

MINUTES OF THE JOINT MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, AND THE TOWN COUNCIL OF THE TOWN OF CLARKDALE, ARIZONA, HELD AUGUST 14, 2009, AT 3:00 P.M., AT THE COTTONWOOD PUBLIC SAFETY BUILDING, 199 SOUTH SIXTH STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Mayor Joens called the joint meeting to order at 3:02 p.m. Roll call was taken as follows:

COTTONWOOD COUNCIL MEMBERS PRESENT

Diane Joens, Mayor
Karen Pfeifer, Vice Mayor
Tim Elinski, Council Member
Duane Kirby, Council Member
Linda Norman, Council Member
Terence Pratt, Council Member
Darold Smith, Council Member

CLARKDALE COUNCILMEMBERS PRESENT

Doug Von Gausig, Mayor
Jerry Wiley, Vice Mayor
Curtiss Bohall, Councilmember
Richard Dehnert, Councilmember
Pat Williams, Councilmember

COTTONWOOD STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Steve Horton, City Attorney
Dan Lueder, Utilities Director
Charlie Scully, Planner
Jody Fanning, Chief of Police
Gary Eisenga, Police Commander
Casey Rooney, Economic Development Director
Richard Smith, Deputy Clerk

CLARKDALE STAFF PRESENT

Gayle Mabery, Town Manager
Kathy Bainbridge, Town Clerk

FOREST SERVICE STAFF PRESENT

Heather Provencio, Red Rock District Ranger, Coconino National Forest
Judy Adams, Red Rock District Land Staff, Coconino National Forest

DISCUSSION REGARDING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF COTTONWOOD AND THE TOWN OF CLARKDALE RELATING TO PRESERVATION OF FOREST SERVICE LANDS

Mayor Joens stated this meeting was to discuss past and future annexations and the concept of an Intergovernmental Agreement (IGA) relating to preservation of forest lands. It was Cottonwood's desire to continue to be a good friend, neighbor, and regional partner to Clarkdale, Cornville, Verde Village, and all the other areas of Yavapai County.

A map of past and proposed annexations in the Verde Valley was distributed by the Town of Clarkdale.

Mayor Von Gausig stated the Town of Clarkdale's annexations since the year 2000 had been a tract of private land and Forest Service land that was west of Clarkdale near Yavapai College. It was land included in the original Ruskin land trade. At the time, it was annexed by Clarkdale in order to prevent, as much as possible, that land from being converted to developed property. They had about 160 acres of private land from Verde Exploration which didn't abut any of Cottonwood's borders. The proposed annexation active now were lands owned by Clarkdale Metals Corporation (CMC) in the industrial area of Clarkdale near the slag pile. The annexation was initiated by CMC to enable them to more profitably develop that land. Other lands had been identified in various meetings as being possible subjects of future annexation. Those were mostly watershed and view-shed lands immediately west of upper Old Town Clarkdale, between the cement plant and Highway 89A leading to Jerome. Also there was some small chance of annexing lands of Phelps Dodge or Freeport-McMoRan Mining Corporation which went up by Peck's Lake to the Perkins' house between Coconino and Prescott National Forests. There had been no active discussion about annexing it, but it seemed a logical thing to occur.

Mayor Joens asked about the Ruskin lands.

Mayor Von Gausig stated there were 820 acres of Forest Service land acquired in the Ruskin trade. The rest were private.

Mayor Joens stated Clarkdale then took in more Forest Service land.

Mayor Von Gausig stated, no, it was private land.

Mayor Joens stated 800 acres of Forest Service land came from the Ruskin lands but there were 900 more acres of Forest Service land, and about 137 acres were private.

Mayor Von Gausig stated she might be right.

Mayor Joens said she was reading an article from the *Courier* which stated it was "1,864 acres southwest of town. It encompassed 800 acres of potential trade land as well as another 916 acres of Prescott National Forest, and 138 acres owned by Verde Exploration."

Mayor Von Gausig stated that was correct.

