



CITY COUNCIL WORKSHOP MEETING

WORKSHOP MEETING MINUTES

TUESDAY, NOVEMBER 29, 2022, 9:30 AM

201 S Cortez Street
Prescott, AZ 86303
Council Chambers

Phil Goode, Mayor

Brandon Montoya, Mayor Pro Tem
Cathey Rusing, Councilmember
Eric Moore, Councilman

Connie Cantelme, Councilwoman
Steve Sischka, Councilman
Clark Tenney, Councilman

MINUTES OF THE WORKSHOP MEETING OF THE PRESCOTT CITY COUNCIL WORKSHOP MEETING HELD ON NOVEMBER 29, 2022, IN THE 201 S CORTEZ STREET PRESCOTT, AZ 86303 COUNCIL CHAMBERS.

1. CALL TO ORDER

Mayor Goode called the meeting to order at 9:32 a.m.

2. ROLL CALL

Phil Goode	Mayor
Brandon Montoya	Mayor Pro Tem
Connie Cantelme	Councilwoman
Eric Moore	Councilman
Cathey Rusing	Councilman
Steve Sischka	Councilman – excused
Clark Tenney	Councilman

3. DISCUSSION

A. Discussion & Consideration of the City Council Strategic Plan for 2023.

Lobbyist Barry Aarons provided a presentation to Council with an overview of the 2022 Strategic Plan and a preview of the 2023 Strategic Plan. He discussed the Tourism Marketing Bill which he will be discussing on a call later today as a proposal for the 2023 Legislative Session; and he added that he will be reviewing the highest priority issues and objectives to determine if they need to be modified and can return for a future meeting if necessary.

Top Two Issues:

* Dells Park

* Airport Vicinity Overlay

Goal #4 – Quality of Life

Creation of a Park in or Near the Dells: Mr. Aarons stated that Council needs to come up with an objective for an expenditure and revenue generation. There are five partners in this project which include Prescott, Prescott Valley, Yavapai County, State of Arizona and the Federal Government. He has been informed that there is a potential for \$5 million in additional funding from the State and Federal Government for this purpose. Total cost for the purchase of all property will be approximately \$20 million, which comes down to \$4-\$4.5 million per agency approximately. There are two sources of revenue which would be applicable for this - property and sales tax.

An approximately 0.25% tax would take a year or so to get to the needed funding. There is also the opportunity for a bond to help fund these priorities.

Councilman Moore asked if heritage funds would be available for these items as well. He also asked about the IGA with the County and Prescott Valley which he recalls not being equal splits.

Mr. Aarons said that heritage funds would be a longshot, this would have to be a General Fund contribution because there are simply too many people that are seeking heritage funds. He also confirmed that the IGA was not an equal share of the purchases, but he was trying to present rounded numbers.

City Manager Michael Lamar added that the federal funding is a surplus from COVID recovery that Governor Ducey wanted to find projects with a statewide benefit. Prescott Valley Town Manager Gilbert Davidson spoke with their office, and they have committed funding to begin the land purchases.

Councilman Tenney commented that while paying more taxes isn't ideal, there is a desire to recruit and retain fire/police officers, maintain roads, build fire stations, looking at open space, etc. so there are many slices of the pie, and the Council needs to determine their priorities because there is not enough funding for the needs.

Mr. Aarons asked about the police and fire stations Councilman Tenney mentioned. He added that capital expenses versus maintenance and operation expenditures(M&O) are different and should be looked at as such because one is a permanent expenditure.

Staff and Council confirmed that there is a need for additional fire and police stations and increased salaries for city employees, outside of the capital projects like the park and Airport Vicinity Overlay District (AVO).

Mayor Pro Tem Montoya thanked Mr. Aarons for making the clarification but stated that it is difficult to separate capital from M&O because there are ongoing costs related to building a new fire station for example. He asked what the state involvement would be for the Regional Park, because depending upon how that exists there will be ongoing maintenance costs and how would that be shared.

