



CITY COUNCIL MEETING

STUDY SESSION MEETING MINUTES

TUESDAY, OCTOBER 31, 2017, 1:00 PM

Council Chambers, 201 South Cortez Street

Prescott AZ 86303

(928) 777-1100

Harry Oberg, Mayor

Jim Lamerson, Mayor Pro Tem

Steve Blair, Councilman

Greg Lazzell, Councilman

Billie Orr, Councilwoman

Steve Sischka, Councilman

Jean Wilcox, Councilwoman

MINUTES OF THE STUDY SESSION MEETING OF THE PRESCOTT CITY COUNCIL HELD ON OCTOBER 31, 2017, in the COUNCIL CHAMBERS located at 201 SOUTH CORTEZ STREET, , Prescott, Arizona.

1. CALL TO ORDER

Mayor Oberg called the meeting or order at 1:00 p.m.

2. ROLL CALL

Harry Oberg	Mayor
Jim Lamerson	Mayor Pro Tem
Steve Blair	Councilman
Greg Lazzell	Councilman
Billie Orr	Councilwoman
Steve Sischka	Councilman
Jean Wilcox	Councilwoman

3. DISCUSSION

Deep Well Ranch Rezoning, Master Plan and Airport Specific Areas Plan Item Summary

Mayor Oberg announced the first study session of the Deep Well Ranch master plan for the City of Prescott. The study session includes a complex development plan proposed by Ron James with 1,800 acres on the Deep Well Ranch property which was previously annexed into the City of Prescott on October 2015. The 1,800 acres is part of the 18,000 acres on Deep Well Ranch in total. Workshops Sessions by the City Council are for fact finding and providing information for the members of the Council of critical issues facing the city and residents of Prescott. Public comment is sought to further inform the Council of the public view on matters being discussed.

Mayor Oberg stated the master plan envisions a planned community which is viewed by city staff as an improvement over a more sequentially developed property that can result in less desirable integration between units upon final build out. This plan proposes

an urban center in north Prescott near the airport which contemplates an additional 10,500 residential units and associated commercial centers being built over the next 30-50 years. On the property rights provided by the U.S. Constitution, the property owner has the right to bring forth the development of his or her property for city consideration. Equally important is the city's obligation to be guardians of the public trust and to ensure property development plans and agreements are consistent with city codes and ordinances along with a general plan which was approved by city voters in August of 2015. Development of The Deep Well property and master plan was submitted to the city, June 2017 and has been reviewed by city staff for many hundreds of hours. In addition, Prescott's Planning and Zoning Commission (P&Z) has conducted seven meetings evaluating the master plan and zoning request. After considerable discussion, the P & Z Commission voted 4 to 3 to recommend approval for the plan and city Council's review and action. In it's recommendation the P & Z Commission provided 21 points for consideration to be addressed before approving the master plan and subsequent development agreement with the city.

The Deep Well Ranch master plan has generated considerable public comment that has been mostly and exclusively negative. Residents have expressed concerns relating to the availability of water, possible impact on airport operations, the level of increased activity of highway 89, 89A and Willow Creek Road and significant possible changes on Prescott and its culture. Mayor Oberg shared that with the P & Z Commission considerations and public comments, the Council should properly evaluate the previously stated concerns. This study session is the first to begin this process.

Councilman Lazzell inquired with regard to timeline and if the time frames should proceed under the current city Council. Mayor Oberg shared the evaluation could be processed rather quickly however, there is no indicator to determine whether or not a decision could occur with the current Council or the new Council. Councilman Lazzell expressed concerns if the time frames moved beyond into the new Council, it would necessitate a repeat of discussions in its entirety.

Michael Lamar, City Manager, discussed the existing overview of the master plan and breakdown of the P & Z Commission's review and discussion along with their approval and 21 conditions. A brief review of the water allocations, discussions about the applicants and if a second workshop is necessary to discuss topics such as the general engineering standards, the airport and the development agreement. Due to the upcoming elections, Mr. Lamar suggested an invite to the Council elect to participate in the dialogue of the project.