Mayor Joens stated when Clarkdale decided to develop the Ruskin trade lands, it would definitely impact the City of Cottonwood. She asked what Clarkdale's intention was with regard to those properties.

Mayor Von Gausig stated they were identified as open space right now on the General Plan. The current council had no plans for developing them. Keeping open space was the goal for these lands and they were annexed to more easily keep them as open space. They were annexed with that intent because of an active trade that was underway at the time.

Council Member Elinski asked what mechanisms were in place to keep the land as open space.

Mayor Von Gausig stated there was no open space designation. It was identified on the General Plan as essentially open space. It was not identified as developed land. The only mechanism any council had was the desire not to convert it to developed land. The current council and all previous ones had taken that position.

Mayor Joens stated she had heard rumors of those lands needing to be traded for view-shed lands.

Mayor Von Gausig stated although there had been a lot of public discussion regarding this, it had never been discussed by the Clarkdale Town Council.

Mayor Joens stated it was her understanding that at the time of this annexation the Clarkdale Town Council had not had an open dialogue with the City of Cottonwood about the annexation and had kind of completed it overnight behind closed doors. She asked what actually happened at that time.

Mayor Von Gausig stated there was a newspaper article written February 8, 2001, about a joint meeting held between the two councils prior to that annexation which he read as follows:

The Clarkdale Town Council discussed its differences with Prescott National Forest officials and the Cottonwood Town Council, Tuesday. Clarkdale Councilmembers don't like the idea of Prescott National Forest trading 800 acres between Clarkdale and Cottonwood with the Ruskin family as part of the largest land exchange in the Forest's history. The U. S. Forest Service is trying to consolidate its checkerboard holdings within the Ruskin Yavapai Ranch about 30 north of Prescott. The Forest Service wants to turn most of the 100,000 acres of checkerboard sectioned lands into a contiguous part of the Prescott National Forest. In exchange, the ranch would get the Forest's checkerboard sections to the north side of the ranch, plus Prescott lands, forest lands in the Verde Valley, Flagstaff, and Williams areas. Cottonwood supports the exchanges and hopes to eventually annex the property between it and Clarkdale, but Clarkdale is trying to beat Cottonwood to the punch, already starting the annexation process on the 800 acre land exchange area between the two communities as well as another 916 acres of forest land, as well as 138 acres owned by the Verde Exploration Mining Co. Both Cottonwood and the Forest Service have registered preliminary opposition to the annexation. Clarkdale's Councilmembers met in council Tuesday and then met with Prescott National Forest officials in Clarkdale. "We've lived 115 years with that piece of land as open space", Clarkdale Councilmember Rennie Radoccia said. "Why would either of these communities want to give up that open space?" Cottonwood officials reiterated their opposition to Clarkdale's pre-emptive move. "I don't think this is the way to do it", Cottonwood's Council Member Mike Warren said. Clarkdale Councilmembers asked Cottonwood officials to reconsider their stance. "We would like to maintain as much

