

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, HELD SEPTEMBER 21, 2010, AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

CALL TO ORDER AND ROLL CALL

Mayor Joens called the regular meeting to order at 6:00 p.m. Roll call was taken as follows:

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

STAFF MEMBERS PRESENT

Doug Bartosh, City Manager
Steve Horton, City Attorney
Marianne Jiménez, City Clerk
Dan Lueder, General Services General Manager
George Gehlert, Community Development Director
Casey Rooney, Economic Development Director

PLEDGE OF ALLEGIANCE TO THE FLAG

The Pledge of Allegiance was led by Ms. Jean Ellen Wilder, a member of the Planning & Zoning Commission. Mayor Joens presented her with a certificate of appreciation for leading the Pledge of Allegiance.

BRIEF SUMMARY OF CURRENT EVENTS BY MAYOR, CITY COUNCIL AND/OR CITY MANAGER--
THE PUBLIC BODY DOES NOT PROPOSE, DISCUSS, DELIBERATE OR TAKE LEGAL ACTION ON
ANY MATTER BROUGHT UP DURING THIS SUMMARY UNLESS THE SPECIFIC MATTER IS
PROPERLY NOTICED FOR LEGAL ACTION

Mayor Joens made the following announcements:

- October 2 was the date of the Verde Valley Senior Center's golf event, and they were looking for more participants.
- October 2 was the Maurice's Fashion Show for the Verde Valley Humane Society's Adopt for Life. The big show would be from 11 a.m. to 2 p.m. and they would have some special animals up for adoption that day.

- Rhythm 'N Ribs would be on October 2
- October 2 the Presbyterian Church would honor Ms. Beth Carrigan and other community volunteers at an event at 8 p.m.

Council Member Elinski stated as an update to the Historic Preservation Commission, the deadline for applications had been extended for two weeks to get more applicants because so far there were only five, including him. Two more were needed to reach the requisite number of seven.

Vice Mayor Pfeifer stated at the last Chamber mixer, Mayor Joens won in the “sumo wrestling” event.

Council Member Smith stated he had attended a meeting of the Verde Valley Land Preservation Institute. He had minutes from the last two meeting to pass out to the Council.

Council Member Kirby stated he was supposed to be in Flagstaff tomorrow for the government’s training program of Head Start, but he would not be able to make it because of other commitments. The Governor’s Rural & Regional Development Conference would be held October 14-15 in Flagstaff at the High Country Conference Center. Everybody was invited to attend and take part in the program of rural development.

Council Member Norman stated last Wednesday she attended the Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) meeting in Sedona. At the meeting the NAIPTA Board approved the grant money the Council had approved two weeks ago for our Cottonwood Area Transit (CAT) system. The retreat for NAIPTA was scheduled for Wednesday, November 17, at the Cottonwood Recreation Center.

Mayor Joens made the following announcements:

- She attended the Rusty’s Morningstar Ranch event at the Blazin’ M and the fund raising auction for autistic residents of the Ranch.
- On September 13 she attended a strategic planning session for Fit Kids of Arizona at Yavapai College in Sedona, sponsored by the Verde Valley Medical Center. They worked with Flagstaff Advisory Board members to come up with a strategic plan for Fit Kids.
- On September 13 there was a regional Department of Environmental Quality (DEQ) visit from San Francisco and Flagstaff and they visited the city and all of our well sites. They applauded our efforts for increased water flows, fire hydrants, and the good job we were doing with arsenic remediation.
- On September 17, she attended a candle light ceremony in honor of prisoners of war (POWs) and those missing in action at the Veterans of Foreign Wars.

- Then she traveled to speak at the ceremony at the Verde Valley Senior Center. Council Member Norman spoke about how the POW flag began and how the city began to display the POW flag.
- Then she went to Clarkdale for a Mayor/Manager meeting for Yavapai County. The topics discussed included Mayor Von Gausig's update on Clarkdale's sustainability park, the Greater Arizona Mayor's Association, and a new forest restoration initiative. Sedona Mayor Rob Adams talked about the creation of a new sustainability commission. All of the cities and towns were talking about what they were going to do about the new fireworks law.
- Later she attended the ribbon cutting at the Verde Valley Olive Oil Traders.
- Later she attended an introduction of the new Wild Child wine at Pillsbury Wine Company.
- On September 18 she attended a business meeting of the Farm Bureau held at Alcantara, attending as a member and not as the Mayor.
- This Saturday would be Verde River Day.
- Also on Saturday, the Yavapai County Cattlemen's Association would be having their annual meeting in Peeples Valley.

