



CITY COUNCIL MEETING

STUDY SESSION MEETING MINUTES

TUESDAY, JANUARY 8, 2019, 1:00 PM

Council Chambers, 201 South Cortez Street

Prescott AZ 86303

(928) 777-1272

Greg Mengarelli, Mayor

Billie Orr, Mayor Pro Tem

Steve Blair, Councilman

Phil Goode, Councilman

Jim Lamerson, Councilman

Alexa Scholl, Councilwoman

Steve Sischka, Councilman

MINUTES OF THE STUDY SESSION MEETING OF THE PRESCOTT CITY COUNCIL HELD ON JANUARY 8, 2019, in the COUNCIL CHAMBERS LOCATED AT 201 SOUTH CORTEZ STREET, PRESCOTT, ARIZONA.

1. CALL TO ORDER

Mayor Mengarelli called the meeting to order at 1:00 p.m.

2. ROLL CALL

Greg Mengarelli	Mayor
Billie Orr	Mayor Pro Tem
Steve Blair	Councilman
Phil Goode	Councilman
Jim Lamerson	Councilman
Alexa Scholl	Councilwoman
Steve Sischka	Councilman

3. DISCUSSION

A. Update on the Hilton Garden Inn Project.

City Manager Michael Lamar introduced a presentation to Council regarding the Hilton Garden Inn Project. He said that everyone involved in the project is excited to be able to bring it forward and that it will rejuvenate the Shelton & Montezuma area and the Granite Creek Corridor. He also commented that this project will be great for the City of Prescott and discussed the various organizations that have been involved in the Project as well as the local community organizations and areas that will benefit from the project.

Mr. Lamar commented that if it wasn't for the Shumway's and the Hilton company this project would not be coming forward. He also discussed resolutions to some of the issues that had been raised when the project was initially presented.

Resolutions:

*Email from Restoration Church in favor of the project.

*A Homeless meal site has been located.

*Existing park impact - will impact a couple of trees that are approaching the end of their life cycle and those will be replaced. The obelisk will stay where it is and additional landscaping will be added around it.

*Hotel height - will be 55 feet or lower which is allowed in the zoning category.

*Public Notice - this project has been noticed five (5) times which is above the amount required by Arizona law.

*Process transparency - as much transparency as was required and is practical.

*Land value - internal analysis done, additional valuations provided by the Shumway's and APS which held up the value determined by the internal analysis.

Mr. Lamar stated that this is a tremendous opportunity and a wonderful property for the community and he hopes that the community will realize that.

Steven and Shane Shumway continued the presentation to Council with an overview of their company and discussed their desire to work in partnership with the community. They discussed the revisions that have been made to the original proposals for the project and echoed comments made by Mr. Lamar regarding the valuations and, height and parking. The Shumways also discussed their goals for the project and the area by showing a 3-D rendering of the project.

Shane Shumway reviewed the 3-D renderings of the design and discussed incorporation of all the various project elements. The hotel will be located at the northwest corner of Sheldon and Montezuma. The project is designed to flow throughout to include parking, parks, community gardens, the new Arizona Public Service (APS) station north of the Sam Hill building. A train theme play area will be added with a shade structure to remain consistent with the history of the area. The historic bridge would be connected by another bridge to the hotel. A pool will be next to the historic bridge and connecting bridge. It will link to the Sam Hill warehouse. Their goal is to make this area feel walkable and connected.

Councilman Blair asked what type of lighting is planned for the walkways and pathways.

Shane Shumway responded stating that the design of the park is at the discretion of the city.

Recreation Services Director Joe Baynes stated that they would get into these types of details at a later date, but that in general these types of areas are dusk to dawn type lighting, low voltage which is enough for safety.

Steven Shumway commented that they intend to leave the apartments to the southwest and then will be upgrading them to address any concerns regarding homeless and affordable housing in that area.

Mayor Pro Tem Orr asked the Shumways to address the fact that the building is in a floodway and how that has impacted the design and project plans.

Steven Shumway responded that there are two categories; flood plain and flood way which both creates challenges that they have become comfortable dealing with. In particular the foundation will be considerably more expensive.

Councilman Lamerson said he appreciates them investing in the City of Prescott.