of it as possible as open space”, said Clarkdale Mayor Andy Virchek. Forest Service officials told the council they were willing to work with all parties involved to meet the needs of both communities and the Ruskin family. “Our mandate is to be efficient and effective at maintaining eco-systems, as well as well as your tax dollars”, said Steve Sams of Prescott National Forest. “There could be some reconfiguring of the land up there that would help meet some of your objections. Clarkdale’s proposed annexation would cut off most western advancement by Cottonwood through Grosetta Ranch property it was already in the process of annexing. “I see growth in the south. You can’t stop it but you can control it“, Horton said. Cottonwood Mayor, Ruben Jauregui, said the city wants the opportunity to grow to its current boundaries. Rodacio asked if Cottonwood would be satisfied with simply the Grosetta property. “No, that doesn’t satisfy me”, Jauregui said. Cottonwood City Manager, Brian Mickelsen said, “The current intent of the land owner, Andy Grosetta, is to keep this 567 acres as Grosetta Ranch for quite some time rather than jump right into development.” Grosetta did not attend the joint session. Clarkdale Councilmember Mike Bluff questioned his own council’s purpose in making its annexation so large. “Doing otherwise might encourage the Forest Service to also trade off another 916 acres left as a long peninsula of forest lands. Our intent is to partner and maintain that Forest Service land rather than watch development march up the hill, he said. “Our goal is to protect that view-shed. Ideally, we would want all that Forest Service area. If Forest Services acres are annexed into a city they become trade bait,” Warren warned. “Even if Clarkdale annexes the land, the town cannot tell the federal government what to do,” retired Forest Service ranger Ron Gilles said. “Declaring land as open space makes it unusable and therefore devalues the land”, he said. “It is contrary to the U.S. Constitution, to take value away without compensation”, he added. In its meeting with the Forest Service officials, the Clarkdale Town Council discussed alternate ways to protect the water resources and view-sheds in the land trade area. One of Clarkdale’s most pressing concerns is acquiring two artesian wells located just south of Clarkdale town limits as future water sources. Forest Service representatives said the best way to do this was to annex that portion of the land exchange or to work out a deal with Cottonwood and Ruskin to set limits on possible development in the area. Forest Service representatives also said the parties would still have time to adjust the proposed land boundaries in the trade. Rodacio suggested the Forest Service change the boundaries to include parcels to the south and east of Clarkdale, leaving the land to the west below Mingus Mountain as public land. Clarkdale Town Council and the Forest Service both agreed they needed more discussion in the future to help work out a compromise among all parties. If Clarkdale decides to change the boundaries of its annexation, the proposal will have to backtrack and start the process all over again.

Mayor Von Gausig stated he believed this was a very accurate representation of what Clarkdale had done with Cottonwood and was self-explanatory. The impetus of the then Clarkdale Council was to prevent the Ruskin trade, keep the land as open space, and not to leave a 916 acre island of forest land surrounded by private property.

Mayor Joens asked if he agreed or disagreed that Clarkdale could not guarantee that the Ruskin land would stay open space.

Mayor Von Gausig stated there was no guarantee that a future council would not take action contrary to what was now favored.

Council Member Elinski asked what would happen if a developer came in and wanted to purchase some of that land.

Mayor Von Gausig stated the only private land now was the 160 acres of Verde Exploration land in the northwest part of that tract. The rest was Forest Service land with whom they would have to negotiate.

Mayor Joens stated in the East Mingus land exchange there were a tremendous number of private properties near Jerome owned by mines. There was a very real chance that those private properties would be developed some day and we would have houses up on the Mingus view-shed. The question about future annexations with this property was how Clarkdale would service this area with infrastructure. There was no road and they would have to come through Cottonwood.

Mayor Von Gausig stated he was unaware of discussions by the former council and could not answer the question. A feeder road could go along the foothills from Haskill Springs.

Mayor Joens asked how Clarkdale would work with Cottonwood in the development of that land should it develop and if there was a guarantee Cottonwood would be a partner in its development.

Mayor Von Gausig stated he didn't know what kind of a guarantee was being asked for. If it was obvious that Cottonwood had stakeholder interest, obviously they would, the same way Cottonwood was working with Clarkdale on the State Trust Land.

Heather Provencio, Red Rock District Ranger, stated Forest Service policy was to remain neutral on annexation proposals. Supreme Court decisions indicated that annexations could occur as long as there was no interference with the jurisdiction asserted by the federal government. The Forest Service would take action if there was any interference with its management actions. She had heard this annexation was about open space. Annexation did not guarantee open space within those areas. The Cottonwood proposal to annex 8.5 square miles of Forest Service land was in an area for which the Forest Service had no intention of doing any land exchange. First, there were threatened, endangered, and sensitive species within that area. The Forest Service would not exchange such lands. There was also the Verde Valley botanical designation there. The Dead Horse trail system was within that area. It was adjacent to Dead Horse State Park and Tuzigoot National Monument. The Tavasci Marsh was in that area. There were topographical barriers and very few roads. The area was in very good shape. There were no signs of impacts from adjacent private lands. It retained its National Forest character. There has been no discussion of exchanging lands there. The

