parcel of land provided it is connected to both a City water main and a City sewer main. However, sewer infrastructure is limited in outlying areas where these subdivisions and parcels are located. Subdivisions were created in the past when City water policy and code allowed water service outside the City limits but did not contemplate extension of sewer lines. Each year, City staff receive numerous inquiries for water service for parcels outside the City limits which are adjacent to an existing City waterline, and nearly all are not close enough to feasibly connect to an existing sewer line. These parcels cannot be served water due to City Code 2-1-8 even though many existing homes within the same subdivisions are existing customers for City water.

The proposed amendment to City Code 2-1-8 would provide an additional exemption which would allow water service without connecting to sewer for parcels that are adjacent to a City water line at the time of the code revision. Amending the code to remove the sewer connection requirements for parcels adjacent to existing water lines helps to resolve inconsistencies created by past policies that have resulted in a patchwork of communities with different service status. The City would create a GIS layer in its database which would be used for tracking water outside City limits and ensure that new lots are not created that would increase water above the proposed amount. Attachment 1 provides an overall map showing the areas this potential code revision would impact. City staff have identified 164 parcels that would fall under the new exemption category. The City would set aside 28 acre-feet per year within its portfolio to accommodate the eventual water service for these lots. Of the 164 parcels, 41 are already included as committed demand within the City's current Designation of Assured Water Supply. This means that 7 acre-feet of the 28 acre-feet is already accounted for by the City as committed demand and only 20 acre-feet of new water is being set aside. The code revision would allow one single-family dwelling unit to connect to City water outside of City limits under the following circumstances and requirements:

- The existing home or lot is adjacent to existing City water line
- The City has determined that there is sufficient water pressure and quantity for the request
- The requestor is responsible for all costs of utility infrastructure necessary to serve the property
- Requestor is responsible for all permitting requirements and impact fees for connecting to City water
- Any existing well on the property would need to be abandoned through ADWR

The Code revision would provide the following benefits to the City:

- Collection of impact fees in areas of existing water infrastructure
- Collection of 30% surcharge above inside City limit rates
- Conservation benefits due to 30% surcharge and the tiered water rate structure
- Increase in groundwater allowance for wells abandoned for water connection
- Reduced staff time in reviewing individual inquires with different status
- Long-term water management benefit of knowing and accounting for this water obligation

Attachment 2 provides current City Code 2-1-8 and potential code language changes for WIS consideration.

FINANCIAL IMPACT

The potential revenue of impact fees, assuming all eligible lots connect to City water using 5/8 water meters, would be approximately \$1,082,100.00

RECOMMENDED ACTION

MOVE to recommend forwarding revision of City Code 2-1-8 to Council for approval or denial

ATTACHMENTS

1. Attachment 1_Overall Map
2. Attachment 2_2-1-8 Update
3. Code_2.1.8_Presentation

Parcels Outside the City Limits, Near City Water Lines, Without City Sewer Access, Without Accounts

- City Limits
- Parcels City Would Serve with Proposed Code Change
- Parcels the City is Already Obligated to Serve

Number of Parcels Served with Proposed Code Change: 164*

* Number of Parcels Served with Proposed Code Change accounted for in DAWS: 41

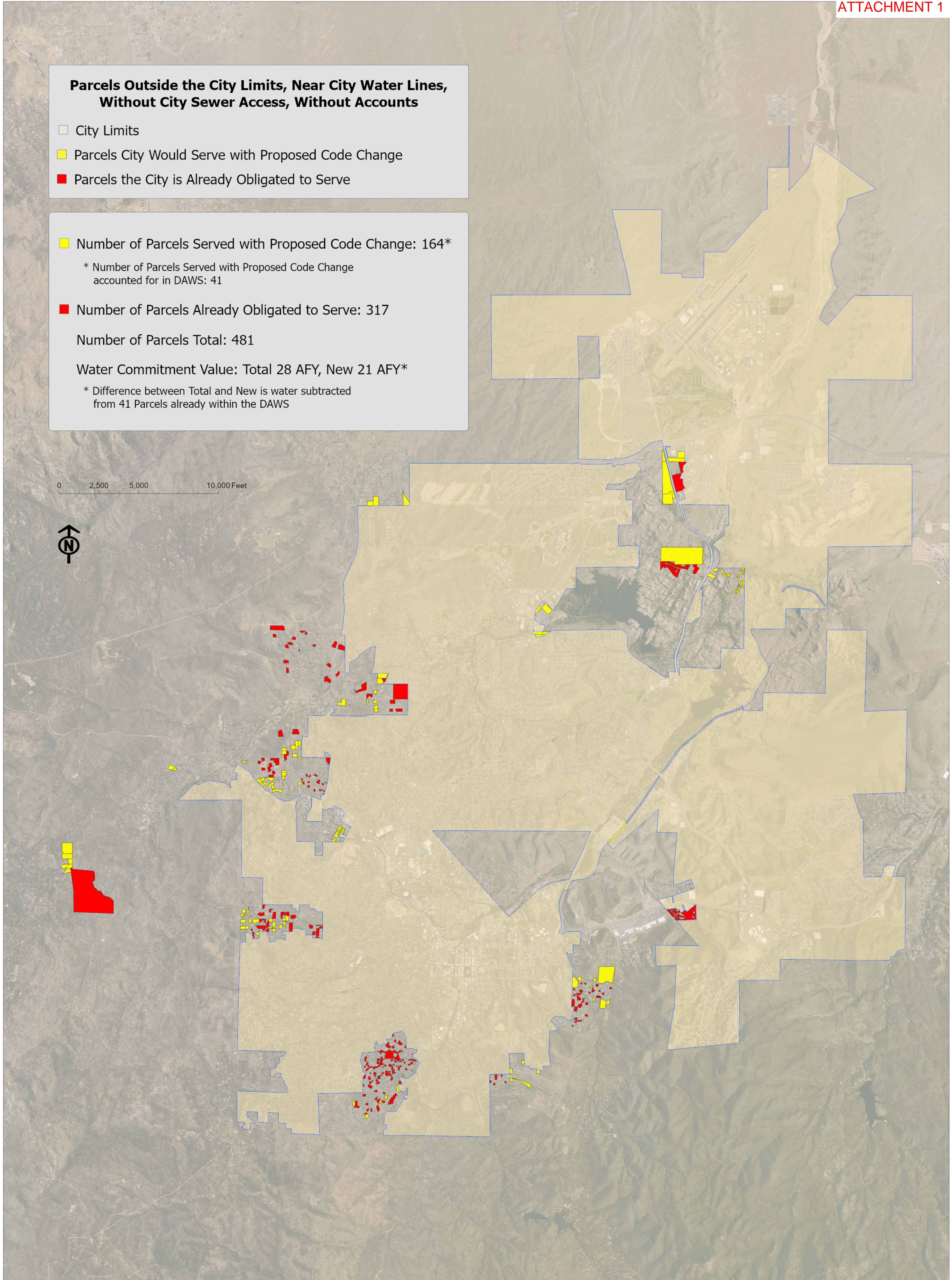
Number of Parcels Already Obligated to Serve: 317

