



CITY COUNCIL MEETING

STUDY SESSION MEETING AGENDA

TUESDAY, AUGUST 29, 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

The following Agenda will be considered by the Prescott **City Council** at its **Study Session 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

1. CALL TO ORDER

2. ROLL CALL

3. DISCUSSION

- A. Request by U.S. VETS for an Allocation of City Water to Support a Proposed Redevelopment Project at 1040 Whipple Street.
- B. Presentation by Public Works of Delivery Methods for Downtown Capital Improvement Projects.

4. ADJOURNMENT

EXECUTIVE SESSION

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)).

THE CITY OF PRESCOTT ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48 hours advanced notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 777-1272 to request an accommodation to participate in this public meeting. Prescott TDD number is (928) 445-6811. Additionally, free public relay service is available from Arizona Relay Service at 1-800-367-8939 and more information at www.azrelay.org

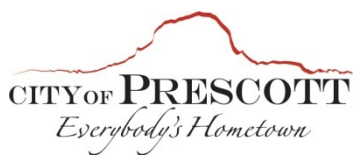
Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

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

Maureen Scott, MMC, City Clerk

**COUNCIL AGENDA MEMO**

MEETING DATE/TYPE: **STUDY SESSION MEETING** **8-29-17**

DEPARTMENT: **Water Resources**

AGENDA ITEM: Request by U.S. VETS for an Allocation of City Water to Support a Proposed Redevelopment Project at 1040 Whipple Street.

Approved By: Michael Lamar, City Manager

Item Summary

Water Service Agreement Application No. WSA17-009 was submitted on April 14, 2017, by Carole Benedict on behalf of U.S.VETS, requesting an alternative water allocation for conversion of an existing commercial building into a 60-unit low-income apartment complex for veterans and other community members. U.S.VETS sought an Arizona Department of Housing grant to fund the project.

On May 23, 2017, the Council adopted Resolution No. 4385-1594, endorsing the project. However, the grant funding was not obtained. U.S.VETS subsequently submitted a revised project, to be financed by other sources, consisting of 88 studio units, a manager's apartment, a 14-unit shelter with 56 beds, and a commercial kitchen and dining hall, which would require an increased quantity of alternative water from the City.

At their meeting of August 1, 2017, the Council Water Issues Committee referred the revised request of the U.S.VETS to the full Council for a presentation by the applicant at a Study Session, and related discussion.

Background

APNs 115-09-008C, D, and 010A are part of the Gardenland Tract and Hinman Tract Subdivisions, and zoned Business Regional (BR). The project scope consists of interior renovation of the existing buildings for the above-described uses. Review of utility billing records established historical annual usage of two (2.0) acre-feet (AF) of groundwater, which can be applied to offset, in part, the water necessary for the building conversions.

The project will require a total of 14.35 AF of water: the 2.0 AF of grandfathered groundwater, and a new allocation of 12.35 AF of alternative water from the Calendar Year 2017 residential budget. Since this amount (12.35 AF) is less than 50% of the

AGENDA ITEM: Request by U.S. VETS for an Allocation of City Water to Support a Proposed Redevelopment Project at 1040 Whipple Street.

present remaining 2017 residential budget (25.56 AF), it could be approved by Council within existing water management policy.

Council Resolution No. 4385-1594

At their voting meeting of May 23, 2017, the Council adopted Resolution No. 4385-1594 providing:

