

**MINUTES OF THE STUDY SESSION
OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY**

**TUESDAY, JANUARY 19, 2021
6:00 P.M.**

**CHINO VALLEY COUNCIL CHAMBERS
202 N. STATE ROUTE 89, CHINO VALLEY, AZ**

1) CALL TO ORDER; ROLL CALL

Present: Mayor Jack Miller; Vice-Mayor Corey Mendoza; Councilmember Tom Armstrong (remotely); Councilmember Eric Granillo; Councilmember Cloyce Kelly; Councilmember Annie Perkins; Councilmember Lon Turner

Staff Present: Town Manager Cecilia Gritman; Assistant Town Attorney Joseph Estes (remotely); Finance Director Joe Duffy; Police Chief Chuck Wynn; Public Works Director/Town Engineer Frank Marbury; Development Services Director Joshua Cook; Assistant Planner Will Dingee; Administrative Technician Kathy Frohock (videographer); Deputy Town Clerk Traci Lavelle; Town Clerk Erin Deskins

Mayor Miller called the meeting to order at 6:03 p.m.

2) Review and discussion of the proposed regulations for recreational marijuana. (Joshua Cook, Development Services Director)

Joshua Cook and Joseph Estes presented the following:

- Staff had been working on the regulation language for recreational marijuana. Language was used from both City of Prescott and the County.
- Language included purpose statement definitions which defined items such as marijuana products, testing facilities, etc.
- A dual license from the state was required for those that wanted to sell recreational marijuana.
- Different towns had implemented their own rules, including complete bans on recreational marijuana, dual licensing requirements, and open recreational licensing sales.
- Licenses will be State issued, and there will not be a large number of licenses in the beginning.
- There was a distance requirement between dispensaries which would further limit the number of establishments.
- The Town already allowed medical marijuana sales and cultivation sites. The changes that needed to happen to local requirements included testing facilities prohibitions.
- UDO Section 4.30 regarding medical marijuana would also need to be modified to reference Town Code Section 117.
- An exemption clause needed to be added to Section 117-5 for the existing PDR facilities.

Council members and staff discussed the following:

- The State was allowing those who were licensed to cultivate medical marijuana priority to apply for and receive the dual license to cultivate recreational marijuana.
- The Town did not require grow house, cultivation and dispensaries to be tied together. The current marijuana sites in Town were not considered dispensaries. They cultivated and shipped the product to another site for processing. The Department of Health had required any cultivating sites to be attached to a dispensary site in order to be licensed. Any future licensed marijuana cultivation sites would need to follow State Statutes and Town regulations, including being in the Industrial Zone.
- Old Home Manor (OHM) Business Park had excluded greenhouses completely and it was not an industrial zoned area.
- The definitions of public space and open area was defined in the draft language.
- Someone could have both a cultivation/distribution site and a dispensary, but they could not be on the same site per the specified regulations in Section 117-4.
- Under the current code, any individual who wanted to cultivate and extract, had to be located in an industrially zoned site, or a site that had the protected development right.
- Extraction and infusion were the process of making or using the product into something else such as baked goods or gummy candies. The definitions of both could be added to the Code and the UDO.
- The current language in Town Code for medical marijuana specified that retail sales were not allowed in a cultivation facility. Infusion needed to be located on the same site as the dispensary or cultivation facility. Section 117 only addressed recreational marijuana. The UDO would reference the Section 117 only and the current medical marijuana language needed to be updated. Town Code would not reference the UDO. Town Code would regulate all recreational marijuana and the UDO would continue to be the only Town regulation to address medical marijuana within the Town.
- Further modifications could be made to the UDO in the future.
- It would be up to the State to determine the number of licenses issued and how they would be issued to the counties. The towns and municipalities would determine where the facilities could be located. The Town could limit the number of facilities through UDO language and criteria. It was unclear what the difference was between a medicinal consumer location and cultivators who grew the product when it came to dual licensing.
- Town Code did not have to be heard by Planning and Zoning but any changes to the UDO would need to go to the Planning and Zoning Commission first.

