

City of Prescott

Council Subcommittee on Water Issues



September 1, 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 July 7, 2026 Council Subcommittee on Water Issues Meeting Minutes.

Recommended Action: MOVE to approve the minutes as presented

- B. **WSA26-031:** Water Service Application Submitted by Yavapai Community Hospital Association. Location: Willow Creek Rd and Jenna Lane, Within a Portion of APN 102-05-033H.

Recommended Action: MOVE to recommend forwarding WSA26-031 to Council for approval or denial

- C. **WSA26-037:** Water Service Application Submitted by IDDM, LLC. Location: Willow Creek Rd and Haas Blvd, Within Section 2, Township 14N, Range 02W.

Recommended Action: MOVE to recommend forwarding WSA26-037 to Council for approval or denial

- D. Presentation & Discussion Regarding the Amended 2022 Water Management Policy — Current Residential & Non-Residential Water Budget Overview for July 1, 2026, through August 19, 2026.

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

- E. Presentation & Discussion Regarding the Big Chino Watershed Assessment.
Recommended Action: This item is for discussion only. No formal action will be taken.

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 8/27/26 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: September 1 Subcommittee on Water Issues
DATE: September 1, 2026
DEPT: City Clerk
ITEM #: 3.A
SUBJECT: Approval of the July 7, 2026 Council Subcommittee on Water Issues Meeting Minutes.

ITEM SUMMARY

This item is for the approval of the minutes from the July 7, 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. July 7, 2026 WIS Minutes

City of Prescott

Council Subcommittee on Water Issues



July 7, 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 9:32 a.m.

2. ROLL CALL

Chair Rusing
Member Fruhwirth
Member Garing

3. DISCUSSION & ACTION ITEMS

- A. Approval of the June 2, 2026 Council Subcommittee on Water Issues Meeting Minutes.

**MOTION BY MEMBER FRUHWIRTH TO APPROVE JUNE 2, 2026 MINUTES;
SECONDED BY CHAIR RUSING: PASSED (3 - 0)**

- B. Presentation & Discussion Regarding the Amended 2022 Water Management Policy — Current Residential & Non-Residential Water Budget Overview for January 1, 2026, through June 24, 2026.

Water Resources Manager Brian Ruiz presented the semi-annual water budget established under the Amended 2022 Water Policy (Guidelines 11–13) for the period of January 1 through June 30, 2026. The residential water budget was 25 acre-feet per year, with 11.93 acre-feet approved for five projects, including the Lakeview Plaza multifamily development and the Embry-Riddle modular dorms, leaving 13.07 acre-feet remaining. The non-residential water budget was also 25 acre-feet per year, with 8.39 acre-feet approved for twelve projects, including the Prescott Plaza Hotel, leaving 16.61 acre-feet remaining. Mr. Ruiz noted that the Deep Well Commercial Development was approved through an appeal and did not count toward the budget. Additionally, nine projects were approved under existing contracts, which are not included in the water budget pursuant to Water Policy Guideline 9.

Member Fruhwirth asked for clarification on the expansion of an assisted living location in the Pinion Oaks neighborhood.

Mr. Ruiz responded that Community Development reviews the zoning requirements during the application and approval process.

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

- C. Presentation & Discussion Regarding Updates on the Ongoing Water Meter Replacement Program, and the EyeOnWater Program for Fiscal Year 2026.

Water Superintendent Nathan Graham provided the first portion of the presentation. As of June 25, 2026, 14,991 water meters out of the 27,000 have been upgraded. Currently the project is ahead of schedule.

Chair Rusing asked if it is normal when a new meter is installed for the customer to see an increase in their water bill.

Mr. Graham confirmed the new meters are more efficient and the old meters wear out over time and become less effective at capturing accurate water usage. He continued the presentation and reported positive results from the smart water meter implementation. Utility billing service orders decreased by 32%, from 15,576 in FY25 to 10,684 in FY26, reducing the number of billing-related inquiries such as missing or abnormal meter reads. The reduction in service orders has allowed staff to spend more time on critical maintenance activities instead of manually reading meters.

Member Garing commented that the old meters run slow as they age and don't account for water usage accurately.

Water Resource Project Manager Tracie Beasley continued the presentation and reviewed the EyeOnWater website/app available to each customer to monitor their usage and where they can activate a leak alert option. She also explained that the Advanced Metering Infrastructure (AMI) program will be incorporated into the City's Long-Term Water Management Plan. Consultants are in the early stages of evaluating the program's potential benefits, including estimating citywide water use reductions resulting from AMI implementation on both the customer and infrastructure sides. Consultants will also assess how the AMI program can reduce overall water demand based on the experiences of other utilities and develop recommended conservation goals and actions. Staff noted that the Beacon AMI software provides multiple tools to support these efforts, with leak reduction identified as a significant benefit. Initial discussions and recommendations will be included in the first version of the Long-Term Water Management Plan.

Member Fruhwirth asked for clarification on the leak count number.

Ms. Beasley clarified the system flags unusual water use patterns for customer review. These alerts do not necessarily indicate leaks, as some properties have expected higher or atypical water use. Ms. Beasley continued with an overview of outreach efforts supporting the EyeOnWater program, which began in September 2025 in partnership with Water Operations. Outreach included website resources, meter change-out maps, community workshops, utility bill inserts, radio public service announcements, social media, print advertisements, and customer assistance events. Ms. Beasley reported that utility bill inserts were the most effective outreach tool, contributing to strong attendance at informational workshops. Staff also launched a pilot outreach initiative in the Chino Valley service area to increase EyeOnWater enrollment through direct customer assistance, including phone calls, emails, and one-on-one support. She reported that 14% of customers citywide have enrolled in EyeOnWater, exceeding typical participation rates for similar programs. Looking ahead, staff

plans to continue expanding outreach, improve customer support resources, develop standardized procedures, enhance data analytics, increase enrollment and leak notification participation, and evaluate the pilot program to guide future outreach efforts.

Member Garing asked if the system will send an alert to the customer if they have the leak alert set up.

Ms. Beasley confirmed that if the customer signs up for the leak alert they can select how to be notified by phone or email.

Member Fruhwirth commented on her recent experience with a leak at her residence and a text or email is a great idea.

Chair Rusing thanked the water users for being water aware.

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

D. Presentation & Discussion Regarding Updates to the Willow Lake Management Plan.

Environmental Project Manager Jeremy Cordova provided an update on the development of the Willow Lake Management Plan, which began in late FY25 and is anticipated to be completed in FY27. The plan is being developed in collaboration with city staff, regulatory agencies, stakeholder groups, and consultants to address the lake's unique management needs. Mr. Cordova reported that the plan focuses on improving water quality and quantity, habitat and vegetation management, recreation, and public outreach and education. Ongoing efforts include establishing water quality goals, developing vegetation management strategies, planning water quality treatments, coordinating with partner agencies on fish habitat improvements, watershed assessments, and evaluating recreational amenities. He noted that next steps include departmental review of the draft plan, a second public meeting, and presentation of a draft plan to the City Council.

Chair Rusing asked for more information on the prior Prescott Dirt site.

Mr. Cordova explained that the city-owned property was previously leased to Prescott Dirt for topsoil harvesting, which also provided sediment control and created habitat areas through excavation. Following the company's departure, the site experienced significant illegal dumping of debris, including organic material and construction waste. He added that some of the dumped material is located within a FEMA-regulated area and must be removed. To help prevent future dumping, the Public Works Director has recommended installing key card access to track site entry and a surveillance camera to monitor activity.

Member Fruhwirth commented that she would like to thank ADEQ for helping us with the bathymetric lake surveying.

Chair Rusing asked if you could eat the fish in the lake.

Mr. Cordova responded that the current advisory from the Arizona Department of Environmental Quality (ADEQ) applies only to largemouth bass in Watson Lake due to elevated PFOS levels identified through fish tissue testing. Other fish species have not shown the same level of bioaccumulation, but additional testing is planned in coordination with ADEQ and the Arizona Game and Fish Department to evaluate all species in Watson Lake and collect data for Willow Lake. Staff also confirmed that ADEQ provided fish consumption advisory signs that have been posted at boat launches and other lake access points.

Member Garing commented that there is a lot of vegetation in the low water trail to Willow Lake, and the trail signage around the lake is great.

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

E. Presentation & Discussion Regarding the City's Long-Term Water Management Plan Communications Strategy.

Mr. Ruiz provided a presentation on the communications strategy for the long term water management plan. Mr. Ruiz introduced Public Engagement Manager Danielle Trotter to help with the presentation. The first brochure was developed back in July 2025 and information was also added to a dedicated page on the city website. Facebook posts were also created for the public and analytics have been reviewed to monitor the reach of the information.

Ms. Trotter discussed the communications strategy going forward and provided examples and opportunities.

Mr. Ruiz added that two study session meetings have been planned and will be presenting the topic at a community meeting as well.

Chair Rusing commented that it was off to a good start.

Member Fruhwirth added that she noticed a trend on Facebook regarding advertisements on other pages to reach people who don't watch our meetings.

Ms. Trotter responded that she has started exploring the Facebook ads option and looking at other city departments and collaborating with their posts.

Member Garing added that the meat of the plan will come later this year when we have more information from the consultant. Educating the public is crucial.

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

4. UPDATES & ANNOUNCEMENTS FROM STAFF

A. Presentation & Discussion Regarding Proposed Water Legislation Impacting the City of Prescott & Surrounding Areas.

Mr. Ruiz reported that the city, as a member of the Northern Arizona Municipal Water Users Association (NAMWUA), monitors state water-related legislation. During the 2026 Legislative Session, NAMWUA reviewed 69 water-related bills

and provided recommendations to support, oppose, or remain neutral. He provided an update on the status of legislation that could impact water management at the state and local levels.

5. ADJOURNMENT

There being no further business to discuss, Chair Rusing adjourned the meeting at 10:59 a.m.

CATHEY RUSING, Chair

ATTEST:

Torey Dawson, Deputy City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: September 1 Subcommittee on Water Issues
DATE: September 1, 2026
DEPT: Community Development
ITEM #: 3.B
SUBJECT: **WSA26-031:** Water Service Application
Submitted by Yavapai Community Hospital
Association. Location: Willow Creek Rd and
Jenna Lane, Within a Portion of APN 102-05-
033H.

ITEM SUMMARY

This item is for review of a Water Service Application WSA26-031, for +/- 16 acre medical plaza located within the Deep Well Ranch Master Plan area. The site is located at Willow Creek Road 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 buildings varying from approximately 12,000 SF to 60,000 SF. Demand estimates for the buildings were based on similar types of medical usage taken from the WRMM. The total estimated demand for buildings is 10.82 acre-feet per year. Based on the site plan presented, the landscape area was determined to be 4.8 acres. Using ADWR's suggested 1.5 acre-feet per year for low-water use plants, the outdoor demand was estimated at 7.2 acre-feet per year. The total demand estimated for the project is 18.02 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: July 15, 2026

Application Deemed Complete: August 7, 2026

Planning and Zoning Commission: N/A

FINANCIAL IMPACT

There is no fiscal impact at this time.

RECOMMENDED ACTION

MOVE to recommend forwarding WSA26-031 to Council for approval or denial

ATTACHMENTS

1. Attachment 1_Water Service Application YRMC Deep Well Ranch
2. Attachment 2_Vicinity Map
3. Attachment 3_Site_Plan_YRMC_Deep_Well_Campus_260624
4. Attachment 4_Appeal Letter & Benefits Report
5. Staff Presentation_WSA26-031



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:	Yavapai Community Hospital Association d/b/a CommonSpirit Health	Contact Person:	Stephen W. Polk, Esq.
Address:	125 N. Granite Street	City/State/Zip:	Prescott, AZ 86301
Phone:		Email:	

Property Owner:	Yavapai Community Hospital Association	Contact Person:	Amy Hung
Address:	1003 Willow Creek Rd	City/State/Zip:	Prescott, AZ 86301
Phone:		Email:	

PROJECT SITE

Address:	NW corner of Willow Creek Rd. and Jenna Lane, Prescott, AZ		
Current Zoning:	SPC	Proposed Zoning:	SPC
Assessor's Parcel Number(s) of Existing Property:			
102	-05	-033H	
Existing Water Service (Y/N):	N	Existing Sewer Service (Y/N):	N
Existing Well (Y/N):		If Yes, Well Registry No.:	

PROJECT DESCRIPTION

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

Please provide brief description:

See attached Project Description.

# of Proposed Units:	N/A	# of Proposed Lots:	One (1) proposed parcel (new APN pending)
----------------------	-----	---------------------	---

Has a Water Demand Analysis been completed (commercial)?	No (Preliminary demand estimate attached; engineering analysis to follow)
--	---

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

Has a Planning and Zoning Recommendation been made?	Yes
---	-----

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

☐ Food Service Facility	☐ Vehicle Service Facility
☐ Industrial/Manufacturing Facility	☒ Medical Facility
☐ Dental Facility	☐ Other Please Describe:

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.

The proposed development consists primarily of outpatient healthcare facilities. Normal sanitary wastewater associated with medical office, clinical, laboratory, imaging, and related healthcare operations is anticipated. Any regulated medical waste, hazardous materials, chemicals, pharmaceuticals, radiological materials, or other regulated substances will be managed, stored, transported, and disposed of in accordance with all applicable

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: *Chris Daigneault*

Date: 7/14/26

OFFICE USE ONLY

Assigned Tracking No. WSA -

Date entered

Project Description

Dignity Health – YRMC Deep Well Ranch Campus

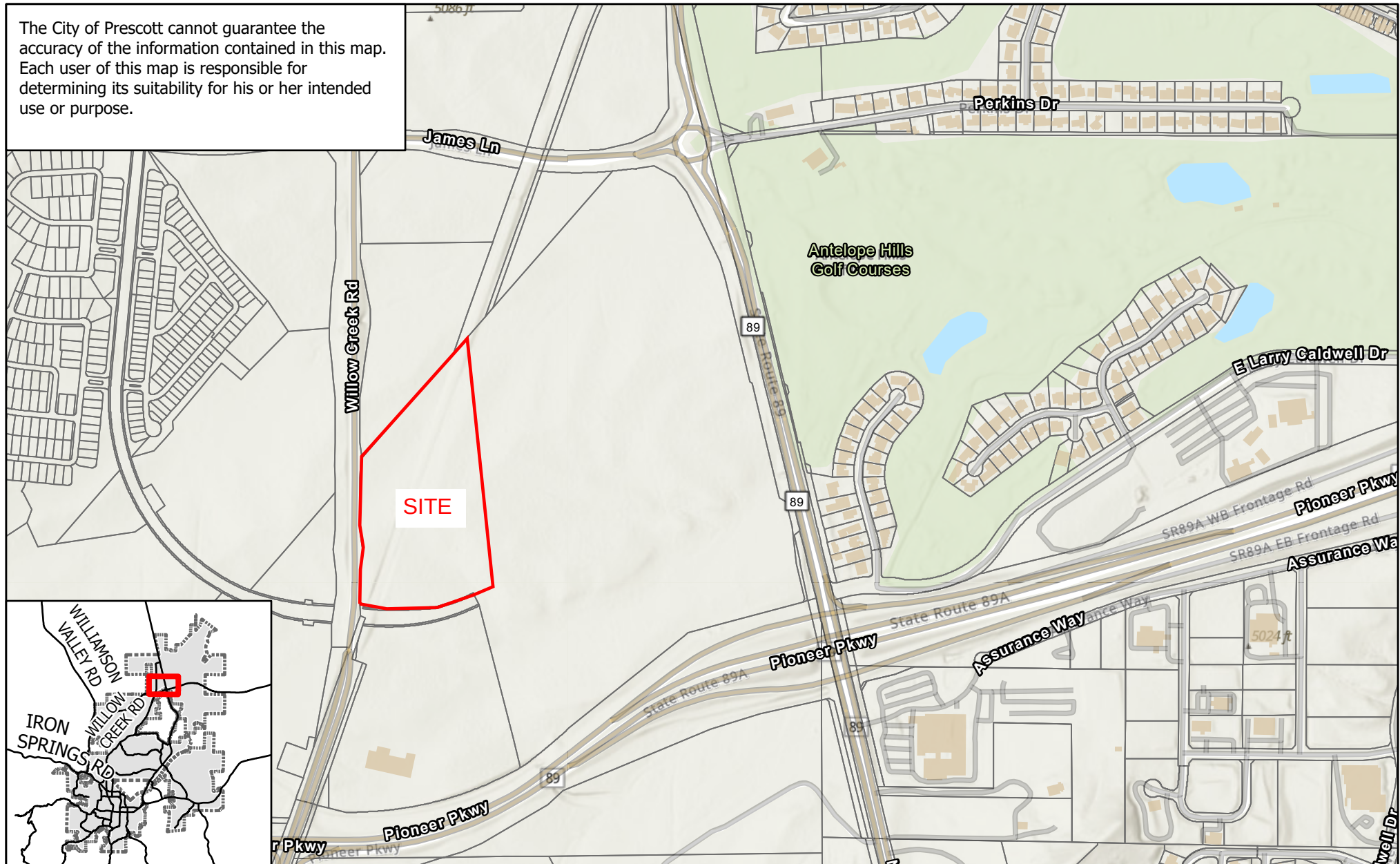
(portion of APN 102-05-033H)

The proposed project consists of the phased development of the Dignity Health – YRMC Deep Well Ranch Campus on approximately 16.25 acres. The campus is intended to provide outpatient healthcare services and related medical office uses to serve the Prescott area.

Phase 1 is currently anticipated to include a one-story, approximately 12,000-square-foot Freestanding Emergency Department/Urgent Care Center (FSED/UCC) and an approximately 46,800-square-foot Medical Office Building providing outpatient physician clinics, imaging, laboratory, procedure, and related support services.

Future phases are presently anticipated to include additional outpatient medical office facilities and related healthcare uses. At conceptual buildout, the campus is anticipated to contain approximately 150,000 square feet of healthcare-related facilities. The attached conceptual site plan is provided solely for purposes of evaluating utility service needs. The ultimate timing, configuration, building locations, building sizes, uses, and development program remain subject to continuing design, operational requirements, regulatory approvals, and evolving community healthcare needs.

The City of Prescott cannot guarantee the accuracy of the information contained in this map. Each user of this map is responsible for determining its suitability for his or her intended use or purpose.



YRMC Deep Well Ranch Campus

Parks and Open Space

Type

- Lake
- Open Space
- Park
- Buildings
- Parcels

Parks and Open Space

Type

- World_Hillshade
- Buildings
- Streets
- Parcels
- City Limits



0 600 1,200 1,800 2,400 3,000 Feet

Scale: 1:10,882
1 Inch = 907 Feet

SITE & PARKING GENERAL NOTES

TOTAL SITE AREA:	16.25 ACRES
PHASE 1 DEVELOPMENT AREA:	6.7 ACRES
PHASE 2 DEVELOPMENT AREA:	9.6 ACRES
ZONING:	SPC
SITE AREA BREAKDOWN:	
PHASE 2 BUILDING FOOTPRINT:	1.6 ACRES
PHASE 2 PAVEMENT AREA:	9.9 ACRES
PHASE 2 LANDSCAPE AREA:	4.8 ACRES
REQUIRED PARKING SPACES:	
PHASE 1 FSED/UCC (2/EXAM):	24 SPACES
PHASE 1 MEDICAL OFFICE 1 (GSF/150):	(46,800/150)
PHASE 2 MEDICAL OFFICE 2 (GSF/150):	(60,000/150)
PHASE 2 MEDICAL OFFICE 3 (GSF/150):	(30,000/150)
TOTAL REQUIRED PARKING SPACES:	936 SPACES
PROVIDED PARKING SPACES:	
STANDARD SPACES:	970 SPACES
REQUIRED DRIVE ISLE WIDTH:	
24'-0"	
LANDSCAPE REQUIREMENTS:	
MAXIMUM DISTANCE TO PARKING ISLAND:	100'-0"
MINIMUM LANDSCAPE ISLAND WIDTH:	4'-0" (40 SF)

	OS	C	PROPOSED SITE AS DRAWN
	OPEN SPACE	REGIONAL CENTER/CAMPUS	
MAXIMUM BUILDING HEIGHT	50'	50'	43' T.O.R., 47' T.O.P.
MAXIMUM DENSITY	N/A	N/A	N/A
MINIMUM LOT/PARCEL SIZE	1,000 SF	1,000 SF	707,850 SF
MINIMUM LOT/PARCEL WIDTH/DEPTH	20'	40'	645'
BUILDING SETBACK - STREET	2'	6'/11' *	12'
BUILDING SETBACK - REAR	0'	0'	N/A
BUILDING SETBACK - SIDE	10'	10'	12'
BUILDING SETBACK - SERVICE LANE	2'	2'	N/A

Option 1 - Phase 2



DEEP WELL FSED & MOB TEST FIT
PRESCOTT, ARIZONA



SHEET #: PR100B

DGL PROJECT #: 117.25.0001
ISSUE DATE: 06/23/26



LAW OFFICES

BOYLE, PECHARICH, CLINE, WHITTINGTON & STALLINGS, P.L.L.C.

