

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: August 17, 2010

Subject: New Liquor License Application for John Benedict Finnerty, Agent for Great Gas.

Department: City Clerk

From: Marianne Jiménez, City Clerk

REQUESTED ACTION

Council consideration of recommending approval or denial of a new Liquor License Application for John Benedict Finnerty, agent for Great Gas located at 607 East Highway 89A.

If the Council desires to approve this item the recommended motion is:

"I move to recommend approval of the new liquor license application for John Benedict Finnerty, agent for Great Gas located at 607 East Highway 89A."

BACKGROUND

A new Liquor License Application was received from the Arizona Department of Liquor Licenses & Control for John Benedict Finnerty, agent for Great Gas, located at 607 East Highway 89A in Cottonwood. No comments for or against the application have been received.

JUSTIFICATION/BENEFITS/ISSUE

All Liquor License applications that are submitted to the Arizona Department of Liquor Licenses & Control (ADLLC) for establishments located within the City of Cottonwood are presented to the Council for its recommendation of approval or denial of the application. The Council's recommendation is taken into consideration by the ADLLC prior to their final approval of the application.

REVIEWED BY:

City Manager:



City Attorney:



ATTACHMENTS

- Liquor License Application for John Benedict Finnerty.

LIC 0100 05/2009

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE
TYPE OR PRINT WITH **BLACK INK**

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- INTERIM PERMIT *Complete Section 5*
- NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- PERSON TRANSFER (Bars & Liquor Stores ONLY)
Complete Sections 2, 3, 4, 11, 13, 15, 16
- LOCATION TRANSFER (Bars and Liquor Stores ONLY)
Complete Sections 2, 3, 4, 12, 13, 15, 16
- PROBATE/WILL ASSIGNMENT/DIVORCE DECREE
Complete Sections 2, 3, 4, 9, 13, 16 (fee not required)
- GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

- J.T.W.R.O.S. *Complete Section 6*
- INDIVIDUAL *Complete Section 6*
- PARTNERSHIP *Complete Section 6*
- CORPORATION *Complete Section 7*
- LIMITED LIABILITY CO. *Complete Section 7*
- CLUB *Complete Section 8*
- GOVERNMENT *Complete Section 10*
- TRUST *Complete Section 6*
- OTHER Explain

SECTION 3 Type of license and fees

LICENSE #: 1013 3219

1. Type of License: Beer + Wine Store 2. Total fees attached: \$

Department Use Only

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.
The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

1. Owner/Agent's Name: Mr. Finnerty John Benedict
(Insert one name ONLY to appear on license) Last First Middle
2. Corp./Partnership/L.L.C.: has yet to be determined
(Exactly as it appears on Articles of Inc. or Articles of Org.)
3. Business Name: Great Gas B1621887
(Exactly as it appears on the exterior of premises)
4. Principal Street Location: 607A E State Route 89A Cottonwood, Yavapai, 86326
(Do not use PO Box Number) City County Zip
5. Business Phone: (928) 634-5486 Daytime Contact: (951) 852-2803
6. Is the business located within the incorporated limits of the above city or town? YES NO
7. Mailing Address: 607A E State Route 89A Cottonwood Arizona 86326
City State Zip
8. Enter the amount paid for a bar, beer and wine, or liquor store license\$ _____ (Price of License only)

DEPARTMENT USE ONLY

Fees: 100 100 — — 24-
Application Interim Permit Agent Change Club Finger Prints \$ 204-
TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? YES NO

Accepted by: J.W. Date: 7-19-10 Lic. # 1013 3219

SECTION 5 Interim Permit:

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location. 10133059
4. Is the license currently in use? YES NO If no, how long has it been out of use? _____

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, SHAYNE WATTS, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER, MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

(Print full name)

State of Arizona County of Yavapai

X _____
(Signature)

The foregoing instrument was acknowledged before me this

My commission expires on: 12/14/12



14th day of July, 2010
Day Month Year

(Signature of NOTARY PUBLIC)

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$24 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip
Finnerty	John	Benedict	100	1630 E. Calle Corta Cottonwood, AZ	86326

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
<input type="checkbox"/>						
<input type="checkbox"/>						
<input type="checkbox"/>						
<input type="checkbox"/>						

(ATTACH ADDITIONAL SHEET IF NECESSARY)

2. Is any person, other than the above, going to share in the profits/losses of the business? YES NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$24 PROCESSING FEE FOR EACH CARD.

- CORPORATION *Complete questions 1, 2, 3, 5, 6, 7, and 8.*
- L.L.C. *Complete 1, 2, 4, 5, 6, 7, and 8.*

1. Name of Corporation/L.L.C.: _____
(Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: _____ State where Incorporated/Organized: _____
3. AZ Corporation Commission File No.: _____ Date authorized to do business in AZ: _____
4. AZ L.L.C. File No: _____ Date authorized to do business in AZ: _____
5. Is Corp./L.L.C. Non-profit? YES NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address	City	State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address	City	State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND \$24 PROCESSING FEE FOR EACH CARD.