Forest Service was not in the habit of conveying lands. The only time lands were conveyed was when they had been heavily impacted and lost their National Forest character. As far as Cottonwood's proposal to annex State Trust Land, she was very nervous about the Cottonwood proposal. If they were eventually developed to the densities she had heard about, it could very well impact those lands and impact open space. If the real goal was to protect open space, Cottonwood needed to think about what kind of zoning and management there was on the private lands around that area. There was no reason for Cottonwood to annex that forest service land. There was no risk of land exchange. There was limited access to it and few impacts on it. If at some future date, for some reason, the Forest Service did exchange land in that area, there was plenty of time to annex it.

Council Member Kirby stated he was glad to hear they were neutral.

Mr. Bob Richards, of Cottonwood, stated the Forest Service had already argued that any annexation of Forest Service land raised its potential for trade. It was better off as open space. Clarkdale was assumed to be against the annexation because part of the property abutted their boundaries and would possibly inhibit their expansion. If the municipalities of Clarkdale and Cottonwood really wanted to keep the land as open space, each could annex equal sections. He had prepared a matrix of checker board sections in a pattern of rectangular holdings which alternated ownership between the two municipalities designed to prevent sale and development without agreement by both sides to do so. This proposal offered the best opportunity for keeping this land perpetual open space.

Mayor Von Gausig stated, to clarify, the annexation Cottonwood was considering did not adjoin Clarkdale. There was a strip of forest land between the two.

Mayor Joens asked what legal challenges the two councils might incur.

Mr. Horton stated in addition to the contiguity requirement there was also an adjacency requirement. What was needed was more than just a point of contact between parcels. There needed to be a certain shared boundary, more than a single point. There were legal issues that were being looked into regarding legal constraints on each council to bind future councils with respect to forbearance on their legislative authority. There may have to be time limits or other limits included in any agreement.

Mr. Bob Rothrock, of Cottonwood, President of the Verde Valley Land Preservation Institute, stated the right thing to do to keep this land open space would be not to annex it. If there was a way for Clarkdale to de-annex land acquired in 2001 to prevent the Ruskin land exchange, he would encourage them to follow up on it and do so. The Coconino National Forest plan discussed land exchanges and state lands offered in a land exchange were tentatively classified exchangeable. Lands that were annexed into a community become or could become a basis of exchange. He had been told by Forest Service officials at the regional level that it has been the assumption that if a community annexed, it signaled a desire for that land to become private. He hoped both councils would work together to preserve the land without annexation.

Ms. Jane Moore, of Jerome, stated she really did not want this annexation to happen. Forest lands should not be annexed. She didn't understand why Cottonwood wanted to annex this land since there was a lack of knowledge regarding water resources and it would become a target for development.

Mr. Curtis Linder, of Jerome, stated he wanted open space and public lands protected from development. Undeveloped open space was important for our quality of life. He wanted the lifestyle of small towns to be protected for future generations. Regional planning should be prioritized to do what was best for the majority of the people.

Council Member Smith asked if there was any doubt in anyone's mind that this State Trust Land would not be annexed at some time in the future by the County. If Cottonwood didn't do it, it would be done by the County. Cottonwood should have control of that annexation.

Mr. Daniel Holland, of Sedona stated he had spoken with the State Land Commissioner who told him State Trust Land laws would have to be revised in order to prevent Cottonwood from annexing land and to preserve it as open space. He believed people in Sedona were against the annexation. He asked that the two councils take steps to change the laws. He was displeased that Cottonwood's boundary would be so close to Sedona's. Thousands of people would come and there were concerns about water resource availability. The land could not support this. Reform of the law was needed. Regional discussion was needed and more people needed to be involved in discussions.