Jonathan A. Millet

Stephen W. Polk

Devon M. White

125 North Granite Street

Prescott, Arizona 86301

prescottlawoffices.com

Casi M. Harris

William R. Whittington, Of Counsel

Robert S. Pecharich, Of Counsel

John C. Stallings, Of Counsel

August 3, 2026

Brian T. Ruiz, P.E., CFM
 Water Resources Manager
 Community Development Department
 City of Prescott
 201 N. Montezuma Street
 Prescott, Arizona 86303

Re: Water Allocation Appeal – Application for Water Service Agreement

Dignity Health YRMC Deep Well Ranch Campus

Northeast corner of Willow Creek Road and Jenna Lane, a portion of APN 102-05-033H

City of Prescott Project No. PAC26-112

Dear Mr. Ruiz:

This letter transmits the Water Service Agreement application and supporting materials for the Dignity Health YRMC Deep Well Ranch Campus. On behalf of Yavapai Community Hospital Association, doing business as Dignity Health Yavapai Regional Medical Center (“YRMC”), we request that the Council Subcommittee on Water Issues recommend, and the City Council approve, the enclosed water allocation for the medical campus and, to the extent the fifty percent limitation of Guideline 14 applies, grant an appeal of that limitation under Guideline 14(b).

1. The Project

The project is the phased development of an outpatient healthcare campus on approximately 16.25 acres at the northeast corner of Willow Creek Road and Jenna Lane, a portion of APN 102-05-033H, within the Deep Well Ranch Master Plan area. The building program is as follows.

Building	Phase	Stories	Gross floor area (sf)	Footprint (sf)
Freestanding Emergency Department and Urgent Care Center	1	1	12,000	12,000
Medical Office Building	1	2	46,800	23,400

Building	Phase	Stories	Gross floor area (sf)	Footprint (sf)
Phase 1 subtotal			58,800	35,400
Medical Office Building	2	3	60,000	20,000
Medical Office Building	2	2	30,000	15,000
Phase 2 subtotal (Medical Office Buildings)			90,000	35,000
Conceptual buildout			148,800	70,400

Conceptual buildout of approximately 148,800 square feet is described in the enclosed materials as approximately 150,000 square feet. The timing, configuration, sizes and uses of the Phase 2 buildings remain subject to continuing design, operational requirements, regulatory approvals and evolving community healthcare needs, and are presented for the purpose of evaluating utility service needs.

2. Site Area and Landscaping

The site area allocated to each phase is as follows.

Site component (acres)	Phase 1	Phase 2 (additional)	Conceptual buildout
Building footprint	0.80	0.80	1.60
Pavement, drives and parking	4.00	5.85	9.85
Landscaped area	1.90	2.90	4.80
Total developed area	6.70	9.55	16.25

Upon completion of Phase 1, the remaining 9.55 acres will be left in a natural, unirrigated state and will not be landscaped or served with water. Phase 2 develops that balance, so that at conceptual buildout the developed area encompasses the full 16.25 acre site.

3. Sewer Service

The campus will connect to and be served by the City's sanitary sewer system before the City delivers water service, consistent with Guideline 10 of the Policy. A twelve-inch City sewer main is available in Jenna Lane. YRMC will coordinate with staff on the return flow analysis for the campus.

4. Requested Action

YRMC respectfully requests that the Council Subcommittee on Water Issues recommend, and the City Council approve, the applied-for water allocation.

5. Enclosures

- (a) Water Service Agreement Application
- (b) Project Narrative
- (c) Conceptual phased site plan
- (d) Water Service Appeal and Economic Benefit Report

Please let me know if the Subcommittee or staff would like additional information in advance of the September 1, 2026, meeting. We appreciate the City's attention to this application.

Sincerely,

BOYLE, PECHARICH, CLINE,
WHITTINGTON & STALLINGS, P.L.L.C.



Stephen W. Polk
Attorney for Yavapai Community Hospital Association
d/b/a Dignity Health Yavapai Regional Medical Center

Water Service Appeal and Economic Benefit Report
Proposed +/-150,000 square foot Dignity Health – YRMC Deep Well Ranch Campus
located at the Northeast Corner of Willow Creek Road and Jenna Lane in Prescott,
Arizona

Water Service Application WSA26-031; Project PAC26-112; portion of APN 102-05-033H

Prepared for:

City of Prescott – Water Issues Subcommittee and City Council
c/o Brian T. Ruiz, P.E., CFM
Water Resources Manager
Community Development, City of Prescott

Prepared by:

Yavapai Community Hospital Association
d/b/a Dignity Health Yavapai Regional Medical Center
8/7/2026

1. Water Service Appeal

Yavapai Community Hospital Association, doing business as Dignity Health Yavapai Regional Medical Center ("YRMC"), proposes the phased development of an approximately 150,000 square foot outpatient healthcare campus on approximately 16.25 acres at the Northeast corner of Willow Creek Road and Jenna Lane. The City has calculated annual water demand for the project at full conceptual buildout to exceed 50 percent of the remaining semi-annual non-residential water budget and therefore requires review by the Water Issues Subcommittee and City Council pursuant to Water Policy Guideline 14.

Guideline 14 permits an appeal where the applicant demonstrates benefits to the City, identified in the Policy as "job creation, wages, sales tax, economic impacts, or other benefits to the City." (1)

The campus will be built out in phases over a period of years, and the timing and program of each phase will be shaped by the healthcare needs of the community at the time that phase proceeds.

The planned YRMC Deep Well Ranch Medical Campus is responding directly to critical community healthcare needs: a shortage of primary care physicians and specialists, a population aging at nearly twice the state rate, and reliance on hospital emergency departments for care that belongs in an outpatient setting. Those needs are documented in YRMC's federally mandated Community Health Needs Assessment, in federal Health Professional Shortage Area designations covering the City's own service area, and in state and national physician workforce projections.

The project also produces economic benefits, including permanent professional employment in the county's largest industry sector.

Finally, please note that YRMC as a whole returned more than \$21 million in net community benefit to its service area in 2024, as reported in its filed 990 for Tax Year 2024. (16)

2. Phased Development and Conceptual Buildout

The campus is planned as a phased development that will be built out over time to meet the evolving healthcare needs of the community. Phase 1 is presently anticipated to include a Freestanding Emergency Department and Urgent Care Center and a Medical Office Building providing outpatient physician clinics, imaging, laboratory, procedure, and related support services. Future phases are presently anticipated to include additional outpatient medical office facilities and related healthcare uses. At conceptual buildout, the campus is anticipated to contain approximately 150,000 square feet of healthcare-related facilities.

The ultimate timing, configuration, building locations, building sizes, uses, and development program remain subject to continuing design, operational requirements, regulatory approvals, and evolving community healthcare needs. That flexibility is not incidental to the project; it is what allows a not-for-profit health system to direct capacity toward the needs its community identifies in each successive assessment cycle rather than toward a program fixed years in advance.

YRMC accordingly requests that the requested allocation be evaluated on the campus as a whole at conceptual buildout.

3. Documented Community Health Need

(a) A population that is old and aging faster than the state.

Nearly 32 percent of Yavapai County residents are 65 or older, roughly twice the shares for Arizona (17.6 percent) and the United States (16.0 percent). (3) Utilization of emergency, cardiac, orthopedic, imaging, and specialty outpatient services rise sharply with age. County population grew approximately 7 percent between 2020 and 2025 to roughly 253,600, and State projections put it near 277,300 by 2030. (4) Nationally, the population aged 65 and over is projected to grow 42.4 percent between 2019 and 2034, which the Association of American Medical Colleges identifies as the primary driver of rising physician demand. (5)

(b) A physician shortage ranked the first of all identified health needs.

YRMC's 2023 Community Health Needs Assessment ranked the shortage of primary care physicians as the most significant health need in its service area, ahead of six other identified needs. (6) Yavapai County has one primary care physician for every 1,730 residents, worse than Arizona (1,500 to 1) and materially worse than the national figure (1,310 to 1). (7) Five federally designated Health Professional Shortage Areas lie within the service area, with Prescott Valley carrying the largest primary care shortfall at 5.20 full-time-equivalent providers. (8) Yavapai County also contains federally designated Medically Underserved Areas and Medically Underserved Populations, a designation driven by geographic isolation, long travel times to reach medical facilities for specialty care, and the concentration of older adults and lower-income residents. (16)

Statewide, Arizona has approximately 77.9 active primary care physicians per 100,000 residents against a national average of 91.7, the Health Resources and Services Administration estimates a present shortfall of roughly 558 primary care physicians, and workforce projections indicate Arizona will need on the order of 1,941 additional primary care physicians by 2030 simply to hold current utilization constant. (9)

The community says the same thing in its own words. In the stakeholder interviews conducted for the 2023 assessment, 91 percent of respondents identified a shortage of physicians and providers as the leading barrier to health and quality of life in Yavapai County, ahead of transportation, housing, and cost. Seventy-three percent said access to health services had not improved over the preceding three years. Every respondent identified a need for additional specialists, most frequently urology, neurology, orthopedics, cardiology, endocrinology, and geriatrics, and several observed that residents must drive to Phoenix for specialty care. (10) A new assessment cycle is underway, and YRMC solicited community input in January 2026. (11) Because those needs are reassessed every three years, the phased delivery of this campus allows each phase to respond to the needs identified in the most recent cycle.

4. How the Project Meets the Documented Need

The Freestanding Emergency Department and Urgent Care Center is intended to provide emergency and urgent care in the City's northern growth corridor, on Willow Creek Road north of the existing YRMC-West campus at 1003 Willow Creek Road. It addresses the access barriers described above at the point where they occur, giving residents of northern Prescott and the Chino Valley corridor an appropriate destination for urgent conditions rather than a hospital emergency department, in the part of the City where planned residential growth is concentrated. The Deep Well Ranch Master Plan covers approximately 1,800

acres and has been publicly described as accommodating on the order of 10,500 homes at buildout. (12) Locating emergency and outpatient capacity ahead of that growth rather than after it is ordinary infrastructure sequencing.

The medical office component addresses the physician shortage in the only way a health system can. Physicians cannot be recruited into a market with nowhere to put them. YRMC's own implementation strategy identified suitable office space as a precondition to recruiting additional providers and addressed it through its master facilities plan. (13) Clinical and medical office space delivered in phases is the physical capacity that converts recruitment effort into practicing physicians in Prescott. It also consolidates outpatient clinics, imaging, laboratory, and procedure services on a single campus, reducing trips in a county of 8,125 square miles where the assessment identifies transportation as a persistent barrier to care. (6)

YRMC monitors volume and utilization data across its service lines to determine the level of need in the community for each line of service, and it treats out-migration for care as a primary indicator of unmet need. Before YRMC opened its cardiovascular surgery program in 2007, hundreds of residents were traveling to Phoenix, roughly one hundred miles away, for open heart surgery. YRMC identified that pattern, built the capacity, and the Heart Center at YRMC is the result. YRMC identifies the shortage of available physicians and specialists as one of the most prominent reasons residents still leave the area for care. (16) The program for each phase of this campus will be determined by that same discipline, using the utilization and out-migration data current when the phase proceeds, which is why the configuration of the later phases cannot responsibly be fixed today.

YRMC has served this community since 1942. It operates 218 licensed beds across two campuses, treated 86,962 unique acute and hospital patients in fiscal year 2022, and drew more than 93 percent of them from Yavapai County zip codes. (2)(14)

5. Construction and Ongoing Employment Impact

Construction will generate short-term economic benefit through employment across the construction trades and professional services, spending with local and regional contractors, suppliers, engineers, architects, and consultants, and temporary wages supporting household spending in the Prescott area. Because the campus is phased, that construction activity will recur as each phase proceeds rather than occurring once.

Upon completion, the campus will support permanent professional healthcare employment. Health care and social assistance is already the largest employment sector in Yavapai County, accounting for approximately 14,585 jobs in 2024 and roughly 14.5 percent of county employment. (15) It also pays better than the sectors that dominate the local economy: the 2023 assessment observes that the most common occupations in the service area are lower-paying service and support positions in food, retail, and tourism, and that professionals struggle to find well-paying work in their chosen fields. (6) Permanent employment is generated over time through phased development, with staffing levels determined by operational needs and healthcare demand, comprising physicians, advanced practice providers, nurses, imaging and laboratory technologists, and administrative staff.

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

6. Community Benefit Delivered by the Applicant

For the fiscal year ended June 30, 2025, YRMC reported the following community benefits on its filed 990 Schedule H. (16)

Community benefit category	Net cost to YRMC
Financial assistance at cost, being free and discounted care	\$6,565,719
Medicaid, net of offsetting revenue	\$12,968,068

Community benefit category	Net cost to YRMC
Community health improvement services, community benefit operations, health professions education, and cash and in-kind contributions, net	\$1,774,276
Total net community benefit expense reported on Schedule H, being 4.24 percent of total expense	\$21,308,063
Medicare shortfall, reported separately and treated by the organization as community benefit	\$20,413,962

Taking the reported community benefit together with the Medicare shortfall, YRMC absorbed approximately \$41.7 million in unreimbursed cost of care and community programs in this service area in a single year. They are the cost of a standing commitment to treat this community regardless of ability to pay.

That commitment is documented in the same filing. YRMC provides free care to patients at or below 200 percent of the federal poverty guidelines and discounted care up to 400 percent, applied uniformly across its facilities. It maintains a written policy requiring care for emergency medical conditions without discrimination and without regard to a patient's eligibility for financial assistance.

YRMC's community benefit also reaches beyond its own facilities. In the reporting year it awarded \$239,000 in community health improvement grants to seven local organizations, including the Coalition for Compassion and Justice for services to the unhoused, Manzanita Outreach and the Prescott Community Cupboard Foodbank for food insecurity, the Prescott Free Clinic for cancer screening education, People Who Care for transportation for vulnerable residents, and Hushabye Nursery for maternal and infant health. Its Partners for Healthy Students program provided free primary, preventive, vision, and behavioral health care to uninsured and underinsured schoolchildren across the Prescott, Chino Valley, Humboldt, and Mayer school districts, delivering 837 patient visits to an estimated 500 children and providing no-cost medication to 140 of them. YRMC invested \$782,465 in health professions education reaching 480 participants, which bears directly on the physician shortage described in Section 3, because physicians trained in this community are the physicians most likely to practice in it. (16)

7. Projected Benefit Summary

Category	Projected Impact
Project	+/-150,000 SF phased outpatient healthcare campus at conceptual buildout
Phasing	Built out over time to meet evolving community healthcare needs; program of future phases subject to continuing design, operational requirements, and regulatory approval
Primary health need addressed	Shortage of primary care physicians, ranked the number one health need in the service area; shortage of specialists; emergency department reliance for primary care
Emergency and urgent access	Freestanding Emergency Department and Urgent Care Center
Outpatient capacity added	Clinical and medical office space delivered in phases enabling physician recruitment and retention
Permanent employment	Permanent employment generated over time through phased development, with staffing levels determined by operational needs and healthcare demand

Category	Projected Impact
City development impact fees	Assessed at building permit for streets, police, and fire, together with utility impact fees for each water meter
Applicant's annual community benefit	\$21.3 million net community benefit reported for the fiscal year ended June 30, 2025, plus a \$20.4 million Medicare shortfall absorbed
Financial assistance	Free care to 200 percent of federal poverty guidelines and discounted care to 400 percent; emergency care provided regardless of ability to pay

8. Community Benefits and Conclusion

In addition to the employment and fiscal benefits described above, the project delivers the following benefits bearing directly on the Guideline 14 criteria.

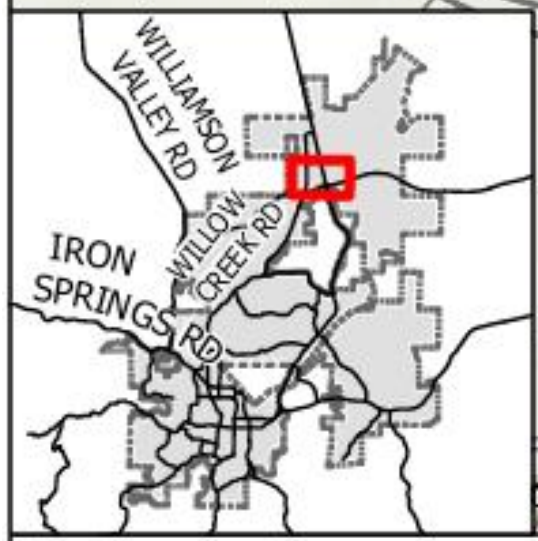
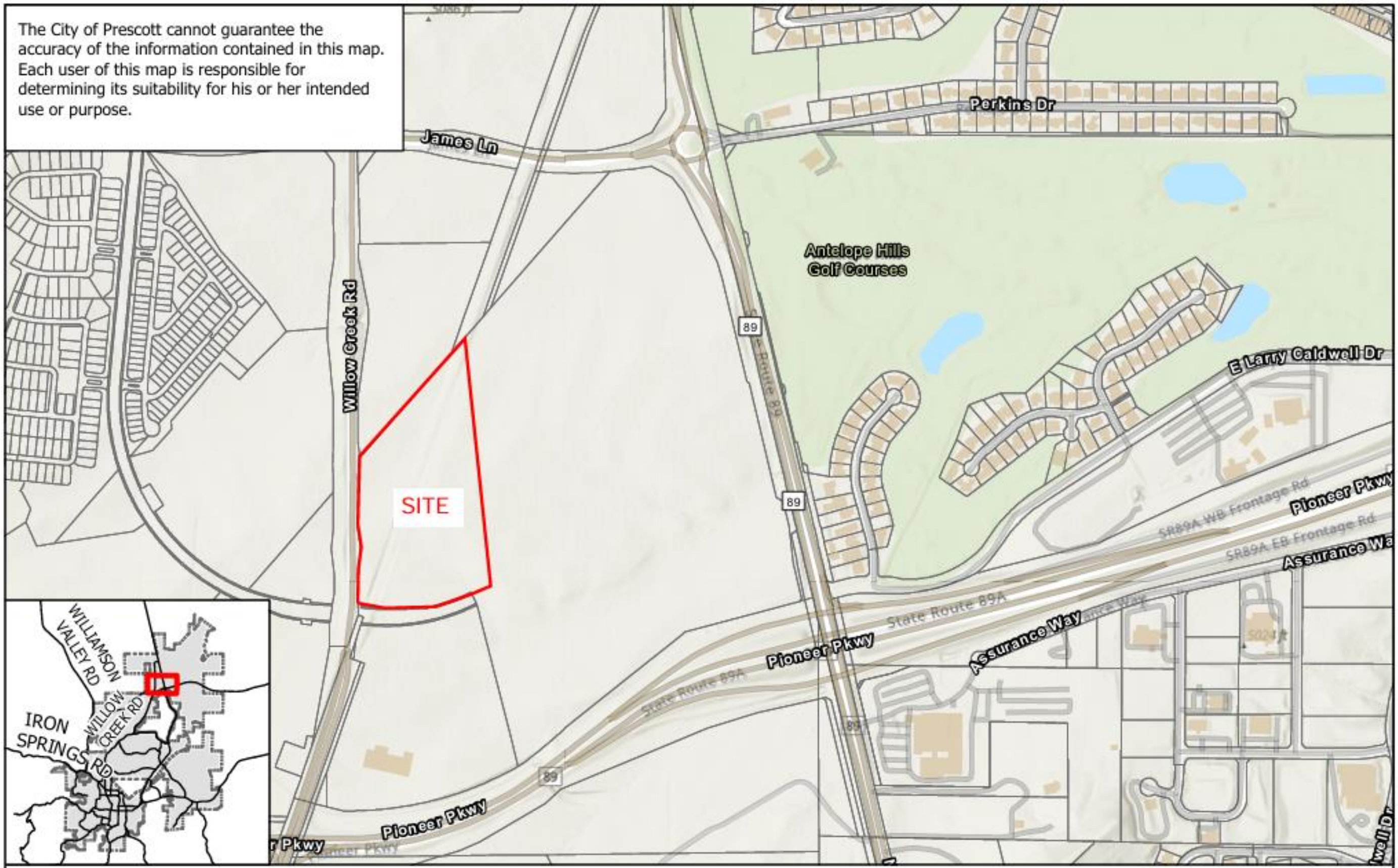
- (a) Emergency and urgent care capacity in the Prescott's northern growth corridor, ahead of the residential growth that corridor is entitled to build.
- (b) Reduced reliance on hospital emergency departments for routine primary care.
- (c) The physical capacity required to recruit and retain primary care physicians and specialists, the first-ranked health need in the service area.
- (d) Reduced out-of-region travel for specialty care, and professional employment at wages above the prevailing local mix in the county's largest industry sector.
- (e) A campus that grows with the community, adding outpatient capacity in phases as the health needs identified in each assessment cycle change.
- (f) Delivery of that capacity by an organization that provides care regardless of ability to pay and reinvests its entire surplus in the community's health.