1. Name of Club: _____ Date Chartered: _____
(Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit? YES NO
3. List officer and directors:

Last	First	Middle	Title	Mailing Address	City	State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

SECTION 9 Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:

1. Current Licensee's Name: _____
(Exactly as it appears on license) Last First Middle
2. Assignee's Name: _____
Last First Middle
3. License Type: _____ License Number: _____ Date of Last Renewal: _____
4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 Government: (for cities, towns, or counties only)

1. Governmental Entity: _____
2. Person/designee: _____
Last First Middle Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 Person to Person Transfer:

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: _____ Entity: _____
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)
2. Corporation/L.L.C. Name: _____
(Exactly as it appears on license)
3. Current Business Name: _____
(Exactly as it appears on license)
4. Physical Street Location of Business: Street _____
City, State, Zip _____
5. License Type: _____ License Number: _____
6. Current Mailing Address: Street _____
(Other than business) City, State, Zip _____
7. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? YES NO
8. Does the applicant intend to operate the business while this application is pending? YES NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

9. I, _____, hereby authorize the department to process this application to transfer the
(print full name)
privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, _____, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER
(print full name)
STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

X _____
(Signature of CURRENT LICENSEE)

State of _____ County of _____
The foregoing instrument was acknowledged before me this

_____ day of _____
Day Month Year

My commission expires on: _____

(Signature of NOTARY PUBLIC)

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

10 JUL 15 10:45 AM EST '05

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE.

1. Current Business: Name _____
(Exactly as it appears on license) Address _____
2. New Business: Name _____
(Physical Street Location) Address _____
3. License Type: _____ License Number: _____
4. What date do you plan to move? _____ What date do you plan to open? _____

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizontal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

- a) Restaurant license (§ 4-205.02)
- b) Hotel/motel license (§ 4-205.01)
- c) Government license (§ 4-205.03)
- d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: approx. ^{1mi}ft Name of school Cottonwood Elementary
Address Willard St, Cottonwood, AZ 86326
City, State, Zip

2. Distance to nearest church: approx. ^{1mi}ft Name of church Christian Baptist
Address 6th St, Cottonwood, AZ 86326
City, State, Zip

3. I am the: Lessee Sublessee Owner Purchaser (of premises)

4. If the premises is leased give lessors: Name Shayne Arthur Watts
Address Cottonville, Arizona 607 E. HWY 89A Cottonwood, AZ 86326
City, State, Zip

4a. Monthly rental/lease rate \$ 2,080.00 What is the remaining length of the lease 5 yrs. 0 mos.

4b. What is the penalty if the lease is not fulfilled? \$ _____ or other open
(give details - attach additional sheet if necessary)

5. What is the total business indebtedness for this license/location excluding the lease? \$ 74,000.00
Please list debtors below if applicable.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip
Watts	Shayne	Arthur	74,000.00	607 E. HWY 89A	Cottonwood, AZ	86326

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Beer and Wine Store w/gas filling station

SECTION 13 - continued

- 7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
 YES NO If yes, attach explanation.
- 8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? YES NO
- 9. Is the premises currently licensed with a liquor license? YES NO If yes, give license number and licensee's name:

License # 10133059 (exactly as it appears on license) Name Shayne Arthur Watts

SECTION 14 Restaurant or hotel/motel license applicants:

- 1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? YES NO
 If yes, give the name of licensee, Agent or a company name:

_____ and license #: _____
Last First Middle

- 2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.
- 3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.
- 4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this hotel/motel restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

_____ applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

_____ applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

- 1. Check ALL boxes that apply to your business:
 Entrances/Exits Liquor storage areas Patio: Contiguous
 Service windows Drive-in windows Non Contiguous
- 2. Is your licensed premises currently closed due to construction, renovation, or redesign? YES NO
 If yes, what is your estimated opening date? _____
month/day/year
- 3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.
- 4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).
- 5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

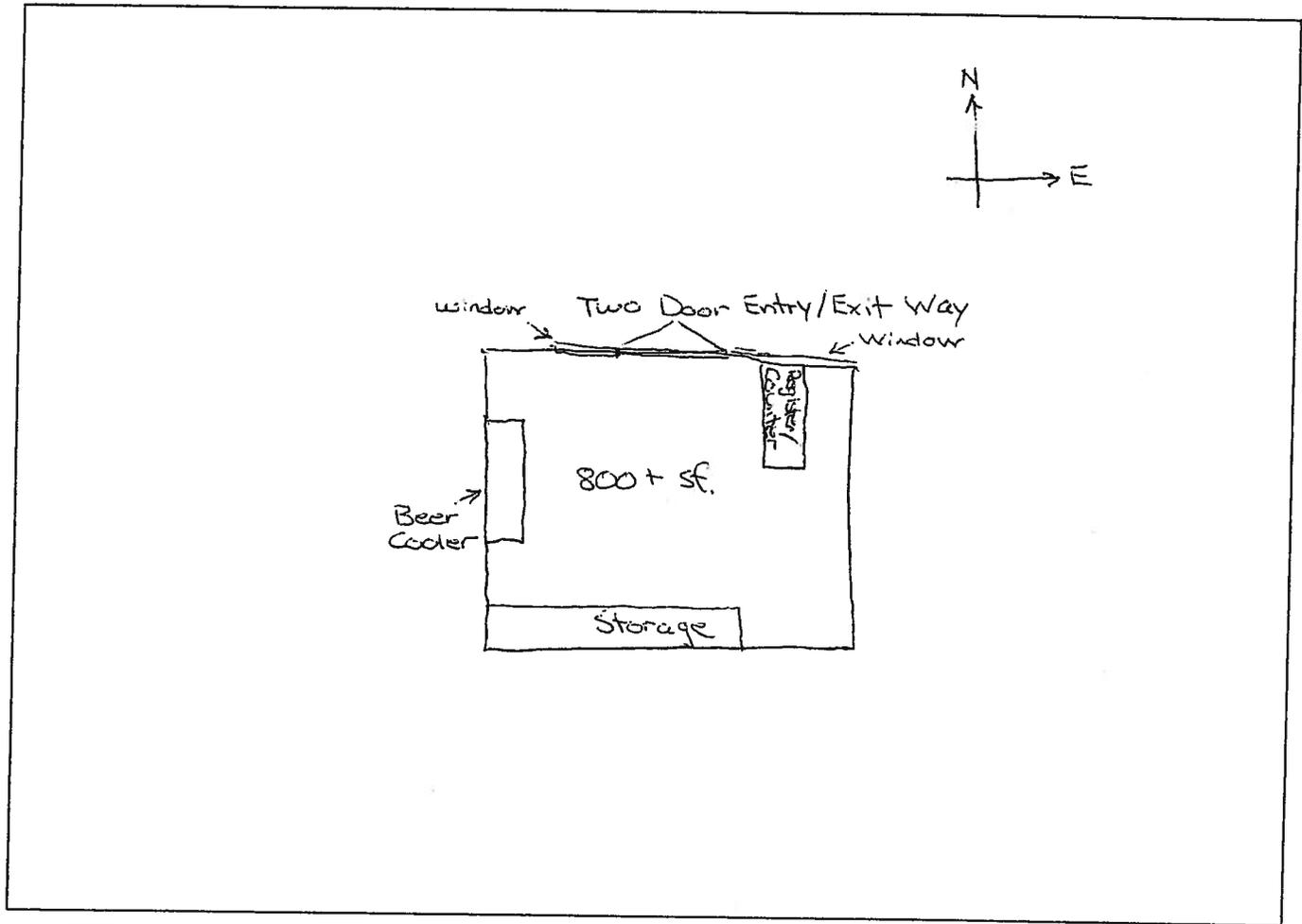
As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows, or increase or decrease to the square footage after submitting this initial drawing.