Existing Zoning for Deep Well Ranch

Planning Manager George Worley presented on the P & Z Commission meetings of the master plan. It is considered to be a very complex master plan. Most master plans focus on land uses and particular areas to move things back and forth. This plan contains whole sections of development details that are not in a master plan. Council Member Sischa asked if it were necessarily bad. Mr. Worley stated no, the reason pertains more to the depth of the complexity with regard to land uses and locations. It requires

more efforts on the planning side of Public Works and the development side of the Public Engineering department which would entail two separate codes for verification purposes. With regard to the location, the area is in a prime location for development. It is rather large with multiple roadways, the airport is in its immediate vicinity and was annexed into the city in 2013. Pro Tem Lamerson requested clarification that before the area was annexed four years ago, it had been contemplated around 2003 and 2004 in the General Plan and again in 2010. Mr. Worley concurred that the development was desired in 2003. The existing zoning for the Deep Well Ranch was presented. The current zoning on the property includes a mix of single family, multi-family, several different commercial designations and a large section which is industrial currently.

Deep Well Ranch and Current Zoning Density

Mr. Worley presented on the Deep Well Ranch's current zoning density which includes industrial light and development, business regional use, multi-family residential units and single-family units and mixed used which is light commercial use. The commercial areas provide opportunities which brings tax dollars. The designation has been determined via mapping but no development has occurred. Pro Tem Lamerson inquired what the contemplated population was in the last General Plan build out. Mr. Worley indicated it could vary due to unpredictability but the last numbers were estimated at 60,000 however, considerations need to factor in water and long term development. Potential development densities could entail 15,069 dwelling units. Pro Tem Lamerson stated that the water needs will depend on population.

Master Plan Area Map

Mayor Oberg requested that the master plan and the subsequent agreement be discussed as there are variations that need to be determined with regard to development. Councilman Sischka shared that varying from the standards we have now, is not a bad thing. Mr. Worley said it is not bad, it is complex. Councilman Blair commented within the master plan, there are subsections to the master plan that are always eligible to change. Prescott Lakes was used as an example in which the master plan was changed numerous times. According to Mr. Worley, amendments to the master plan are inevitable and have to go back to P & Z Commission and Council for approval. People want to be assured of that the master plan is not set in stone and can be changed. Mr. Worley agreed, some of the policies may be amended and modified. Councilwoman Wilcox inquired as to who would make decisions on the changes in the master plan and if delegated administrators have autonomy to make changes without public input or public hearing and had it been negotiated. The importance of transparency was expressed. Mr. Worley acknowledged that modifications would entail decisions on a Council level and staff level of the master plan.

Mayor Oberg asked what type of information is available to the public. Mr. Worley shared that access on the city's website is available to the public. Mr. Worley stated there are provisions that either party can propose modifications. Amendments occur quite a bit and is common. The property owners want certainty of standards and not constant change such as updating the city code, lock down the codes as they are today.

Subdivisions can be locked down and maintain the same standards. Councilwoman Orr questioned if dark skies were affected. Mr. Worley indicated that it affectively complies with Prescott's requirements. Councilman Sischka suggested that it would be important to consider the market and address preferences such as dark skies to identify who would move here. Councilman Blair discussed Prescott Lakes as a master plan, and it had a sheet flow which builds an infrastructure and how it handles the water and drainage. He hopes that the lot drainage is taken into consideration and should be in the plan.

Mr. Worley explained that there are a different set of standards and requirements that apply to using the property for commercial, residential or civic and creates mixed use. Not everyone is going to use traditional zoning. The layers allow certain uses and has specific development standards. Pro Tem Lamerson inquired what happens if something is changed or they want to go backwards. Mr. Worley said in the future, it goes back to land use groups and see what is allowed through the layers and it is a one-time zoning of the property. The Council would still have to work within the master plan land use budget. If the budget goes over the amount, then it would be a master plan amendment. Pro Tem Lamerson shared concerns with regard to build out, including water and long range planning. Councilwoman Wilcox stated that a commercial center development in this area is critical.

Councilman Sischka asked how can we mandate a minimum of commercial space if the market doesn't want it. Mr. Worley stated that a minimum number would sit in the budget until the market demanded it.