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

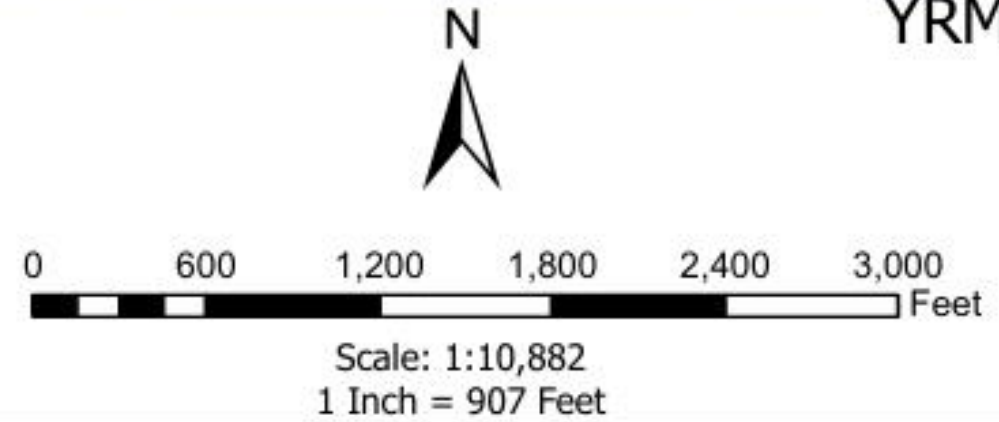
Sources

- (1) City of Prescott, Amended 2022 Water Management Policy, 2nd Amendment effective May 13, 2025, Guidelines 5 and 12 through 15, and Sections 4c1, 4c4, and 5a. prescott-az.gov/water-resource-mgmt/water-policy/
- (2) Dignity Health, About Yavapai Regional Medical Center (218 licensed beds; 5,500 square mile service area; established 1942).
- (3) Dignity Health Yavapai Regional Medical Center, Community Health Needs Assessment, June 2023, Community Population and Demographics, citing U.S. Census Bureau, American Community Survey 2017-2021.
- (4) Arizona Office of Economic Opportunity population estimates and medium-series projections, summarized at azeconomics.com, Yavapai County.
- (5) Association of American Medical Colleges, The Complexities of Physician Supply and Demand: Projections From 2019 to 2034 (2021).
- (6) 2023 CHNA, Executive Summary, Community Definition, and Significant Identified Health Needs (adopted by the YRMC community board June 26, 2023; prepared by FORVIS).
- (7) Id., Access to Primary Care, citing County Health Rankings 2022.
- (8) Id., Population Living in a Health Professional Shortage Area, citing U.S. Department of Health and Human Services, HRSA shortage area data.
- (9) Arizona Health Workforce, The Arizona Healthcare Workforce Shortage, citing HRSA and the Robert Graham Center, State-Level Projections of Primary Care Workforce, 2010-2030 (Arizona); University of Arizona College of Medicine Primary Care Physician Scholarship Program materials.
- (10) 2023 CHNA, Key Stakeholder Interview Results, Questions 5, 8, and 12.
- (11) Dignity Health YRMC request for community input on the 2026 Community Health Needs Assessment, January 23, 2026.
- (12) The Daily Courier, coverage of the Deep Well Ranch master plan presentation to the Prescott City Council, July 2017.
- (13) Dignity Health YRMC, 2023 Community Health Implementation Strategy, and 2023 CHNA, Evaluation of Prior Implementation Strategy, item 2.
- (14) 2023 CHNA, Summary of Patients in Yavapai County (fiscal year 2022).
- (15) Data USA, Yavapai County, Arizona, employment by industry, 2024; 2023 CHNA, Employment by Industries.
- (16) Internal Revenue Service Form 990, Schedule H (Hospitals), Yavapai Community Hospital Association d/b/a Yavapai Regional Medical Center, EIN 86-0098923, fiscal year ended June 30, 2025, submitted May 14, 2026, Part I (Financial Assistance and Certain Other Community Benefits at Cost), Part III (Bad Debt, Medicare, and Collection Practices), Part V (Facility Information, Sections A, B, C, and D), and Part VI (Supplemental Information, lines 2, 4, and 5).

The City of Prescott cannot guarantee the accuracy of the information contained in this map. Each user of this map is responsible for determining its suitability for his or her intended use or purpose.



- | | | |
|---------------------------|------------|----------------------|
| Parks and Open Space Type | | |
| Lake | Lake | Parks and Open Space |
| Open Space | Open Space | Buildings |
| Park | Park | Streets |
| Buildings | | Parcels |
| Parcels | | City Limits |



YRMC Deep Well Ranch Campus



SITE & PARKING GENERAL NOTES

TOTAL SITE AREA: 16.25 ACRES
PHASE 1 DEVELOPMENT AREA: 6.7 ACRES
PHASE 2 DEVELOPMENT AREA: 9.6 ACRES
ZONING: SPC

SITE AREA BREAKDOWN:
PHASE 2 BUILDING FOOTPRINT: 1.6 ACRES
PHASE 2 PAVEMENT AREA: 9.9 ACRES
PHASE 2 LANDSCAPE AREA: 4.8 ACRES

REQUIRED PARKING SPACES:
PHASE 1 FSED/UCC (2/EXAM): 24 SPACES
PHASE 1 MEDICAL OFFICE 1 (GSF/150): (46,800/150)
PHASE 2 MEDICAL OFFICE 2 (GSF/150): (60,000/150)
PHASE 2 MEDICAL OFFICE 3 (GSF/150): (30,000/150)
TOTAL REQUIRED PARKING SPACES: 936 SPACES

PROVIDED PARKING SPACES:
STANDARD SPACES: 970 SPACES

REQUIRED DRIVE ISLE WIDTH: 24'-0"

LANDSCAPE REQUIREMENTS:
MAXIMUM DISTANCE TO PARKING ISLAND: 100'-0"
MINIMUM LANDSCAPE ISLAND WIDTH: 4'-0" (40 SF)

	OS	C	PROPOSED SITE AS DRAWN
	OPEN SPACE	REGIONAL CENTER/CAMPUS	
MAXIMUM BUILDING HEIGHT	50'	50'	43' T.O.R., 47' T.O.P.
MAXIMUM DENSITY	N/A	N/A	N/A
MINIMUM LOT/PARCEL SIZE	1,000 SF	1,000 SF	707,850 SF
MINIMUM LOT/PARCEL WIDTH/DEPTH	20'	40'	645'
BUILDING SETBACK - STREET	2'	6'/11' *	12'
BUILDING SETBACK - REAR	0'	0'	N/A
BUILDING SETBACK - SIDE	10'	10'	12'
BUILDING SETBACK - SERVICE LANE	2'	2'	N/A

Option 1 - Phase 2

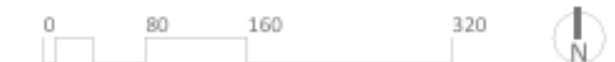


DEEP WELL FSED & MOB TEST FIT
 PRESCOTT, ARIZONA

AIRPORT ZONE 2
BOUNDARY

AIRPORT ZONE 4
BOUNDARY

WILLOW CREEK ROAD



SHEET #: **PR100B**

DGL PROJECT #: 117.25.0001
 ISSUE DATE: 06/23/26



WSA26-031 Application Summary

- +/- 149,000 SF medical plaza
- Estimated demand for buildings - 10.82 AFY
- Estimated demand for landscape - 7.2 AFY
- Estimated Total Demand -18.02 AFY



TO: MAYOR AND CITY COUNCIL
AGENDA: September 1 Subcommittee on Water Issues
DATE: September 1, 2026
DEPT: Community Development
ITEM #: 3.C
SUBJECT: **WSA26-037:** Water Service Application
Submitted by IDDM, LLC. Location: Willow Creek Rd and Haas Blvd, Within Section 2, Township 14N, Range 02W.

ITEM SUMMARY

This item is for review of a Water Service Application WSA26-037 requesting 60.29 acre-feet of water. The site consists of +/-50-acre of mixed-use development including a medical campus, residential, retail, and hotel. The site is located at Willow Creek Road and Hass Boulevard.

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 single-family and multi-family residential, retail, hotel, and medical buildings. Demand estimates for the various uses were based on similar types of uses taken from the WRMM. The total estimated demand for the project is 120.29 acre-feet per year. This includes 4.56 acre-feet per year of outdoor landscape usage.

WSA18-010 (City Contract 2019-094) (Attachment 4) was executed for the project formerly known as Whispering Rock and speaks to water allowance for development located on this property. WSA18-010 provides 60 acre-feet per year for the development. Based on the 120.29 acre-feet per year demand for this project, this water service agreement application is for 60.29 acre-feet per year to meet the additional needs of the project.

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 5 includes the development benefits letter prepared by the applicant.

Applicant has completed the following:
Application Received: August 11, 2026

Application Deemed Complete: August 19, 2026
Planning and Zoning Commission: N/A
Water Issues Subcommittee: September 1, 2026
City Council: September 22, 2026

FINANCIAL IMPACT

There is no fiscal impact at this time.

RECOMMENDED ACTION

MOVE to recommend forwarding WSA26-037 to Council for approval or denial

ATTACHMENTS

1. Attachment 1_WATER SERVICE AGREEMENT APPLICATION
2. Attachment 2_WSA26-037_Site Plan
3. Attachment 3_WSA26-037_Vicinity Map
4. Attachment 4_WSA18-010 Whispering Rock
5. Attachment 5_Appeal Benefit Document
6. Staff Presentation_WSA26-037
7. Applicant Presentation_20260810 WLD updated Project Brochure and Water Request



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: Contact Person:
Address: City/State/Zip:
Phone: Email:

Property Owner: Contact Person:
Address: City/State/Zip:
Phone: Email:

PROJECT SITE

Address:
Current Zoning: Proposed Zoning:
Assessor's Parcel Number(s) of Existing Property: **Representative APNs See City Contract # 2019-101,101A1 for total area*
 - - - - - - - -
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:

50 acre mixed use development, including retail, senior living, hotel, medical campus.
30 acres - APNs (106-02-396B, 106-02-396C, 106-02-396D, 106-02-399C, 106-02-400, 106-02-401, 106-02-402, 106-02-403)
20 acres - Banner property APN (106-02-398)

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

☒ Food Service Facility	☐ Vehicle Service Facility
☐ Industrial/Manufacturing Facility	☒ Medical Facility
☒ Dental Facility	☒ Other Please Describe: Mixed Use Medical, Commercial and Residential

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 development will consist of medical facilities which will produce medical waste typical of facilities of this type. All applicable standards for the disposal of waste will be followed and all City Code requirements for waste disposal will be followed.

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:

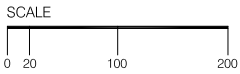
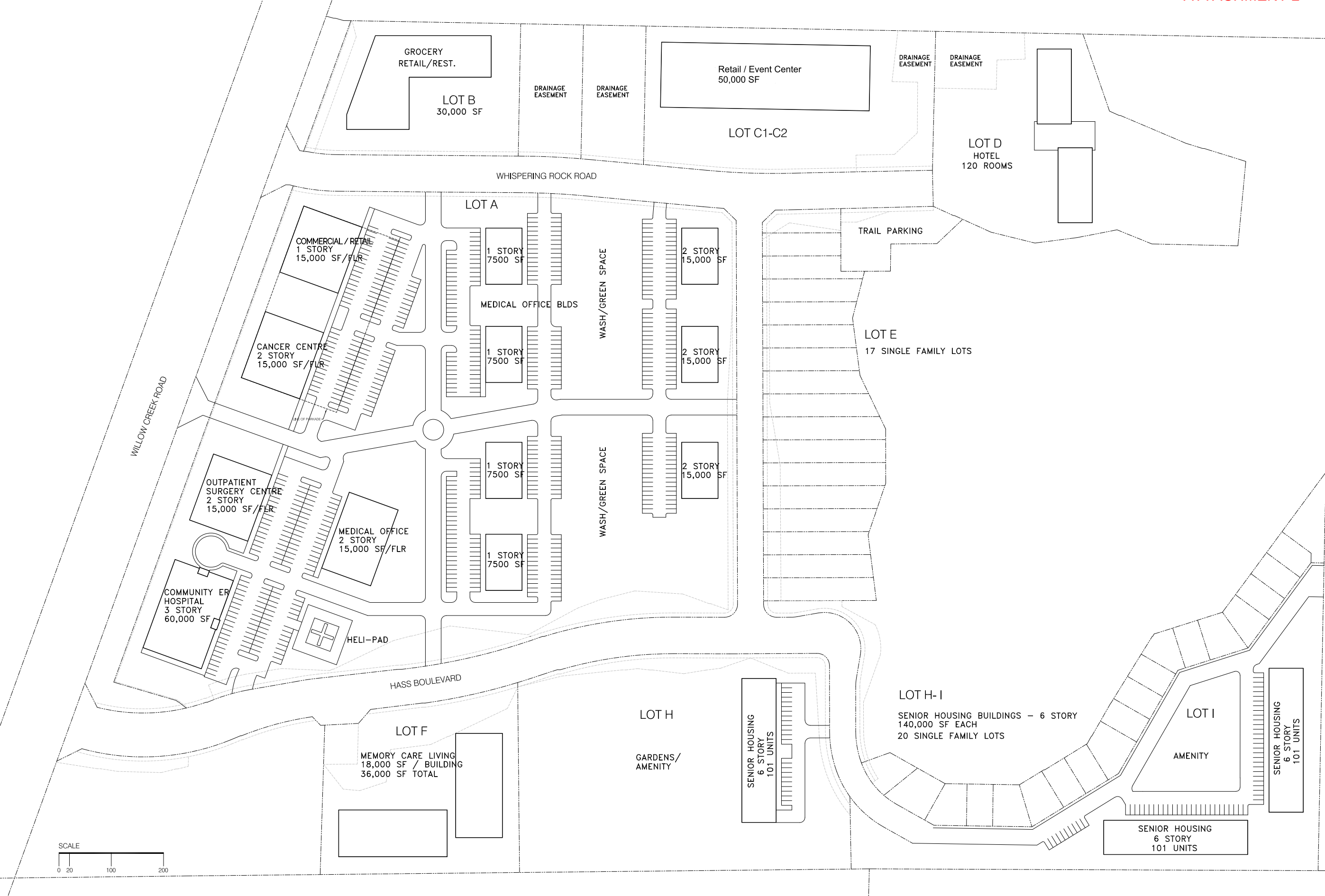


Date: 08/11/2026

OFFICE USE ONLY

Assigned Tracking No. WSA -

Date entered



1 SITE PLAN
A1 SCALE 1"=80'-0"

ISSUES AND REVISIONS			
NO.	DATE	Y/M/D	DESCRIPTION
1	2026/04/09		ISSUED FOR REVIEW

PRELIMINARY
NOT FOR
CONSTRUCTION

PROJECT NAME:
Willow Lake District
by: IDDM LLC

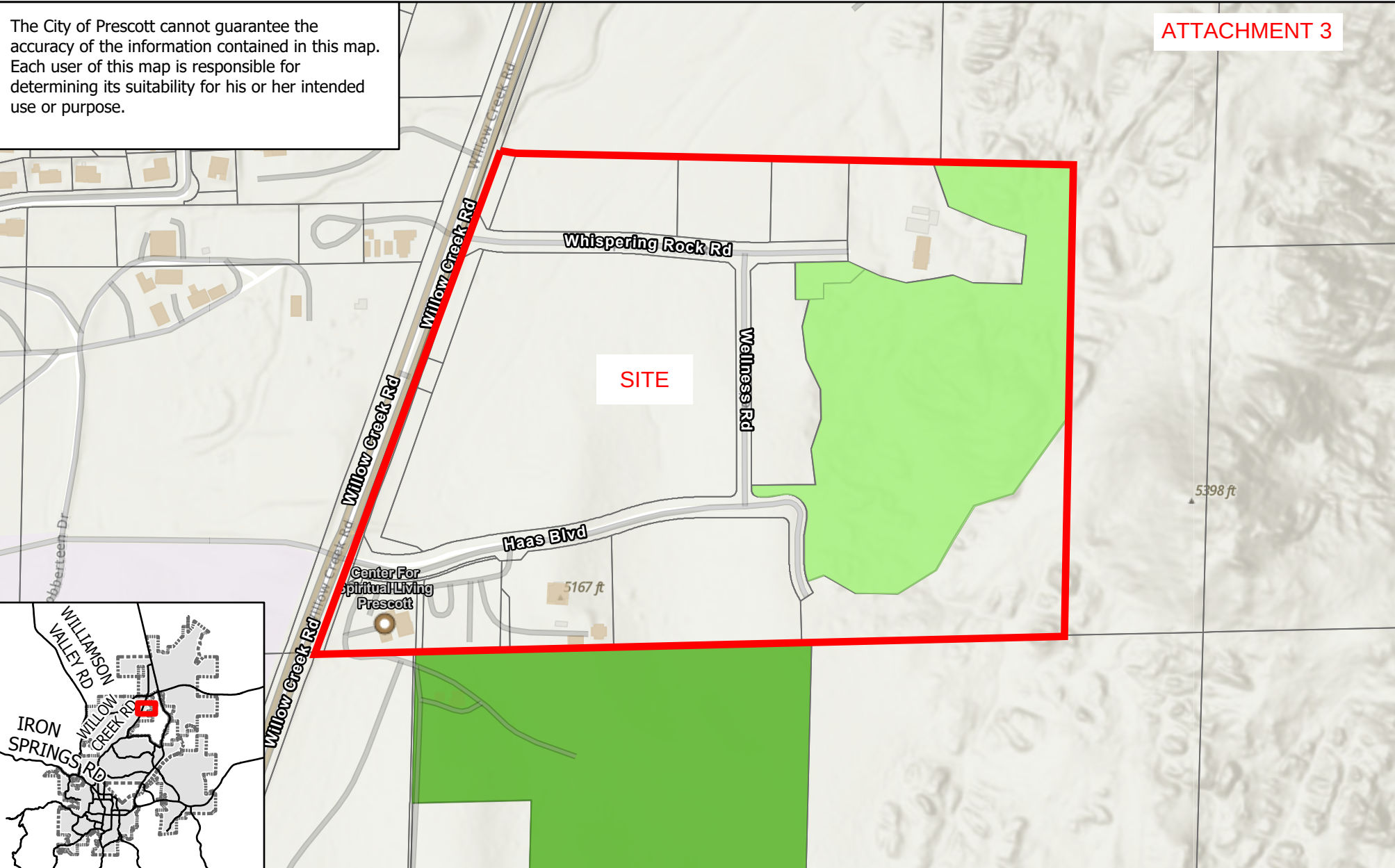
PROJECT ADDRESS:
NE Corner of Willow Creek Rd
& Hass BLVD in the City of
Prescott, AZ

DRAWING TITLE:
SITE PLAN

SCALE	AS NOTED
DRAWN	NPC
REVIEWED	
PROJECT NO.	-
DRAWING NO.	

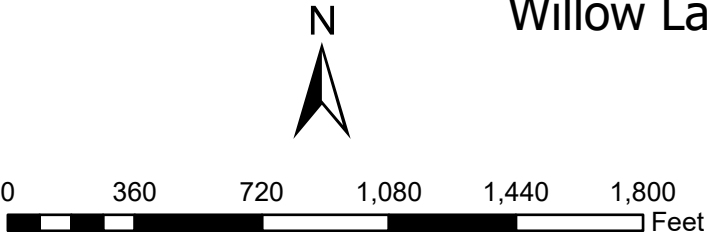
Current Time: 8/19/2026 1:29 PM Center: 112°26'23"W 34°37'12"N

The City of Prescott cannot guarantee the accuracy of the information contained in this map. Each user of this map is responsible for determining its suitability for his or her intended use or purpose.



Willow Lake Health Innovation District

- | | | |
|---------------------------|------------|----------------------|
| Parks and Open Space Type | | |
| Lake | Lake | Parks and Open Space |
| Open Space | Open Space | World_Hillshade |
| Park | Park | Buildings |
| Buildings | | Streets |
| Parcels | | Parcels |
| SITE BOUNDARY | | City Limits |



Scale: 1:6,529
1 Inch = 544 Feet

WHEN RECORDED, PLEASE INTEROFFICE TO:

Prescott City Clerk's Office
201 S. Cortez
City Hall

**Caption: Agreement for Potable Water
Whispering Rock (WSA 18-010)
City Contract No. 2019-094**

**DO NOT REMOVE
THIS IS PART OF THE OFFICIAL DOCUMENT**

**AGREEMENT FOR POTABLE WATER
WHISPERING ROCK (WSA 18-010)
City Contract No. 2019-094**

WHEREAS, Hojat Askari (hereinafter referred to as "Applicant"), is the owner of certain real property described herein (the "Property") located within the City of Prescott; and

WHEREAS, the Applicant desires to develop a mixed-use commercial subdivision on the Property (the "Project"); and

WHEREAS, the Applicant wishes to secure provision of potable water for the Project from the City of Prescott ("City"); and

WHEREAS, Prescott City Code Section 2-1-12(E) requires that an agreement be reached between the City and the Applicant in order to provide potable water; and

WHEREAS, the Project will require a total of 60.0 acre-feet (AF) of potable alternative water per year; and

WHEREAS the City Council finds that compliance with this Agreement by the Applicant shall result in:

1. The project or development being consistent with and conforming to, furthering the implementation of, and not being contrary to, the adopted Water Management Policy of the City; and

2. The project or development being consistent with and conforming to, furthering the implementation of, and is not contrary to the adopted General Plan; and

3. The project or development being consistent with and conforming to, furthering the implementation of, and is not contrary to any applicable adopted plans, including but not limited to Zoning, Specific Area Plans, Circulation Plans, Capital Improvement Plans, Open Space and Trail Plans, Neighborhood Plans, Local Historic District Plans, growth planning or growth management plans, and redevelopment plans; and

4. The project being in accord with the duly adopted Prescott Water Budget.

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That this Agreement shall relate to that property identified as Yavapai County Assessor Parcel Numbers 106-02-003G, 106-02-009G, 106-02-003M, and 106-02-004A, more particularly described by the attached Exhibit "A" and depicted by Exhibit "B".