 applicants initials

SECTION 15 Diagram of Premises

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.



SECTION 16 Signature Block

I, John Benedict Finnerty (print full name of applicant), hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X John B. Finnerty (signature of applicant listed in Section 4, Question 1)

State of AL County of Murphy

The foregoing instrument was acknowledged before me this

16 of July, 2010
Day Month Year

[Signature]
signature of NOTARY PUBLIC



My commission expires on: _____
Day Month Year

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: August 17, 2010

Subject: Water Rate Increase Public Hearing & Resolution Number 2530

Department: Administration/Utilities

From: Rudy Rodriguez, Administrative Services General Manager
Dan Lueder, Development Services General Manager

REQUESTED ACTION

Conduct a public hearing and consider adjusting the City water rate schedule which is accomplished through Resolution Number 2530.

If the Council desires to approve this item the suggested motion is:

"I move to approve Resolution Number 2530, amending the City's water rates schedule."

BACKGROUND

In August of 2008 the City Council authorized Coe and Van Loo in conjunction with Economist.com to perform a comprehensive study and analysis of the existing water and wastewater rate structure. The water rates had not been thoroughly analyzed since their initial adoption in 2004 and the last external review of the wastewater rates preceded that date. The results of the rate study were presented to Council on July 14, 2009 and staff was directed to return at a regularly scheduled Council meeting to present a notice of intent to adjust water and wastewater rates. A notice of intent (NOI) to adjust wastewater and water rates was adopted by Council on August 25, 2009 however a discrepancy in the wastewater policy regarding user fees being utilized for construction projects was discovered. This issue coupled with Council's stated desire to hold off on any potential rate increases until 2010 led to cancellation of the scheduled October 6, 2009 public hearing.

Subsequent to that decision, Council and staff were advised that the fund balance remaining from the one cent sales tax imposed to fund the initial construction of the City's sewer collection and treatment system might be restricted to wastewater related

capital and operational expenses. Accordingly, staff feels that the wastewater fund has sufficient reserves to forestall a wastewater rate increase at this time.

On April 13, 2010 a work session was held to discuss options for rewarding low water users in the new water rate structure. Council directed staff to return with two options for leaving the current usage rates the same for up to four thousand per month and a second option for up to five thousand gallons per month and increasing the higher usage rates to compensate. Staff presented those options to Council at the regular meeting on July 6, 2010 and were directed to utilize the option leaving the current usage rates in effect up to four thousand (4,000) gallons.

The Arizona statute governing water and wastewater rates is ARS 9-511.01 which states: *Water and wastewater business; rates; procedures*

- A. *A municipality engaging in a domestic water or wastewater business shall not increase any water or wastewater rate or rate component, fee or service charge without complying with the following:*
 1. *Prepare a written report or supply data supporting the increased rate or rate component, fee or service charge. A copy of the report shall be made available to the public by filing a copy in the office of the clerk of the municipality governing board at least thirty days prior to the public hearing described in paragraph 2 of this subsection.*
 2. *Adopt a notice of intention by motion at a regular council meeting to increase water or wastewater rates or rate components, fee or service charge and set a date for a public hearing on the proposed increase which shall be held not less than thirty days after adoption of the notice of intention. A copy of the notice of intention showing the date, time and place of such hearing shall be published one time in a newspaper of general circulation within the boundaries of the municipality not less than twenty days prior to the public hearing date.*
- B. *After holding the public hearing, the governing body may adopt, by ordinance or resolution, the proposed rate or rate component, fee or service charge increase or any lesser increase.*
- C. *Notwithstanding section 19-142, subsection B, the increased rate or rate component, fee or service charge shall become effective thirty days after adoption of the ordinance or resolution*

	Current	Proposed New Rates
Water Rates		
Percent Adjustment All Classes		8.00%
Base Charge		
5/8"	17.00	18.36
1"	28.00	30.24
1 1/2"	57.00	61.56
2"	90.00	97.20
3"	180.00	194.40
4"	280.00	302.40
6"	570.00	615.60
Volume Charge (per 1,000 gal)		
0	1,000	0 – 1,000
1,001	10,000	1,001 – 4,000
10,001	20,000	4,001-10, 000
20,001	Above	10001 – 20,000
		20,000 +
	2.90	2.90
	4.06	3.19
	5.68	4.55
		6.48
Water Resource Development Fee		
	4.98	5.38

Note that although the rate study report recommends a series of yearly rate increases, staff is only recommending a single rate increase at this time.

