MINUTES OF THE SPECIAL MEETING
OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

THURSDAY, JANUARY 23, 2014
6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona, met for a Special Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Thursday, January 23, 2014.

Present:	Mayor Chris Marley; Vice-Mayor Darryl Croft; Councilmember Mike Best; Councilmember Linda Hatch; Councilmember Pat McKee; Councilmember Don Wojcik
Absent:	Councilmember Lon Turner
Staff Present:	Town Manager Robert Smith; Police Chief Chuck Wynn; Town Engineer/Public Works Director Ron Grittman; Planner Ruth Mayday (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Marley called the meeting to order at 6:00 p.m.

Mayor Marley recommended moving items 2 and 2a to the bottom of the agenda.

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to move items 2 and 2a to the bottom of the agenda.

Vote: 6 - 0 PASSED

2) Discussion and possible action to direct staff regarding the Management Agreement for Chino Valley Shooting Range between the Town of Chino Valley and the Prescott Sportsmen's Club, Inc. (Mayor Marley)

(Council heard this item after item 2a, but is retained here for clarity.)

Mayor Marley reconvened the special meeting at 9:06 p.m. (Councilmember Hatch left the meeting at the end of the executive session.)

Council took no action.

a) The Council may vote to recess the Special Meeting and hold an executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider the Town's position and instruct the Town Attorney regarding the Town's position regarding a contract with Prescott Sportsmen's Club, Inc. related to management of the Chino Valley Shooting Range that is the subject of negotiations.

(Council heard this item after item 4, but is retained here for clarity.)

MOVED by Vice-Mayor Darryl Croft, seconded by Councilmember Mike Best to take a 10 minute break and convene into executive session.

Vote: 6 - 0 PASSED

3) Review and discussion regarding a proposed multi-day country "Outward Bound Music Festival" at Old Home Manor. Charlie Arnold, applicant. (Ruth Mayday, Planner)

(Council heard this item after item 1, but is retained here for clarity.)

Acronyms used in this item:
OHM (Old Home Manor)
UDO (Unified Development Ordinance)

Ms. Mayday reported that Charlie Arnold approached the Town about using OHM for a country music festival in September. In addition, the American Legion also asked about using a portion of OHM for a similar concert activity to benefit veterans over Memorial Day weekend. Mr. Arnold had started the technical review process with staff, whereas the American Legion will start theirs next week.

Outbound Proposal

- The applicants were Charlie Arnold and Steve Gottlieb.
- The event was tentatively scheduled for September 19-21, 2014; however, the site would be encumbered for the entire month to allow for set-up and tear-down of the equipment and facilities.
- Anticipated attendance was 25,000-30,000, with an estimated taxable activity of $5,000,000. Onsite camping spaces could number 8,000-10,000 and an equivalent number of parking spaces would be necessary. The entire site would be surrounded with a chain link fence and access would be tightly controlled.
- The promoter would be responsible for retaining adequate security and emergency services for the event, subject to approval by the Chino Valley Police Department and Fire District. They intended to hire private firms for security and safety, as well as utilize off duty law enforcement and fire personnel, and Lifeline Ambulance.
- The promoter will be responsible to hold neighborhood meetings, enter into a performance contract with the Town, provide liability insurance, hold the Town harmless, and establish a trust account for reimbursement purposes.
- The promoter desired that certain proceeds be designated for charitable contributions. Staff suggested that the Chino Valley Recreational Foundation be included.
- OHM was currently zoned Public Lands (PL) and the regulations governing the use of Public Lands were set forth in UDO Section 3.18. Included in the uses listed was "other uses approved by Town Council," giving Council the latitude to consider uses such as this. Temporary Uses were governed by Section 3.15.4 and required a Temporary Use Permit, issued by the Zoning Administrator.

Temporary Use Permit

In order to issue said permit, the Zoning Administrator must make the following determinations and findings of fact (UDO Section 3.15.4 (B)):

1) Ensure that health and safety are considered, and obtain the approval of the Yavapai County Health Department, the Fire District, and the Police Department prior to issuance of any permit.

2) Ensure that the land is adequate for the proposed use and consequent parking, and consider traffic safety.
3) Require any measures necessary to protect surrounding property.
4) Establish a time limit, not to exceed fifteen (15) consecutive days unless otherwise approved by Council.
5) Permanent structures shall not be permitted.