Number of Parcels Total: 481

Water Commitment Value: Total 28 AFY, New 21 AFY*

* Difference between Total and New is water subtracted from 41 Parcels already within the DAWS

0 2,500 5,000 10,000 Feet



Current Code 2-1-8**2-1-8 UTILITIES DIVISION; PROVISION OF WATER TO AREAS OUTSIDE OF THE CITY LIMITS; RULES AND REGULATIONS:**

(A) Water Service: Water will be furnished to users subject to rules and regulations adopted by the City Council. Those rules and regulations, including the City Code and City of Prescott Water Management Policy, are made a part of every permit, application, license, contract, or other agreement entered into with the City.

(B) Return of Water: Potable water will not be provided to any project that will not return to the City's sanitary sewer system at least seventy-five percent (75%) of the water served.

(C) Water Outside the City Limits:

1. New water connections may only be made outside of the City limits as follows:

(a) Pursuant to an intergovernmental agreement with the federal government or any federal department or agency, Indian tribes, the state of Arizona, any other state, all departments, agencies, boards and commissions of this state or any other state, counties, school districts, fire districts, cities, towns, and municipal corporation. The City will not enter any intergovernmental agreement for water service outside City limits with water improvement districts or other specially created districts; or

(b) One single-family residential dwelling unit on a single parcel of land that connects to a City water main and a City sewer main. All wells on the parcel requesting City water and sewer services shall be abandoned through Arizona Department of Water Resources.

2. Applicants for service outside the City of Prescott jurisdictional limits are responsible for the extension of all utility infrastructure necessary to serve their property, unless exempt by prior agreement with the City of Prescott.

(D) Pursuant to A.R.S. § [49-204](#), gray water reuse is prohibited for those properties receiving City sewer service. (Ord. 4856-1313, 5-28-2013; Ord. 2019-1696, 11-19-2019; Ord. 2020-1712, 4-28-2020; Ord. 2022-1787, 4-26-2022)

Potential Change (All changes in red and underlined)

2-1-8 UTILITIES DIVISION; PROVISION OF WATER TO AREAS OUTSIDE OF THE CITY LIMITS; RULES AND REGULATIONS:

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(b) Exemption 1: Parcels located in the area denoted as EXMPTWTRSERV1 within the City GIS database are eligible for water service for one single-family residential dwelling unit per parcel. Sewer connection requirements are waived within EXMPTWTRSERV1 for water service. If future City sewer lines are constructed adjacent to a parcel that receive water service through Exemption 1 of City Code 2-1-8, the parcel must connect to sewer within 6 months of the sewer line construction. All parcels located within EXMPTWTRSERV1 who have existing water services prior to the adoption of Exemption 1 are not required to connect to new sewer but may do so at their choosing. Any splitting of parcels within EXMPTWTRSERV1 will void the ability to obtain water service for additional parcels created from the split. All wells on the parcel requesting City water service shall be abandoned through Arizona Department of Water Resources.

(bc) Exemption 2: One single-family residential dwelling unit on a single parcel of land that connects to a City water main and a City sewer main. All wells on the parcel requesting City water and sewer services shall be abandoned through Arizona Department of Water Resources.

2. Applicants for service outside the City of Prescott jurisdictional limits are responsible for the extension of all utility infrastructure necessary to serve their property, unless exempt by prior agreement with the City of Prescott.