CALL TO THE PUBLIC

There were no comments from the public.

PRESENTATION OF PLAQUE OF APPRECIATION FROM THE U.S. CENSUS BUREAU

Ms. Allen presented a plaque to the Mayor and Council from the Regional Director of the U. S. Census Partnership for the city's assistance with the census.

PROCLAMATION—VERDE RIVER DAYS

Mayor Joens proclaimed September 25 as Verde River Day.

OLD BUSINESS—None

CONSENT AGENDA

GRANT OF UTILITY EASEMENT TO ARIZONA PUBLIC SERVICE FOR RECREATION CENTER OUTDOOR POOL

Mayor Joens asked if any Council Member or anyone from the public wished to have this

item pulled from the consent agenda for discussion. No one asked to do so.

Council Member Kirby moved to adopt the consent agenda. Council Member Elinski seconded the motion, which carried unanimously.

NEW BUSINESS

PUBLIC HEARING REGARDING THE PROPOSED QUAIL CANYON ANNEXATION

Mr. Gehlert stated in August the Council directed staff to begin the process for annexation of the Quail Canyon subdivision. This was a subdivision developed over the last 5-6 years located on the south side of Quail Springs Ranch Road somewhat west of the intersection with Old Highway 279, just west of a block of State Trust property south of the city. It included 59 residential lots with only one house actually built. On September 1 staff filed with the County Recorder the map and legal description of the subject property. It commenced the 30 day waiting period during which the Council was required to have a public hearing to take comments from the public regarding the annexation process of the Quail Canyon subdivision. The proposed annexation was advertised and the property owners contacted regarding the hearing this evening. He then displayed a PowerPoint of the proposed annexation site.

Council Member Smith asked if the streets would remain public.

Mr. Gehlert stated they were private.

Council Member Smith asked if staff had the added service cost someplace.

Mr. Gehlert stated it was a requirement to adopt a resolution committing to the extension of services to this area within the next 10 years. That would be attached to the final annexation ordinance that followed at the end of this process. After we got the signatures representing the majority of land ownership and valuation within that area, staff would come back to the Council with an annexation ordinance.

Council Member Kirby asked if the Council could require the streets be brought up to city standards before it accepted them for maintenance.

Mr. Gehlert stated he believed it could be required.

Council Member Smith asked if they were private streets, why the city would worry about having them brought up to city standards.

Mr. Gehlert stated the streets presently were built to county standards and they had been through the subdivision process of the county.

Council Member Kirby stated just because they were private streets now did not mean that

sometime within the next 10 years people would not apply to the city for the streets to be made public, and if so, we needed to make sure we required that they be brought up to city standards before they were accepted for city maintenance.

Council Member Pratt stated the packet information indicated that one of the costs of providing city services to this area would be for maintenance of roads.

Mayor Joens stated it was the same principle as the Cottonwood Ranch subdivision. Those streets were accepted by the city to maintain. In Pine Shadows they were not.

Mr. Gehlert stated those were built to city standards. These were private streets built to county standards. They did not meet city standards in that they may or may not be the exact same width as our current standards and there were no sidewalks. It was a rural development scheme. Within the city one had to build sidewalks.

Mr. Lueder stated the streets were very close to city standards. They were paved and had rolled curb gutters and were well constructed. Because it was a gated community the city would not maintain streets its public could not receive a benefit from. If there was a gate on there, the streets would stay privately owned. For the city to accept those streets, they would have to petition the city to accept those streets. The main difference was they did not have sidewalks. Street maintenance would not be part of what we would do.

Mr. Al Gradijan, a member of the association that owned the development, stated there was 121 acres, 59 lots, of which he represented 48. First, the reason the streets were never dedicated was not because they were built on the cheap. He did not do things that way. They were built to city standards, or they were built way beyond county standards. The reason they were private streets was it was built as a gated community. They could be gated and the owners wanted the security of a gated community. All the lots were roughly two acres. This was not a postage stamp subdivision. It was a quality subdivision. They did not want sidewalks because they wanted, with two acre lots, to maintain the country living, not because they were trying to put an extra dime in their pocket. The subdivision had gas, and water, now the city's. The tax rate for the city fire department was one third of what he was paying right now.

Council Member Norman asked, since it was a gated community, what would happen in the case of an emergency and police and firemen had to get in.

Mr. Gradijan stated there was a fire box with a control key for that. It was the same thing the city had at the airport.