3) Consideration and discussion regarding moving forward with completing the 70% Police Building Design and financing the construction of a new Police Department. (Chuck Wynn, Police Chief)

Chief Wynn, Joe Duffy, Douglas Stroh – Stroh Architecture, Richard Aldridge – Civiltec, Bill Otwell – Otwell Architecture, William Waldron – Stroh Architecture presented the following:

- Chief Wynn provided an overview of the current facility, department needs, locations and the new project development and process. Issues included:
 - The building was too small, was in poor shape, was not ADA compliant, and could not be accredited.
 - There was only one restroom for staff and the public.
 - The holding cell area required male and female juveniles be separated by sight and sound to be accredited and the current site was out of compliance.
 - The officer area functioned as a lunchroom, changing area and evidence processing area. The cells were adjacent to the area and it was loud.

- There was a storage shortage issue.
 - The lobby could not provide privacy for victims or social distancing during the current pandemic situation.
 - There was not any meeting space.
- The proposed building was 16,725 square feet and offered potential for expansion. It provided all the necessary space and needs that the current location was lacking. The building would allow the department to become ADA compliant and to be certified.
 - It was recommended by the consultants and ADOT that the facility driveway that currently existed not be permanently closed but have a locked gate that could be accessed in an emergency. The current entrance would be replaced by a two way drive access. The consultants had been working with ADOT during the design phase. ADOT originally wanted to have a turn lane but their traffic engineers had advised that was not necessary. ADOT had generally agreed with the consultants to eliminate the turn lane and put in a 36' wide driveway with a left and right exit lane and a separate entrance lane.
- The design process included:
 - Touring the current facility and touring two other facilities. One was the Prescott Police department designed by the Town's architects in 1989 and it was currently used exactly as it had been designed. The Prescott Valley Police facility was also toured.
 - There had been two program sessions and two design meetings with staff and consultants. The design incorporated high security and energy efficiency. Their buildings were designed to be virtually maintenance free.
 - The final design reflected input from a dozen people in the department from organized meetings.
 - There were at least eight to ten years built in for growth in the future before it would outgrow the area. The site plan would allow expansion of at least another 10,000 square feet for building.
 - The design was reviewed with Council.
 - The building was elevated above flood elevation but during a 100 year event there was a potential for storm water to bypass around the facility. The water would be channeled away from the building.
 - Facility water and sewer utilities were over viewed.
 - The final floor plan was presented. It had been further refined since the previous plan was presented to Council.
 - The proposed roof was rubber and had a 30 year lifespan. The building was steel and concrete blocks and required little maintenance.
- The construction period would last about 14 months.
- Abacus, a professional estimating company, provided an estimate report at \$6.2 million. This cost was for the total package including landscaping and furniture.
- When it was put out to bid, it would include bid alternates to enable the Town to cut down the price if necessary.
- The total building price was currently \$6,378,000. It would cost approximately \$100,000 to finance the project. The Town had budgeted approximately \$1 million dollars and would need to finance approximately \$5.6 million. A 20 year loan with a 3% interest rate would have an annual payment of \$343,000-\$376,000. A 25 year loan would be between \$287,000 and \$322,000. Staff recommended a 25 year loan, but the Town could afford the 20 year loan as well. If the Town put an additional \$1 million down, it would be very tight, but would have substantial annual savings. Staff reviewed the HURF funds and explained that because the fund revenue was estimated conservatively, the Town would do better than projected and have approximately \$12.2 million dollars. Expenditures were handled in the same manner. This allowed the Town to build their

reserve funds. The fund balance in June 2021 was estimated to be \$6.3 million but would most likely be higher. There would be approximately \$2.4 million in road improvements with the HURF funds and CARE Act funds. Staff reviewed the future road budget funding, refinancing current loans for annual savings and other funding matters for Council. The Town was in good financial condition and could afford the loan and to maintain the roads.