2. The City will set aside 60.0AF annually of potable alternative water to serve the Project, subject to the following:

A. As a condition of water service, the Applicant shall connect the Project to the City's Sanitary Sewer System.

B. Except as provided in the Pre-Annexation Development Agreement between the City and the Applicant, the Applicant shall be responsible for any and all costs associated with connections of the Project to the water and sewer systems of the City, and necessary for initiation of said utilities services, including

applicable City fees and charges, and any line upgrades and extensions.

C. Any change in use of the Property for other than the commercial subdivision as depicted on the Site Plan submitted with the associated Pre-Annexation Development Agreement shall terminate this water agreement.

D. Said quantity of 60.0 acre-feet annually of potable water shall continue to be reserved for the Property for a period of seven and one-half (7.5) years or ninety (90) months from the date of this contract.

E. In the event that there is a well on the Property, such well shall be abandoned by the Applicant in accordance with State Law. Any installation of a new well, or use of water on the Property from any other well, unless explicitly permitted herein, shall result in the termination of this Agreement.

F. The Property shall not be split beyond what is allowed in the Development Agreement site plan.

G. That in the event the Applicant chooses not to proceed with the Project, written notice of the same shall be provided to the City Manager of the City of Prescott, and this Agreement shall be terminated.

3. This Agreement shall run with the land, and shall be binding upon the Applicants successors in interest and assigns.

4. Pursuant to A.R.S. Section 38-511, the City of Prescott may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement. In the event of the foregoing, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City of Prescott from any other party to the Agreement arising as a result of this Agreement.

5. That the Applicant hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of this Agreement arising from the Applicant, its agents, and/or employees.

6. This Agreement is the result of negotiations by and between the parties. Although it has been drafted by the Prescott City Attorney, it is the result of the negotiations between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.

7. Time is of the essence in this Agreement. The failure of either party to require strict performance of any provision of this Agreement shall not be deemed a waiver of the right of said party thereafter to require strict performance of that or any other provision of this Agreement in accordance with the terms hereof, and without notice.

8. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court.

9. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorney's fees, either pursuant to the Agreement, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute.

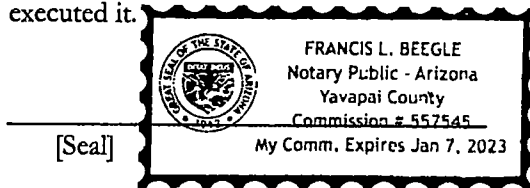
APPLICANT:

DATED this 1 day of August, 2019.

By: [Signature]
HOJAT ASKARI

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)
)ss.

The foregoing instrument was acknowledged before me this 1 day of August, 2019, by HOJAT ASKARI, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed it.



[Signature]
Notary Public

CITY OF PRESCOTT:

DATED this 2 day of August, 2019.

[Signature]
GREG L. MENGARELLI
Mayor

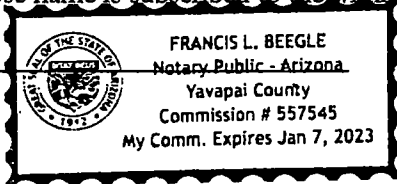
ATTEST: [Signature]
MAUREEN SCOTT
City Clerk

APPROVED AS TO FORM:
[Signature]
JON PALADINI
City Attorney
MATTHEW PODRACZY, FOR

STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this 2 day of August, 2019, by Greg L. Mengarelli, Mayor, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

[Seal]



Francis L Beegle
Notary Public

Exhibit A

Whispering Rock Annexation

All that portion of Section 2, Township 14 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

Commencing at the point used locally as the Northeast corner of said Section 2, a smashed 2" pipe tagged RLS No. 35138, from whence the point used locally as the East One-quarter corner, a rebar tagged RLS no. 35138 bears South 01°00'37" West (the basis of bearings for this description as shown on the Amended ALTA/ACSM Land Title Survey recorded in Book 167 of Land Surveys, Page 19 and 20, records of Yavapai County), 2690.35 feet;

Thence, South 37°24'07" West, 3054.87 feet to the POINT OF BEGINNING, a found nail and tag "LS13941" in a "+" on a rock;

Thence, South 01°15'48" West, 1602.29 feet to a found nail and tag "LS13941" in a "+" on a rock, a point on the South line of the Northwest quarter of the Southeast Quarter of said Section 2;

Thence, North 89°35'46" West, 858.74 feet to a found rebar with cap "LS13941", the Center South One-sixteenth corner of said Section 2;

Thence, South 89°08'17" West, 1328.64 feet to a found rebar with no identification, the Southwest One-sixteenth corner, being the Southwest corner of that certain parcel described in Book 3601 of Official Records, Page 304, records of Yavapai County;

Thence, North 01°31'38" East, 446.38 feet to a found rebar with no identification, the Southeast corner of that certain parcel described in Instrument 2017-0060271, records of Yavapai County;

Thence, North 89°29'27" West, 159.05 feet to a found rebar with cap "LS13941", the Southwest corner of said parcel and a point on the East right-of-way of Willow Creek Road, a public right-of-way as recorded in Book 2762 of Official Records, Page 952, records of Yavapai County;

Thence, North 19°53'05" East, 1296.57 feet to a found rebar with cap "LS13941", a point on the East right-of-way of said Willow Creek Road;

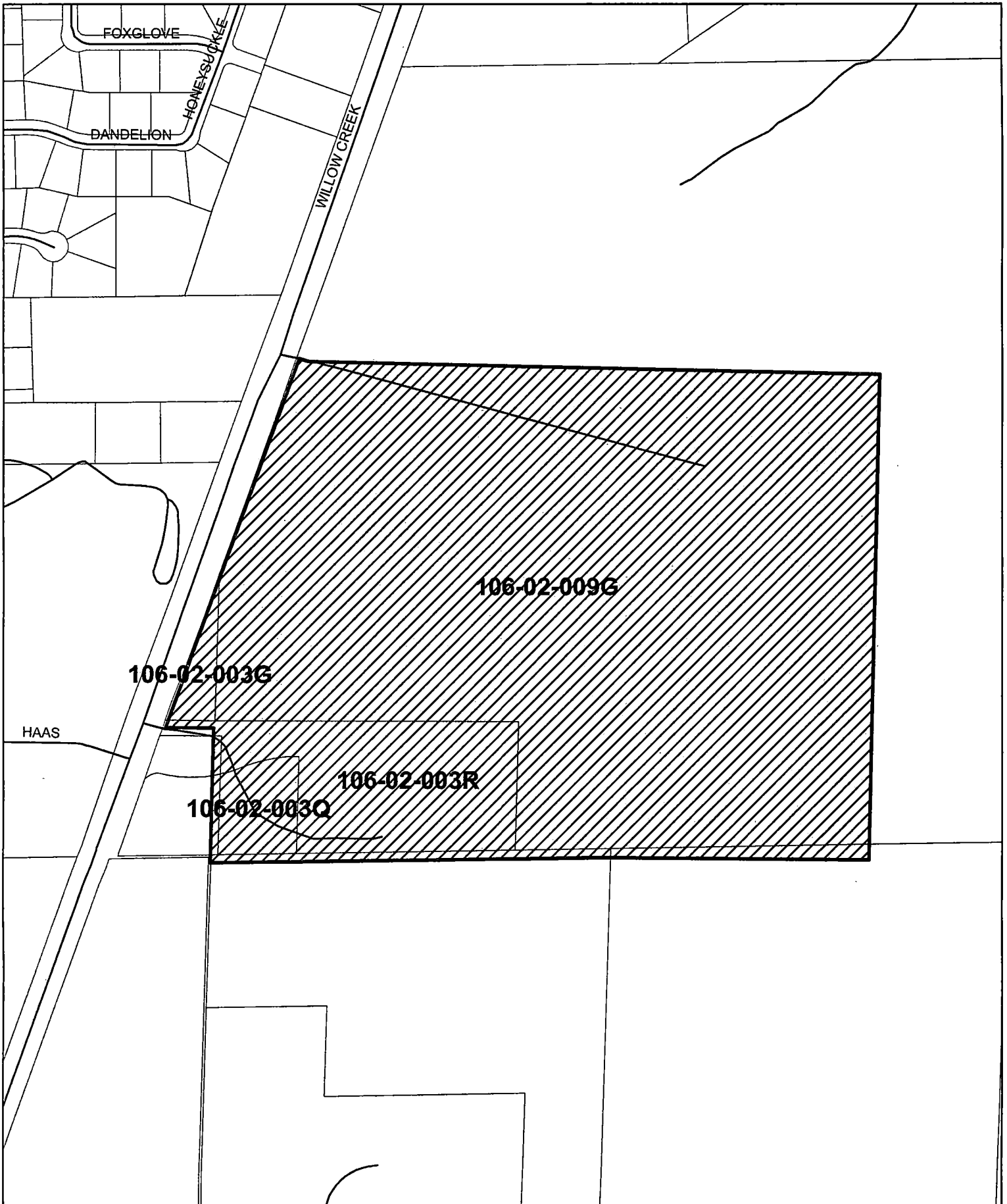
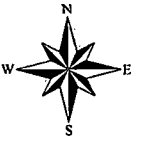
Thence, South 74°29'58" East, 34.68 feet to a found rebar with cap "LS13941";

Thence, South 88°44'12" East, 1895.72 to the POINT OF BEGINNING;

Containing 80.319 acres, more or less.

Exhibit B WSA 18-010

0 200 400 600 800 Feet



ECONOMIC AND FISCAL IMPACT

Willow Lake Health Innovation District

Executive Summary

City of Prescott, Arizona

Provided by IDDM

August 2026

Working base case

At stabilization, the Project is estimated to support approximately 1,460 direct jobs and 1,820 total regional jobs, \$97 million in annual worker earnings and \$229 million in annual regional economic activity.

Important planning estimate disclaimer

All figures are preliminary planning estimates based on the Project program, assumptions, comparable project relationships and information currently available. Actual results may vary as assumptions are refined or additional or improved data becomes available, including final development plans, tenants, operating models, construction costs and market conditions.

Headline Impact

Estimated Impact	Planning Range	Base Case
Construction investment	\$650M to \$750M	\$700M
Total construction job years	6,000 to 6,920	6,460
Average annual construction jobs over 5 years	1,200 to 1,385	1,290
Direct permanent jobs supported	1,110 to 1,870	1,460
Total ongoing regional jobs	1,390 to 2,310	1,820
Annual worker earnings	\$76M to \$127M	\$97M
Annual regional economic activity	\$179M to \$287M	\$229M
One time City revenues	\$16M to \$19M	\$18M
Recurring annual City revenues	\$1.6M to \$3.6M	\$2.4M
Estimated 30 year City revenues	\$56M to \$108M	\$79M

All estimates are rounded and stated in constant planning dollars. Construction employment is reported as job years. Permanent employment is reported annually at stabilization.

1. Project and Methodology

The Willow Lake Health Innovation District is a 51.51 acre mixed use development centered on health care, active adult living services, destination retail, hospitality and housing. The current program includes 416,000 square feet of commercial space, 462 reported residential units and hotel keys plus 36 memory care units.

Project Component	Current Program	Economic impact Method
Medical campus	300,000 SF	Facility specific operating employment
Memory care	36 units / 36,000 SF	Occupancy and care staffing
Destination retail	80,000 SF	Annual visits and spending per visit
Assisted living	303 units assumed	Occupancy and service staffing
Independent living	20 units	Shared operating staff
Residential	17 single family units	Resident spending
Destination hotel and spa	122 keys	Occupancy, room revenue and staffing

Comparable Project Framework

The analysis applies economic and fiscal relationships from an Elliott D. Pollack & Company comparable Arizona mixed use project study. The source relationships are applied to Willow Lake District inputs and adjusted where generic square foot assumptions do not reflect the operating intensity of hospitals, surgery centers, cancer care, active adult living or destination retail.

Comparable Study Relationship	Factor Applied
Construction direct job years	8.057 per \$1 million of construction
Construction total job years	9.229 per \$1 million of construction
Construction worker earnings	\$0.414 million per \$1 million
Construction economic activity	\$1.013 million per \$1 million
Visitor supported direct jobs	13.05 per \$1 million of visitor spending
Visitor supported total jobs	14.86 per \$1 million of visitor spending
Visitor supported earnings	\$0.511 million per \$1 million
Visitor economic activity	1.275 times direct visitor spending

Executive summary standard

This is a preliminary planning estimate based on a comparable-project framework. It is not a new certified IMPLAN run, appraisal, feasibility study or net fiscal impact analysis.

2. Destination Retail and Visitorship

The retail component is modeled as an 80,000 square foot destination rather than ordinary neighborhood retail. The low, base and high cases assume 500,000, 750,000 and 1,000,000 annual site visits. Visits include repeat and local visits and should not be represented as unique tourists.

Destination Retail Assumption	Low	Base	High
Annual site visits	500,000	750,000	1,000,000
Average on site spend per visit	\$40	\$45	\$50
Gross annual on site spending	\$20.0M	\$33.8M	\$50.0M
Sales per retail square foot	\$250	\$422	\$625
Direct jobs supported	261	440	653
Total regional jobs supported	297	502	743
Annual worker earnings	\$10.2M	\$17.3M	\$25.6M
Annual regional economic activity	\$25.5M	\$43.0M	\$63.7M
Annual City retail TPT	\$0.53M	\$0.90M	\$1.33M

City retail TPT assumes 90% of spending is taxable at the current 2.95% City rate.

Benchmark Interpretation

Queen Creek Olive Mill reports approximately 650,000 annual visitors and supports the Project's destination agritourism concept. Agritopia in Gilbert demonstrates the value of combining curated restaurants, local retail, agriculture and community gathering space with an annual visitor ship of 1,000,000. The 750,000 visit base case assumes a broader program and regional draw than a single attraction. The 1,000,000 visit high case requires strong tenants, recurring events, coordinated marketing and meaningful visitor capture from outside Prescott.

Scenario	Practical Interpretation	Annual Average
Low	Established regional destination	About 1,370 visits per day
Base	Strong statewide draw with repeat visitation	About 2,055 visits per day
High	Major Arizona destination with events and tourism capture	About 2,740 visits per day

Base destination case

750,000 annual visits at \$45 per visit generates approximately \$33.8 million in annual on site spending, supports about 440 direct jobs and produces approximately \$896,000 in annual City retail TPT.

3. Medical, Active Adult Living and Hotel Impact

Medical Campus

The medical campus is modeled by facility type rather than a single employee per square foot ratio. The base case assumes a 48 bed community hospital and staffing appropriate for pediatric and cancer care, outpatient surgery and medical offices.

Medical Use	Program	Low Jobs	Base Jobs	High Jobs
Community ER hospital	60,000 SF / 40 to 60 beds	200	240	300
Pediatric and cancer center	60,000 SF	120	150	180
Outpatient surgery center	30,000 SF	75	100	125
Medical offices	150,000 SF	255	300	345
Total direct medical jobs	300,000 SF	650	790	950

The medical component supports approximately 847 to 1,238 total regional jobs, \$56 million to \$87 million in annual earnings and \$128 million to \$187 million in annual regional economic activity. The base case is 1,029 jobs, \$68 million in earnings and \$155 million in activity.

Active Adult Living

The senior living analysis applies 75%, 85% and 95% stabilized occupancy to the 303 assisted living units, 36 memory care units and 20 independent living units. Employment includes care, dining, housekeeping, administration, maintenance and resident services.

Active Adult Living Assumption	Low	Base	High
Stabilized occupancy	75%	85%	95%
Occupied units	269	305	341
Direct on site jobs	124	141	158
Total regional jobs	148	168	188
Annual worker earnings	\$6.4M	\$7.3M	\$8.2M
Annual regional economic activity	\$14.5M	\$16.5M	\$18.4M

Important classification assumption

If the 303 units are conventional multifamily rather than assisted living, approximately 105 to 125 direct jobs should be removed from the current estimate and the fiscal mix should be recalculated.

Destination Hotel and Spa

Hotel Assumption	Low	Base	High
Occupancy / average daily rate	65% / \$220	75% / \$250	85% / \$300
Annual room revenue	\$6.4M	\$8.3M	\$11.4M
Direct jobs	70	85	100
Total regional jobs	83	101	119
Annual City lodging and bed tax	\$0.38M	\$0.50M	\$0.68M

4. Construction and Stabilized Operations

Construction Phase

Construction Impact	Low	Base	High
Construction investment	\$650M	\$700M	\$750M
Direct construction job years	5,240	5,640	6,040
Total construction job years	6,000	6,460	6,920
Average annual jobs over 5 years	1,200	1,290	1,385
Construction worker earnings	\$269M	\$290M	\$310M
Construction economic activity	\$659M	\$709M	\$760M
One time City revenue	\$16M	\$18M	\$19M

Job years are the aggregate of one job sustained for one year. They are not permanent jobs.

Annual Operations at Stabilization

Operating Component	Direct Jobs Low / Base / High	Regional Jobs Low / Base / High	Base Activity
Destination retail	261 / 440 / 653	297 / 502 / 743	\$43M
Medical campus	650 / 790 / 950	847 / 1,029 / 1,238	\$155M
Senior living	124 / 141 / 158	148 / 168 / 188	\$16.5M
Hotel and spa	70 / 85 / 100	83 / 101 / 119	\$12M
Residential and other	5 / 5 / 10	10 / 15 / 25	\$2M
Total	1,110 / 1,461 / 1,871	1,385 / 1,815 / 2,313	\$229M

Rounded headline totals are approximately 1,110 to 1,870 direct jobs and 1,390 to 2,310 total regional jobs.

Annual Impact	Low	Base	High
Direct jobs supported	1,110	1,460	1,870
Total regional jobs	1,390	1,820	2,310
Worker earnings	\$76M	\$97M	\$127M
Regional economic activity	\$179M	\$229M	\$287M

5. City Revenue and Community Value

City of Prescott Fiscal Impact	Low	Base	High
Destination retail TPT	\$0.53M	\$0.90M	\$1.33M
Hotel TPT and bed tax	\$0.38M	\$0.50M	\$0.68M
Commercial lease, utility and property taxes	\$0.33M	\$0.46M	\$0.70M
Employee spending and shared revenue	\$0.38M	\$0.58M	\$0.85M
Recurring annual City revenue	\$1.6M	\$2.4M	\$3.6M
One time construction revenue	\$16M	\$18M	\$19M
Estimated 30 year City revenue	\$56M	\$79M	\$108M

The City estimate applies the current 2.95% TPT and the additional 3.00% transient occupancy tax to applicable activity. This is a gross revenue estimate and does not deduct City service costs.

Economic Benefit Relative to Water Use

Because water allocation is a central consideration for the City, the following measures show the economic and fiscal benefits associated with the Project's estimated 120.29 AFY of annual water use. The per AFY figures are comparison measures and do not imply that each acre foot independently creates the stated benefit.

Base Case Measure	Project Total	Equivalent per AFY
Estimated annual water use	120.29 AFY	1.0 AFY
Construction investment	\$700M	\$4.29M
Total ongoing regional jobs	1,820	11.1 jobs
Annual regional economic activity	\$229M	\$1.40M
Recurring annual City revenue	\$2.4M	\$14,900

Community Benefits to Measure

The strongest public benefits are health care access, higher wage medical employment, senior services, year round destination activity, local construction participation and new City revenues. An annual Project dashboard should report actual visits, taxable sales, jobs, wages, local procurement, patients served, senior occupancy, hotel room nights and metered water use.

Key Limitations

Results depend on final tenants, medical operators, licensed beds, senior living classification, hotel performance, ownership, assessed values and construction timing. The estimates do not deduct displaced spending or police, fire, street, utility and other public service costs. A final third party impact study should use operator staffing plans, a detailed development budget and a net City service cost analysis.