Councilman Blair stated that a plan has to be well designed before dictating a commercial area and would like to make sure conversations take place about fire, police, cemeteries and everything is covered. Councilman Lazzell would like to move away from substation and fire stations because it is a one time cost however, manning operational costs in the project through the developers. With these stations and the growth of Prescott, can we legally use for example, home owner associations fees to go toward public safety. Mr. Paladini said the development could pay for the operational cost to public safety and it would need to allocate it out for this project. However, the service area would be broader. You can't do it with a Community Facilities District (CFD) or development impact fees. Mayor Oberg asked for clarification on the existing zoning and a land use group. Mr. Lamar asked if the existing zoning is what the Council wants or to utilize the master plan. Mr. Paladini identified that in most cities are exclusive ours is inclusive zoning. The only way to manage is by a development agreement or the master plan, with regard to commercial use, you can build commercial use but you cannot force them to be occupied and there are challenges to agreement versus occupancy. Councilwoman Orr stated that Planning and Zoning Commissioner Mabarak mentioned that you can't make retail come. Mr. Worley stated the benefits of a master plan are very strong over traditional zoning. Master plans offer more flexibility. Mr. Lamar asked under the existing zoning is there any negotiation for civic uses. Mr. Worley stated not at this time.

Recommended P & Z Commission Conditions

The Planning & Zoning Commission held seven planning meetings that went 3-3 1/2 hours. The P & Z Commission had 21 conditions. Some of the conditions were the result of the P & Z Commission and the results caused some modifications to comply with recommendations. The Council can choose to consider, accept or throw out any of the of the conditions.

1. The Planning & Zoning Commission recommends to the city Council that they negotiate a reduction of 50% of the number of the dwelling units, overall density and commercial square footage, all of which we feel to be excessive.
2. The master plan shall comply with the City Land Development Code (LDC) within the Specially Planned Community (SPC) zoning as approved with amendments. Any major variation to this shall be spelled out in the Development Agreement with the city Council. The master plan shall also comply with all aspects of the General Plan.
3. All city rules, regulations, policies and codes shall apply to the master plan unless specifically waived or allowed to be amended in the development agreement with the City Council. None will automatically supersede.
4. The Public Works Department will provide a comprehensive report, including traffic and circulation, to the Planning Staff and City Council to include their appraisal of the master plan and any recommendation or conditions of approval including engineering standards.
5. The Airport authority, with input from Airport stakeholders, shall provide a comprehensive report relating to the potential impact of the master plan on the Airport.
6. Site plan review by the Planning and Zoning Commission shall be required for all individuals commercial and multi-family projects.
7. All city, county and state subdivision approval rules, procedures and submissions shall apply.
8. The current General Plan calls for only commercial and open space in the Airport's Zone 3. Therefore, there should be no separate residential. Mixed use projects may be allowed with a Site Plan review.
9. A maximum building height shall be 50' or less as noted in Exhibit 6.26 of the master plan. Only Land Use Group (LUG)-GU (General Urban) shall have the option of a Special Use Permit (SUP) approval of additional height, within FAA allowances applied at the time of the Site Plan review.
10. A landscape buffer of 100' minimum shall be provided along Pioneer Parkway and any proposed development. It shall be landscaped, irrigated and maintained by the Developer(s).