JUSTIFICATION/BENEFITS/ISSUES

An adequate rate structure to support the operational and capital needs of the water system is a critical component of a viable, sustainable operation. The bonding agreements utilized to purchase the water companies also requires periodic, comprehensive rate analysis and adjustment.

COST/FUNDING SOURCE

N/A

REVIEWED BY:

City Manager: _____

City Attorney: ✓ SH

ATTACHMENTS

Resolution Number 2530

RESOLUTION NUMBER 2530

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AMENDING THE CITY'S MUNICIPAL WATER SYSTEM RATES, FEES AND CHARGES

WHEREAS, the City of Cottonwood established potable water rates under Resolution Number 2070 for the City of Cottonwood Municipal Water Utility in accordance with Arizona Revised Statutes 9-511.01; and

WHEREAS, the City Council has determined it is necessary to amend the municipal water system rates, fees and charges in order to generate sufficient revenues to maintain and operate the system, and to meet the City's revenue and security covenants and obligations to the holders of the City's Water System Revenue Bonds; and

WHEREAS, the proposed new rates, fees and charges were published in the Verde Independent on July 28, 2010; a public hearing was held on August 17, 2010; and other proper and sufficient notice of the proposed increase has been given to the public and to the customers of the City's Municipal Water System.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AS FOLLOWS:

Section 1: That, the City of Cottonwood Municipal Water System Rates, Fees, and Charges are hereby amended as follows:

<u>Base Charge</u>	<u>Current</u>	<u>New</u>
5/8"	\$17.00	\$18.36
1"	28.00	30.24
1½"	57.00	61.56
2"	90.00	97.20
3"	180.00	194.40
4"	280.00	302.40
6"	570.00	615.60

RESOLUTION NUMBER 2530

Page 2

	<u>Current</u>		<u>New</u>
<u>Volume Charge (per 1,000 gallons)</u>			
0 to 1,000 gallons	\$0.00	0 to 1,000 gallons	\$0.00
1,001 to 10,000 gallons	2.90	1,001 to 4,000 gallons	2.90
		4,001 to 10,000 gallons	3.19
10,001 to 20,000 gallons	4.06	10,001 to 20,000 gallons	4.55
20,001 and above	5.68	20,001 and above	6.48
<u>Water Resource Development Fee</u>			
	\$4.98		\$5.38

Section 2: The effective date of the new water service rates, fees and charges is September 16, 2010.

PASSED AND ADOPTED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, THIS 17TH DAY OF AUGUST 2010.

Diane Joens, Mayor

ATTEST:

Marianne Jiménez, City Clerk

APPROVED AS TO FORM:

Steven B. Horton, Esq.
City Attorney

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: August 17, 2010
Subject: **Quail Canyon Subdivision Annexation**
Department: Community Development
From: George Gehlert, Community Development Director

REQUESTED ACTION

Direction to move forward with the Quail Canyon Subdivision Annexation.

If the Council desires to approve this item the suggested motion is:

“I move to direct staff to file the blank petition and other materials necessary to initiate the annexation of the Quail Canyon Subdivision.”

BACKGROUND

The City of Cottonwood purchased the Quail Canyon Water Company, which supports the unincorporated Quail Canyon Subdivisions, Units I and II. The subject property is located along the south side of Quail Springs Ranch Road (formerly Godard Road) just west of its intersection with Old 279. State Trust land is located to the east. Developing residential properties are located to the north, west and south.

The property includes about 105 acres divided into 59 residential lots and private roadways developed over the last four years. Although improvements have been installed, most of the lots are vacant.

The Annexation Process

Annexation is a petition driven process in the State of Arizona, as set out under ARS § 9-471, which requires that signatures in support of the annexation, representing 51% of

the owners and at least 51% of the assessed property valuation within a defined "territory of annexation," be obtained by the City before annexation can occur. Staff surveyed property owners within this area and received an indication that most would be willing to sign petitions in favor of annexation.

As part of the eventual adoption of the annexation ordinance, the City Council must also adopt a 10-year plan for the extension of City services and infrastructure.

Tentative Process Calendar

At the direction of the City Council, Staff will file a blank signature petition with the County Recorder's Office which includes a map of the annexation territory and associated legal description; as well as an affidavit certifying that the property is not currently the subject of annexation by any other municipality. The filing initiates a 30-day waiting period which must expire before signatures may be obtained.

Statutes also require a formal public hearing within the last 10 days of the 30-day period. Notices re the annexation and hearing have to be advertised and distributed at least 15 days before the end of the period; and 6 days before the Council hearing. When the 30-day period ends, the City can obtain signatures, file them with the Recorder's office, adopt and publish the annexation ordinance and comparable City zoning, distribute advisories, etc.

JUSTIFICATION/BENEFITS/ISSUES

- **Added Service Area Responsibilities:** There will be costs associated with providing City services to this area, principally for maintenance of roads and drainage areas; water service, police and fire protection. The City is also required to commit to a 10-year plan of infrastructure and serviceability to these properties.
- **Added Revenues:** As the lots are developed and occupied, the additional housing units and population will generate water revenues as well as entitle the City to added State-Shared revenues.

COST/FUNDING SOURCE

There is minimal cost associated with the annexation process. Costs associated with maintenance issues should be addressed by the 10-year service plan.