Mr. Lamar responded that it is really up to the city and other agencies. The state park system has been involved in all of the discussions regarding this matter and there is a desire to have a state park in this area. This department is very flush and very willing to contribute, but not looking to take over the project itself.

Mr. Aarons added that the state will allocate money with a matching or commitment component from the agencies the contribution is made to. Need the legislation to demonstrate that there is support and will be a contribution in order to get it into the state budget.

Mayor Pro Tem Montoya asked about bonding against the sales tax revenue and ten years to fund this project, yet the land will not be available to purchase forever; are we talking about packaging a general obligation bond with this.

Mr. Aarons provided an example of a previous City of Phoenix general obligation bond which was divided into twelve separate items to vote on and each had a separate revenue source to vote on. If it is a \$20 million cost, the Federal Government has committed \$5 million and then divided between the remaining. It is \$3.75 million if split equally or variable amounts depending. He believes a bill could be introduced based on this information if that happens, though all agencies have to present in unison and be committed equally.

Councilmember Rusing commented on the legacy project of a Dells Park, she asked if the property would come to auction all at once or in parcels. She also asked if the Arizona State Land Department would be interested in leasing land for this.

Mr. Aarons responded that he is not in a position to answer that at this time, once the legislation goes in then those types of questions could be answered.

Recreation Services Director Joe Baynes added that the land could be done in a phased approach which is why the ten-year agreement was entered into. In 1998 some parcels were set aside for

conservation, which he reviewed. The Arizona State Land Department would like the purchases to be made in parcels not in portions of parcels. They are in the business of selling land to support K-12 education, their intent is to do so, and leases are just placeholders which are done in special circumstances. He added that the M&O has not yet been discussed, but most parks are light hands on the land which doesn't require a great deal of maintenance and could be done cooperatively.

Councilman Moore stated that at the January Strategic Planning Meeting Council discussed a funding mechanism in perpetuity for the acquisition of open space that is critical. Opportunities come up from time to time to make these types of purchases and we need to be proactive, for example a smaller percentage over a longer period of time would help that funding.

Councilwoman Cantelme asked if there has been any analysis of the long term costs for this, these are costs that would never go away and are also a list of requirements for parks that do not clearly define who is responsible for those costs. The same can be said for fire and police stations.

Mr. Lamar responded that there have been preliminary discussions with other agencies regarding these items and the consensus is that all parties would be part of this for the long term. Maintenance could be broken down based on what each party purchased, that is fair and equitable and also gives the purchasing party more ownership of what they have done. There will be ongoing maintenance and operations but not at the level of a fire station, doesn't feel a tax for M&O would be necessary.

Mayor Goode commented that all parties involved in an IGA for acquisition as well as the long-term M&O commitments would be the best way to handle that, so the expectations are clear. This area is recognized as a multi-faceted ecotourism environment which will help generate funding and offset long-term costs.

Mr. Aarons added that it would be good to move forward with developing language along the lines of capital expenditure opportunity on a shared basis, and developing an ongoing IGA with all partners (State/County/Prescott Valley/Prescott). This will be addressed and then sent to Council to be adopted as part of the ongoing strategic plan. He will also initiate with legislators to open a folder related to this as well.

Goal #3 Airport:

This is a very large capital expenditure for which there are not partners, but there are opportunities, given the regional nature of the airport, to look into possible partnerships. Must identify costs for purchases/look at economic development opportunities/look at possible bonding opportunities.

Mayor Pro Tem Montoya commented that there is the potential for some FAA funds but those are long-term and would be paying back up-front funds, he also asked about commercial opportunity to support this expense and what that would look like.

Mr. Aarons responded that there are revenues produced by the government, like bonds, etc. which would allow purchases of property, but evaluating commercial and economic drivers would be very beneficial.

Mayor Goode stated that being able to identify an economic “buffer zone” around the airport would be highly beneficial for the community with offsetting costs, job generation, public/private partnerships to protect the future of the airport. This is certainly a regional asset and need to have a commercially viable airport.