Mayor Joens stated it would be a good time to share with the Council something she thought about a lot. As activities in the county went forward, there was actually a place in the county's General Plan that read: "Municipal Influence Areas. Municipal Influence Areas (MIAs) are primarily residential areas of the unincorporated county in the vicinity of a municipality. Residents of these suburban areas depend on the nearby municipality for

employment, educational, religious, and health care services, shopping, civic involvement, recreation, and entertainment. Some cities and towns will extend infrastructure such as water and sewer services to suburban areas, while others maintain policies of no extensions beyond corporate limits. If a MIA is close in to a municipality with transportation networks to urban services and amenities, the residential land uses are usually similar to that of neighborhoods within the municipality. Generally, a MIA has little or no physical or visual separation from the municipality. It usually has no amenities of its own due to close proximity to the incorporated area. Residents of a MIA usually identify with and depend on the adjacent or nearby municipality as their community.”

Mr. Lueder stated regarding building fees which were fees paid to the city as they constructed homes, calculations showed building permits would generate \$110,220.50, plan check fees \$71,643.48, sprinkler permit fees \$16,917.32, water impact fees \$210,366, and water meter connection fees \$93,000. Total estimated fees payable to the city would be \$502,147.30. The construction sales tax, with an average home price of \$500,000 would generate \$604,500 for the General fund and construction sales tax which went to support the HURF Fund would bring in an additional \$201,500, for an estimated total of \$806,000. The estimated additional State Shared Revenues was based on the population increase and was estimated at \$39,935.82 after build-out. Local taxable spending was estimated at \$1.3 million in additional revenue for the city.

Mayor Joens stated the reason staff put this chart together was to show the public the figures.

Council Member Elinski asked if there were plans to bring sewer out there and how much would it cost.

Mr. Lueder stated to sewer it would probably depend on when State Land developed; when we would have a site out there. There were actually quite a number of homes within the city's corporate limits that were still on septic because we had not extended sewer service. The percolation values out there were excellent. They were large lots so there would not really be the same issues there were in the Verde Villages where building was on quarter acre lots or less and had multiple septic systems. When State Lands developed out there and we would be forced to put in a centralized sewer system we would look at connecting them to the centralized sewer system.

Council Member Elinski stated at which time we would have to tear into the streets.

Mr. Lueder stated possibly not. There was a substantial width of right-of-way.

Mayor Joens then opened the floor to the public.

Dr. Bob Richards, of Crestview, stated Quail Canyon was approximately 3 miles from the city limits, an isolated pocket of empty lots that would probably never border the contiguous borders of Cottonwood. Amortizing Mr. Lueder's figures over 20 years gave the city just

\$25,000 a year. If a fire occurred across the property what would it do to the property values he asked. He asked why Mr. Gradijan should be allowed to speak for 40-some future property owners. He asked if septic systems were actually in place. He asked what liability the city had for the gas pipeline that ran across Ogden Ranch Road and through a residential area.

Mr. Bob Oliphant, of Cottonwood Ranch, stated city standards for water, sewer, and roads should be enforced. He asked what the criteria were for exempting certain developments from those standards. He asked where plans for parks, children's playgrounds, and open space were. Cottonwood Ranch was required to conform to city standards which was why there were 7 acres of open space. The application should be rejected.

Dr. Richards stated he thought as soon as one person was out there the city would have to provide CAT service to that area.

Ms. Lisa Pender, of Verde Village, stated she was a property owner outside the city and had no voting power in it. Annexation would create an opportunity for those homeowners to be part of the community and have a vote. Her husband engineered this subdivision. City sidewalks could be put in if required, the width of the road would allow it. It was private and the city would not have to accept it if they came to the Council 10 years later. They were two acre lots which was a lot of open space. She encouraged the Council to annex.

Mayor Joens closed the floor to the public.

Mayor Joens asked what the city's liability would be if a gas pipe blew up. Dr. Richards had probably heard about the one in California.

Mr. Horton stated he did not see the city would be the one primarily responsible for that line. It would probably be the effective utility. Simply that it lay within the city limits, and the city annexed that land, would not in itself give rise to any liability.

Mr. Gradijan stated if he had the same density as Cottonwood Ranch there would be over 400 homes in this subdivision. There was a lot of difference between 400 homes and 59 homes. Sociological studies had shown if you stuffed a lot of rats in a cage you had all kinds of weird characteristics. That would not be the case here. The whole subdivision was a park.

Council Member Smith asked whether we did or did not have to have subdivision open space.