Principal Sources

Elliott D. Pollack & Company comparable Arizona project economic and fiscal impact methodology, 2023

Queen Creek Olive Mill annual visitorship benchmark [Source](#)

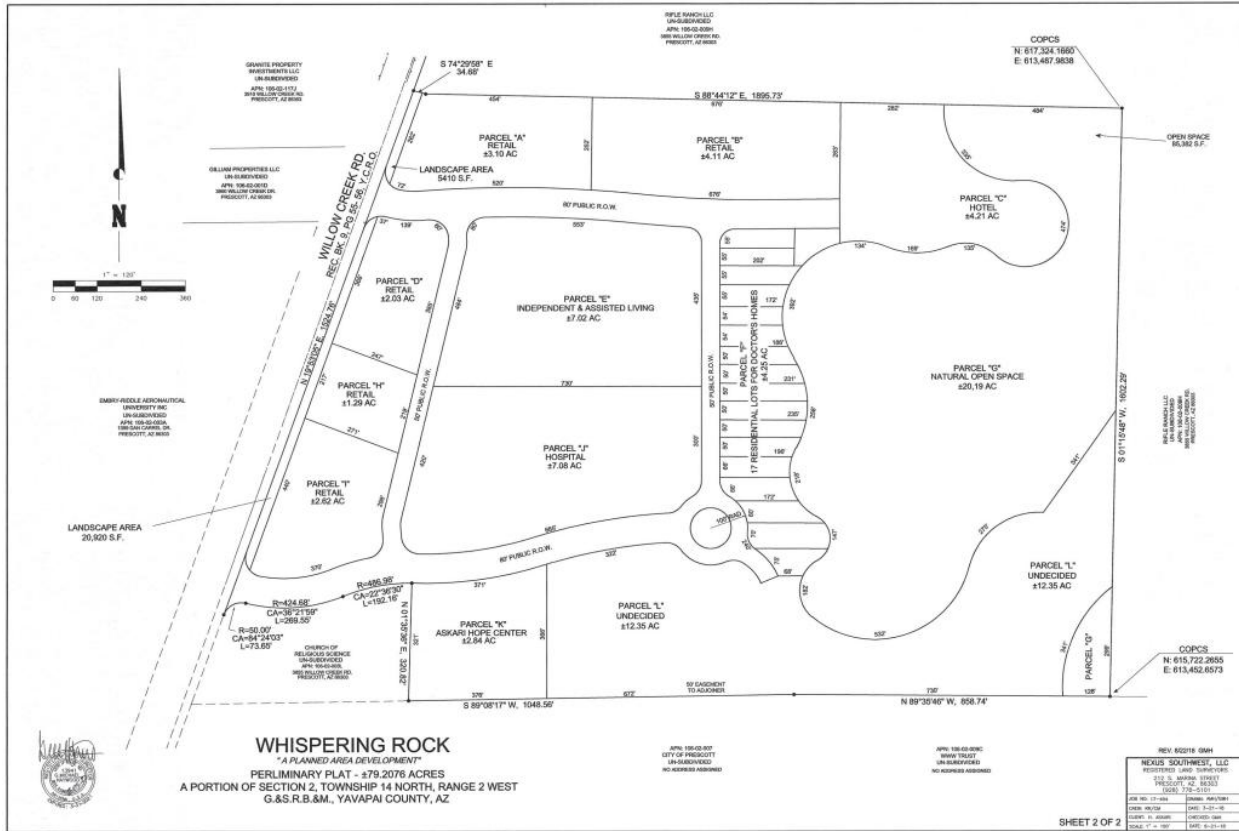
Agritopia destination concept [Source](#)

City of Prescott transaction privilege tax guidance [Source](#)

U.S. Bureau of Labor Statistics hospital workforce and wage data [Source](#)

U.S. Department of Health and Human Services assisted living staffing research [Source](#)

Original Whispering Rock Approved Preliminary Plat



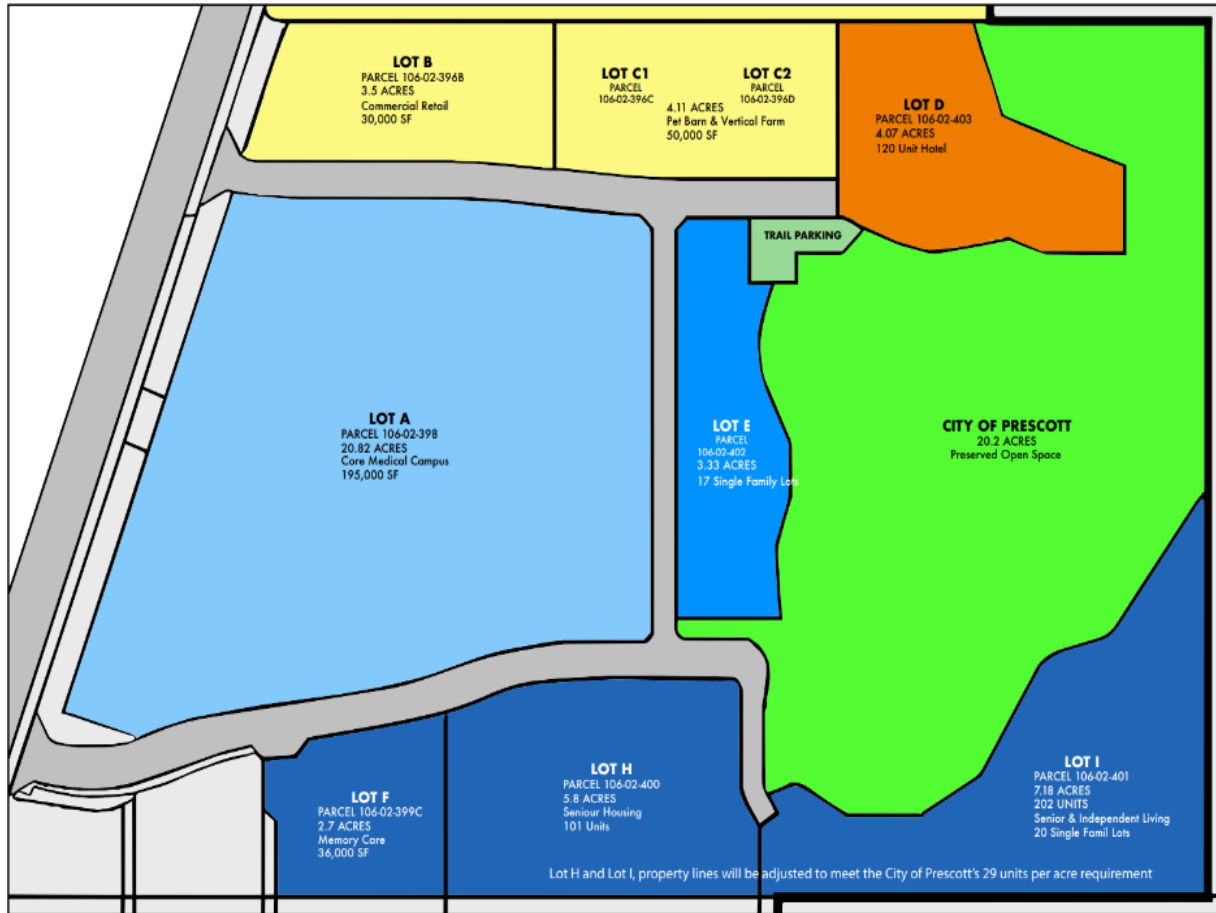
Estimated Building Area and Uses:

- **Total Project Area:** 50.90 acres
- **Retail:** 5 separate retail pads (estimated at 50,000 to 60,000 square feet)
- **Hospital:** Approximately 120,000 square feet (80-beds)
- **Single Family Home Lots:** 17 units
- **Hope Center / Memory Care:** 36 units (36,000 SF)
- **Active Adult Living:** Parcel E - 7.02 acres (estimated for up to 203 units)
- **Undecided:** Parcel L - 12.35 acres (estimated for up to 358 units)
- **Hotel:** 122 units

Whispering Rock Estimated Building Breakdown

RETAIL	TOTAL MEDICAL	ACTIVE ADULT LIVING	HOTEL	SINGLE FAMILY HOMES
Up to 60,000 SF	156,000 SF	Up to 561 units	122 units	17 homes
5 Separate Retail Pads	80 Beds • 36 Memory Care Units			

Final Plat Colored Map

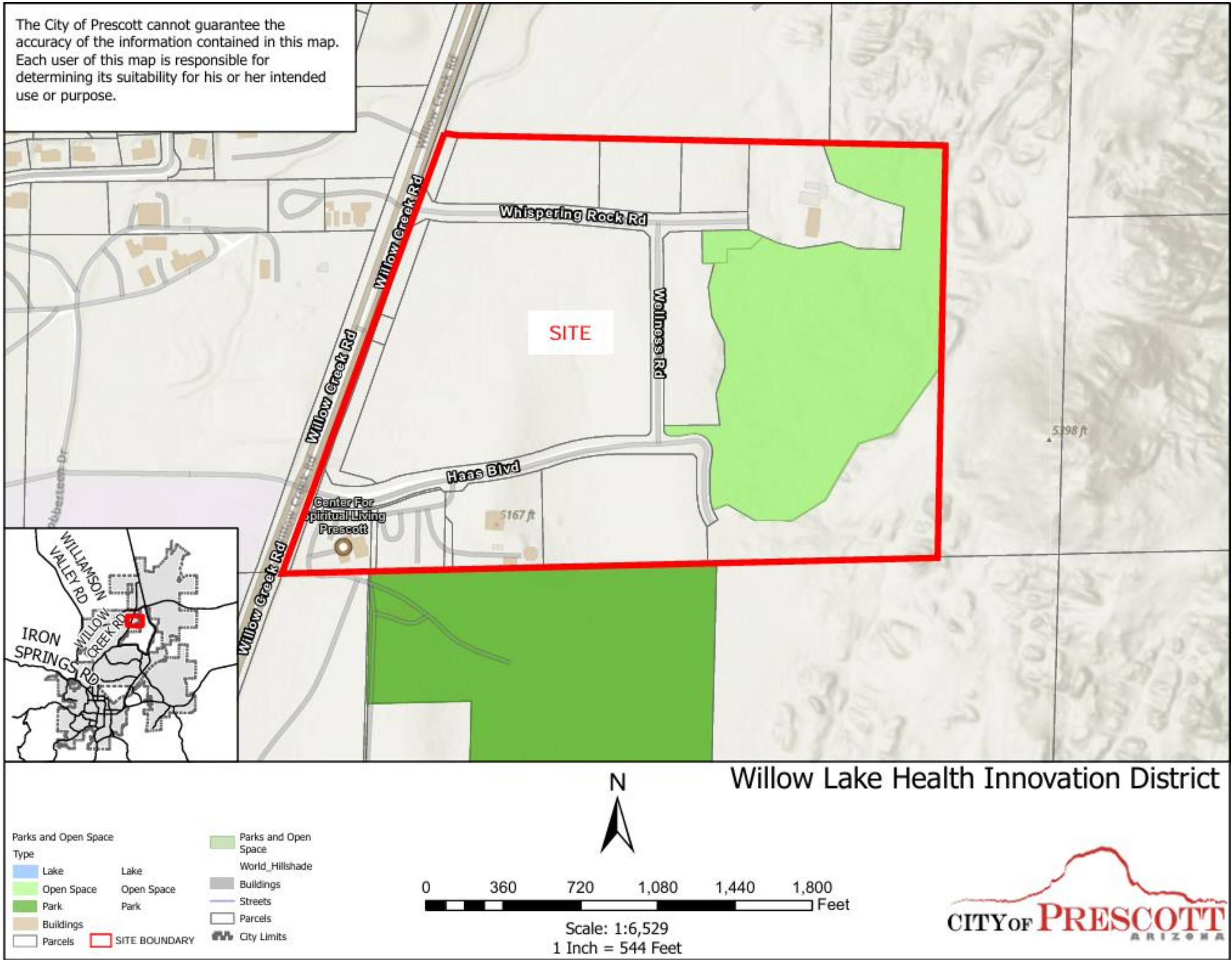


IDDM's Estimated Building Area and Use Based on Final Plat:

- **Total Project Area:** 51.51 acres (including Lot-A internal roads)
- **Retail:** Approximately 80,000 SF
- **Core Medical Campus:** Approximately 270,000 SF
- **Single Family Homes:** 17 units
- **Hope Center / Memory Care:** 36 units (36,000 SF)
- **Active Adult Living:** 303 units + 20 independent living units (undecided parcel)
- **Hotel:** 122 units

Willow Lake Health Innovation District Building Breakdown

TOTAL RETAIL	TOTAL MEDICAL	ACTIVE ADULT LIVING	HOTEL	SINGLE FAMILY HOMES
80,000 SF	336,000 SF	323 units	122 keys	17 homes
		Includes 20 Independent Cottages		





Willow Lake District
by: IDDM LLC

Parcel 1 address:
N.E. Corner of Willow Creek Rd
& Hwy 88/93 in the City of
Prescott, AZ

SITE PLAN

Modelo 1	1000
Modelo 2	1000
Modelo 3	1000
Modelo 4	1000
Modelo 5	1000
Modelo 6	1000
Modelo 7	1000
Modelo 8	1000
Modelo 9	1000
Modelo 10	1000
Modelo 11	1000
Modelo 12	1000
Modelo 13	1000
Modelo 14	1000
Modelo 15	1000
Modelo 16	1000
Modelo 17	1000
Modelo 18	1000
Modelo 19	1000
Modelo 20	1000
Modelo 21	1000
Modelo 22	1000
Modelo 23	1000
Modelo 24	1000
Modelo 25	1000
Modelo 26	1000
Modelo 27	1000
Modelo 28	1000
Modelo 29	1000
Modelo 30	1000
Modelo 31	1000
Modelo 32	1000
Modelo 33	1000
Modelo 34	1000
Modelo 35	1000
Modelo 36	1000
Modelo 37	1000
Modelo 38	1000
Modelo 39	1000
Modelo 40	1000
Modelo 41	1000
Modelo 42	1000
Modelo 43	1000
Modelo 44	1000
Modelo 45	1000
Modelo 46	1000
Modelo 47	1000
Modelo 48	1000
Modelo 49	1000
Modelo 50	1000
Modelo 51	1000
Modelo 52	1000
Modelo 53	1000
Modelo 54	1000
Modelo 55	1000
Modelo 56	1000
Modelo 57	1000
Modelo 58	1000
Modelo 59	1000
Modelo 60	1000
Modelo 61	1000
Modelo 62	1000
Modelo 63	1000
Modelo 64	1000
Modelo 65	1000
Modelo 66	1000
Modelo 67	1000
Modelo 68	1000
Modelo 69	1000
Modelo 70	1000
Modelo 71	1000
Modelo 72	1000
Modelo 73	1000
Modelo 74	1000
Modelo 75	1000
Modelo 76	1000
Modelo 77	1000
Modelo 78	1000
Modelo 79	1000
Modelo 80	1000
Modelo 81	1000
Modelo 82	1000
Modelo 83	1000
Modelo 84	1000
Modelo 85	1000
Modelo 86	1000
Modelo 87	1000
Modelo 88	1000
Modelo 89	1000
Modelo 90	1000
Modelo 91	1000
Modelo 92	1000
Modelo 93	1000
Modelo 94	1000
Modelo 95	1000
Modelo 96	1000
Modelo 97	1000
Modelo 98	1000
Modelo 99	1000
Modelo 100	1000

Page 50 of 89



WSA26-037 Application Summary

- Mixed Use with medical, retail, residential and hotel uses
- Estimated demand for residential – 57.02 AFY
- Estimated demand for no-residential – 58.71 AFY
- Estimated demand for landscape – 4.56 AFY
- Estimated Total Demand – 120.29 AFY
- Water in contract – 60 AFY
- Water Service Request – 60.29 AFY

Willow Lake Health Innovation District

Presented by IDDM

Privileged & Confidential | August 2026



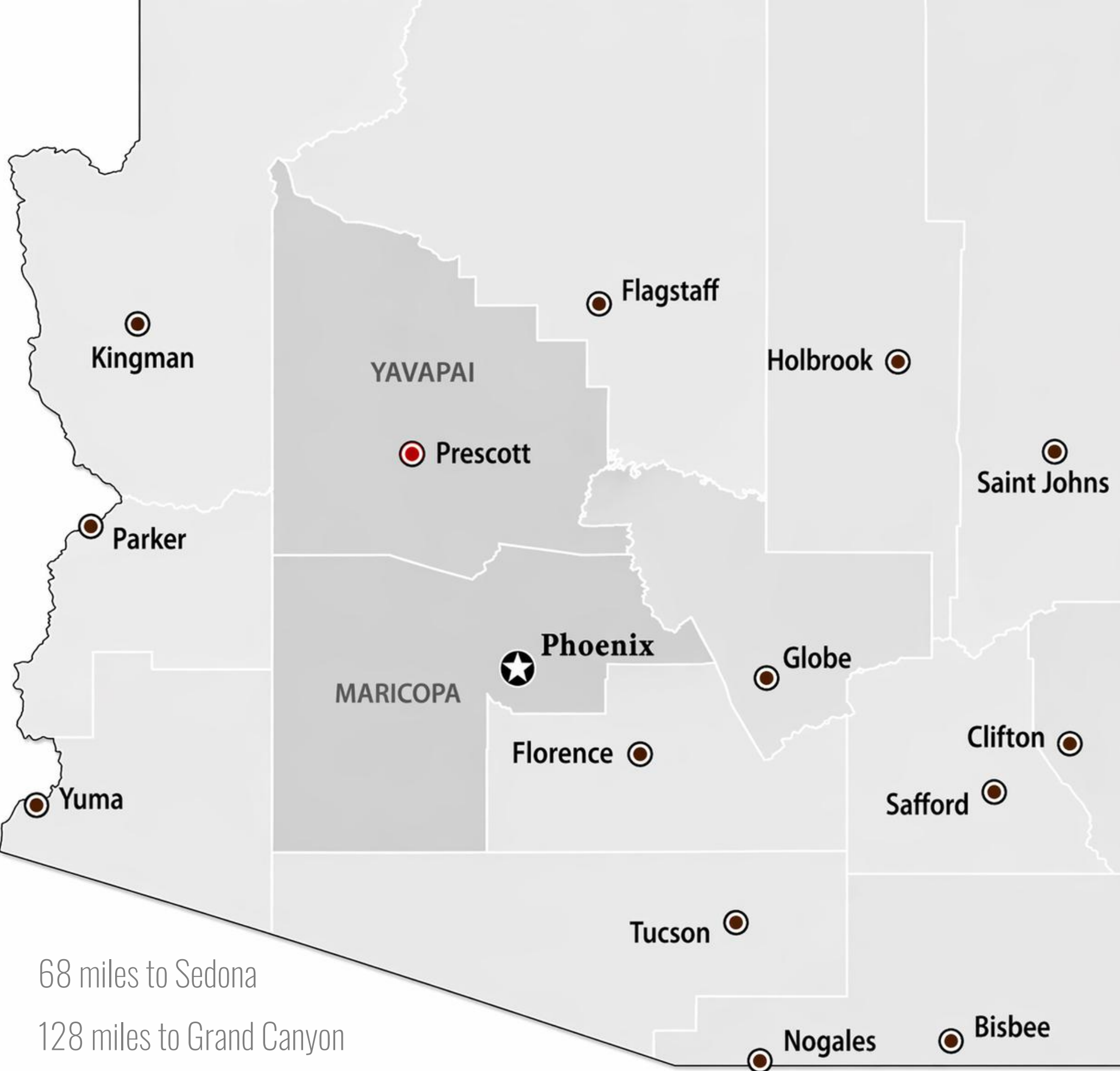
Why Prescott

Prescott serves as the primary population and economic center for Yavapai County, supporting more than 252,000 residents across the region, with median household incomes exceeding \$74,000 across the broader regional market.

The city's desirable four-season climate and high quality of life have made Prescott one of the most sought-after retirement destinations in the United States, attracting significant migration from other states.

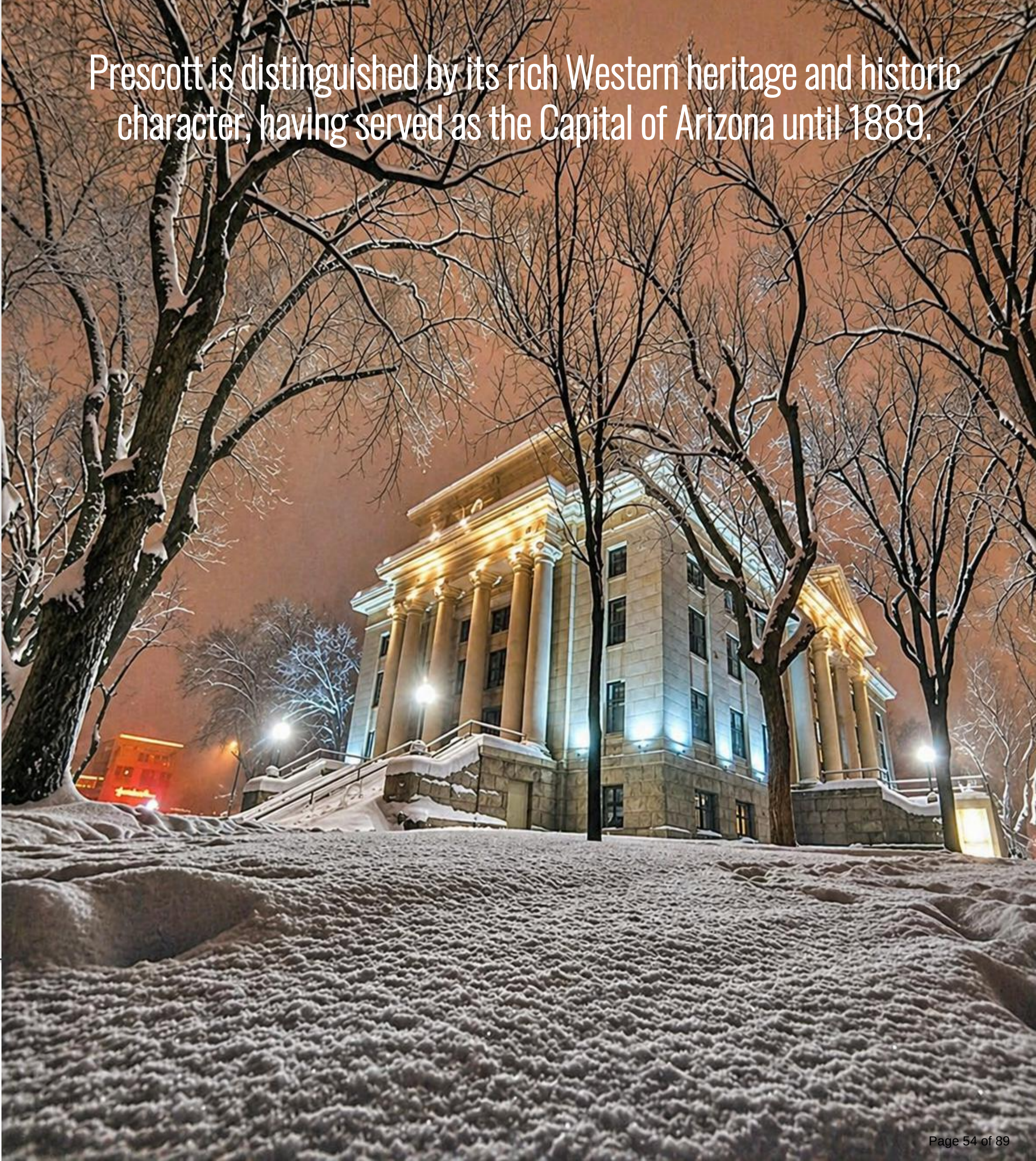
Prescott's central location within Arizona provides convenient access to the state's major destinations, including Phoenix, Flagstaff, Sedona, and the Grand Canyon.