Council Members, architects and staff discussed the following:

- The public meeting space was designed to hold 200 people in a seating scenario. It was 1,002 square feet and had a catering kitchen for events.
- Entering the highway from the facility was not any safer than their current location, but it was faster and avoided residential and backstreets to get to the highway.
- The North entrance would have a locked gated entrance with Knox Box key access. It would typically be locked and closed and not accessible to the public. ADOT was requiring the closure over concerns of adjacent driveway turn lane conflicts.
- There were concerns regarding emergency vehicles getting out to the highway during heavy traffic periods. If the other driveway was open it could be used as a merge lane for officers. The cost of a turn lane was very high because of utility relocations. The cost of the turn lane with utility relocation was approximately \$100,000. There was also an issue with a third lane used for turning, and people coming and going weaving to avoid one another. There could be emergency warning flashing lights installed on the highway in the future, with a budget of approximately \$200,000.
- As part of the landscaping plan, there were detention ponds for storm water and water harvesting.
- The building size would be appropriate for at least 10 years but depended on population growth. The expansion growth size was a minimum of 10,000 square feet but could go as high as 14,000 square feet. The two story design provided better site utilization and allowed for future expansion. The building design itself was also designed for expansion and a circulation pattern. The lobby space and main entrance to the building was a two story space and very open, allowing for circulation to the North and South which would accommodate future expansions. The estimated future growth space allowance was generous and most likely could be pushed to 20 or more years. The design purposely included a large amount of open space that could accommodate cubicles when necessary.
- The water retention could also accommodate future expansion of the building by expanding the existing basin.
- The Conex boxes contained case files and had to be retained for 99 years. The containers would most likely be moved to the shooting range area. The active cases would remain at the new building.
- The 25 year loan period was a good option because it kept a better cash flow to the Town, but staff thought either a 20 or 25 year loan were both good options. The Town could pay more money to pay it off early.
- Members were concerned about the \$1.6 million estimated cost to continue to maintain the roads and it was expected that the annual cost would continue to rise. Staff explained the flip side was that if the Town did not build the Police building for five years, the cost to build would also rise. Council would also be studying road and police impact fees as well. Online shopping and local shopping due to the pandemic had helped the Town's sales tax budget. Members did not see the online sales numbers going down in the future.
- Members discussed financing and the financial impact of building the police facility. Staff explained that construction sales tax revenue was up 12%, but it had not increased as much as retail sales. Total construction revenue for the Town was approximately \$1.5

- million annually. Members also discussed different financial options for the Police facility loan and possible future road and infrastructure funding options from the State.
- The Town wanted to hold on to the old police facility but were unsure of the direction. Development services needed space, but their building was in good shape. The public works department needed to be gutted and remodeled. Whomever moved to the building, would have expenses that came with it. Staff had put estimated budget placeholders for the future project but didn't have knowledge of the project scope or cost.
 - The State had not addressed the HURF fund since 1991. It might be something they address at some point in the future. The Town also had to be out of the Roads building by September 2021 because of the equestrian lease.
 - Members discussed being careful about the amount of money they put down and not overextending their finances and limiting the ability to address other Town projects. The benefits of both the 20 year and 25 year loan terms were discussed. Staff explained that a bond was locked in for the first ten years and could not be prepaid. The money could be put away for ten years and when that time had passed, it could be applied to the bond. Most members supported the \$1 million down and 25 year loan terms.
 - The new building would not require additional staff to maintain the facility or landscaping. Any additional maintenance was minimal.
 - Staff explained why the PSPRS refinancing was not a good option for the Town.
 - Members shared future concerns about the location versus worsening traffic conditions.
 - A member questioned how emergency access could be acquired to Center Street for the ability to access the traffic light. Staff explained there was a 30 foot City of Prescott easement for a high pressure waterline. It would be an expensive option because the Town would have to acquire the property and address drainage issues. The City of Prescott was not opposed to a road over the waterline as long as the construction didn't bust a waterline. That route would take the police back through a residential neighborhood. Members thought the best solution was ADOT approved traffic lights that could be activated during an emergency, similar to the Fire Departments. It would also be less expensive than a driveway to Center Street.
 - Members questioned keeping the current building as a substation and erecting a new facility at Old Home Manner. Staff explained that they were trying not to split up department staff because it was not cohesive. They were a very interactive department.
 - Members discussed their reservations regarding the facility. Some Members had concerns about the location and potential traffic problems and accidents. Other Members thought that no matter where the facility was located, they would have to contend with the highway. All members agreed warning lights would be beneficial.
 - Members asked staff to research the cost of warning lights and come back with new numbers. They would still need ADOT approval. The consultants had been working with them and could discuss the possibility of warning lights.
 - There were concerns that interest rates would increase substantially, but staff believed they would remain steady for several years. Staff was more concerned about inflation and the prices of building material going up, building material was difficult to get, as was labor.
 - It would take 15 weeks to prepare construction documents and four and a half weeks to bid the project, and a couple of weeks to prepare the contracts. It could be out to bid by mid-May.
 - Staff could start the financing and refinancing, and have the money in the bank within 100 days.
 - The Item could be added to the next Council meeting Agenda.