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Council Subcommittee for Water Issues

March 3, 2026

Brian Ruiz,
WATER RESOURCES MANAGER

Code 2-1-8 Potential
Revision



Background

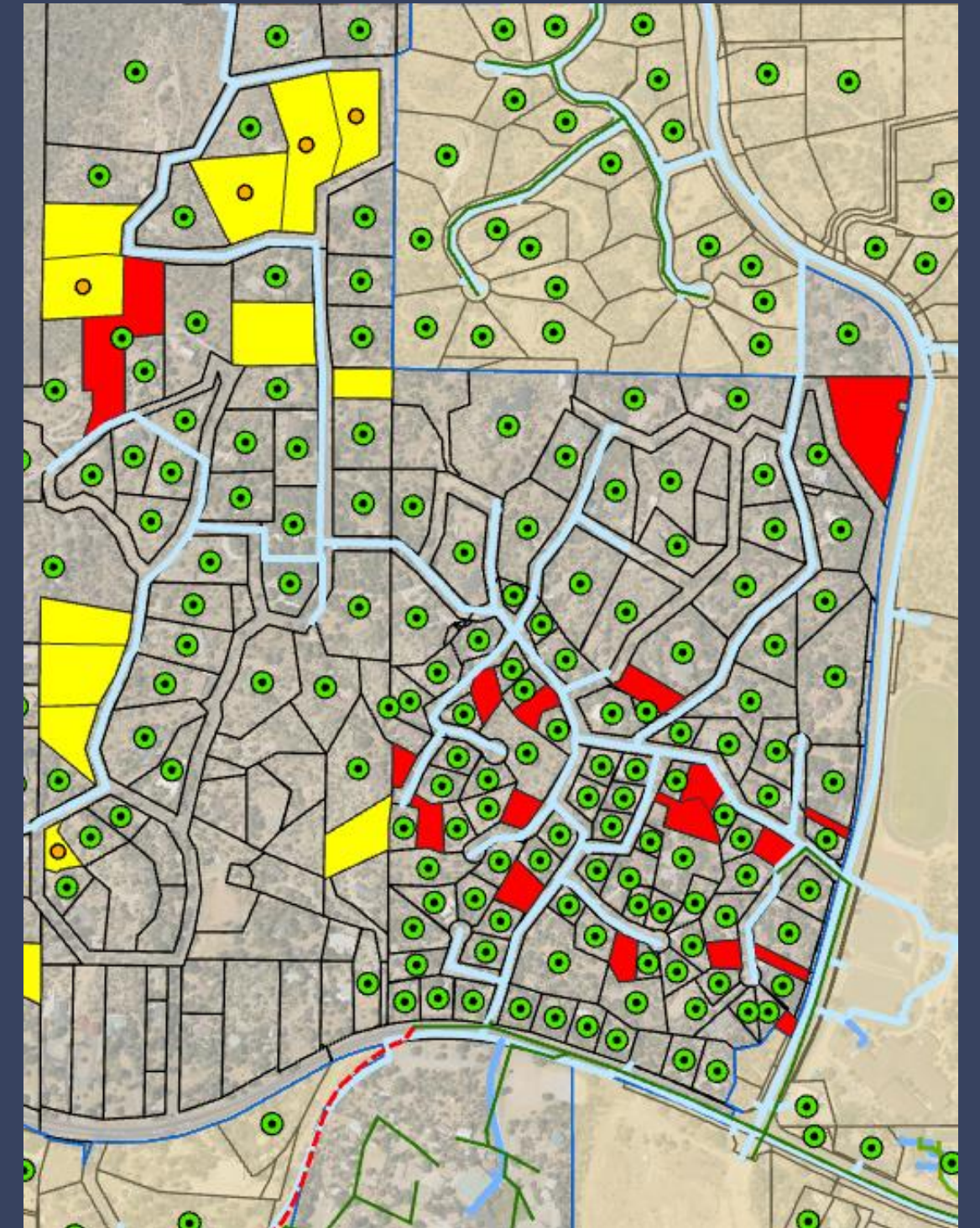
City Code 2-1-8 provides statutory provisions for service of City water outside City limits. Part (C) 1.b states:

(b) One single-family residential dwelling unit on a single parcel of land that connects to a City water main and a City sewer main. All wells on the parcel requesting City water and sewer services shall be abandoned through Arizona Department of Water Resources.