The City functions as both a strategic regional hub and a distinctive destination, combining accessibility with a clearly defined sense of place that continues to attract health focused residents, experience driven visitors, innovative businesses and long-term investment capital.



68 miles to Sedona
128 miles to Grand Canyon
70 miles to North Phoenix
250 miles to Las Vegas
380 miles to Los Angeles

Prescott is distinguished by its rich Western heritage and historic character, having served as the Capital of Arizona until 1889.





Prescott by the Numbers



450

Miles of hiking



5

Lakes



1.2 million

Acres of
National Forest



8

Golf courses



1,000+

Lodging rooms



100+

Dining options

Source: The City of Prescott



Prescott offers a rare blend of natural beauty, lifestyle amenities, and small city accessibility that sets it apart within the Arizona market. Its mild four-season climate support year-round outdoor living and a high quality of life.

Anchored by its historic downtown and iconic Whisky Row Prescott offers a distinctive sense of place defined by preserved architecture and authentic Western character. Signature events including the world's oldest rodeo along with parades, seasonal festivals and holiday celebrations drive consistent tourism and reinforce Prescott's position as a year-round destination.

This combination of outdoor access, historic character and active community continues to attract a diverse population seeking an alternative to larger metropolitan markets without sacrificing connectivity or quality of life.



Prescott Four-Season Living and Adventure



Willow Lake District Project

With the Property backing to the iconic Granite Dells, Willow Lake District is a 50+ acre mixed-use development with over one million square feet of hospital, professional office, senior living, curated retail, hotel and private residential uses.

Project Site Location

Willow Lake District is located on the Southeast corner of Willow Creek Road and Whispering Rock Road in Prescott, Arizona. The Property shares a signalized intersection with Emery Riddle School of Aeronautics.





Active Adult Living Building

Willow Lake District Development Program

Core Medical Campus: 270,000 SF
Independent Living: 20 Units
Active Senior Living: 303 Units
Memory Care: 36 Units

Retail Market: 30,000 SF
Retail / Event Center: 50,000 SF
Hotel & Spa: 122 Rooms
Single Family Residential: 17 Homes



Proposed Community Hospital and Health Innovation District





Year-Round Market Pavilion at Willow Lake District





Destination Retail, Merchandizing, Dining and Agritourism





Retail - Event Center and Agritourism Barn



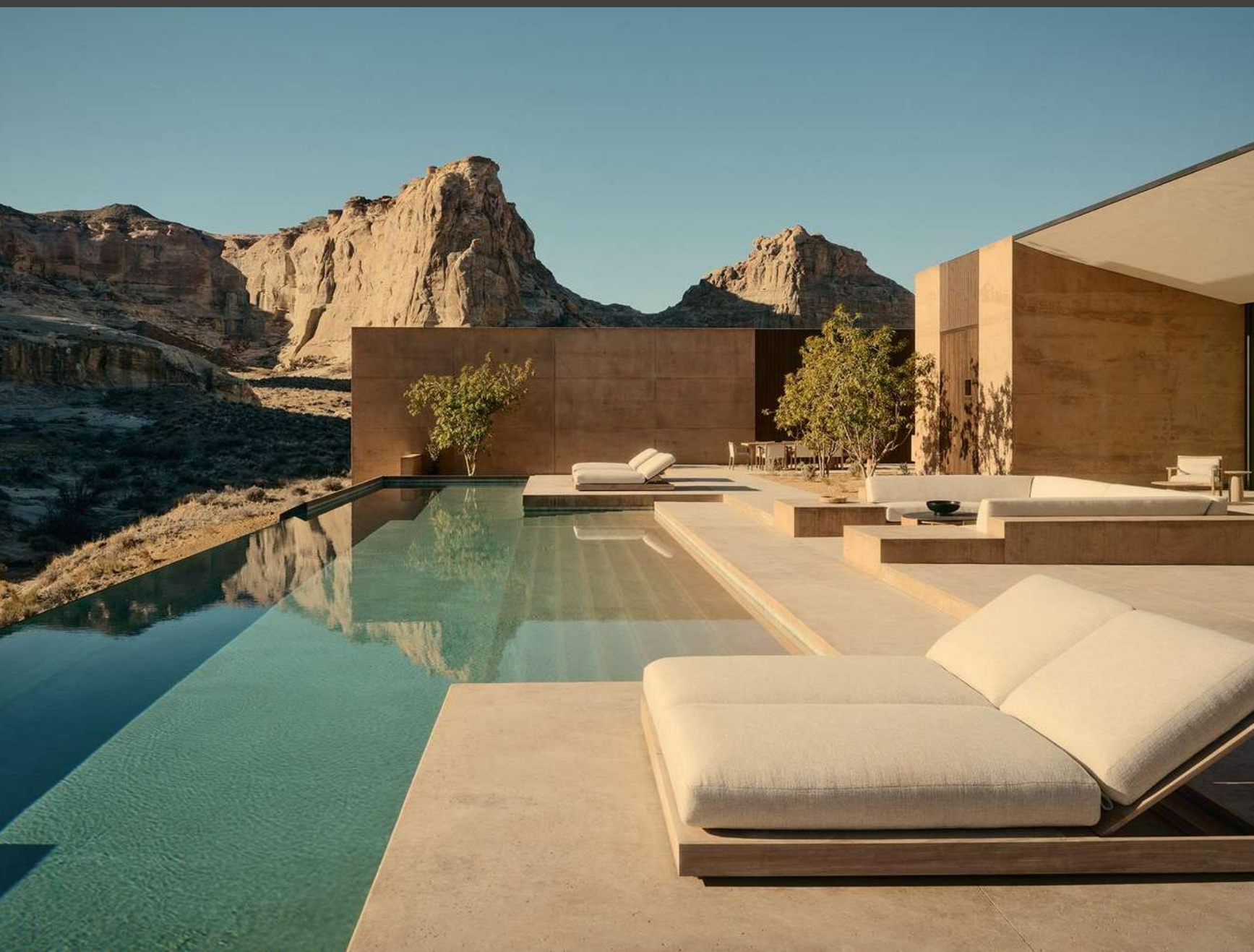


Willow Lake District Integrated Health and Wellness Campus

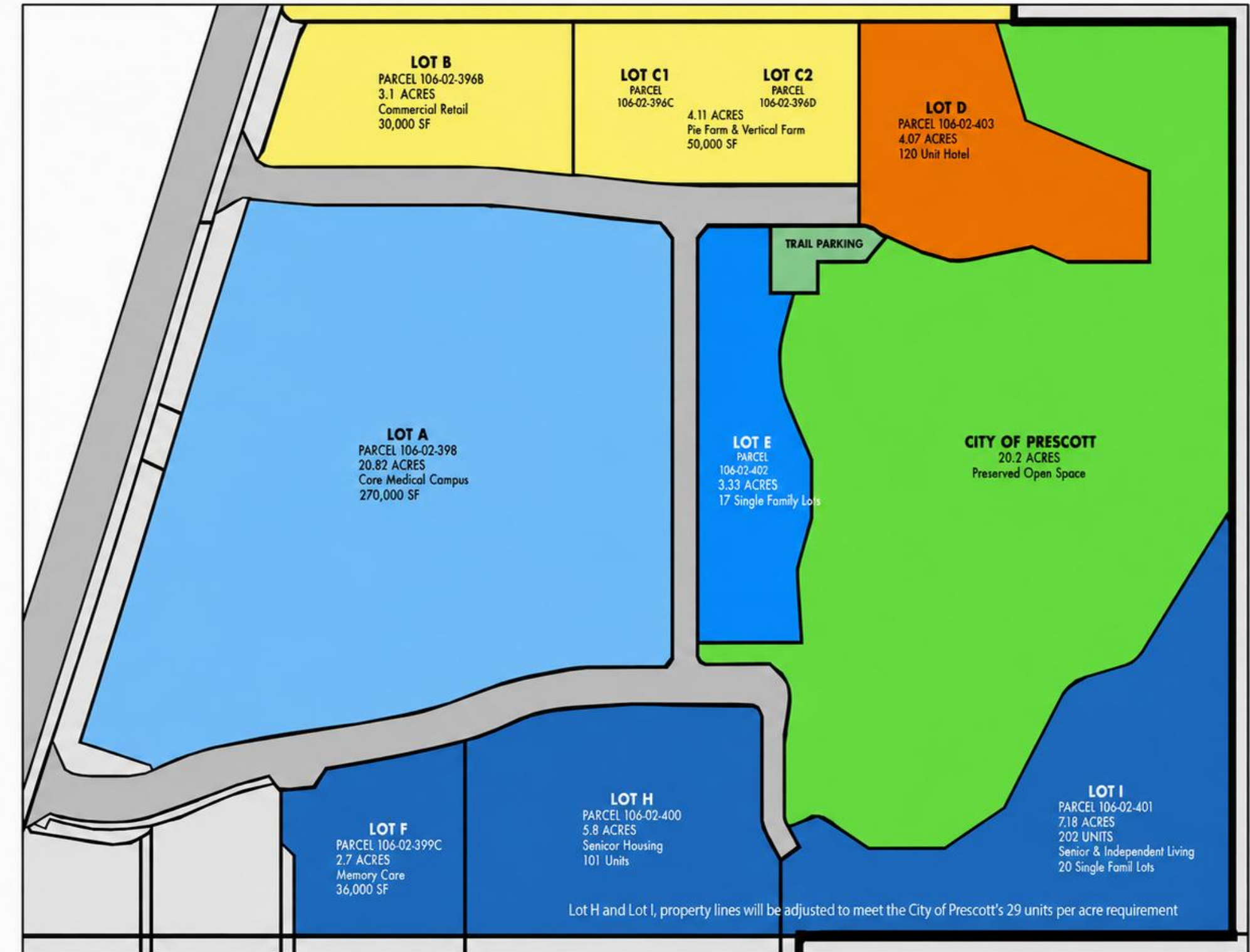
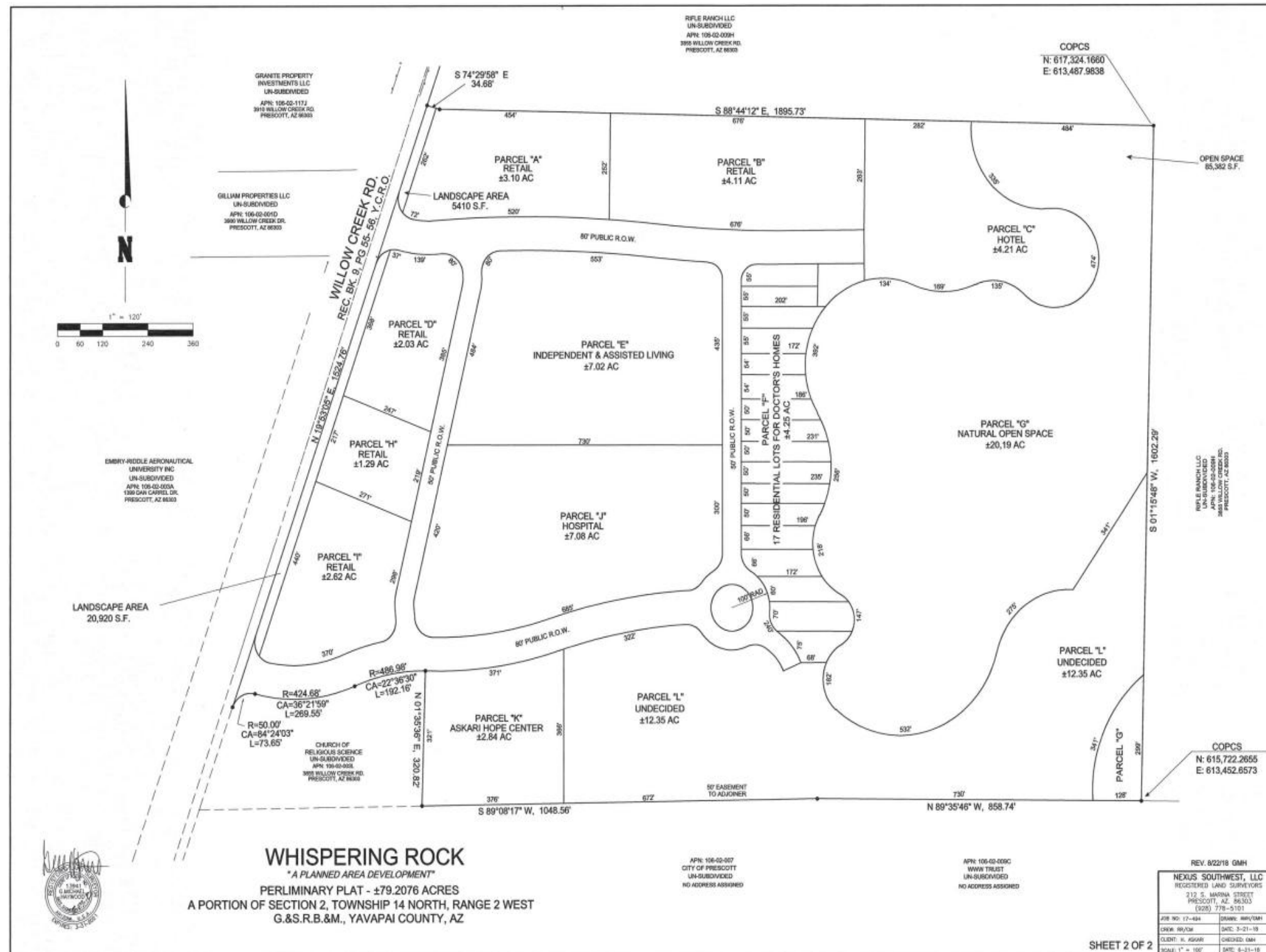




Where Wellness and Hospitality Becomes a Destination



Preliminary Plat & Final Plat Color Map



Preliminary Plat: Dated June 21, 2018

Development Agreement: Dated September 11, 2018

Note: Parcel "L" 12.35 acres are labeled undecided

IDDM's pre-application submittal was based on the originally approved entitlements, with each parcel designated for a specific development use consistent with the City of Prescott's current zoning.

Willow Lake Health Innovation District Overview



Building Tomorrow's Hospitals Today

IDDM is advancing a strategic partnership with Arizona’s leading health education, research and innovation institution to jointly establish a statewide network of Health Innovation Districts. The community hospital would serve as the clinical anchor of the Willow Lake Health Innovation District, providing a coordinated continuum of inpatient care, outpatient services, surgical care, acute and emergency care. The goal is to address approximately 95% of the local community’s acute care needs within Prescott.

These services would be provided through purpose designed facilities connected by coordinated clinical operations, shared patient services and an interoperable health information ecosystem supported by a statewide consortium of health education and healthcare networks. This integrated model would expand local access to care, reduce the need for residents to travel outside Prescott for many medical services and help attract and retain physicians, nurses and other health care professionals.

National healthcare spending is highly concentrated among patients with complex needs. According to the Agency for Healthcare Research and Quality’s Medical Expenditure Panel Survey, in 2022, the highest spending 5% of the population accounted for approximately 49.7% of total healthcare expenditures and 75.1% of adults within this group had two or more chronic health conditions.

This reinforces the importance of prevention, early identification, effective chronic illness management and continuity of patient information. The Willow Lake Health Innovation District would make coordinated care for patients with complex and chronic illnesses a central part of its community health care mission, helping residents manage health conditions earlier and more effectively.

Patients requiring services beyond the capabilities of the community hospital would receive coordinated referrals to appropriate specialty centers. Together, this model is designed to improve patient outcomes, reduce avoidable hospitalizations, strengthen continuity of care and use health care resources more effectively. These benefits would strengthen Prescott’s health care infrastructure, support long term community health, workforce development and economic value.

Willow Lake District Projected Economic Impact Summary

\$700 Million Base Construction Investment	1,460 Direct Ongoing Jobs	1,820 Total Regional Jobs
\$97 Million Annual Worker Earnings	\$229 Million Annual Regional Economic Activity	\$2.4 Million Recurring Annual City Revenue
6,460 Construction Job Years	\$18 Million One-Time City Revenue	\$79 Million Estimated 30-Year City Revenue

All figures are preliminary planning estimates based on the Project program, assumptions, comparable project relationships and information currently available. Actual results may vary as assumptions are refined or additional data becomes available, including final development plans, tenants, operating models, construction costs and market conditions.

Willow Lake District Project - City Provided Water Estimate

Category	Building SF	Residential / Hotel	Water Demand City Assumptions
Pediatric & Cancer Center	60,000 SF		4.10 AFY
Outpatient Surgery Center	30,000 SF		3.71 AFY
Community ER Hospital	40,000 SF		4.94 AFY
Medical Offices	150,000 SF		10.24 AFY
Memory Care	54,000 SF		14.95 AFY
Residential SFR		58 units	9.86 AFY
Residential MF		393 units	47.16 AFY
Retail / Market	30,000 SF		2.48 AFY
Retail / Event Center	50,000 SF		5.60 AFY
Hotel		122 keys	12.70 AFY
Landscaping	ADWR		4.56 AFY
Totals	414,000 SF	573 units/keys	120.29 AFY

Notes:

1. A small portion of the 80,000 square foot retail area is designated for smart vertical farming as a visual feature. Its de minimis water use is conservatively included within the overall retail water allocation and does not require a separate water-use category.
2. The above calculation was prepared by the City of Prescott and reflects the estimated water demand based on the pre-application submittal.
3. A pet barn is incorporated into the overall retail space as a featured event center. Its water use is included within the overall retail allocation and does not require a separate water-use calculation.

Additional Potable Water Request

Water Figure	Amount
Existing Approved Allocation	60 AFY
City Estimate	120.289 AFY
Additional Potable Water Requested	60 AFY
Total Allocation After Approval	120 AFY

Existing Allocation 60 AFY + Additional Request 60 AFY = Total Allocation 120 AFY

Additional Potable Water Request Summary

IDDM requests City approval of an additional water allocation of 60 AFY, increasing the Project's approved annual allocation to a total of 120 AFY based on City provided water use comparables.

The Development Agreement dated September 11, 2018, with the Potable Water Services Agreement allotting 60 AFY, while the Preliminary Plat was largely generalized and identified Parcel L, approximately 12.35-acres, as "Undecided."

Today, the Project has defined uses, detailed building programs and prospective occupants, allowing its potable water requirements to be evaluated with substantially greater precision than when the original Preliminary Plat was approved.

The current request does not seek to modify the existing Development Agreement. Rather, it seeks approval of an additional 60 AFY to support the Project's, with specific uses assigned to each parcel consistent with the approved Preliminary Plat, applicable zoning and existing entitlements.

THANK YOU!



TO: MAYOR AND CITY COUNCIL
AGENDA: September 1 Subcommittee on Water Issues
DATE: September 1, 2026
DEPT: Community Development
ITEM #: 3.D
SUBJECT: Presentation & Discussion Regarding the Amended 2022 Water Management Policy — Current Residential & Non-Residential Water Budget Overview for July 1, 2026, through August 19, 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 July 1, 2026 through August 19, 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 July 1, 2026, through December 31, 2026, for residential projects is 25 acre-ft/year and the budget set for non-residential projects is 25 acre-feet per year.

Between July 1, 2026, and August 19, 2026, there were no residential projects approved for the budget period. 25 acre-feet per year of water remains in the budget.

Between July 1, 2026, and August 19, 2026, five non-residential projects were approved administratively (Water Policy Guideline 2), totaling 2.15 acre-ft per year of water. The total remaining non-residential budget is 22.85 acre-feet per year.

Between July 1, 2026, and August 19, 2026, there were no projects approved under existing contracts. 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

[illegible]

TOTAL APPROVED	0.00
TOTAL BUDGET	25.00
TOTAL REMAINING	25.00

WATER POLICY TRACKING TABLE
APPROVED PROJECTS

NON-RESIDENTIAL PROJECTS							
	PROJECT TYPE	DESCRIPTION	PERMIT NUMBER	ADRESS	AFY	APPROVAL TYPE	DATE APPROVED
1	NON-RESIDENTIAL	Medical Office Building	B2603-046	3219 Lakeside Village	0.1	ADMIN - Commercial Under 1.5 AFY	7/14/2026
2	NON-RESIDENTIAL	Medical Office Building	B2606-021	3600 Ranch Dr	0.64	ADMIN - Commercial Under 1.5 AFY	8/17/2026
3	NON-RESIDENTIAL	Office Remodel	B2512-116	1034 Fair St	0.11	ADMIN - Commercial Under 1.5 AFY	8/17/2026
4	NON-RESIDENTIAL	Commercial Shell Building	B2607-096	3001 Benchmark	1.21	ADMIN - Commercial Under 1.5 AFY	8/19/2026
5	NON-RESIDENTIAL	Medical Office Building	Pending	3227 Lakeside	0.09	ADMIN - Commercial Under 1.5 AFY	8/19/2026
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							

TOTAL APPROVED	2.15
TOTAL BUDGET	25.00
TOTAL REMAINING	22.85

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	#VALUE!									
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	0	0	0.00
Total Non-Residential	0	0	0.00
Totals	0	0	0.00

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: September 1 Subcommittee on Water Issues
DATE: September 1, 2026
DEPT: Community Development
ITEM #: 3.E
SUBJECT: Presentation & Discussion Regarding the Big Chino Watershed Assessment.