Gary Chamberlain, of Cottonwood, stated his concern about overusing existing water resources because of annexation. Property values would diminish because of it. If annexation did occur, the land should be condemned and allowed to remain as open space.

Mr. Bob Gillies, of Cottonwood, former Forest Service Ranger, stated there was quite a bit of undeveloped land in Cottonwood. The City had already annexed about 4.5 square miles of Forest Service land. Those lands would eventually have something on them he was sure. The only way to guarantee open space was to own it. Public ownership was the answer. Forest lands were in public ownership. They were pretty secure at this time. He wanted this area to remain as it was now. Annexation was not necessary now or in the foreseeable future. A land exchange required a lot of effort and did not happen very fast. If something like that should happen, there was more than adequate time to go thorough the annexation process.

Ms. Diane Lovett, of Cottonwood, stated intelligent planning now for the future was the only way to protect what we had now from the inevitable population increase that was sure to occur as soon as the economic situation improved.

Mr. Ron Volkman, of Bill Grey Road, Government Affairs Director of the Sedona-Verde Valley Association of Realtors, stated his organization believed that both annexations were smart growth ideas. These large areas of land would have an impact on Cottonwood even if they were not part of the city. Initiatives to change State Trust Land laws had been on ballots for decades without anything being changed. People may say Cottonwood was moving too fast,

but changes in the law in the future could prevent annexation later on. Local control would ensure any growth occurred the way Cottonwood wished. Sedona had lots of Forest Service land within its boundaries. It incorporated in 1988 and Amendment XII, to prevent land exchanges, came into effect in 1998. During those ten years, which were boom years for Sedona, there were no land exchanges.

Carol Hulse, of Cottonwood, stated not annexing these parcels would not stop development. Annexing the Forest Service piece would not remove endangered species. Whenever land was ripe for development it would be developed. The market drove development, not annexation. The question was when it did develop, who could manage that development better: Cottonwood or the county. Cottonwood had been a good steward of the Forest Service land they already had. If these lands were in the City of Cottonwood, the City would not be developing it but would have some control over private developers. She supported annexation.

Mr. William Regner, of Clarkdale, stated communities along the river needed to make a commitment to sustain water resources.

Ms. Margie Beach, a Verde Village resident, stated the Verde Villages were an example of bad County planning. The County did not have the kinds of guidelines the City did. There was urban type development in the Villages, but everyone was on septic tanks. There was better water service now that it was under the control of the City. Waiting until after people occupied development was not the time to annex. The City was doing the right thing taking a pro-active stance with regard to land that was very likely to be developed sometime in the future. If the Forest Service land was annexed at the same time, the City would have better arguments for keeping some open space in State Trust Lands, because it was next to the Forest Service land. Because of Clarkdale's and Camp Verde's annexations, Cottonwood was hemmed in. Sedona made arrangements some years ago to put their wastewater facilities on Forest Service lands on Cottonwood's doorstep without any consultations whatsoever. Cottonwood had taken the high road in getting people together, making meetings like this, and getting input from many stakeholders before they took action. They did not have to do so.

Mayor Joens stated we could not keep people out of the Verde Valley and stop growth from occurring. To not plan for the future was not a wise thing to do. We had to plan for the future. People would move here. Both councils had these things in mind. The Council sought to protect the river and conserve water resources. Under the City's management of the water utility, water use had been reduced drastically. The County did not have the statutory authority to deal with water or conservation issues, and the County should not be developing properties contiguous to municipalities.

Council Member Pratt stated the State Trust Land annexation and Forest Service annexation were two different issues. He would be more apt to hold up on the National Forest annexation. He was concerned it should remain open space. It was probably not developable because of the endangered species there, and he was pretty comfortable in thinking the National Forest land would never be developed.

Council Member Elinski stated he was still on the fence about the National Forest land. He was interested in discussing more with Clarkdale ways we could combine forces to preserve the National Forest land. They should put together a small group from the combined councils to have discussions and make a presentation before the councils. No one wanted to see that land developed.