REVIEWED BY:

City Manager: _____

City Attorney: ✓ SH

ATTACHMENTS

- Annexation Process Calendar
- Blank Petition
- Map of Annexation Territory and Legal Description
- Map of Ownership
- Revenue Sheet

Quail Canyon Annexation Calendar

- 1. Determine the Annexation territory; map and legal.
Develop a 10-year service plan for territory.
Establish public access file at front counter. NOW
- 2. Request owner/value info from AzDOR, Assessor. _____
30 days before filing
- 3. **HEARING:** Review of map, legal, petition, 10 yr plan.
Council direction to file. _____
Council date

30 DAY WAIT

- 4. File documents with Recorder. Begin 30-day period.
Copy Board of Supervisors and County Assessor. _____
30-day waiting period begins.
- 5. Publish notice in newspaper.
Send out notices. Copy Yavapai County Board Chair.
Post territory in 3 conspicuous places. _____
15 days before end of period
And 6 days prior to Council
- 6. **HEARING RE ANNEX** _____
Within last 10 days of period.

- 7. Circulate petitions after 30-day waiting period _____
End of 30-day waiting period.
- 8. Obtain signatures (per rules).
Joint tenancy requires both signatures, etc. _____
With 1 year of end of period.
- 9. File originals with Recorder and copy City Clerk. _____
- 10. **HEARING TO ADOPT ANNEX ORD / ZONING.** _____
Publish ordinance, map and legal description.
- 11. Annexation becomes final. _____
Distribute map/certification to specified recipients.
Copy DOR, Assessor with new pop (for shared revenues). 30 days after approval.

Exhibit A: Map of the Annexation Territory

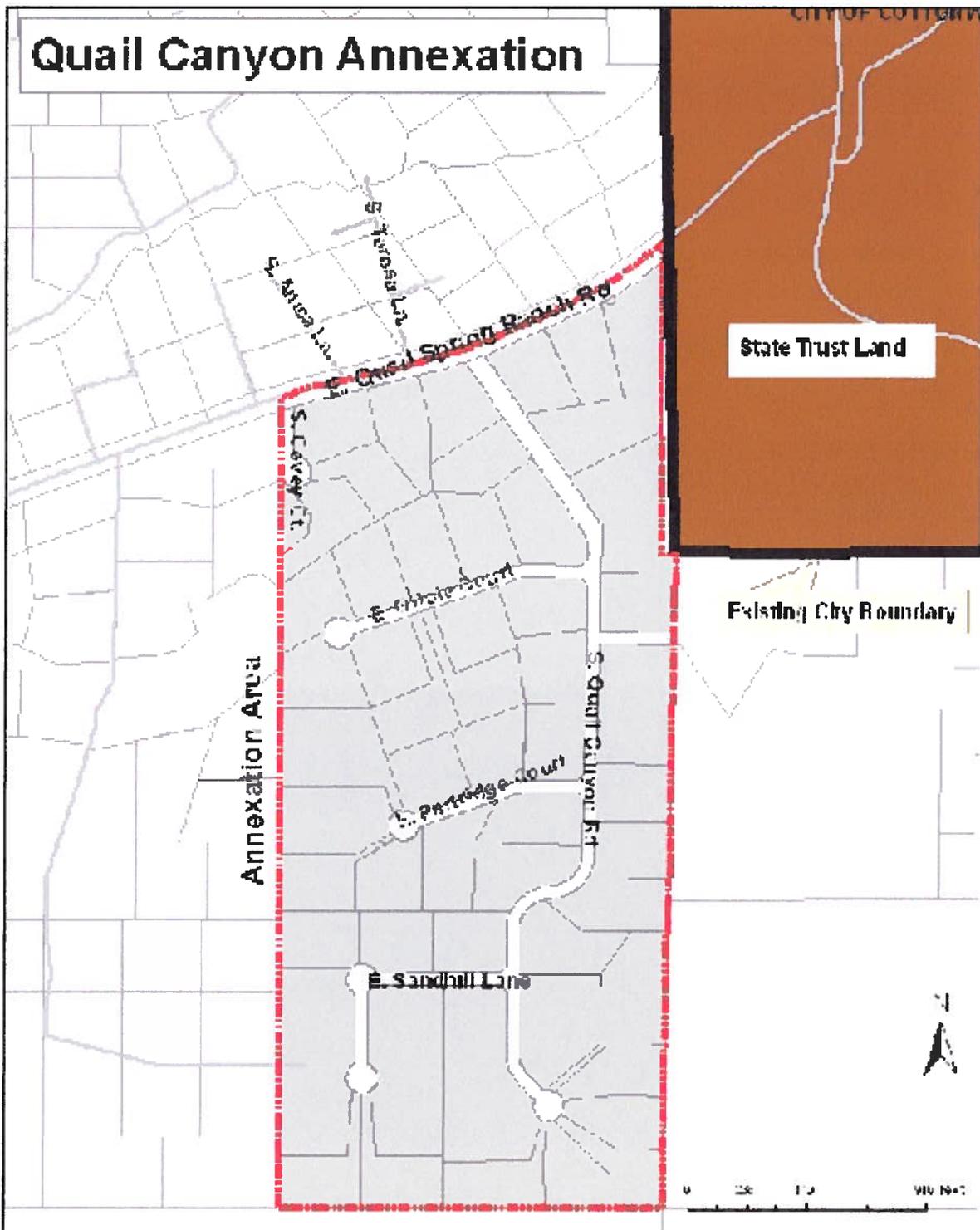
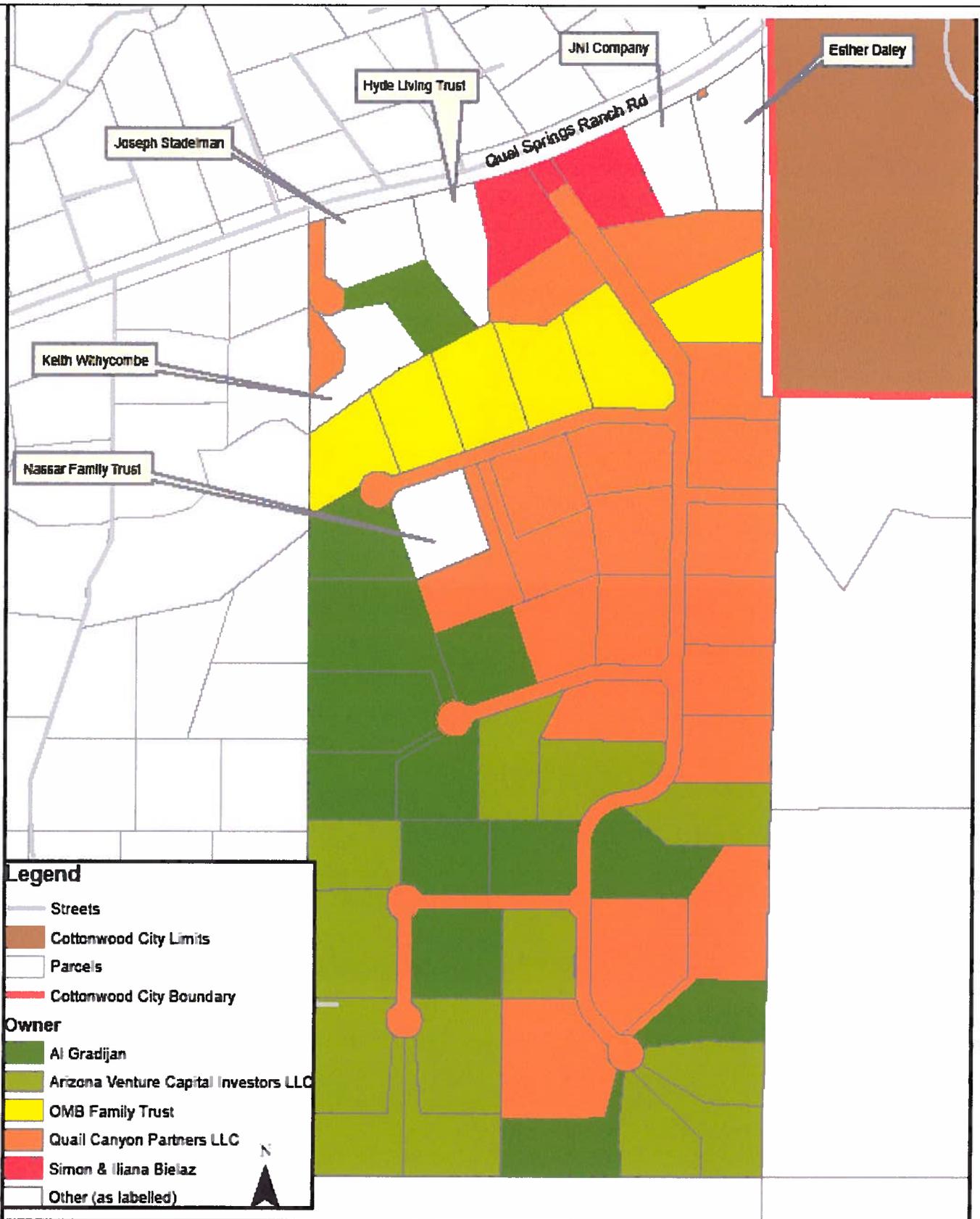