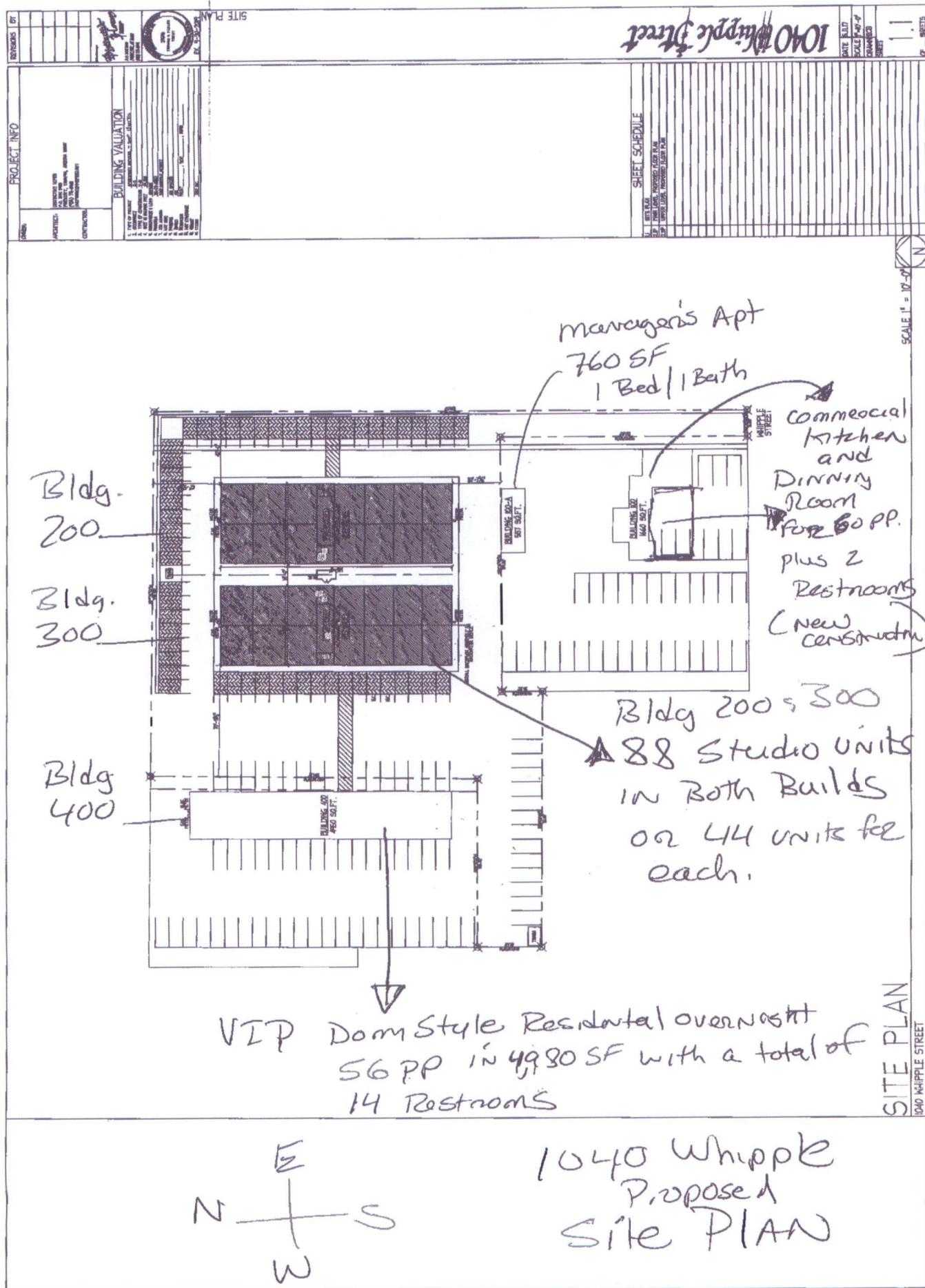
1. City endorsement of the project. *(Note: As mentioned above, the scope of the project has been expanded.)*
2. A finding of particular benefit to the health, safety, and welfare of the community, pursuant to Policy 16 of the Water Management and Calendar Year 2017 Alternative Water Allocation Policy, as amended.
3. The setting aside of 7.0 acre-feet of alternative water, pending the determination/award of grant funding by the Arizona Department of Housing. *(Note: The volume of 7 AF has been returned to the Calendar Year 2017 Alternative Water budget since the grant was not received, and the project has been revised.)*

Attachments

1. Location Map
2. Revised Site Plan
3. Application No. WSA17-009 (revised) with updated Project Narrative

Recommended Action: Placement of the application on a future Voting Session agenda for consideration, or other direction as determined by the Council.