Council Member Norman stated she agreed with Council Members Pratt and Elinski.

Vice Mayor Pfeifer stated now was the time to annex both parcels. Negotiations could still take place and stipulations made. Previous councils made agreements our cities wouldn't merge together but we had anyway. When other cities made annexations and moved in our direction there was no public outcry from anybody. This was the only one with such an outcry because we chose to make it very public and include other cities and towns. Everyone wanted to preserve the land. We furnished the surrounding areas with services such as the CAT busses. Our planners and past councils had considered the future for their children here. Growth would come and if we planned right there would be open space and growth.

Council Member Kirby stated he was not confident that we could not expect Clarkdale to move on the annexation of Forest Service land if we didn't. Looking at this side of Mingus Mountain, he was not sure they had the type of control he would like to see for the forest land. Cottonwood was trying to do what it thought was best for the City of Cottonwood. It took into account all these other things. The Forest Service said they were independent (i.e. neutral), but they had taken a stand. That really bothered him. We needed to do both annexations as expeditiously as we could.

Council Member Smith stated he thought we needed to acquire both the State Trust and Forest Service parcels by annexation.

Mayor Von Gausig stated it was important that everyone understand that as far as the State Trust Land annexation, Clarkdale absolutely agreed with Cottonwood's proposal of annexation. It would be developed and it would be better to have it developed by the City of Cottonwood rather than the County. These were two very, very different issues. State Trust Lands were private lands, in essence. They would be auctioned off and developed at some time in the future. The Forest Service land was completely different. There was no reasonable expectation that it would ever be developed. There was no reason to expect that if it came up for a land trade there wouldn't be time for Cottonwood to annex that property, and there was no rush to get into that.

Councilmember Bohall stated under Clarkdale's current boundaries, it could not annex Forest Service land if it wanted to.

DISCUSSION AND POSSIBLE DIRECTION TO STAFF REGARDING ANNEXATION OF FOREST SERVICE LANDS

Mayor Von Gausig stated the Town of Clarkdale had crafted an agreement between the two

municipalities. Council Member Kirby had stated that he was afraid the Town of Clarkdale would annex the 8.5 square miles of Coconino National Forest Service land in question. Clarkdale's goal was to maintain this land as open space. Given the fact that both municipalities desired this, Clarkdale wanted to see what it could do to break down the fear that Clarkdale would make a pre-emptive strike, in essence. In order to remove that possibility, what Clarkdale's council had done before with regard to the Ruskin property, it would offer this IGA that said, in essence, that neither municipality would annex that forest property. It had a one year life-span that renewed automatically. It could be cancelled or allowed to lapse by either party. The kicker was, to make sure that Clarkdale could not cancel this agreement and go and annex that property, it put in a clause that stated for a 60 day period after it lapsed or was cancelled by either party, only Cottonwood had the right to annex that forest property. It was felt this gave an airtight guarantee that Clarkdale would not do what Council Member Kirby feared. Cottonwood would then not have to go out and annex this property, would not have to maintain that property, and incur the extra expenses involved.

Mr. Horton stated there were the issues of the life of a council, and the binding to future legislative actions issue, and there were some contingencies that might save it from challenge. You might want to reconsider the agreement at each election.

Ms. Maybery stated the agreement kept a date of September 30 to renew or expire, so that Clarkdale's new Councilmembers, seated in June, could be fully aware of that and have the right to exercise that option within a reasonable period of time after their election.

Councilmember Wiley stated the federal government would make many of the decisions. If they knew we both want to keep this as open space we would have a little more clout. This would be advantageous to all of us, including the Forest Service.

Mayor Joens stated she would like to see Clarkdale de-annex the Ruskin land trade and put it back into the Forest Service's hands.

Mayor Von Gausig stated these were very different parcels of land. They were different for several reasons. The Ruskin parcel was compromised. It had a lot of impact and continued to do so. It was not co-equal with the Coconino tract. The Ruskin parcel had already been identified as a potential trade land. Putting it back into that status was not something anyone would recommend. The Coconino parcel was open space now and the councils had expressed their desire to retain it that way. We could talk about how to preserve all these tracts as open space. That was what the Verde Valley Open Space Alliance attempted to do in the past.