Exhibit B: Legal Description

A portion of Sections 15 and 22 of Township 15 North, Range 3 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as Quail Canyon Subdivision, Units I and II.

Quail Canyon Ownership



GRADIJAN / QUAIL CANYON ANNEXATION

ESTIMATED ADDITIONAL STATE SHARED REVENUES - Gradijan Annexation

Original revenue estimates from the League excluding the Gradijan Annexation	Population		
	2005 TPT/HURF	2005 URS	2008 Commerce
Cottonwood, AZ	10,860	10,860	11,230
Total AZ	4,865,696	4,869,189	5,260,965
Population Factor	0.22320%	0.22304%	0.21346%

Approximate FY 2010 State Estimates			
LTAf	HURF	Sales Tax	Income Tax
\$49,096	\$714,100	\$834,151	\$1,402,098
\$23,000,000	\$319,944,000	\$374,000,000	\$628,644,630
0.21346%	0.22320%	0.22304%	0.22304%

\$2,999,445

Additional Revenues with the Gradijan Annexation	Population		
	2005 TPT/HURF	2005 URS	2008 Commerce
Cottonwood, AZ	11,005	11,005	11,375
Total AZ	4,865,841	4,869,334	5,261,110
Population Factor	0.22617%	0.22601%	0.21621%

Approximate FY 2010 State Estimates			
LTAf	HURF	Sales Tax	Income Tax
\$49,728	\$723,613	\$845,263	\$1,420,776
\$23,000,000	\$319,944,000	\$374,000,000	\$628,644,630
0.21621%	0.22617%	0.22601%	0.22601%

\$3,039,380

Additional State Shared Revenues

\$633 \$9,513 \$11,112 \$18,678 \$39,936

Average Household Income	\$150,000
Estimated Households	58
Average members per Household	2.5
Estimated Area population	145

Avg. home price (3,000 sq ft w/400 sq ft garage)	\$500,000
# of lots remaining	62