Mayor Mengarelli said that he appreciates the Shumway's willingness to work with all the different partners and organizations.

Steven Shumway said this is their eleventh hotel and they have had an exceptional relationship with Prescott as a whole.

Councilman Blair asked if will we have an Intergovernmental Agreement to ensure that whomever is going to maintain the outside structure is properly taken care of. He wants to make sure that agreement is solid.

Mr. Lamar said they want to feel as if it is one concept but there will be clear lines of demarcation regarding who is responsible for what between the several parties involved with the project.

Steven Shumway reiterated that the Development Agreement will also cover all of that in great detail.

Mr. Baynes addressed Council regarding the importance of the public/private partnership and discussed the involvement of APS, the Farmers Market, and Prescott College. We will have other maintenance to take care of, but there is offset in Economic Development that comes with this. He also commented on his meetings with Daniel Mattson regarding the Feed the Homeless program and finding an alternative spot for that which will be located on Madison Avenue. This area has adequate access and parking sufficient for the organization. Mr. Baynes said he is excited about the tie in to the greenways trail and having pedestrian access to downtown and educational facilities to Prescott College, as the east and west campuses will be connected. Finally he commented that the Farmer's Market has been looking for a downtown area for quite some time and this will be good for them, the area can also be used as a community space for special events to take some pressure off Courthouse Square expanding the boundaries of downtown.

Councilman Goode commented that he thinks overall the project will be a great addition to the city acting as an anchor for the development of the Granite Creek Corridor which can be a very positive future amenity. He is concerned about the splash pad and water use in the area. He asked how much water will be needed to put the project into effect and how that impacts the city's commitment to saving water.

Mr. Baynes said the splash pads are popular around the southwest because they are re-circulated and efficient, and stated that they will come back with specific numbers

regarding that. He also said that some of the grass areas in the park could be retired and not being utilized which would help with that.

Mayor Pro Tem Orr commented that the Tourism Advisory Committee has been discussing the fact that there are not a lot of amenities for families and children here and the railroad theme park and splash pad will be a great addition in downtown.

Mr. Baynes agreed with Mayor Pro Tem Orr's comments. He said that the funding source for the infrastructure improvements will come from primarily from impact fees.

Councilman Lamerson echoed Mayor Pro Tem Orr's statements regarding having a family oriented, cultural center of the region is consistent with the General Plan. Keeping the downtown area as the center of Prescott is important. He agrees with what is being proposed.

Prescott College President John Flicker addressed Council regarding their role in the project and stated that he is strongly in favor of this project and the partnerships happening which can transform this part of the city and benefit all of the parties involved. Mr. Flicker commented that Prescott College plans to sell the Sam Hill property to the Shumways and acquire the APS property. He stated that this will build upon the heritage of the building and that the project plans to connect the east and west campuses making access to these places easier for students and faculty, allowing expansion of the college.

APS Northwest Division Manager Mackenzie Rodgers spoke to Council on behalf of APS discussing the sale of their former substation property to Prescott College and building a new increased substation to the adjacent lot. They are excited to be a part of the project and revitalization in the area. She reviewed the background of the current substation which was built in 1957, and said that the new station will have increased capacity and a much lower profile which will be less noticeable, also there will be a ten foot block wall that will enclose the area and match the area architecture.

Citizen David Parker addressed Council as the owner of Goliath Real Estate regarding the property valuation and reviewed sales of land in the surrounding areas. He said he likes the project, but that it didn't sell for the true value.

Citizen Daniel Mattson addressed Council regarding not being able to see the monument in the renderings and the comments he has received from people regarding that, so he recommended showing that in the future ones as well as showing the creek. The last item he discussed was affordable housing in the area. He said that he is looking forward to the project and how the Shumway's will address that, and he asked if he can be informed when they need to stop using the park for feeding the homeless. He thinks they can make a very nice space and is hopeful that this project comes out well.

Citizen Kathleen Yetman, Executive Director of the Prescott Farmer's Market, addressed Council regarding the positive impacts of the project and that this is going to be a a great partnership. She also said that her family is excited about the splashpad.

Citizen Connie Cantelme addressed Council regarding her support for this project. She said that this hotel represents a vote of confidence by the investors and owners in the city management and that we are on the right track. We have seen an explosion of people coming to Prescott and this is a step in the right direction to help an area in dire need of cleaning up and a perfect area near the downtown.