11. All street landscaping to be maintained by the Developer(s), including recreation, park areas and street dividers and islands. Park and open recreation areas shall be open to the public.
12. Cell towers and utility sites shall be handled through the existing Special Use Permit (SUP) process for cell tower approval.
13. Trail systems throughout the various LUGs shall be designed for connectivity with new and existing trails. Trail construction and maintenance shall be the responsibility of the master plan Administrator/Developer(s).
14. All existing city parking standards shall apply, per the LDC.
15. A plant pallet or list similar to the city recommended list and Arizona Department of Water Resources (ADWR), shall be included in the master plan for common use.
16. Water saving methods in irrigation and water feature shall be utilized throughout all LUG's. Landscaping shall meet all requirements of the Prescott Active Management Area.
17. All areas of the master plan shall follow the city's rules for night sky protections regarding lighting restrictions. A comprehensive lighting plan may be considered for lighting alternatives.
18. Wildlife movement shall be accommodated as much as possible in the master plan and individual LUGs and every effort is to be made to coordinate with ADOT for access.
19. The master plan shall take future transit systems development into consideration and provide a street network along arterial and district corridors that can support transit bus use for vehicles of up to 40 feet in length. These would include options for bus pull-outs appropriately sized intersections with adequate turning radii and good sight lines, and park and ride facilities which might support bus transfers at some future time.
20. Residential protection standards per Section 6.13 of the Land Development Code shall be included.
21. Open Space designated areas shall not permit habitable buildings per Prescott General Plan and LDC definitions, including 50% Open Space and 50% Civic Space.

Call to the Public

Mayor Oberg suggested an opportunity for the public to speak. Mayor Oberg asked members of the public to try to refrain from water and density with traffic discussions at this point because it still needs to be briefed and would be premature to conduct discussion on these matters at this point.

Bill Gauslow, citizen, suggested to create a hybrid city of Deep Well Ranch. Mr. Gauslow is not in favor or opposed. It was suggested that a stand alone town be created with regard to electric and stand alone water. Mr. Gauslow demonstrated the costs associated with the cost of a hybrid city at \$33 million.

Chuck Queen, citizen, spoke on the regulations and how it would operate. Mr. Queen quoted excerpts from the October 2, 2017 Master Plan and expressed concerns with regard to general development standards and guidelines and who has authority to make changes without regard to public or Council's input. Moreover, there were concerns related to the master plan administrator having soles rights to make decisions and determines what will be built. Mr. Queen asked if the public will have time to review and comment on the development agreement. Mr. Paladini stated everything will be shared with the public before any agreement be accepted and there will be a review time on the development agreement. Will the public be able to comment on the development agreement? Mr. Paladini stated that everything would be done publicly.

Anna Perez, citizen, from Prescott Valley, discussed the density of the 25,600 acres Deep Well Ranch and questioned the level of decision making of the Council or the administrator. Ms. Perez also requested that the developers be more public friendly and asked for more transparency to be more favorable of the project.

Sal Lutey, fifty year citizen, gave a history of Deep Well Ranch.

Ralph Petrich, representing James Foundation, discussed the unique land opportunities for the James Ranch and portions of the 1,800 acres which one owner is willing to come to the table and complete a master plan. The James Ranch has 18,000 acres and will remain an operating ranch minus the 1,800 acres and inquired about the density.

Ralph Hess, citizen, said in view of the number of citizens who are interested in this issue, has the Council considered negotiating the best legal alternative to a master plan and referring to citizens as a ballot proposition referring to Chapter 10 of the city Charter so that all members of the public can have a voice and vote to approve the master plan.

Mr. Paladini informed the Council that zoning by initiative is illegal in the State of Arizona. Zoning is a legislative act which is referable. If the Council were to approve a rezoning, the rezoning doesn't take affect for thirty days but the Council would have to act on it as an initiative to the voters.

Ken Mabarak, Prescott Planning & Zoning Commissioner shared that reviews have been a very detailed process and complex issue and cautioned the Council to look at other factors aside from density. The density is one issue and there is more to this than density. Mr. Mabarak gave thanks for cooperative measures being taken and thanked the Council for their efforts.

Mayor Oberg suggested another meeting be scheduled to address airport and water. Mr. Lamar inquired if the current Council body wanted to continue to work on the

project. Mayor Oberg and Council members shared an expressed interest to continue the subject matter. Mayor Oberg announced a continued discussion on the matter for November 7th have a study session from 1:00 p.m. to 3:00 p.m.

4. ADJOURNMENT

There being no further business to discuss, the Study Session adjourned at 3:11 p.m.

HARRY OBERG, Mayor

ATTEST:

MAUREEN SCOTT, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session Meeting of the City Council of the City of Prescott, Arizona held on the 31st day of October, 2017. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2017.

AFFIX
CITY SEAL

MAUREEN SCOTT, City Clerk