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong (remotely), Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

- 4) Review and discussion regarding rosters for Council subcommittees and entity appointments. (Erin Deskins, Town Clerk)

Mayor Miller explained that the suggestions were his and were not definite:

- Upper River Watershed Coalition: Turner and Alternate Mendoza
- Northern Arizona Municipal Water Association: Miller and Alternate Mendoza
- Technical Advisory Committee: Mark Holmes and Town Engineer
- SYMPO: Armstrong and Alternate Mendoza
- SYMPO Technical: Town Engineer and Assistant Town Engineer
- NACOG: Mayor and Alternate Mendoza
- GAMA: Miller and Alternate Mendoza
- League Resolutions: Miller and Alternate Mendoza
- Yavapai Regional Medical Council of Electors: Miller and Alternate Perkins
- Chamber of Commerce: Kelly and alternate Granillo
- Arizona Municipal Risk: Town Manager and alternate Kyriakakis
- Yavapai Combined Trust: Kyriakakis and alternate Resendez
- Liaison to Chino Valley Fire District: Miller and alternate Perkins
- Prescott Regional Airport Master Committee: Miller and alternate Perkins
- Appointments Committee: Miller, Armstrong, Turner
- Economic Development: Perkins, Granillo, Armstrong
- Finance Committee: Armstrong, Kelly, Mendoza
- Public Safety: Perkins, Granillo, Miller
- UDO: Turner, Kelly, Mendoza
- Roads and Streets: Kelly and Armstrong
- Water and Utilities: Turner, Mendoza, Granillo

AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong (remotely), Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

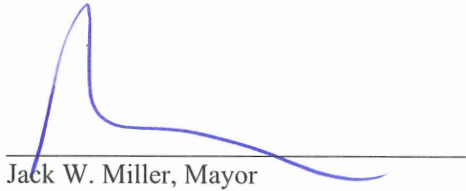
7 - 0 PASSED - Unanimously

- 5) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Councilmember Annie Perkins to adjourn the meeting at 8:18 p.m.

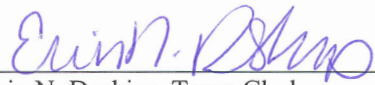
AYE: Mayor Jack Miller, Vice-Mayor Corey Mendoza, Councilmember Tom Armstrong (remotely), Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember Annie Perkins, Councilmember Lon Turner

7 - 0 PASSED - Unanimously



Jack W. Miller, Mayor

ATTEST:

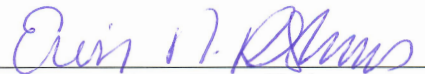


Erin N. Deskins, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 9th day of February, 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 10th day of February, 2021.



Erin N. Deskins, Town Clerk