Mr. Gehlert stated the annexation would be of a subdivision that was already developed. What the Council Member was addressing was the circumstance where a new subdivision was developed and what our Subdivision Code said about that. Generally, when we got into a sizable community, and we had not seen too many of those in Cottonwood, Cottonwood Ranch was one of the few exceptions, where the city had required parks as part of a

Planned Area Development (PAD) proposal, we did not have a specific set of guidelines in the city to govern that. It had been a kind of discretionary process on the part of the Planning & Zoning Commission and City Council through the review of their proposal. The Quail Canyon subdivision had 2 acre lots and was rather low density. The county zoning could be continued for 6 months and rezoned to comparable city zoning, or it could be changed through the full zoning process. The only zoning in the city that would accommodate such low density would be R-70.

Vice Mayor Pfeifer asked if the Code for sewer said that septic was acceptable if the city did not have sewer lines running to an area.

Mr. Lueder stated yes. There were several areas in the city that were not sewered yet. If this was high density or low percolation it would have been looked at much harder. With 2 acre lots and good perc values, common sense and logic had to prevail. Should it become available we would have them hook up to it.

Mayor Joens stated as the city we would have more input on what type of sewerage happened out there.

Mr. Lueder stated the plant would be located on State Trust Land so there would be gravity flow.

Council Member Kirby stated he had a concern about lot splitting. Was that a possibility for this type of subdivision and zoning.

Mr. Gehlert stated the city would encourage zoning that acknowledged the existing density. To increase the density they would have to go back through the zoning process.

Mr. Gradijan stated it was a platted subdivision and could not be split. Period.

Mr. Gehlert stated the function of the agenda item was to provide for the public hearing required as part of the 30 day process to take public comment. Once the 30 day window closed, annexation petition signatures would be obtained.

RESOLUTION NUMBER 2539 – AUTHORIZING AN AGREEMENT FOR THE PURCHASE OF THAT CERTAIN REAL PROPERTY IN OLD TOWN COTTONWOOD KNOWN AS GARDNER’S RECYCLING, YAVAPAI COUNTY ASSESSOR’S PARCEL NUMBERS 406-36-021A, 406-36-021B, 406-36-023, 406-34-010, AND 406-34-011. PURSUANT TO A.R.S. 38-431.03.A.3, A-4 AND/OR A.7, THE CITY COUNCIL MAY VOTE TO CONVENE IN EXECUTIVE SESSION IN ORDER TO CONSIDER ITS POSITION, RECEIVE LEGAL ADVICE FROM THE CITY ATTORNEY, AND/OR INSTRUCT ITS REPRESENTATIVES REGARDING THIS MATTER EITHER PRIOR TO OR IN LIEU OF TAKING LEGAL ACTION ON THIS ITEM.

Council Member Kirby moved to resolve into executive session. Vice Mayor Pfeifer seconded the motion, which carried unanimously.

After discussion with the City Attorney under executive session, Council Member Kirby moved to resolve back into regular session. Council Member Norman seconded the motion, which carried unanimously.

Council Member Pratt stated it was in the best interests of the City of Cottonwood and for the restoration and development of Old Town to buy this property.

Mayor Joens stated this had been discussed for many, many years. Old Town was our sense of place and sense of community. It was the place where our public came together for social events. The recycling place was a barrier to development. We were trying to attract quality businesses here and there were so many communities which did develop their original towns into an economic place. It was really important to mitigate this problem if we wanted to attract good businesses and keep them. Some of the complaints she had was there were actually rats down there and those kinds of issues. To get rid of this barrier to economic development would benefit the city. Another citizen had said the city should not spend funds this way and only a private entity should do this. It had been 20 years and no private entity had ever stepped forward to try to help out with this issue. It was just something for the future for all of our citizens that she felt imperative that it be addressed and taken care of.

Mayor Joens then asked if there were any comments from the public.

Ms. Lisa Pender, President of the Old Town Association, stated the property owner next to Foxy Fashions had spent a lot of time, money, and effort into redeveloping that area. They would like to see the recycling yard removed. Knowing that Gardner's was going to be leaving soon was part of her attraction to Old Town. She knew it would impact her as they left and she was setting up the ability to eradicate some of the bugs and issues that they were going to have to deal with as they left. She was willing to do that understanding the development of Old Town and what it was going to do. She had been talking to businesses and letting them know there was going to be a future Frisbee Park down there bringing in a recreation business to rent out some of the Frisbee things and bikes, and so on. This was a huge thing for Old Town. It was not a smell, it was not really a noise thing, but it was there and was kind of that itch on the back that you cannot seem to get rid of. They served a purpose but they needed to serve their purpose in another area, in an industrial area. That was how Old Town was going to grow.