Staff Recommendations

As the Town had not hosted an event of this magnitude, staff suggested the following:

1) A specific Contract in addition to a Temporary Use Permit
   a) Contracts for Fire/Police/Safety Services
   b) Insurance policies for Liquor, event, liability
   c) Clear and complete indemnification of the Town
   d) Reimburse Town for costs incurred as a result of the event (Police OT, additional staff, emergency management)
2) Surety Bond for an amount to be determined that will cover remediation costs (roads, site, etc.)
3) Traffic Impact Analysis
4) Trust Account sufficient to cover staff time and attorney fees for project reviews, plan reviews, inspections, and recovery of claims of damages.
5) Specific plan for restoration of grasslands at OHM
6) Specific traffic plan, including controlling access to detours for local residents only.
7) Dust mitigation for traffic
8) Water plan for both dust mitigation and site supply
9) Ensure participation by Chino Valley youth/charitable groups
10) Sanitary Service plan, including pumping schedule

Staff proposed the following schedule:

1) Initial Work/Study to discuss Council's expectations (Jan 23, 2014) and requirements
2) Town Attorney to draft Contract and Temporary Use Permit
3) Neighborhood Meeting for residents of Chino Meadows 1, Bright Star, 7 Bar Ranch, and Haystack Ranches to take comment and receive feedback to traffic planning; Notification published in paper of general circulation fifteen (15) days prior to meeting.
4) Applicant finalize plans with Fire/Police/EMS
5) Town Council review site plans, traffic plans, Fire/Police/EMS plans, contract, and Temporary Use Permit (February Work/Study)
6) Town Council approves use and concomitant contracts at regular Council Meeting March 11, 2014

Charlie Arnold reported that :

- The promoters desired to hold this event annually to benefit area charities, specifically those benefitting children and veterans.
- They estimated the event could generate $500,000 in sales tax.
- The promotional group had extensive experience with such events.
- They wanted to know the Town's concerns and interest level, make sure the parties thoroughly researched the potential impacts to the Town, and determine soon whether or not it was feasible due to the short timeframe.
- The event would require continual access to the wastewater treatment plant, water for dust control, and potable water.

He then reviewed conceptual plans for fencing, lighting, traffic circulation, camping and parking, concert area, and areas for emergency services, vendors, and ADA, and the set-up schedule.

Councilmember Hatch left the meeting at 6:25 p.m. and returned at 6:28 p.m.

Council questions and concerns:

- Site issues - proposed size for a first-time event; effects of disturbing that much dirt; promoter contribution toward permanent site improvements.
- Traffic pattern - inconvenience to residents and businesses along Perkinsville Road; needing an alternate route for them.
- Noise and lighting - consideration for neighbors.
- Timeframe - possible conflicts with highway widening project and other events in Town or at the Garchen Institute.
- Financial - more details; how the estimated sales tax figures were calculated.
- Charitable donations - how charities will be selected.
- Selection of performers.

Mr. Arnold responded to Council's questions and concerns:

- The OHM site was 200 acres larger than the site they were modeling the event after. It would cost more to set up than any other sites, but it had the greatest local opportunity. The entire venue would be fenced, with separate fencing for the concert bowl, liquor area, emergency, and event operations, along with a secondary security fence at the wastewater treatment plant. The promoters estimated that 60% of attendees would come in RVs. If the event was successful enough to become re-occurring, the promoters would prefer to make some improvements permanent.
- A traffic analysis will be required by ADOT. The traffic plan provided for M.A. Perkins area to be used for local traffic only, as well as emergency access. Area businesses will be included in the neighborhood meetings.
- The plan for lighting, noise, camping, and curfews will vary per use, location, and impact to surrounding areas; e.g. noisier uses will be separated from family camping and surrounding neighborhoods.
- Identifying possible conflicts was part of their due diligence.
- Some financial details were not public record, but a bonding entity and letters of credit will serve as financial assurance. Estimated tax revenues were calculated from taxable transactions, such as food and beverages, RV repair, camping and parking, showers, and other services, all of which will be purchased by ticket and taxed.
- One charitable organization will partner with the promoters for the special event liquor license; and other charitable organizations will have the opportunity to apply for funding. Funding will be determined according to application, need, and priority.
- A talent broker had been retained to bring in a broad spectrum of performers.

4) Review and discussion regarding possible grant opportunities with the Arizona Commerce Authority and Economic Development Administration. (Ruth Mayday, Planner)

Acronyms used in this item:

ACA (Arizona Commerce Authority)
EDA (Economic Development Authority)
NACOG (Northern Arizona Council of Governments)
OHM (Old Home Manor)
OHM-IP (Old Home Manor Industrial Park)

REDG (Rural Economic Development Grant)

Ms. Mayday reported that staff was reviewing potential programs for funding of infrastructure and other developments and improvements around Town, particularly at OHM. Using OHM to attract commercial and industrial investment that will provide jobs will benefit the community in many ways. However, the lack of utility infrastructure (sewer, water, natural gas) was a detriment to potential users and put the town at a competitive disadvantage, as neighboring municipalities had sites with these utilities readily available. There were two grant programs currently accepting applications that would help fund such infrastructure: the Rural Economic Development Grant (REDG), funded by the Arizona Commerce Authority (ACA), and Economic Development Authority (EDA) funds, funded through the U.S. Department of Commerce.