Attachment: Revised Site Plan (1616 : U.S.Vets)

WSA 17 - 009



WATER SERVICE AGREEMENT APPLICATION

Water Resources: Annikki Chamberlain
 201 S. Cortez St., Prescott, AZ 86303
 (P) 928.777.1645 (F) 928.777.1255

Note: This project changed as a result of no grant award.

Please complete the form and submit a legible legal description on a separate sheet of paper as well as a site plan of the subject property with proposed improvements. Submit all documents and the filing fee directly to the Community Development Department at 201 S. Cortez St, Prescott, AZ 86302.

New project description attache

APPLICANT INFORMATION

Applicant: U.S. VETS Contact Person: Carole Benedict
 Address: 917 E. Gurley st City/State/Zip: Prescott AZ 86301
 Phone: 928-583-7478 Email: ebenedict@usvetsinc.org

PROPERTY OWNER INFORMATION

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

PROJECT SITE

Address: 1040 Whipple St. Prescott AZ
 Current Zoning: Commercial / Residential Proposed Zoning: Residential / Commercial
 Assessor's Parcel Number(s) of Existing Property
115-09-008D
 Existing Water Service (Y/N): Y Existing Sewer Service (Y/N): Y
 Existing Well (Y/N): N If Yes, Well Registry No.: N/A

PROJECT DESCRIPTION

Is the project Residential or Commercial? mixed - Residential with onsite
 Please provide brief description: social service offices

of Proposed Units: 40 *88 units* # of Proposed Lots: _____
1 mgr unit
Dormitory

Has a Water Demand Analysis been completed (commercial)?

Has a building permit application been submitted?

Has a Planning and Zoning Recommendation been made?

N/A
N/A

FEES: Fees are subject to change.

Single Family Residence	Multi-Family/Apartments	Residential Subdivision	Commercial Subdivision or Individual Commercial Project
☐ \$150	2-5 units ☐ \$150	6-25 lots ☐ \$300	<2 acre feet ☐ \$150
	6-10 units ☐ \$200	26-100 lots ☐ \$500	2-4.9 acre feet ☐ \$200
Existing Connection	11-50 units ☐ \$300	100+ lots ☐ \$700	5-10 acre feet ☐ \$250
Change of Use	51-99 units ☐ \$400		>10 acre feet ☐ \$300
☒ \$150	100+ units ☐ \$500		100+ units ☐ \$500

Applicant Signature:

C. Benedict

Date: 4-14-17

Exhibit A - Water Application

Citigate Apartments

An Integrated Permanent Supportive/Affordable & Needs-Based Housing Campus

Applicant: YC Development Properties, LLC and United States Veterans Initiative (U.S.VETS)

Proposed location: 1040 Whipple St., Prescott, AZ

Project Summary:

YC Development Properties, LLC and U.S.VETS are submitting this application water allocation which entails the acquisition and renovation of an existing complex known as the Prescott Business Center which is approximately 36,000 sf and is made up of five buildings. The goal is to covert this office complex into an integrated permanent supportive housing, affordable housing and needs-based housing campus known as Citigate Apartments (Citigate). Citigate will have two primary components. Two of the five buildings (Buildings #100 & #400 per the attached site plan) will be leased to the United States Veterans Initiative, hereinafter referred to as U.S.VETS, a non-profit organization created to meet the requirements of a federally funded program to house, feed and offer rehabilitation services to 56 veterans aka Veterans in Process (VIP) program. Two additional buildings (Buildings #200 & #300 per the attached site plan) consisting of approximately 28,000 sf in total and will be converted to 88 permanent supportive housing and affordable efficiency apartment units. These 88 units are projected to be leased at the Housing and Urban Development (HUD) Fair Market Rate (FMR) for Yavapai County, of \$683 per month including utilities. U.S.VETS may lease up to 50% of these units as permanent supportive housing for veterans. The fifth building is currently a manager's apartment that would be utilized for an onsite manager/security presence for the campus. This building will be expanded to include a laundry facility for the campus.