Mr. Rooney stated as far that piece of property was concerned; he strongly encouraged the Council to purchase that piece of property and clean it up. It was not just about Old Town. He thought for the value of the whole community, cleaning that up was going to make a big impact on the whole community. He walked around yesterday with a gentleman from Illinois who had a place down in Sun City and one in Illinois who was an entrepreneur – a business man. He walked him through the community and told him what they were going to do here and he was looking at having a business here. He was looking at it based on a quality of life he sees here and he (Mr. Rooney) was selling him on the future quality of life would be even

better than it was today. This was just one step, but it was a big step toward helping Old Town. That was major to move forward. Without that happening, people were not going to invest in fixing up homes in the neighborhoods back around it in Old Town. It was not good in a tight knit community like this. We wanted to see people moving in, fixing up homes, buildings, and businesses. By having that relocated, and us owning it, that was going to happen. We had made great strides in the 4 years he had been here. He was not going to take credit for it. It was because of people like Ms. Pender and other people that were investing in the community. They had gotten the trinkety little businesses that would never succeed had left. They had replaced them with successful entrepreneurial businesses. To take it to the next level, they were not going to get there without making a couple strategic moves. He thought one of the strategic moves was to clean up that piece of property, to go to the next step and take care of the Old Town Jail and get that cleaned up, and then he thought we would go to the next level. We were going to maintain that level until we made some really serious strategic moves, and that was one of the biggest strategic moves. Not only for Old Town, but for our whole identity and our whole community. From an economic development standpoint, he recommended the Council make the right decision to clean that up and purchase that property.

Vice Mayor Pfeifer it was time to move Mr. Gardner's organization to another part of town.

Council Member Pratt stated the business was not a good fit for the area. Anything that helped the city economically helped the whole city.

Council Member Pratt then moved to approve Resolution Number 2539 authorizing the purchase of the Gardener's Recycling property in Old Town once a final agreement was negotiated by the city staff and executed by the Mayor and provided that all of the contingencies set forth in the agreement were satisfied prior to closing. Council Member Elinski seconded the motion, which carried unanimously.

Mayor Joens asked the City Clerk to read Resolution Number 2539 by title only.

RESOLUTION NUMBER 2539

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF COTTONWOOD, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE PURCHASE OF REAL PROPERTY KNOWN AS YAVAPAI COUNTY ASSESSOR'S PARCEL NUMBERS 406-36-021A, 406-36-021B, 406-34-010, AND 406-34-011.

Mr. Horton stated this was an earlier version of the resolution. There was another parcel number missing which was 406-36-023.

Mayor Joens stated that parcel would be added.

RELEASE AGREEMENT WITH SERGEANT DARRIN HARPER. PURSUANT TO A.R.S. 38-

431.03.1.3 AND/OR A.4 THE CITY COUNCIL MAY VOTE TO CONVENE IN EXECUTIVE SESSION IN ORDER TO CONSIDER ITS POSITION AND/OR RECEIVE LEGAL ADVICE FROM THE CITY ATTORNEY, AND/OR REGARDING THIS MATTER EITHER PRIOR TO OR IN LIEU OF TAKING LEGAL ACTION ON THIS ITEM.

Council Member Kirby moved to resolve into executive session. Mayor Joens seconded the motion which carried unanimously.

After discussion with the City Attorney in executive session, Council Member Elinski moved to resolve into regular session. Mayor Joens seconded the motion which carried unanimously.

Council Member Smith moved to authorize the City Attorney and City Manager to finalize the proposed resignation and release agreement of Sergeant Darrin Harper and to authorize the Mayor to execute the agreement once it was finalized. Council Member Pratt seconded the motion, which carried unanimously.

CLAIMS & ADJUSTMENTS

Council Member Norman move to pay the claims and adjustments. Council Member Kirby seconded the motion, which carried unanimously.

ADJOURNMENT

Council Member Kirby moved to adjourn. Council Member Elinski seconded the motion, which carried unanimously. The regular meeting adjourned at 8:11 p.m.

Diane Joens, Mayor

Marianne Jiménez, City Clerk

CERTIFICATION OF MINUTES

I hereby certify that the attached is a true and correct copy of the minutes of a regular meeting of the City Council of the City of Cottonwood held on September 21, 2010. I further certify that the meeting was duly called, and that a quorum was present.

Marianne Jiménez, City Clerk

Date