Building Fees Charged by the City	Per Home	Extended
Building permit	\$1,777.75	\$110,220.50
Plan check fee	\$1,155.54	\$71,643.48
Sprinkler permit fee	\$272.86	\$16,917.32
Water impact fee - 5/8" line	\$3,393.00	\$210,366.00
Sewer impact fee (no sewer available)	\$0.00	\$0.00
Water meter/connection fees	\$1,500.00	\$93,000.00
Total Fees	\$8,099.15	\$502,147.30

One-Time Revenues

Additional Service Costs

Police		Fire	
Staffing		Staffing	
Operational		Operational	
Capital		Capital	
Total	0	Total	0

Construction Sales Tax Collection		
Construction sales tax - GF	3%	\$604,500.00
Construction sales tax - HURF	1%	\$201,500.00
Total Construction Sales Tax	4%	\$806,000.00

State Shared Revenues	
LTAf	\$632.54
HURF	\$9,512.92
Sales tax	\$11,112.21
Income tax	\$18,678.15
Total State Shared Revenues	\$39,935.82

On-Going Revenues

Local Taxable Spending 1	Percent	Annual Spend	Per Household	Extended
Food	11.20%	\$16,800.00	\$504.00	\$29,232.00
Transportation	15.50%	23,250.00	697.50	40,455.00
Clothing	5.90%	8,850.00	265.50	15,399.00
Entertainment	5.50%	8,250.00	247.50	14,355.00
Local Sales Tax Revenue	38.10%	\$57,150.00	\$1,714.50	\$99,441.00

1 - U.S. Department of Labor Bureau of Labor Statistics - Spending Patterns of High-income Households - November 1998

City of Cottonwood, Arizona
City Council Agenda Communication



Meeting Date: August 17, 2010

Subject: Verde Valley Regional Economic Organization (VVREO) – Resolution Number 2535.

Department: Economic Development

From: Casey Rooney

REQUESTED ACTION

VVREO is requesting formal designation as the Regional Economic Development Organization for the Verde Valley.

If the Council desires to approve this item the recommended motion is:

“I move to approve Resolution Number 2535.”

BACKGROUND

VVREO has received formal designation from Clarkdale, Camp Verde and Jerome and is requesting designation from the City of Cottonwood.

JUSTIFICATION/BENEFIT/ISSUES

This request will not affect the Cottonwood Economic Development Council (CEDC). The CEDC will continue to represent the City of Cottonwood on Economic Development issues.

COST/FUNDING SOURCE

There will not be an immediate cost associated with this request. In the future there might be a request for funding. To date VVREO has been effective as an organization with a volunteer board of directors.

REVIEWED BY

City Manager: CRB

City Attorney: ISA

ATTACHMENTS

Resolution Number 2535

RESOLUTION NUMBER 2535

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, RECOGNIZING THE VERDE VALLEY REGIONAL ECONOMIC ORGANIZATION, INC. (VVREO) AS A REGIONAL COLLABORATIVE BUILDING SUSTAINABLE ECONOMIC PROSPERITY WHILE PROVIDING COMPREHENSIVE ECONOMIC DEVELOPMENT EXPERTISE, MARKETING AND OUTREACH, ON BEHALF OF THE ENTIRE VERDE VALLEY.

WHEREAS, VVREO evaluates and assists in the development of new business projects; identifies and promotes programs for entrepreneurial education and workforce development; identifies key people for responses to business inquiries; advocates on behalf of Verde Valley economic development; utilizes VVREO's relationships to support economic development; develops and implements a media plan including both marketing and public relations functions; and identifies and creates a financial resource program and/or opportunities for business attraction, expansion, and retention in the Verde Valley; and

WHEREAS, in response to the desire to support the vision, mission, and goals of VVREO, the Cottonwood City Council, desires to recognize the critical importance of VVREO to the sustainable economic health of the Verde Valley; and

WHEREAS, this recognition is provided in hopes VVREO will create high-quality jobs in the Verde Valley while promoting economic recovery; encouraging investments needed to improve economic vitality; and collaborating across social and political boundaries to provide sustainable economic opportunity and wealth creation for all residents and businesses within the Verde Valley.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA:

THAT, the Cottonwood City Council recognizes the Verde Valley Regional Economic Organization (VVREO) as the regional Economic Development Collaborative for the Verde Valley building sustainable economic prosperity.

PASSED AND ADOPTED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, THIS 17TH DAY OF AUGUST 2010.

RESOLUTION NUMBER 2535
Page 2

Diane Joens, Mayor

ATTEST:

Marianne Jiménez, City Clerk

APPROVED AS TO FORM:

Steve Horton, Esq., City Attorney

WVREO Vision and Mission

Verde Valley Regional Economic Organization is a regional collaborative building sustainable economic prosperity.

Verde Valley Regional Economic Organization provides comprehensive economic development expertise, tools, marketing and outreach.



**VERDE VALLEY
REGIONAL
ECONOMIC ORGANIZATION**

Building sustainable economic prosperity

Core Values

- **Regional Economic Wealth Development**
- **Stewardship**
- **Sense of Place**
- **Quality of Life**
- **Infrastructure**



Why we are here

- To introduce WVREO
- To present WVREO's vision, mission and core values
- To tell you about WVREO's board of directors
- To review WVREO's current projects
- To highlight WVREO's goals for 2010-2012
- To ask for official recognition as the regional economic development organization for the Verde Valley



Goals 2010-2012

- Identify and create a financial resource program and/or opportunities for business attraction, expansion, and retention in the Verde Valley
- Collaborate on the creation of a business assistance and data resource center
- Develop and implement a media communications plan to include both marketing and public relations functions
- Identify and promote programs for entrepreneurial education and workforce development
- Evaluate and assist in development of new business projects
- Identify key people for resource teams to respond to regional business inquiries
- Develop a plan to utilize the organization's relationships to form of a resource network to support economic development in the Verde Valley



A Call to Action

WVREO - The RESULT

Each of our individual communities will have much greater economic strength working together as a region.