Councilmember Dehnert stated he believed there was a prohibition against de-annexing land unless it was to another municipality.

Mr. Horton stated there was a statute regarding de-annexation by one municipality in favor of another. The question of de-annexation in a vacuum would have to be looked into.

Mayor Joens stated there was a time limit in September for Cottonwood's petition for

annexation. Some Council Members expressed a wish to continue negotiations with Clarkdale.

Mr. Horton stated the current filing would have to lapse.

Mayor Von Gausig stated if the IGA was in place, Cottonwood would have the first right to re-file for annexation.

Mr. Horton stated current law was really fuzzy regarding the issue of the proposed IGA. The underlying question was whether future councils could be bound by something that was within their legislative discretion. We knew both communities could annex. The question was whether both communities could pass laws that stated they would not annex.

Mayor Joens stated though Mayor Von Gausig felt the issues were separate, she did not believe they were. Those parcels impacted our city just as much as the lands we were talking about impacted theirs. The impacts of the future and whether Cottonwood was going to have any kind of say about those impacts to its community were things of concern.

Mayor Von Gausig stated Clarkdale was impacted much more by things that Cottonwood did than Cottonwood was by things that Clarkdale did.

Mayor Joens stated Cottonwood wanted to have a little bit of say in what happened to those lands. Right now it didn't have any say at all.

Mayor Von Gausig stated Clarkdale felt the same about the Trust Lands or any other land, and questioned if Clarkdale should have a say in whatever Cottonwood did.

Mayor Joens stated Cottonwood was certainly concerned about the Ruskin land trades and what plans would be for future councils and the future of that annexation.

Mayor Von Gausig stated Clarkdale was extremely concerned about both these other annexations. If we could work out a way that we could have an equal say in what happened to those properties, we could both reach some kind of an agreement for maintaining open space.

Councilmember Dehnert there was an issue of differences. State Trust Lands would eventually be developed. With the Forest Service lands, the object was not to develop. It would be nice if Cottonwood would just trust Clarkdale not to annex the Forest Service land. That was not the situation. This pretty simple agreement Clarkdale was proposing would give everybody some breathing room to determine whether the best way to preserve that land was to annex it. The Forest Service, the people who actually owned the land, said it would be better not to annex it, if open space preservation was your goal. The idea of this agreement was, if Cottonwood ever felt the need to annex it, it would protect its right to do that and prohibit Clarkdale from getting ahead of it in line to do that. There could be unintended consequences of annexation. It certainly would not produce any revenue as open space. At

the same time it could produce significant expenses for the City of Cottonwood.

Mayor Joens stated that same applied to the Ruskin lands.

Councilmember Dehnert stated, yes. What the Clarkdale proposal was trying to do was to make sure Cottonwood still had the option to annex that land if it wanted to and at the same time make sure it stayed un-annexed so that there would be no motivation for the Forest Service to reconsider its management. It also had the potential for preventing the City of Cottonwood from having some unintended expenses by owning it. He hoped this alleviated or removed the mistrust and at the same time moved things to the goal of preservation.

Council Member Smith asked, if Cottonwood went ahead with the annexation and promised not to develop it, what difference would be made if it was done a year from now. As far as the expenses, they would still occur. He saw no need for an IGA.

Mayor Von Gausig stated the IGA would assure the City of Cottonwood that Clarkdale wouldn't annex the land. When you annex a piece of Forest Service land, it moved it a little closer to trade status. When you coupled this particular 8.5 square miles, which was contiguous with the State Trust Land parcel, and its development, it put that interface right up against the forest land and made it more likely to be traded. The two cities could not say they would not develop it.