ITEM SUMMARY

This item is for presentation and discussion regarding the Big Chino Watershed Assessment project.

BACKGROUND

The Subcommittee's last update was provided on April 7, 2026.

This work is associated with City Contract No. 2025-138, a Memorandum of Understanding (MOU) between The Nature Conservancy and the City of Prescott formalizing a mutual collaboration to evaluate locations and techniques feasible for grassland restoration. The intent of the MOU was to set forth the working relationship between the two parties for the investigation of sites and techniques suitable for reducing stream erosion and improving grassland conditions on lands owned by the City in the Big Chino Sub-basin.

Today's presentation will provide an update on the progress of the project to date.

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. Big Chino Watershed Assessment Update_Presentation

Big Chino Water Ranch Assessment and Design UPDATE

Selena Pao
Northern Arizona Project Manager
September 2026



Background



TNC and Prescott MOU



RFP process to select Natural Channel Design and Engineering (NCDE)



TNC contracted with NCDE with support from Staff and K4



Completed a site visit to brainstorm ideas with Staff and K4



NCDE proposed 4 concept designs



Selected and completed 2 concepts to move toward 30% design



Completed geotechnical investigation with 4 test pits

Concept 1 – Bank Sloping

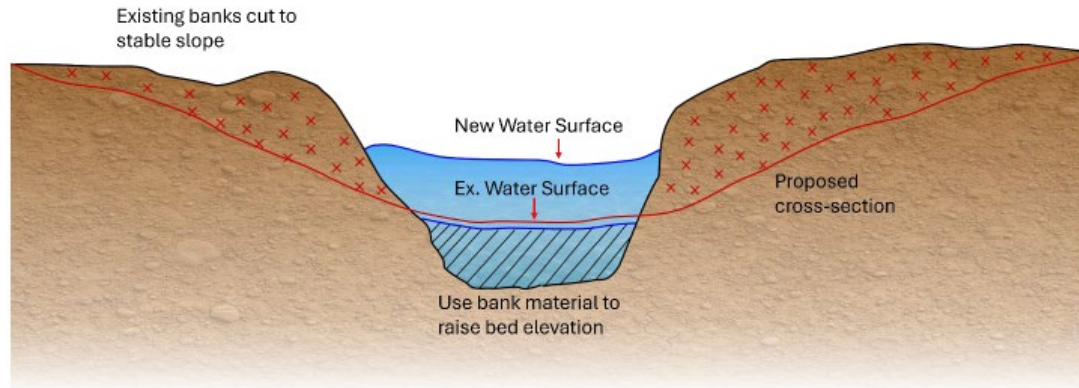
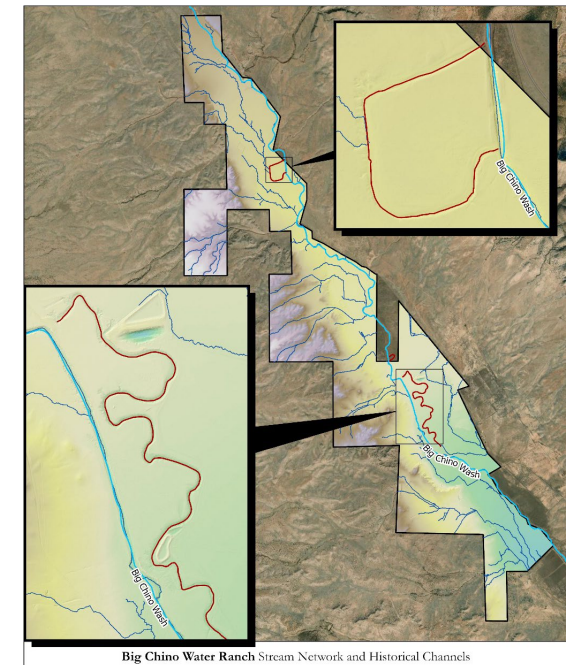
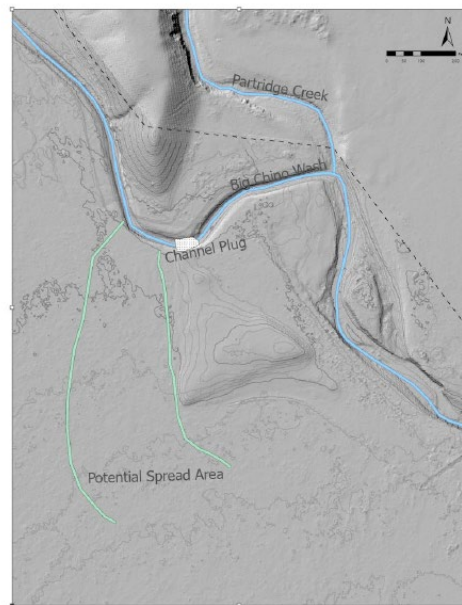


Figure 2. Existing vs. proposed (red) typical channel cross-section.

Concept 2 Reconnecting Channel



Big Chino Water Ranch Stream Network and Historical Channels



Concept 3 Plug and Spread

Concept 4 – Upland LTPBR



Figure 6. Example of a Zuni Bowl and one-rock dam built in series to arrest a headcut and begin channel aggradation. Arrow indicates direction of flow.

Concept 1 – Bank Sloping

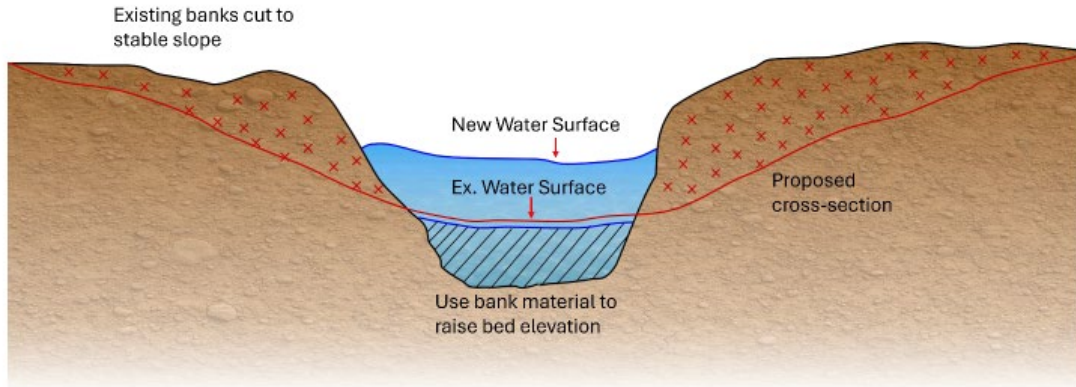
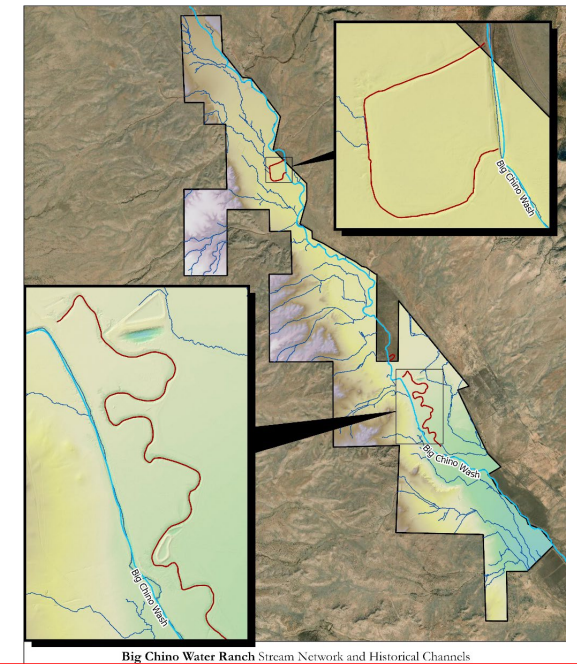
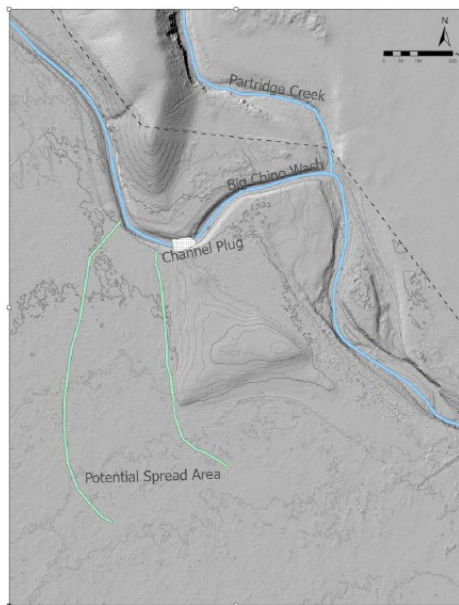


Figure 2. Existing vs. proposed (red) typical channel cross-section.

Concept 2 Reconnecting Channel



Big Chino Water Ranch Stream Network and Historical Channels



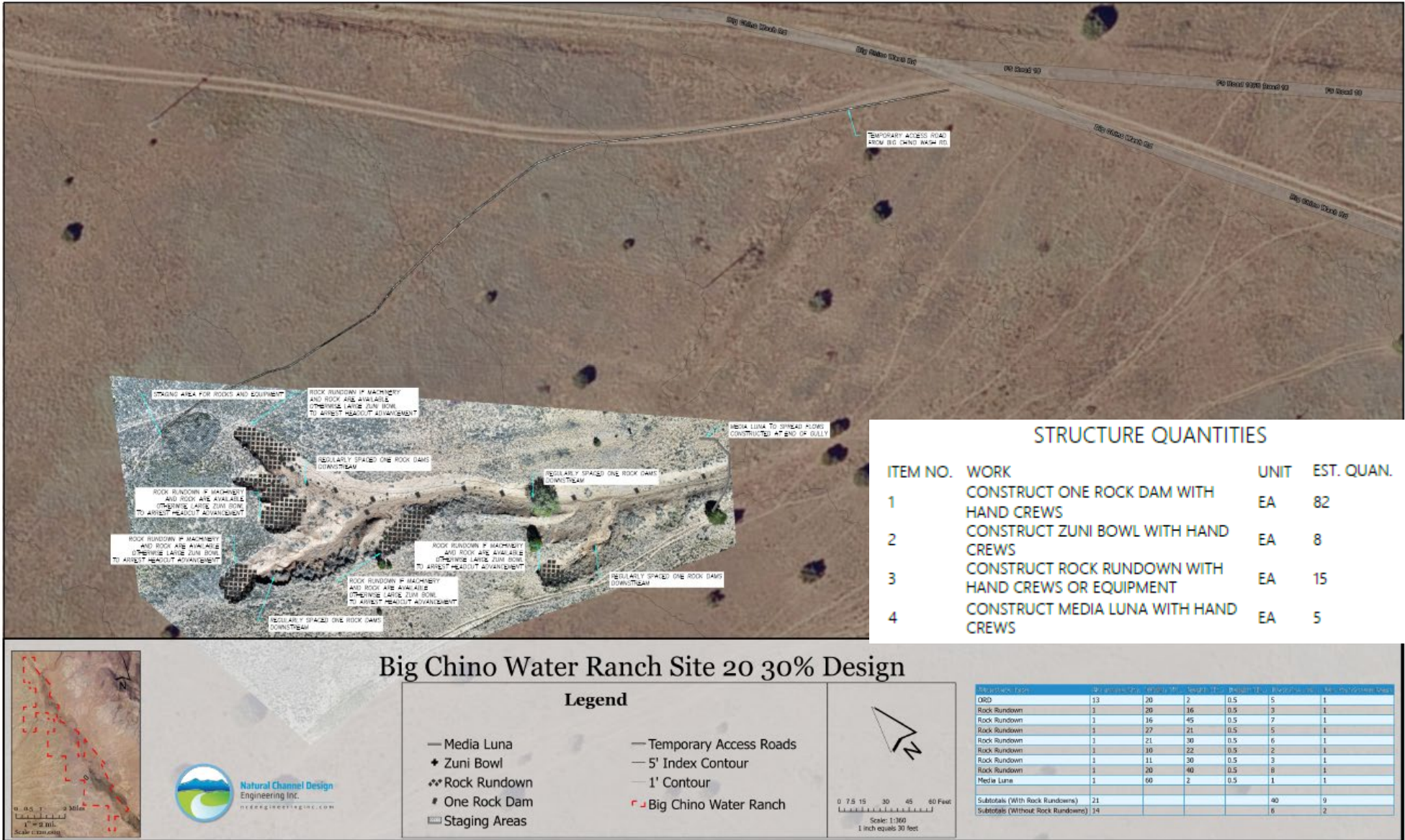
Concept 3 Plug and Spread

Concept 4 – Upland LTPBR



Figure 6. Example of a Zuni Bowl and one-rock dam built in series to arrest a headcut and begin channel aggradation. Arrow indicates direction of flow.

Upland LTPBR – 30% Design



ARIDLANDS WATER HARVESTING STUDY

RIPARIAN DETENTION STRUCTURES
CREATE SOIL-WATER SPONGES
(LIKE WETLANDS!)

THIS REGENERATIVE
RIPARIAN MANAGEMENT
CREATES CLIMATE
RESILIENCE!

LEAKY WEIRS

TRINCHERAS

ONE
ROCK DAMS

HEALTHY VEGETATION
(BIOMASS) IS
SUPPORTED UP &
DOWNSTREAM FROM
STRUCTURES

EROSION &
SEDIMENT TRANSPORT IS
REDUCED & HILLSIDES
ARE STABILIZED

SEDIMENTS
& ORGANIC
DEBRIS BEHIND
STRUCTURES FORM
THICK, RICH SOILS
THAT SEQUESTER CARBON

CHECK
DAMS

LOG
DAMS

WETLANDS
ARE FORMED FROM
THE SOIL-WATER-CARBON
SPONGES BEHIND STRUCTURES

EARTHEN BERMS

STRUCTURES
ENABLE
VEGETATION GROWTH
= MORE PHOTOSYNTHESIS (CARBON
DRAWDOWN) &
EVAPOTRANSPIRATION

STORAGE & LATERAL FLOW
IN THE HYPORHEIC
ZONE ARE SUPPORTED
BY STRUCTURES INCREASING
QUANTITY & LONGEVITY
OF WATER AVAILABILITY

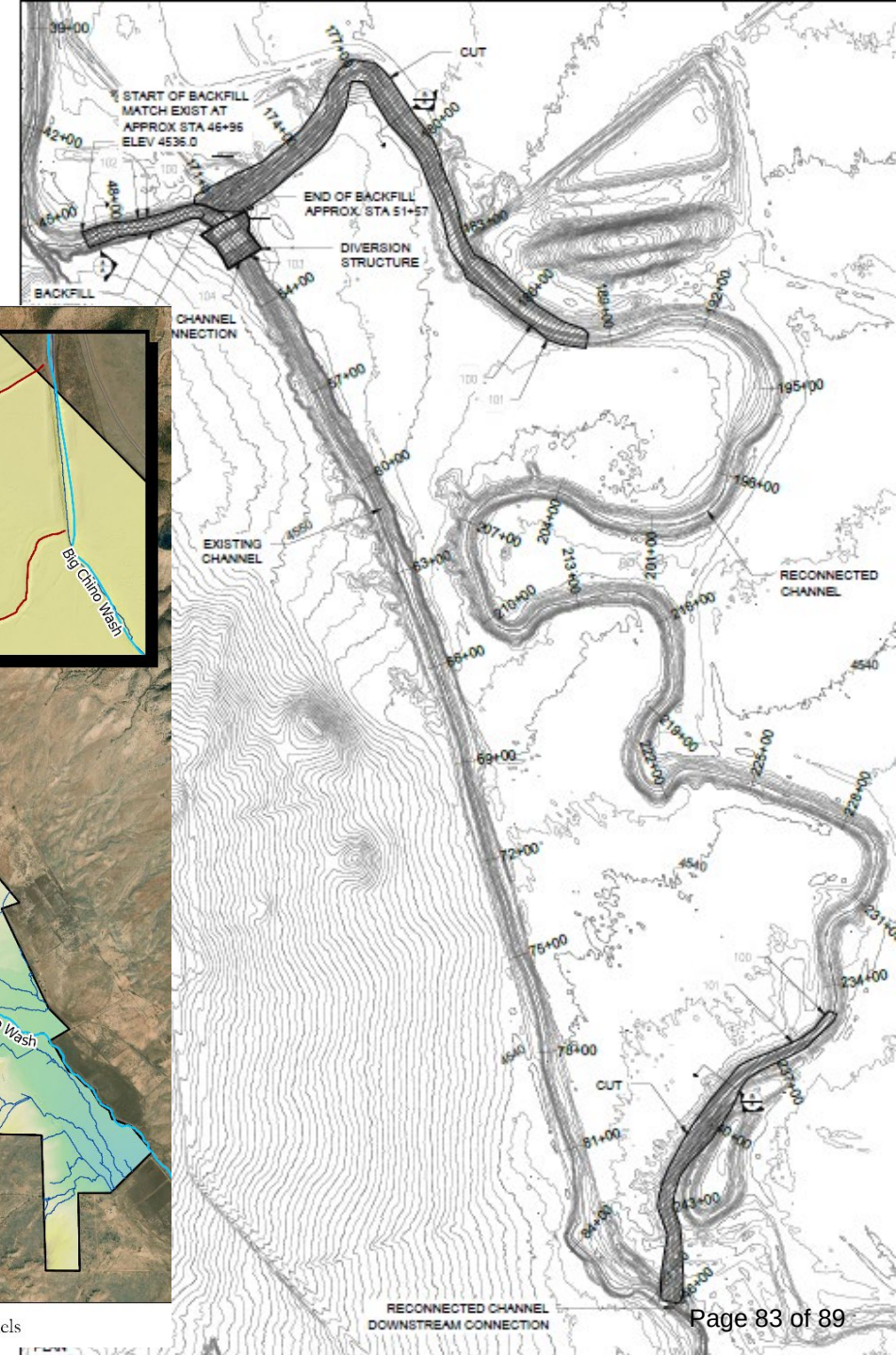
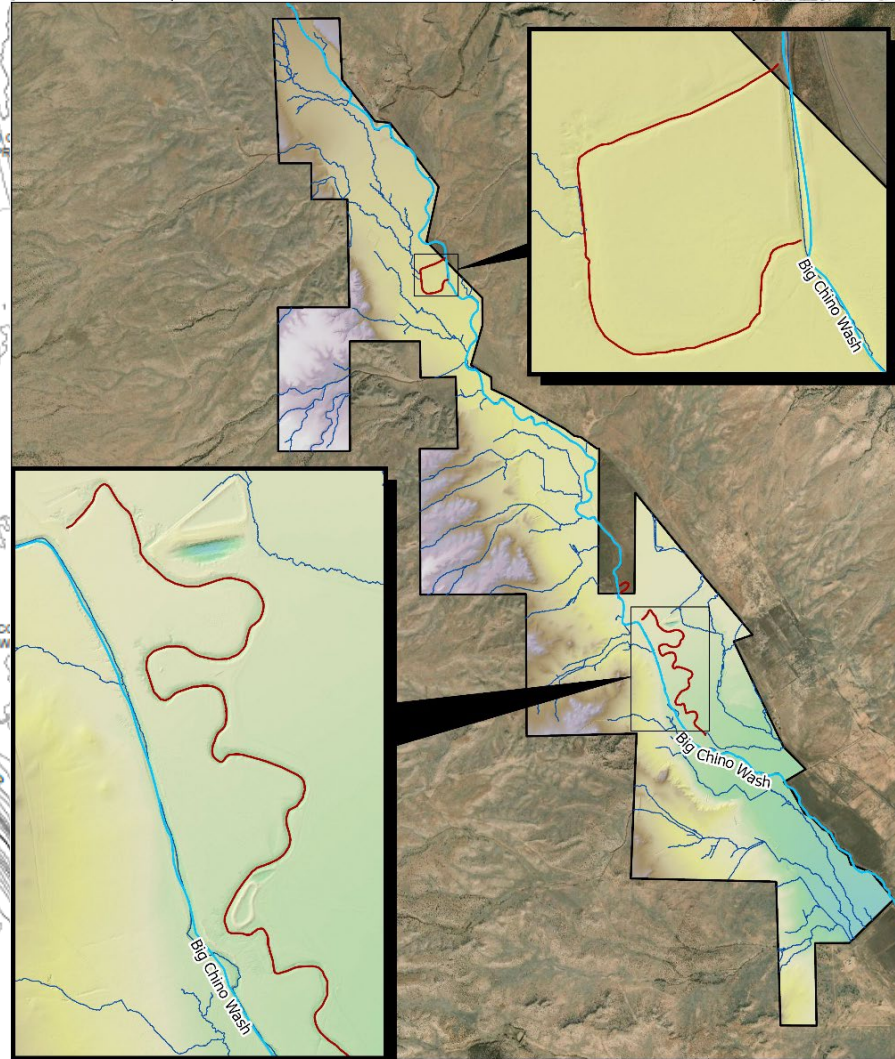
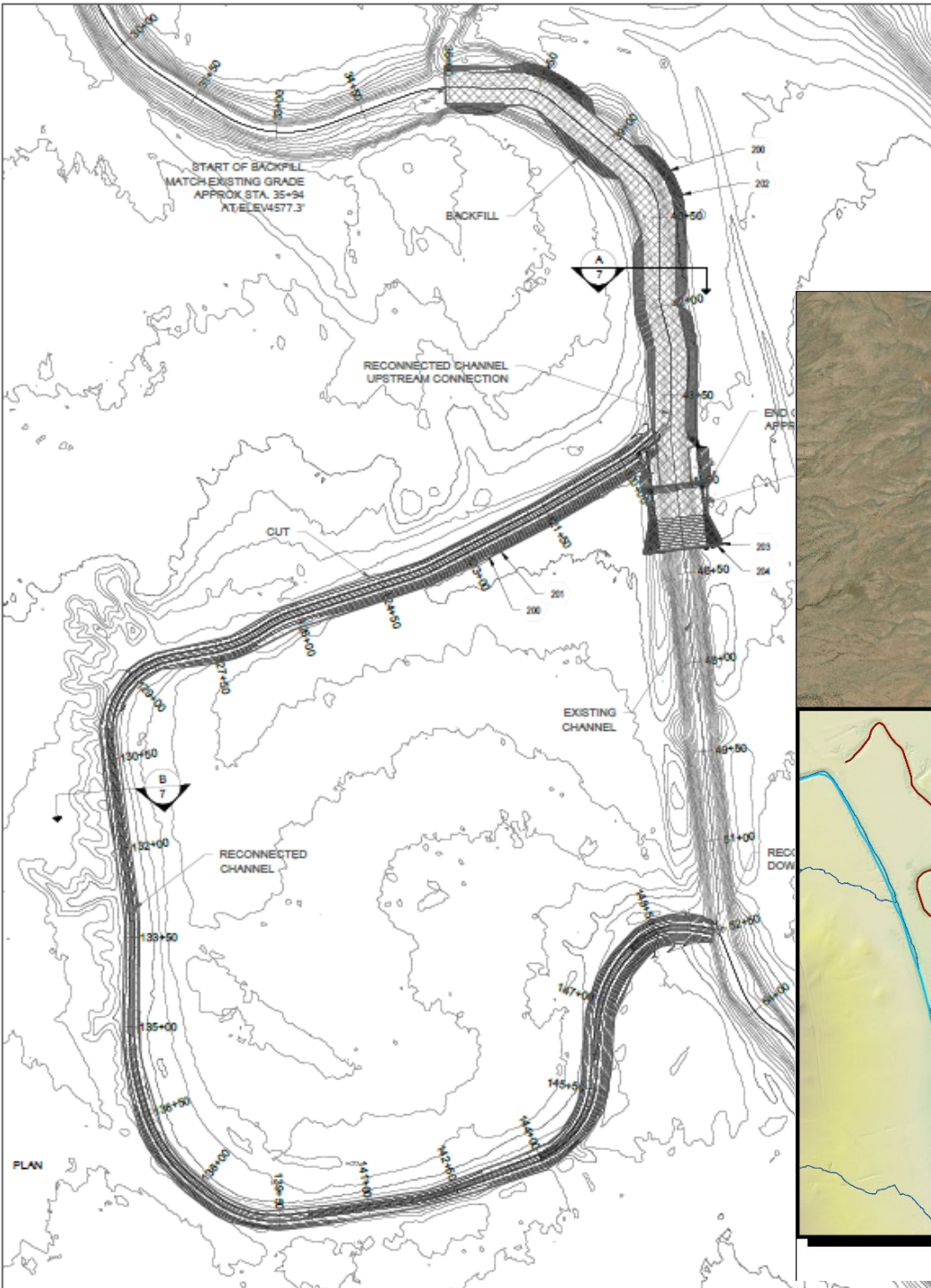
GABIONS