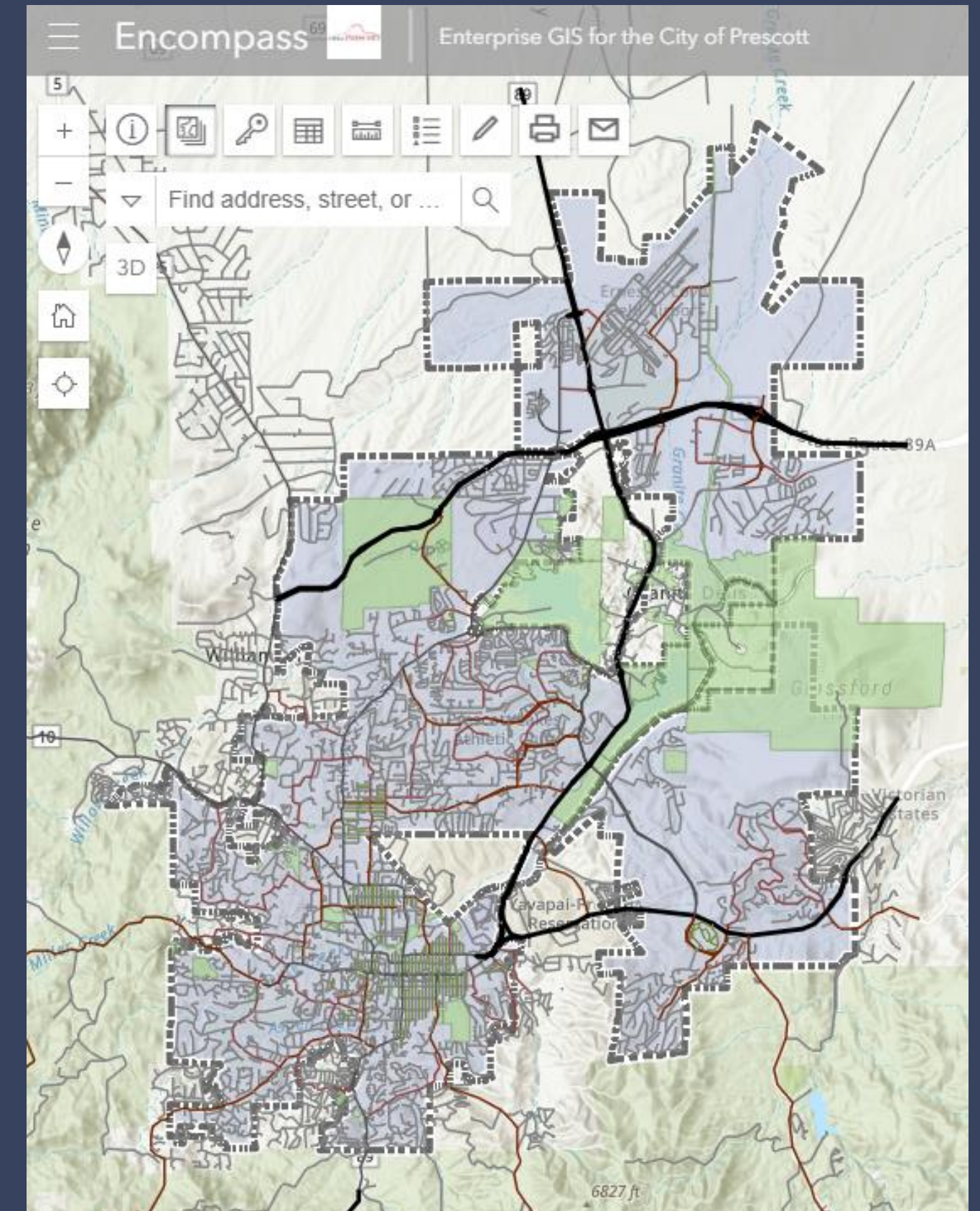
Issues

- Policy has changed multiple times throughout the years
- These areas have existing water lines that service existing homes but little to no sewer available to connect to.
- Pockets of areas have a patchwork of served and not served parcels
- Water Resources fields numerous inquiries per year
- Almost all inquiries have no direct access to sewer



Analysis

- City GIS prepared maps to determine:
 - Water line locations outside City limits
 - Number of undeveloped parcels adjacent to water lines & no sewer
 - Number of parcels already obligated to serve water (water service agreements)
 - Number of parcels that would benefit from this code change
 - Number of parcels that would benefit and are already accounted for in Designated Assured Water Supply (DAWS)



Overall Map

Parcels Outside the City Limits, Near City Water Lines, Without City Sewer Access, Without Accounts

- City Limits
- Parcels City Would Serve with Proposed Code Change
- Parcels the City is Already Obligated to Serve