The combining of our resources will improve the economy of the entire region.

ARTICONS

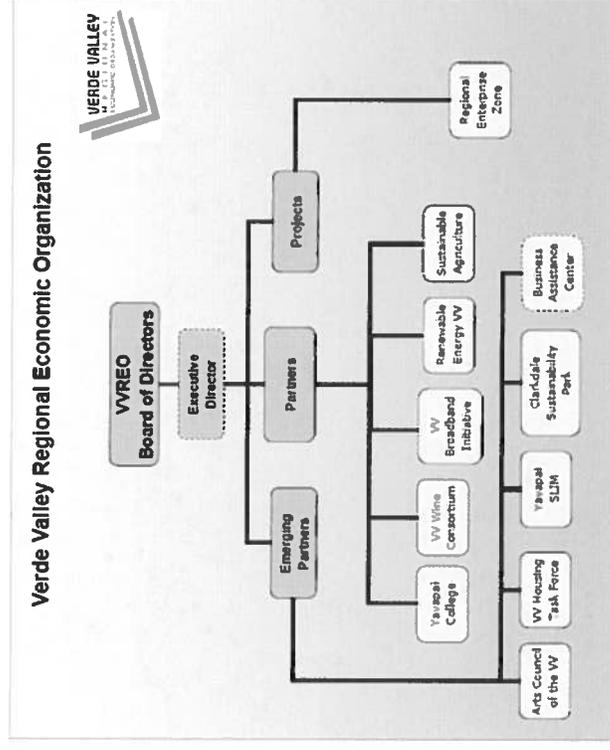


WVREO Board of Directors

Robyn Prud'homme-Bauer, *Alcora Bath & Kitchen, Clarkdale* **Chair**
 Lita Cox, *Interior Focus, Cottonwood-Sedona* **Vice Chair**
 Tom Schumacher, *Yavapai College, Verde Campus, Clarkdale* **Secretary**

Directors:

Sherry Bailey, *Town of Clarkdale*
 Margie Beach, *Cottonwood, Verde Village*
 Ron Epperson, *Intellectual Energy LLC., Sedona*
 Wayne Ferguson, *APS, Cottonwood*
 Jodie Filardo, *City of Sedona*
 Andy Groseta, *Groseta Ranches LLC, Cottonwood*
 Bill Jump, *Out of Africa, Camp Verde*
 Tommy Piccioli, *Clarkdale Metals, Clarkdale*
 Tom Pitts, *Belgian Jennie's, Jerome*
 Casey Rooney, *City of Cottonwood*
 Tracie Schimikowsky, *Camp Verde Chamber of Commerce, Camp Verde*
 Sherri Lee, *Arizona Department of Commerce, ex-officio member*



Resolution of Recognition VVREO

A resolution from the Cottonwood City Council recognizing Verde Valley Regional Economic Organization as the regional economic development organization for the Verde Valley

ARIZONA



Building sustainable economic prosperity

CLAIMS REPORT OF AUGUST 17, 2010			
FUND	VENDOR NAME	DESCRIPTION	TOTAL
TOTAL			\$0.00
CLAIMS EXCEPTIONS REPORT OF AUGUST 17, 2010			
FUND	VENDOR NAME	DESCRIPTION	TOTAL
All	City of Cottonwood	Payroll 07/6/10	\$398,353.48
All	APS	Utilities	\$49,087.85
All	APEHP	Health Insurance Premiums July 2010	\$135,939.59
Utilities	Chris Connolly Electric	Well Maintenance	\$11,977.28
Utilities	Coe & Van Loo Consultants	PO 18517, 18292, 18729 and various contractual invoices	\$43,446.17
Capital	Copper State Communications	Evidence Building and PO 18812 for Court Remodel	\$8,599.58
Utilities	Environgen	Arsenic PO 18491	\$18,938.92
Utilities	Ferguson Waterworks Supply	Supplies	\$8,067.52
Capital	Flagstaff Design and Construction	Library Remodel	\$27,548.71
Utilities	HP Supply - Waterworks	PO 18854	\$5,266.06
Gen	Larry Green Chevrolet	Sales Tax	\$14,179.43
Gen	Larson Allen	Audit FY 2010	\$14,340.00
Hurf	R & T Repair	Vehicle maintenance	\$6,161.46
Gen	Robert Gaffney	Prosecuting Atty Fees	\$7,000.00
Gen	Suntrust Leasing	Lease Payment 2011	\$82,880.44
Gen	United Fuel	Gas	\$11,740.19
Gen	VV Chamber of Commerce	Bed Tax June 2010	\$9,923.72
Utilities	Yavapai Fence	PO 18849 Impound, Fence at Verde Santa Fe and Water	\$13,078.00
all	APS	Utilities	\$45,962.11
Gen	Az State Treasurer	July Court Fines	\$14,145.96
Gen	Goodman Inc	Shelving for evidence	\$15,866.71
Hurf	NACOG	Admin Services 12th Street	\$6,412.00
Capital	R Behmer Roofing, Inc	Court Roof	\$13,920.06
Gen	Sedona Fire District	Dispatching	\$11,435.60
Utilities	Town of Clarkdale	Arsenic	\$7,166.00
Utilities	Tracedetect, Inc.	Arsenic Measuring Equip. PO 18855	27,433.89
Gen	VV Senior Center	4th Qrt FY 2010	\$11,250.00
TOTAL			\$1,020,120.73