STRUCTURES FILTER & SLOW
WATER FLOWS, REDUCING FLOOD
HAZARDS & TURBIDITY = BETTER
WATER QUALITY & BETTER
WILDLIFE HABITAT
(BIODIVERSITY!)

DEEP SOIL SPONGES SUPPORTED
BY STRUCTURES, ENABLE DEEPER
MORE PLENTIFUL ROOTS, OVER
LONGER GROWING SEASONS,
THAT DRAW MORE CARBON DOWN!

STRUCTURES CAN INCREASE
INFILTRATION AND POTENTIAL
RECHARGE TO AQUIFERS, THAT COULD
SUPPORT WATER TABLES IN TIMES
OF DROUGHT

Illustrated by
HEARTWOOD VISUALS

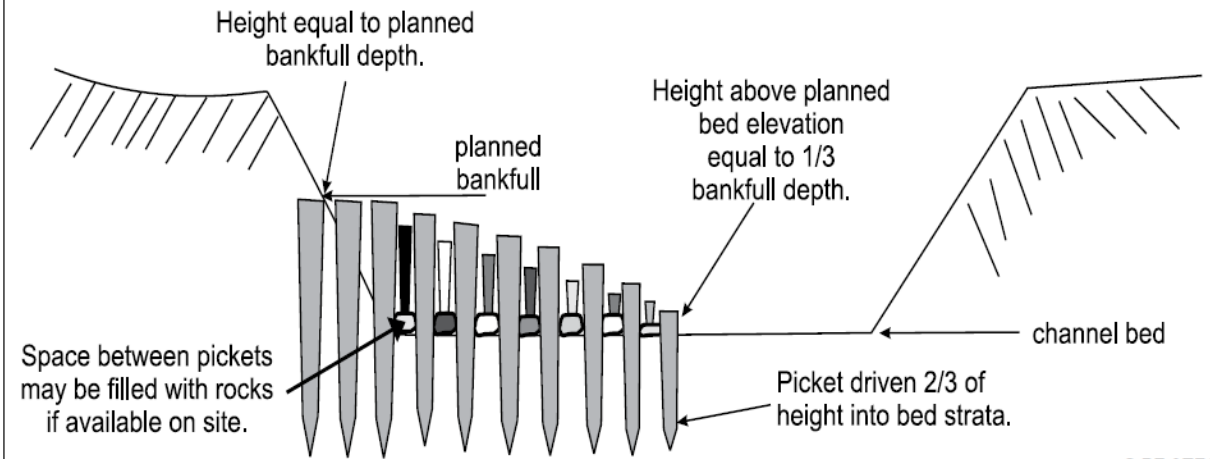


Opinion Of Probable Cost - 30% Design					
Big Chino Water Ranch - Design for Reconnecting Abandoned Geomorphic Channels					
Construction Material and Labor					
Item	Unit	Quantity	Unit Cost	Total Cost	
Clear and Grub	AC	9.2	\$ 3,000.00	\$ 27,600.00	
Excavation & Embankment	CY	23023	\$ 25.00	\$ 575,575.00	
D50=32" Riprap	CY	4691	\$ 300.00	\$ 1,407,300.00	
Geotextile Filter Fabric	SY	3127	\$ 10.00	\$ 31,270.00	
Rock Cross Vane weir	CY	10	\$ 16,500.00	\$ 165,000.00	
Double Net ECB	SY	10987	\$ 4.40	\$ 48,342.80	
Admin, Permitting, and Mobilization					
Survey /Layout	LS	1	\$ 5,000.00	\$ 5,000.00	
Local Permitting	LS	1	\$ 2,500.00	\$ 2,500.00	
Mobe/Demobe	LS	1	\$ 338,263.17	\$ 338,263.17	
As-Built Survey	LS	2	\$ 1,500.00	\$ 3,000.00	
Materials Testing and Compaction	LS	2	\$ 5,000.00	\$ 10,000.00	
Construction and Materials Total				\$ 2,255,087.80	
Admin. and Permitting Total				\$ 358,763.17	
25% Owners Contengency				\$ 653,462.74	
				Total \$ 3,267,313.71	

Figure 10.

Picket Baffle

(cross section)



© BZ & TEG

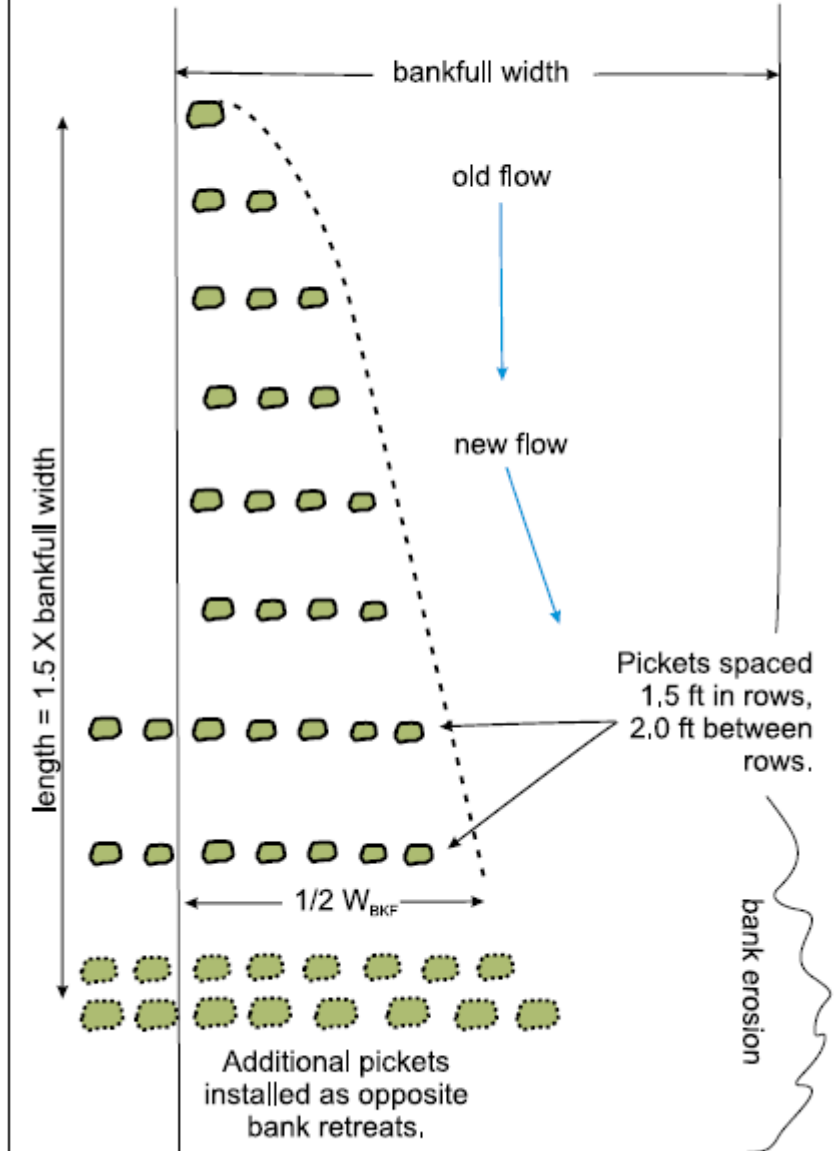


Picket Baffle filled with rocks, Galisteo Creek, NM.
(Photo courtesy of Earth Works Institute.)

Figure 9.

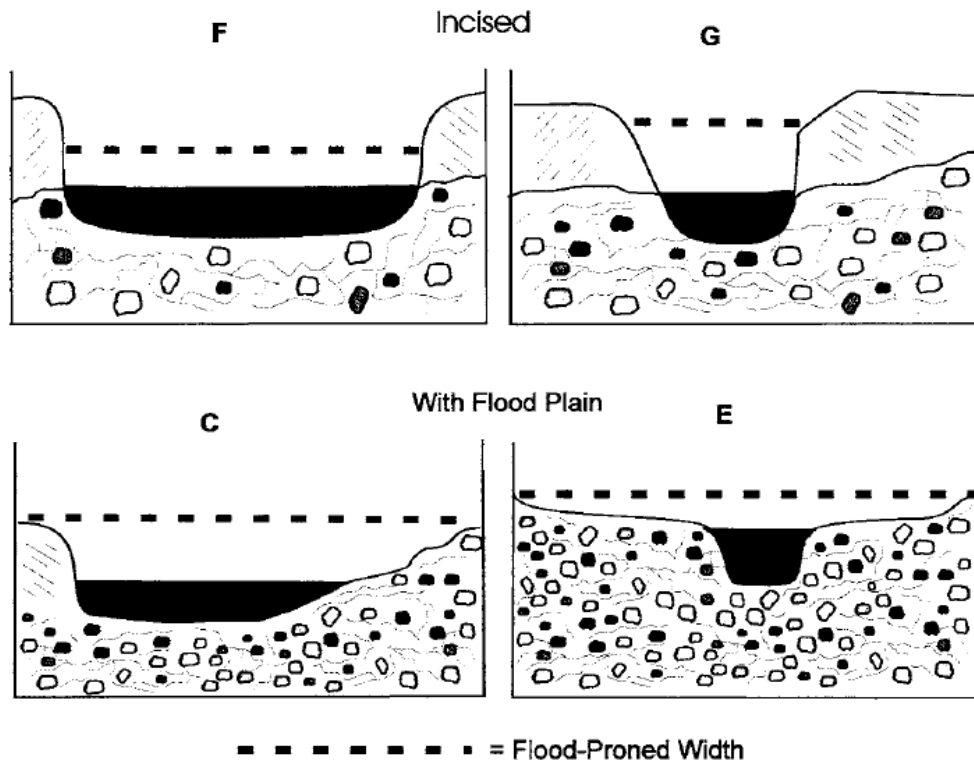
Picket Baffle

Plan View



© BZ & TEG

Rosgen Channels

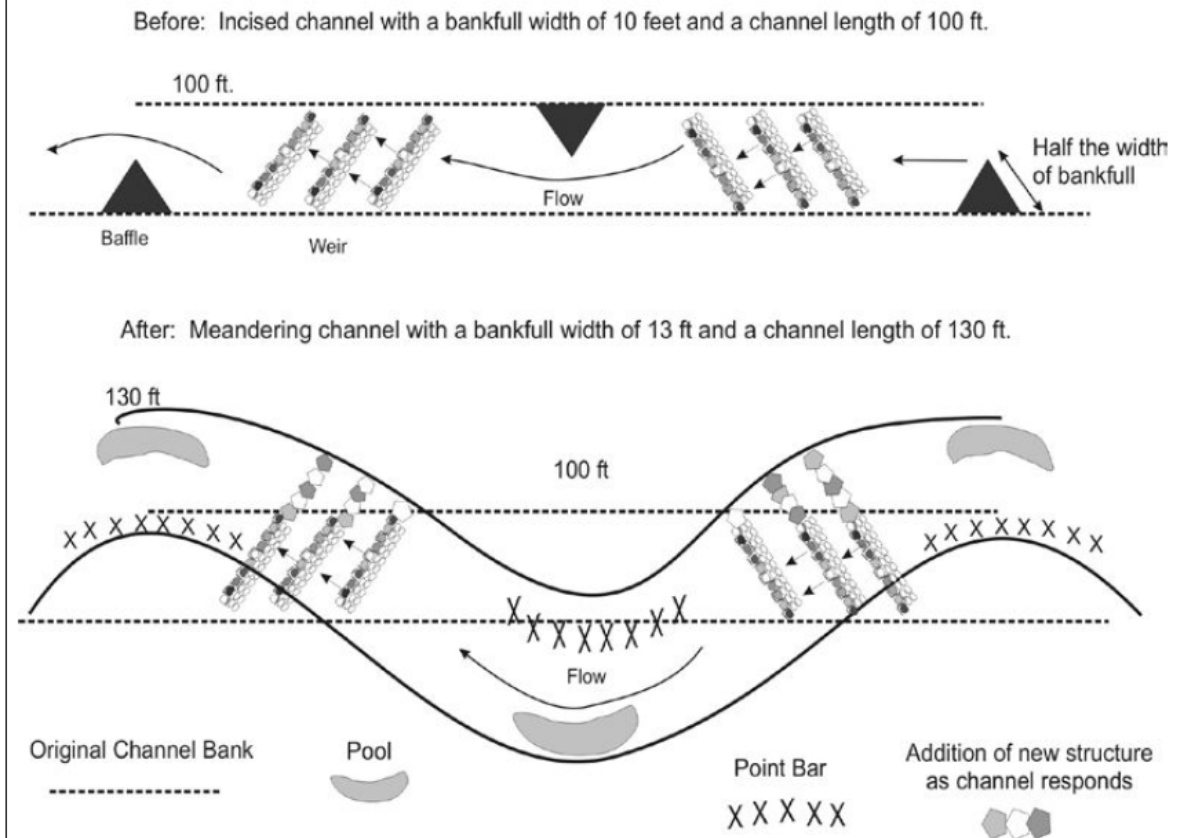


Rosgen, D.L., 1994. "A Classification of natural Rivers". Catena, No. 11 (3), pp. 169-199.

Figure 4.

Placement of Structures (Example)

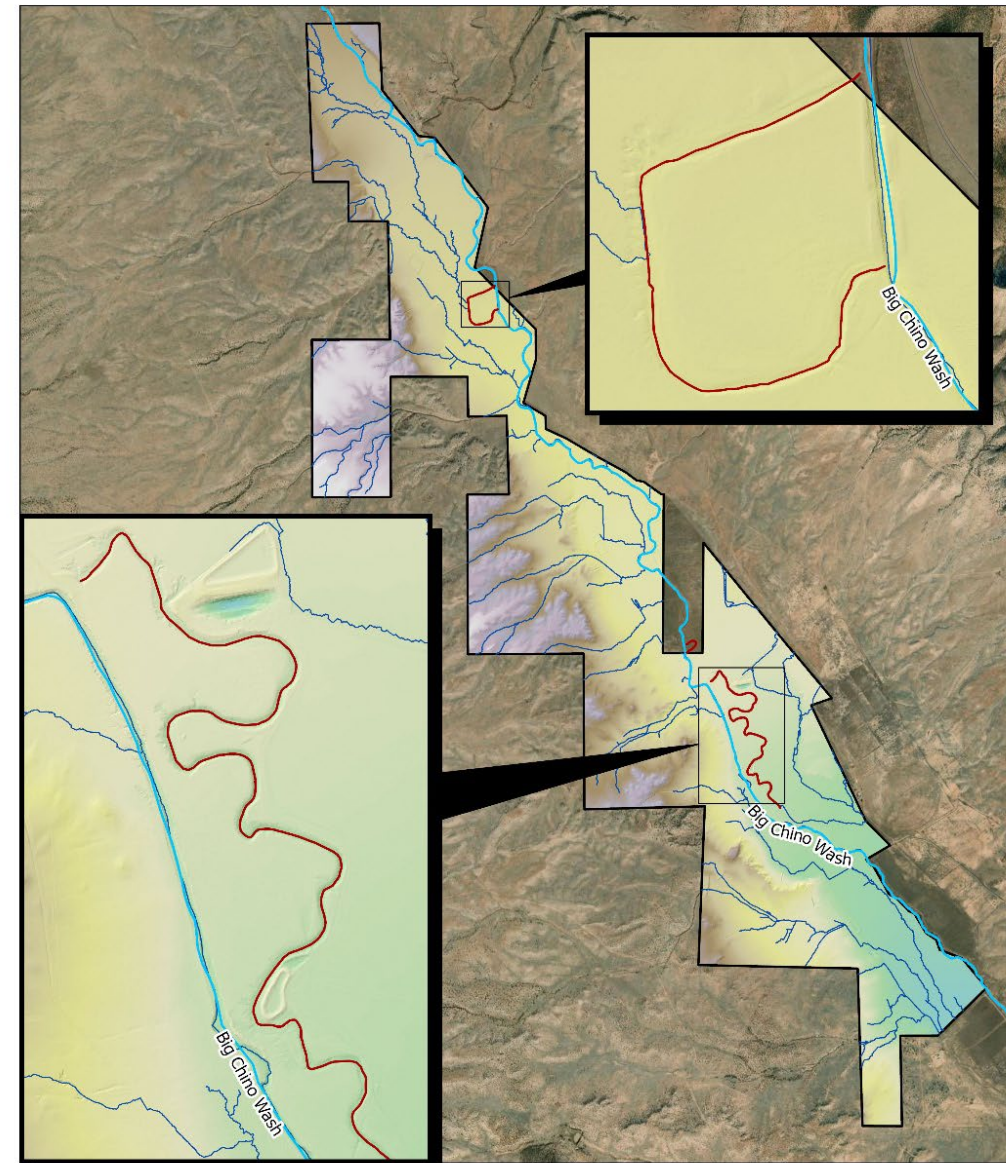
© BZ & TEG



Reconnecting Channel	Baffles
Benefits are immediate upon completion of design	Benefits is slowly developed with an unknown timeline
High initial cost	Low initial cost with long term cost for maintenance
Similar permitting requirements	Similar permitting requirements
Floodplain would develop in the project area	Floodplain would develop throughout the property

Proposal

- Move forward with a combination of both with only reconnecting the downstream longer channel and designing the baffles along the remaining wash
- Pause the design for Reconnecting Channel to allow time to consider permitting, funding and allow for additional project evaluation
- Develop 30%, 90%, 100% design for baffles throughout the length of Big Chino Wash.
- Upland LTPBR is on track to be completed in Sept. 2026



Big Chino Water Ranch Stream Network and Historical Channels

- Big Chino Water Ranch
- Big Chino Wash
- Historical Channel
- Streamlines

Thank You

Selena Pao
Northern Arizona Project Manager
Spao@tnc.org

The Nature
Conservancy