Outline of Renovation Plan:

Building 1

- Current commercial building with a beauty salon & offices totaling approximately 2,000 sf.
- This building will be remodeled and expanded by an additional 7,500 sf in order to facilitate a commercial kitchen, dining area, administrative offices, outreach/coordinated entry center, food pantry and other program services for U.S.VETS.

Buildings 2 & 3

- Both buildings are identical and are approximately 14,000 sf each and are 2 story office buildings to be converted to 88 efficiency apartment units (see attached floor plans).

Building 4

- This is a single-story office of approx. 4,950 sf that will be converted into 14 dormitory style housing units (see attached plan) that will accommodate up to 56 occupants for the U.S.VETS needs based housing program call Veterans In Progress (VIP).

Building 5

This is an existing managers apartment of approx. 760 sf that will be utilized for an onsite manager/security presence on the campus and be expanded by approximately 1,286 sf to include additional U.S.VETS support offices and a laundry facility for the campus. The existing building along with the expansion of this building also includes a lower level underneath the entire area. This lower level will incorporate 44 storage units that will be available for lease to the tenants of the efficiency units.

Funding: YC Development Properties is currently in application for local community develop funding from various local and regional lenders. Funding for these programs mandates on-site services that must be included in the project, which U.S.VETS is currently offering the following: case management, counseling, life skills classes, workforce development, benefit application assistance and food pantry. U.S.VETS staff are SOAR certified and can submit applications via Social Security for disability benefits. U.S.VETS is also a HEAplus partner with the State of Arizona Department of Economic Services, so we can also submit applications for ACCHCS, food stamps, TANF, and other state aid benefits.

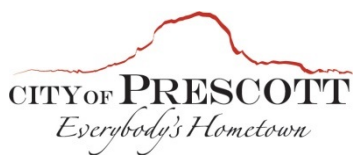
Community Sector Served: 1) Veterans: Chronic homeless, elderly homeless, homeless with SMI diagnosis. 2) General population: Affordable & Low-Income sectors.

Estimated Rental housing costs: Will be at what the Fair Market Value (FMR) is at the time of leasing, current rates are studio-\$683 to include utilities.

U.S.VETS:

U.S.VETS has actively been leading the local continuum of care meetings within Yavapai County, and has sufficient experience and data available to submit a competitive application for funding. U.S.VETS implemented and facilitates the Coordinated Entry within Yavapai County, which is required in order to apply for HUD funding. It is the intent that additional funding will be continually sought out for this project. Prescott has a rental market at 98% capacity, with any available rentals ranging at a minimum 150% above FMR. Yavapai County has nearly four times the national average of homeless veterans (34%) and our continuum of care overall has a 40% chronic homelessness rate.

Prescott is the HUDVASH catchment area for Northern Arizona. The HUDVASH contract manager will provide an MOU stating the HUDVASH vouchers can be utilized, with veteran choice, within these proposed rental units. U.S.VETS is seeking a similar commitment from the Arizona Department of Housing Section 8 administrator

**COUNCIL AGENDA MEMO**

MEETING DATE/TYPE: **STUDY SESSION MEETING** **8-29-17**

DEPARTMENT: **Public Works**

AGENDA ITEM: Presentation by Public Works of Delivery Methods for Downtown Capital Improvement Projects.

Approved By: Michael Lamar, City Manager

Item Summary

Currently there are six downtown capital improvement projects that are in various stages of design. Public Works will present a plan for delivering these downtown capital improvement projects more efficiently and cost effectively.

Recommended Action: Presentation for Council information and discussion – no formal action is requested at this time.