Number of Parcels Served with Proposed Code Change: 164*

* Number of Parcels Served with Proposed Code Change
accounted for in DAWS: 41

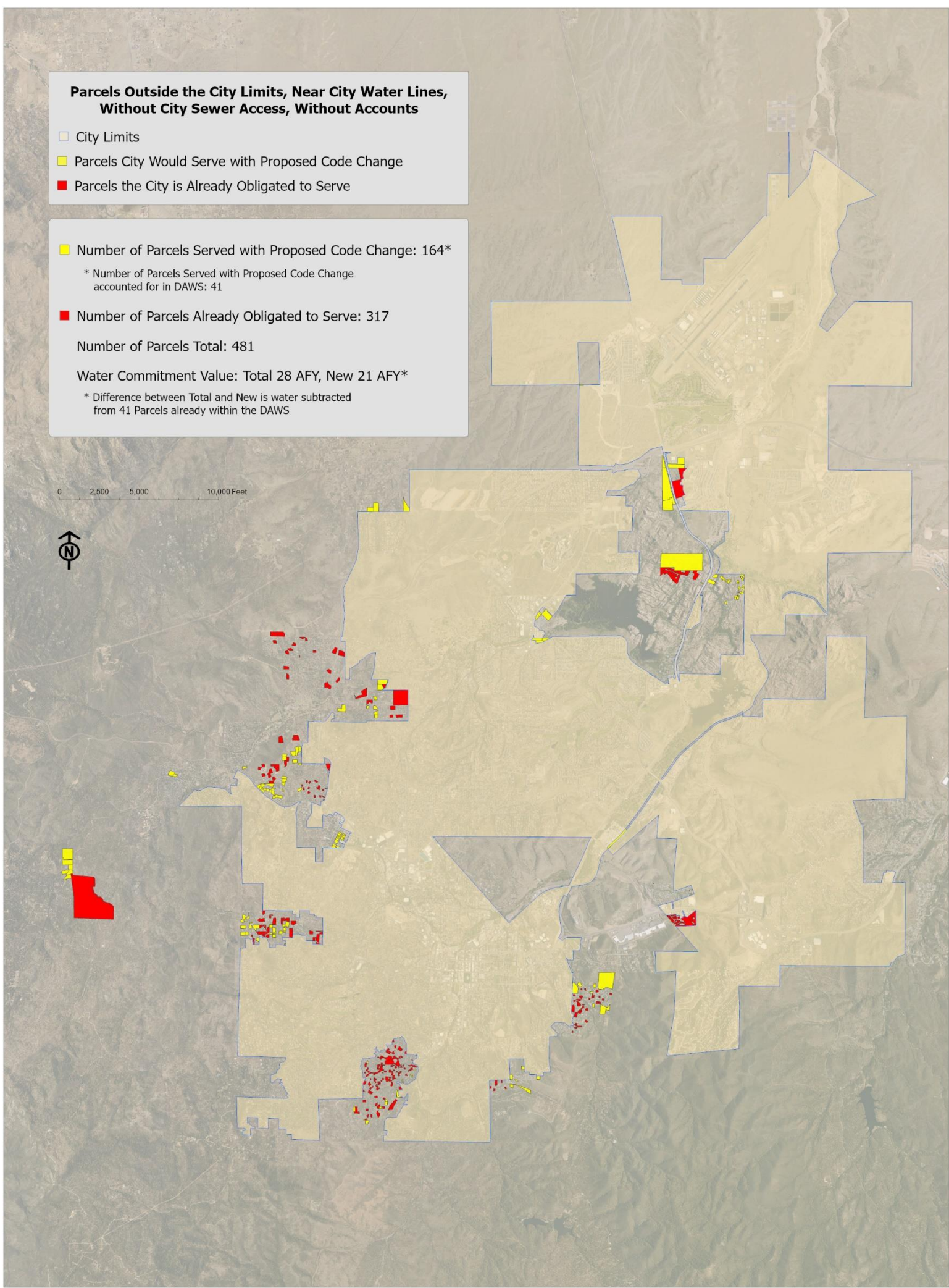
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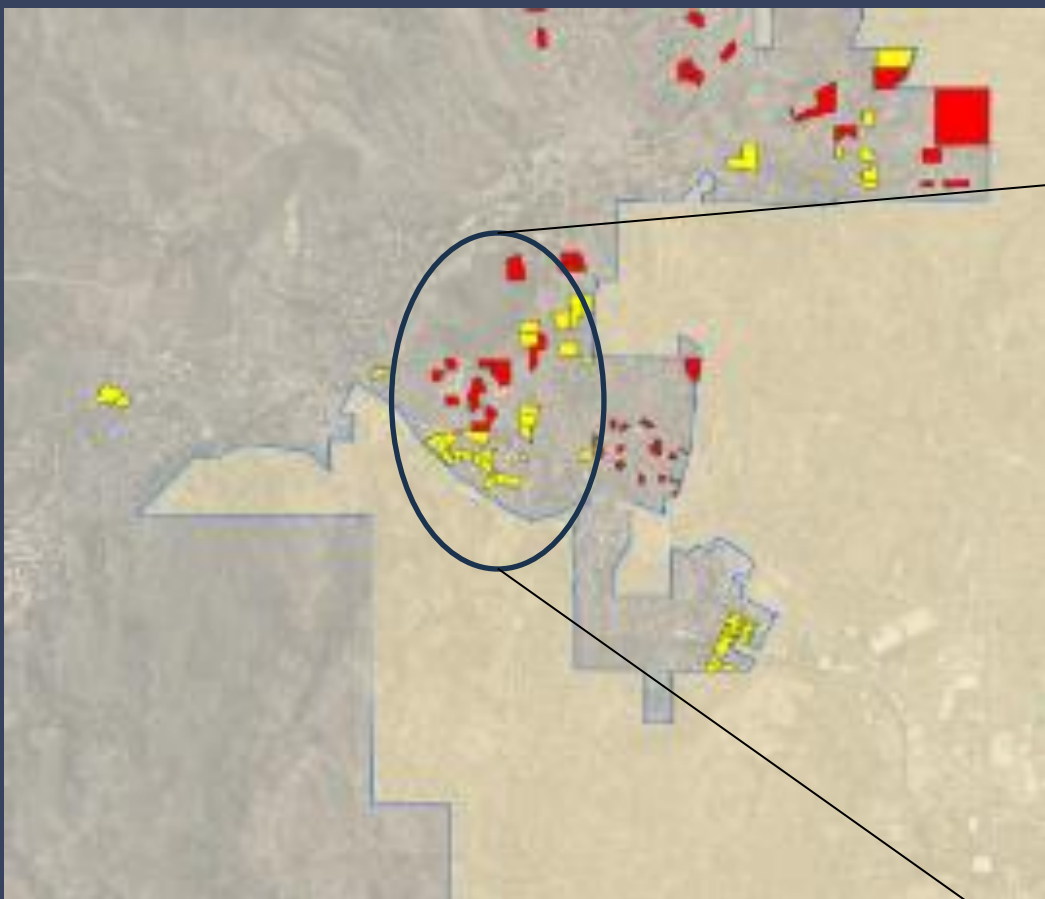
Water Commitment Value: Total 28 AFY, New 21 AFY*

* Difference between Total and New is water subtracted
from 41 Parcels already within the DAWS

0 2,500 5,000 10,000 Feet



- Number of parcels already obligated to serve with Water Service Agreements: 317 - Red
- Number of parcels potentially served water: 164 - Yellow
- Number of parcels potentially served water within DAWS: 41