Councilmember Williams stated she agreed with Council Members Pratt and Elinski. It would be great if there could be further discussion about an IGA to cover the groundwork, so that nobody felt someone else was going to jump on it. She was concerned whether that could be done because of the time limitation. If this agreement were signed today it would take care of the time limitations. Cottonwood would be covered because it could cancel it after 60 days.

Council Member Pratt stated he favored pursuing the IGA.

Mayor Joens asked him how important was Cottonwood's ability to work with the Ruskin land exchange and what was done with those lands. She asked if he would support an agreement that Cottonwood would have as much sway there as they were trying to have with the Coconino lands.

Council Member Pratt stated that needed to be discussed. He agreed with Mayor Von Gausig that the land had been highly impacted by human interaction. They were different, yet we wanted to be assured there were similarities and they were preserved as open space. That needed to be discussed and could be part of the IGA.

Council Member Elinski stated he was conceptionally on board with the IGA. It preserved Cottonwood's right and showed it to be cooperative. It gave everyone a chance to breathe and showed the public Cottonwood was not just land grabbing. It would open the dialogue for ways both communities could preserve Forest Service lands.

Vice Mayor Pfeifer stated everyone wanted Cottonwood to afford them all this stuff with our annexation. She questioned if all the other communities were going to afford Cottonwood the same consideration as expected of it. When they annexed were they going to have an IGA with Cottonwood and have public meetings? All this stuff had been done without any consideration for Cottonwood and now the other communities wanted to say it had to be accountable to them.

Mayor Von Gausig stated there were a number of different reasons for annexation. The Clarkdale Metals request for annexation was very clear. They wanted it and the land was contiguous to the city. State Trust Land was equally clear. The process Cottonwood went through was model. The Coconino Forest Land was different. What we have heard is that everybody wants to keep it as open space. The only impetus for annexation was that Clarkdale might annex it and they were not a danger or threat. Annexation of the Coconino lands was contrary to the interests for all citizens of the Verde Valley. What Clarkdale was offering was the IGA assuring you (Cottonwood) and removing that threat. Clarkdale would not expect to be a stakeholder in every annexation of Cottonwood's in the future. It hadn't been in the past. When there were parcels that impacted everyone in the Verde Valley, as much as the Coconino parcel did, it was probably a good thing to get together to talk about these things. Clarkdale didn't have its fingers in Cottonwood's business and had no legal way to do so. If Cottonwood wanted to annex that property Clarkdale had no way to stop it from doing so. Clarkdale could remove itself as a danger through the IGA.

Mr. Horton stated there was nothing preventing either council from adopting resolutions, separately or jointly, expressing their keen interest in seeing that forest parcel remain open space.

Council Member Smith stated Clarkdale had stated it couldn't annex the Forest Service parcel even if it wanted to.

After further discussion regarding the Ruskin area annexation, Council Member Elinski stated we should put this on a Council agenda and take a vote to approve or disapprove the IGA. If Clarkdale couldn't de-annex the Ruskin lands there were still ways we could communicate that would preserve its and prevent it from being traded.

Council Member Smith stated all he was hearing from Clarkdale was that they were trying to save us from ourselves. He did not believe an IGA was needed.

Mayor Joens stated direction was that the item would be put on an agenda for a vote.

CALL TO THE PUBLIC

Ms. Jane Moore, of Jerome, stated her hope was for all councils in the Verde Valley to discuss regional issues cooperatively.

Mr. Gillies stated Ms. Provencio should be encouraged to give a presentation to the

Cottonwood City Council since he believed its Council Members were uninformed regarding Forest Service land exchanges.

Mr. Chamberlain related news regarding volunteer trash removal and recycling in washes and along Highway 89A.

Councilmember Bohall apologized for his "sour grapes" remark.

ADJOURNMENT

Council Member Smith moved to adjourn. Vice Mayor Pfeifer seconded the motion, which carried unanimously.

Mayor Von Gausig adjourned the meeting for the Clarkdale Town Council.

The joint meeting adjourned at 5:42 p.m.

Diane Joens, Mayor

Richard Smith, Deputy Clerk