Citizen Cecilia Jernigan addressed Council regarding the need to look to the future and all of the improvements and growth over the last 20 years. She said she thinks this project is a gift for our community.

Citizen Howard Mechanic address Council stating that this is a great project, but there is one thing that is in the way, the Arizona Constitution. He said that the public may wonder why nobody else is interested in a prime piece of land in Prescott and that this project did not follow the proper bidding process because others were not allowed to participate. You are a responsible organization and need to have an open process and encourage the public process.

Citizen Leslie Hoy addressed Council regarding her concern about water use as the city is responsible for irrigating the park area and that the most concerning is no water analysis required. Water is so precious to us so why would we ever agree to that.

Kristi Everson, Chairperson of the Granite Creek Corridor Revitalization Committee, addressed Council regarding her support for this project. She is completely comfortable for the riparian habitat will be protected and that there will be solutions regarding water use for the splash pad in the area.

Citizen Helen Montgomery addressed Council regarding Tom Petty Park in the area and what will be happening to it.

Citizen Ralph Hess addressed Council regarding his concerns related to the lack of transparency in the process and lack of discussion regarding alternatives. He said the improvement of the park which is in horrible shape is a benefit of the project, but what alternatives are there to improve it. Public money could clean up the park because public land should stay public. If there had been more public involvement and more transparency there would have been other alternatives shown.

Citizen Grant Quezada addressed Council stating that he is in full support of this project. He grew up here, and feels that the city has explained the project to him and his business partner and has been transparent which he appreciates. He commented on the need for private companies and individuals to partner and help develop areas, and he knows the ability with the Shumways and he and his business partner have worked on the vision for the area to create something for the public that otherwise would not have existed.

B. Update of the Water and Wastewater Rate Study.

Mayor Mengarelli stated that this item has been pulled from the agenda and will be discussed at a future meeting. No discussion took place.

- C. Presentation by Public Works of the City's 2018 WaterSmart: Drop by Drop Public Education Program Effectiveness, and Calendar Year 2019 Program.

Water Resources Manager Leslie Graser provided a presentation to Council with an update and review of the Water Smart Drop-by-Drop Program and the eleven topics that were presented in 2018 (the first year for the Program), and the goals for 2019.

Delivery of Program:

- *Marketing through the Community Outreach Manager (City Facebook and Press Releases)
- *Marketing through the Library
- *Radio Announcements
- *Monthly Presentations at Library
- *Monthly fact sheets and take home items related to each topic
- *Information accessible on the City's website

Program Tracking:

- *2018 Program Monthly Averages
 1. Attendance at the Library Event - 35 attendee average
 2. City WRM Website Hits - 419
 3. Facebook Hits - 1,102
 4. WaterSmart Landscaping Hits - 2,011

2018 Water Conservation Incentive Applications:

- *Number of incentive applications - monthly average of approximately 11
- *Awarded incentive savings in gallons - 194,253
- *Incentive water savings since 2006 in gallons - 68,118,788

Ms. Graser discussed the budget that was given to this Program and that they came in under budget to do it.

2019 Program Preview:

- *Costs will be down entering the second year
- *There is a program planned every month - some of the same topics are covered, but there will be new ones as well including Rainwater Harvesting and Recharge & Recovery
- *Schedule is available on the City website

Mayor Pro Tem Orr asked if the presentations are videotaped and archived.

Ms. Graser said that they were not recorded this year, however, they can do so in the future if there is an interest in that.

Mayor Mengarelli said that Prescott Media Center could help get the word out as well to give more people access to the information.

Citizen Leslie Hoy addressed Council and thanked them for sponsoring this Program and the staff for their hard work in presenting the information. She commented that there are many people in the community that are interested in learning about water.

Council recommended to archive the Water Smart videos.

4. ADJOURNMENT

There being no further business to discuss, Mayor Mengarelli adjourned the meeting at 2:25 p.m.

GREG MENGARELLI, Mayor

ATTEST:

CITY CLERK'S OFFICE,

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 8th day of January, 2019. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2019.

AFFIX
CITY SEAL

Maureen Scott, City Clerk