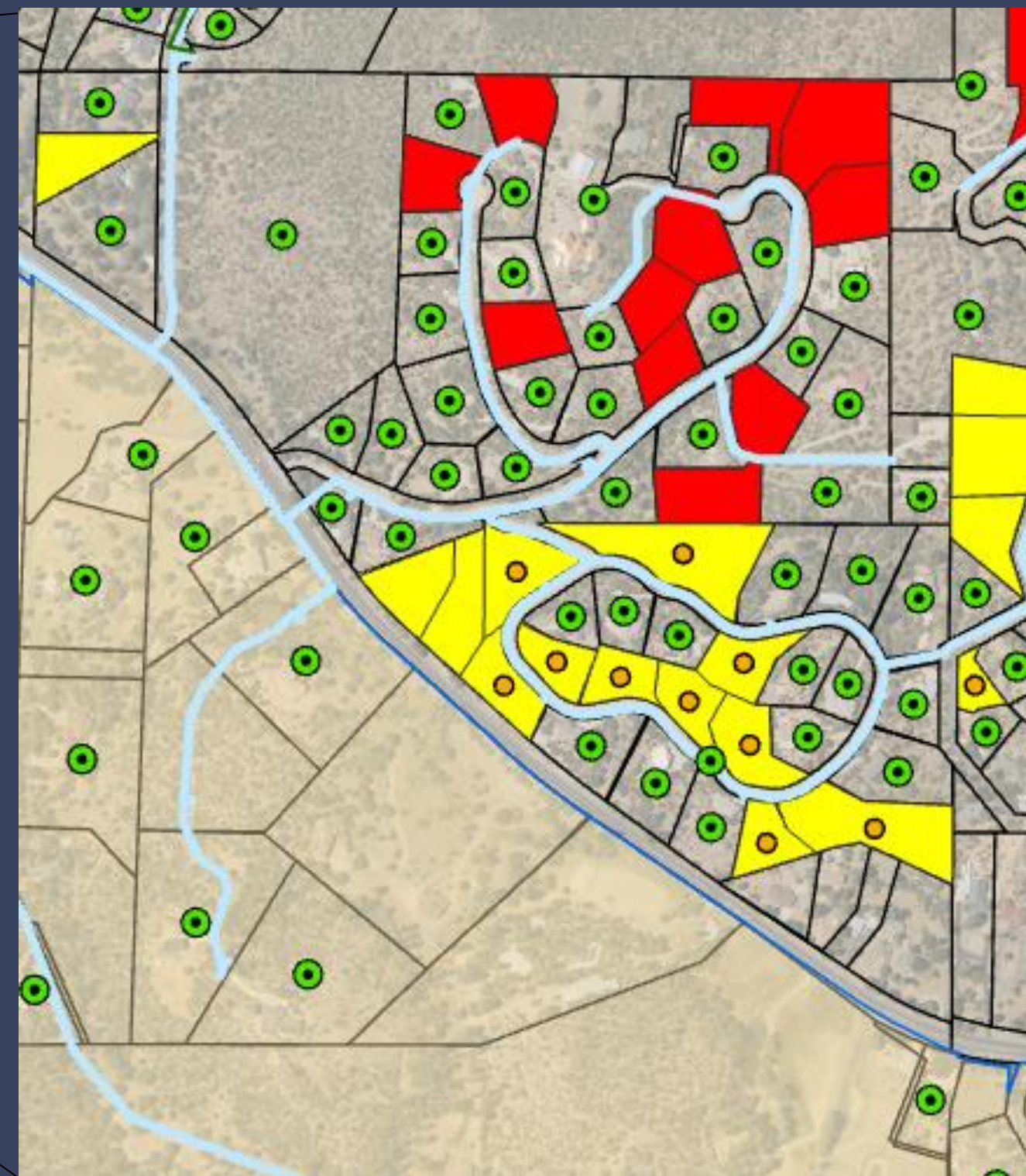


Vista Del Cerro

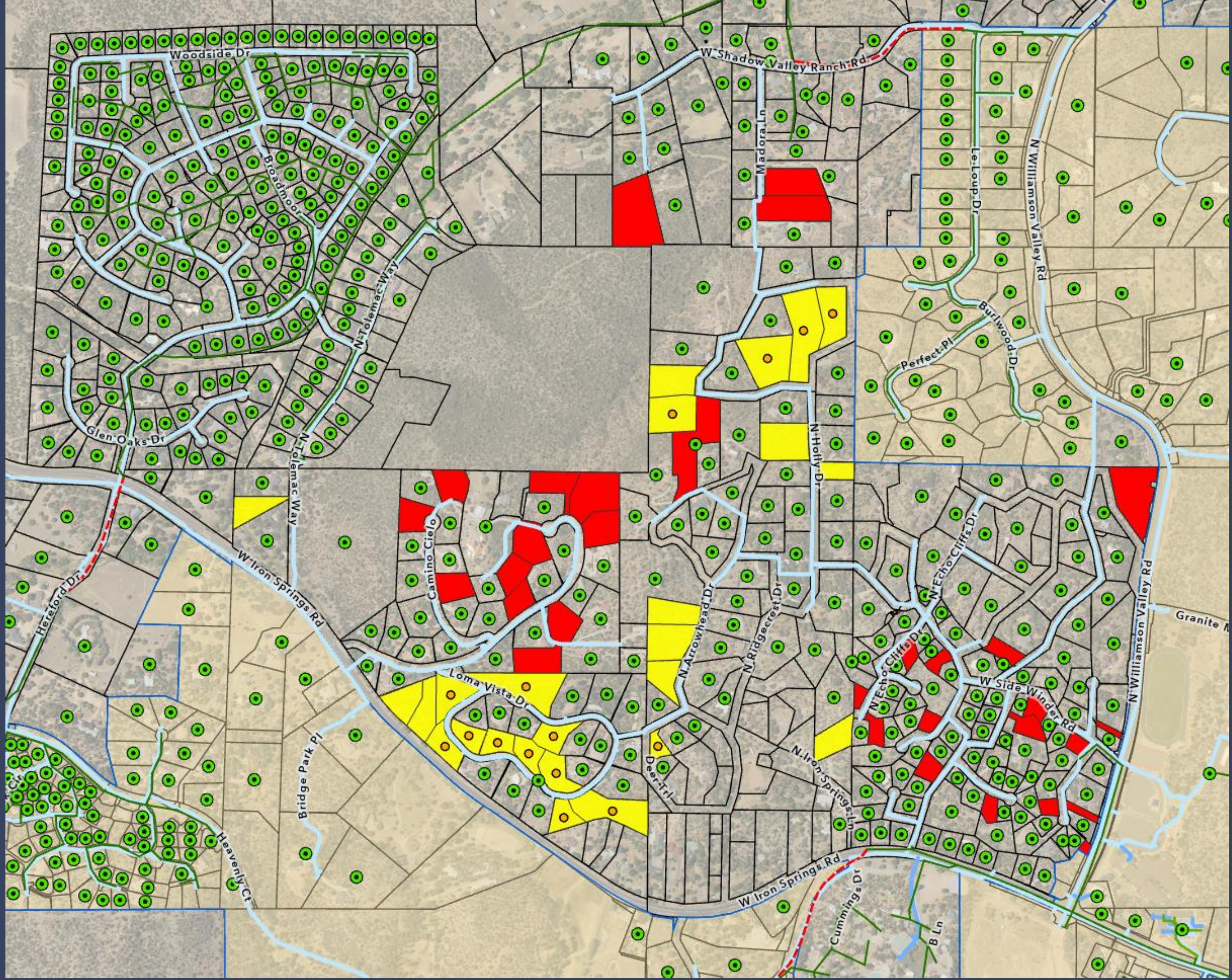
Existing Connections: 40

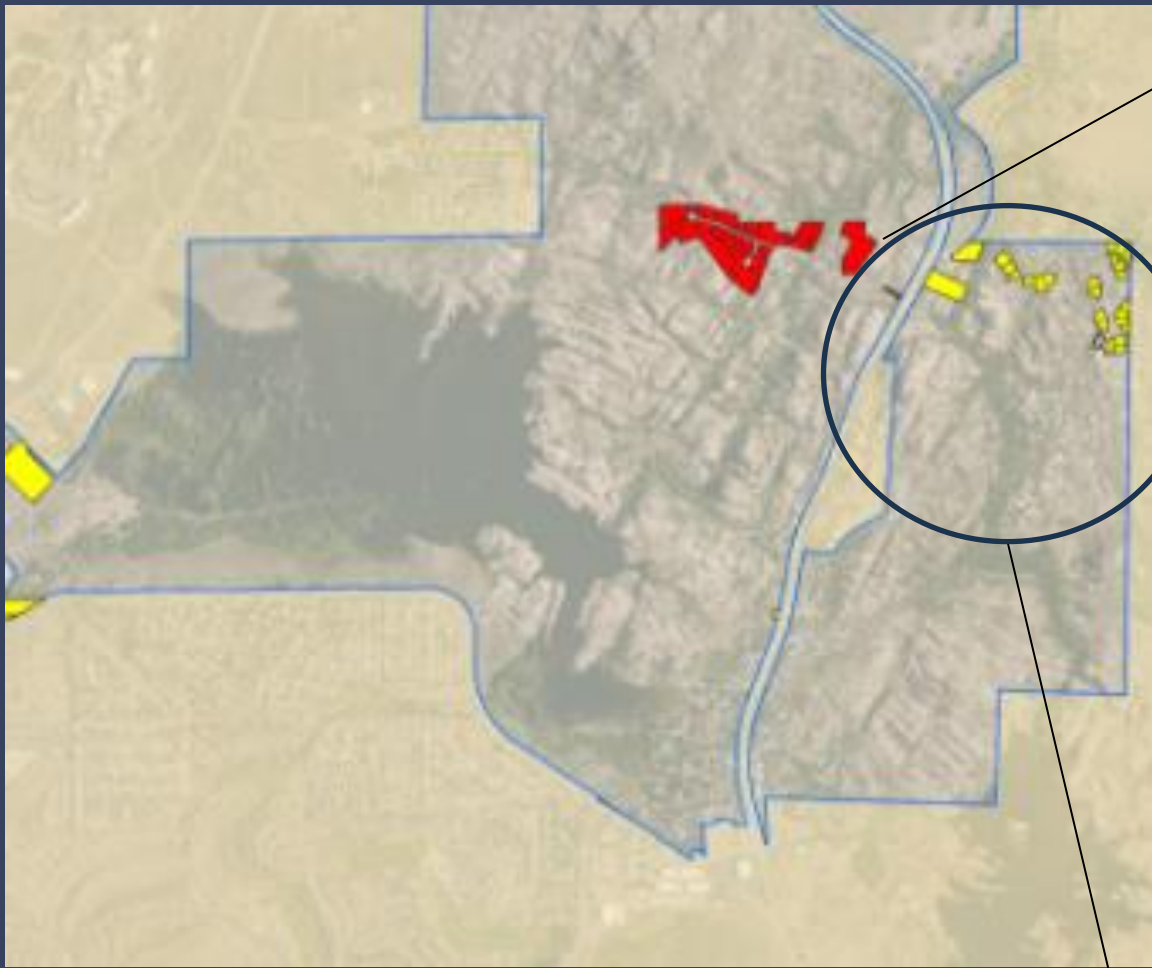
Unit 1 – All obligations

Unit 2 – 12 potentially eligible lots & 10 lots in DAWS



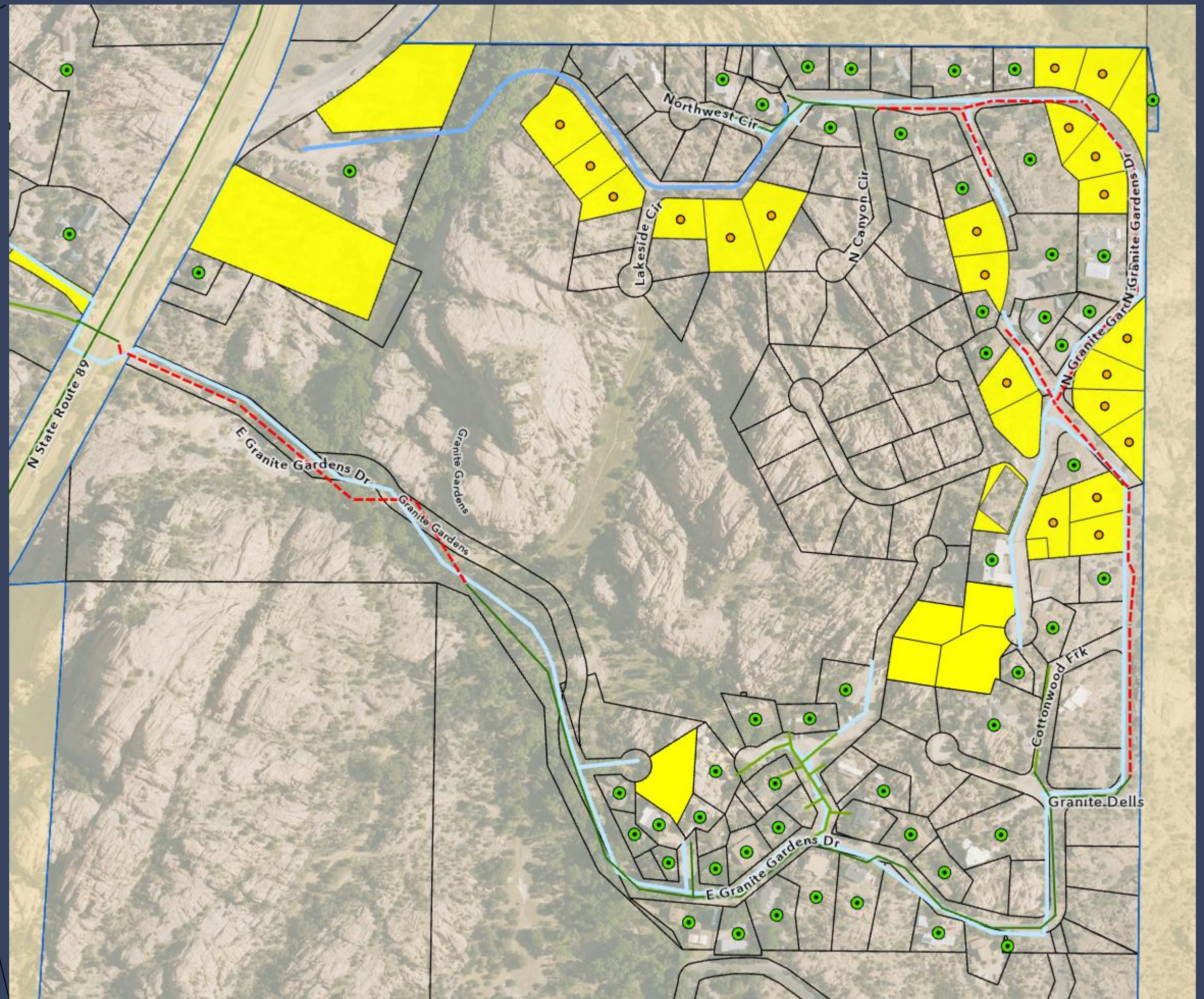
** Green dots indicate existing services,
orange dots indicate within DAWS & blue
lines indicate City Waterlines*





Granite Gardens Unit 2 29 potentially eligible lots & 21 in DAWS

** Green dots indicate existing services, orange dots indicate within DAWS, blue lines indicate City waterlines, and green/red dash lines indicate sewer lines.*



Potential Code Update

(b) Exemption 1: Parcels located in the area denoted as EXMPTWTRSERV1 within the City GIS database are eligible for water service for one single-family residential dwelling unit per parcel. Sewer connection requirements are waived within EXMPTWTRSERV1 for water service. If future City sewer lines are constructed adjacent to a parcel that receive water service through Exemption 1 of City Code 2-1-8, the parcel must connect to sewer within 6 months of the sewer line