Rural Economic Development Grant

- The REDG offered up to $500,000 to rural communities for the purpose of developing infrastructure that enabled them to be competitive with larger communities in attracting economic development. The program required a ten percent (10%) cash match; Finance staff assured that the Town could meet this match.
- To be eligible, the improvements must be tied to an Arizona Gold or Silver Certified Site or a private investment that was dependent upon the grant as evidenced by a Letter of Commitment or similar agreement. Therefore, the Town would have to apply to the Arizona Certified Sites Program to be eligible unless a developer stepped forward that would commit to the execution of a Letter of Intent, Lease Agreement, or Development Agreement. At Council's direction, staff will complete the pre-application requirement; the Commerce Authority would then certify the site as "silver" or "gold;" and funds would be used to mitigate any deficiencies found at the site.
- REDG funds could be used to reimburse the costs of actual construction of infrastructure, including permit fees, contractor/subcontractor fees, materials, and supplies. Design and engineering costs were not a qualifying cost for REDG.
- The application was due on February 28, 2014, with a tentative award date of March 21, 2014. The total funding amount available this round was $1,130,844 with a maximum of award of $500,000. Staff suggested applying for the maximum award amount.
- ACA officials had visited the site and were aware of OHM's potential and expressed an interest in working with the Town to develop it.

Economic Development Authority Funds

- The EDA offered Public Works and Economic Adjustment Assistance programs, commonly known as "EDA Funds." If directed by Council, staff will apply for funding under the Public Works program, for infrastructure design, engineering, and construction that assisted communities in becoming economically competitive. Investment priorities included projects that increased a region's existing competitive strengths and supported growth of existing and emerging industries; those involving public/private partnerships (PPP's); projects that encouraged job growth in a number of industries, including the growth of manufacturing; and projects that increased the abilities of companies and entrepreneurs to become and maintain global competitiveness, among other things.
- Town staff presented the OHM infrastructure project to NACOG's Economic Development Committee on December 5, 2013. The project was well received and NACOG offered its support for an EDA application. Staff provided the EDA representative for this region with a copy of the presentation and supporting documentation. As a result, EDA expressed an interest in the project and encouraged staff to apply.

- The EDA vetting process required National Environmental Protection Act compliance, preliminary engineering reports, and State Historic Preservation Office (SHPO) clearance, among other things. There was a match requirement based on unemployment rates or per capita income relative to national averages. EDA generally funded half of the project cost, and in areas of high unemployment (225% of national average) or low per capita income (50% of national average), EDA might contribute up to an additional 30% of total project costs. The match could be cash, in-kind, or a combination of both, and only non-Federal funds could be used for the match.
- The application was due no later than March 14, 2014, and the review period was generally 30 to 60 days. EDA will notify applicants if their project was funded, held for future funding, or not fundable. If funded, the Town could then send the project out to bid; and upon identification and qualification of bidder, a notice to proceed will be issued. The EDA review process included: (i) review for completeness and technical accuracy; (ii) merit review to ensure the project met EDA's investment criteria and determine if the community had the capacity to complete the project; and (iii) investment review to decide whether or not the project warranted the investment requested.

REDG to Leverage EDA

- Layering these two programs was essential to the completion of the proposed infrastructure improvements. Should the REDG application be fully funded, the $550,000 could then be used to leverage an additional $550,000 from EDA. The sum of both exceeded the engineer's informal estimate of probable cost. In-kind contributions should be included as they represented a dollar-for-dollar match; and an additional $25,000 of in-kind will equate to an additional $25,000 to invest in the project. Funds in excess of the engineer's estimate of probable cost could be used for additional chip-seal or other roadway improvements, or additional spine infrastructure along Rodeo Drive. Theoretically, the ACA could fund less than the requested $500,000 and the match leverage for EDA would be reduced accordingly.
- If the Town was awarded these funds, construction would not start for about two years, as the process following qualification was quite extensive.
- Staff recommended that Council consent to: (i) enroll the OHM-IP in the ACA Certified Sites Program; (ii) submit an application to the ACA for the REDG program for the purposes of partially funding infrastructure installation to OHM-IP; and (iii) submit an application to the EDA for Section 201 Investment Assistance for the purposes of partially funding the installation of infrastructure to OHM-IP.

Town Engineer Grittman and Town Manager Smith affirmed that:

- The Town could provide engineering services as part of its match.
- The federal grant would require the Town to encumber some portion of the property to the feds, but if the Town was successful in obtaining the ACA funds and used them for the match, it might not need to encumber any land.
- Infrastructure easements could be used as matches.

Council recommended that staff:

- Determine if there was a cost to certify the land.
- Submit the applications as early as possible.

5) ADJOURNMENT

MOVED by Councilmember Pat McKee, seconded by Councilmember Mike Best to adjourn the meeting at 9:07 p.m.

Vote: 6 - 0 PASSED

Chris Marley, Mayor

ATTEST:

Jami C. Lewis, Town Clerk

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 23rd day of January, 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 11th day of February, 2014.

Jami C. Lewis, Town Clerk