Mr. Aarons concurred and added that an economic development study is necessary, approaching the commerce authority regarding developments in that area would also be worth investigating and looking at special district statutes which could encompass a large area within the region to assist with financing for purchases of land.

Councilman Tenney commented that this is a potential for a cost of approximately \$40 million which is 15x the cost of a regional park, and if that is the case it would have to be a priority for the citizens. He has to balance that with the potential costs.

Mr. Aarons said that because of that looking at an economic development study and working with the commerce authority could cut down those costs potentially significantly.

Objectives:

- * Economic Development Study
- * Commerce Authority
- * Special Districts

Going to the legislature for a special district is a really tough sell though so that is something to keep in mind.

Councilmember Rusing commented that Yavapai County is the 4th most populous county in the state so protecting the airport is critical and land acquisition is part of that. She believes it can be done in a way that will minimize the costs if done strategically.

Mr. Lamar added that with the “W” parcel there is a prime opportunity to get a commercial property in there which would be very helpful, and that could be a model of how to offset costs of land purchases in that area.

Councilman Moore stated that looking at the opportunity for commercial and industrial property around the airport, there is an opportunity to look at zoning throughout the city and try to consolidate zoning for commercial. For example, moving commercial out closer to the airport and have workforce housing closer into the city where that commercial currently exists.

Mr. Aarons said that is certainly an objective to investigate. Would like to discuss one more goal which is Charter Revision, and many of these things may blend into that. It is not complicated but requires a great deal of citizen participation and does take awhile.

Mayor Goode commented that there is an Ad Hoc Committee which will be reviewing the Charter, he previously conducted an initial review and will be the foundation of the Committee. Hewants to get some substantial recommendations on the ballot in 2023, possibly a subsequent review thereafter.

Mr. Aarons said a piecemeal charter review is also appropriate, can come up with an objective to set that forward.

Councilman Moore asked when that would be presented to Council.

City Clerk Sarah Siep stated that any proposed updates would be on the General Election Ballot for November 2023 at the earliest and that ballot language is due July 12, 2023.

Mayor Pro Tem Montoya commented that the low hanging fruit would address many of the gaps in the Charter for the current review.

Mayor Goode concurred. Staffing these committees with individuals who are well informed can create a burden too which needs to be taken into consideration.

Councilmember Rusing added that all communities were handed a charter that was bare bones, and it is up to us to update that to reflect the values of our community and have public input as part of that process.

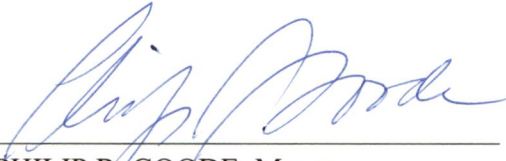
Mr. Aarons recommended that Council find time the week of December 19 or January 3 to have a follow up meeting to review the objectives based on today’s conversation and take up any additional goals if necessary to identify the other priorities for the city.

Mayor Goode thanked Mr. Aarons for his expertise and facilitation of these discussions.

This item was for discussion only, no formal action was taken.

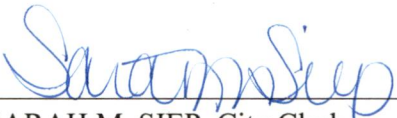
4. ADJOURNMENT

There being no further business to discuss, Mayor Goode adjourned the meeting at 11:00 a.m.



PHILIP R. GOODE, Mayor

ATTEST:



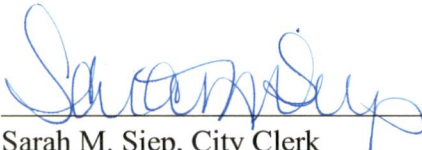
SARAH M. SIEP, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Workshop Meeting of the City Council Workshop Meeting of the City of Prescott, Arizona held on November 29, 2022. I further certify the meeting was duly called and held and that a quorum was present.

Dated this 11 day of January, 2023.





Sarah M. Siep, City Clerk