construction. All parcels located within EXMPTWTRSERV1 who have an existing water service agreement that does not require sewer connection or any parcel with existing service connected prior to the adoption of Exemption 1 and is not under an existing water service agreement, are not required to connect to new sewer but may do so at their choosing. Any new parcels created from lot splits within EXMPTWTRSERV1 after the adoption of Exemption 1 will not qualify for Exemption 1 and will need to meet the requirements of Exemption 2 for water service. All wells on the parcel requesting City water service shall be abandoned through Arizona Department of Water Resources.

(c) Exemption 2: One single-family residential dwelling unit on a single parcel of land that connects to a City water main and a City sewer main. All wells on the parcel requesting City water and sewer services shall be abandoned through Arizona Department of Water Resources.

Proposed Requirements

- The existing home or lot is adjacent to an existing City water main.
- The City has determined that there is sufficient water pressure and quantity to adequately serve the request.
- The requestor is responsible for all cost of extending utility infrastructure necessary to serve the property.
- Requestor would be responsible for all permitting requirements and impact fees associated with connecting to City water.
- Any existing well on the property would need to be abandoned through Arizona Department of Water Resources.
- Any lot splits after the adoption of this code change will not qualify for this new exemption.

City would set aside 28 acre-feet per year for these 159 parcels. 7 of the 28 acre-feet has already been accounted for in the DAWS.

City Benefits

- Collection of impact fees in areas of existing water infrastructure.
- Collection of 30% surcharge above inside City limit rates.
- Conservation benefits due to 30% surcharge and City tiered water rate structure.
- Increase in groundwater allowance for wells abandoned for water connection.
- Reduced staff time in reviewing individual inquires with different status.
- Clean up of areas with various water service status
- Long-term water management benefit of knowing and accounting for this water obligation.

Thank you,
Questions?