

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY**

TUESDAY, MAY 24, 2011

6:00 P.M.

The Town Council of the Town of Chino Valley, Arizona met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, May 24, 2011.

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

Council Present: Mayor Jim Bunker, Vice-Mayor Ron Romley, and Councilmembers Joel Baker, Dean Echols, Gloria Moore, and Carl Tenney.

Council Absent: Councilmember Linda Hatch

Staff Present: Town Manager Michael Scannell, Management Assistant Cecilia Watts, Town Attorney Tom Kack, Development Services Director Cecilia Watts, Development Services Director Pat Clingman, Town Engineer/Public Works Director Ron Grittmann, Transit Coordinator Jason Kelly, Commander Mark Garcia, and Town Clerk Jami Lewis (recorder).

Councilmember Tenney gave the invocation and Councilmember Baker led the pledge of allegiance.

2) Introductions, Presentations and Proclamations

- 2a)** Proclamation declaring May 27-28, 2011 as “**Poppy Days**,” sponsored by the American Legion Auxiliary.

Mayor Bunker read the proclamation and presented it to Liz Piper with the American Legion Auxiliary. Councilmember Baker spoke about Memorial Day observances.

- 2b)** Proclamation declaring June 11, 2011 as a day to observe “**Flag Day**,” sponsored by Chino Valley Elks Lodge #2842.

Mayor Bunker read the proclamation and presented it to representatives from the Elks Lodge, who spoke about the Town’s inaugural annual Flag Day ceremony on June 11.

- 2c)** Introduction of **Eagle Scout** Jonathan Argyle by Chino Valley Elk’s Lodge #2842 members.

This item was postponed.

- 2d)** Presentation of **Citizenship Merit Award** by Chino Valley Fire District to Walter Armes for outstanding conduct by a citizen.

Fire Captain Kox spoke about CPR and CCR, and presented the Citizenship Recognition Award to Mr. Armes for saving Mr. Greer’s life using CCR.

3) Call to the Public

Richard Burns, representing East Road 2 North and James Drive residents , requested that the Town chip seal an area road. Mayor Bunker referred him to the Public Works Director.

Chris Floyd, resident, spoke about an economic development proposal he and his wife had written.

4) Mayor/Council/Manager Report

Mayor Bunker:

- Read a Letter of Recognition from the Chino Valley Police Department commending seven police officers for solving several crimes committed by one individual.
- Recognized former Recreation Director Jason Kelly for his past service to the community.
- Reported that there will be no Safe Yield Committee on Thursday.

Councilmember Baker offered some words to the councilmembers-elect and spoke about Memorial Day.

Consent Agenda

Council set down item 7.

- 5) Consideration and possible action to adopt **Resolution No. 11-959**, declaring and adopting the results of the **General Election** held on May 17, 2011.
- 6) Consideration and possible action to approve Professional Services Agreement with Mr. **Don Zelechowski**, Certified Public Accountant, to perform Transaction Privilege Tax Auditing Services for fiscal year 2011/2012 for the amount of \$55 per hour. Funds to come from Capital Asset Replacement Fund line for sales tax audit expenditures; it is anticipated that the Town will receive a net positive impact of \$26,400 in revenues for fiscal year 2011/2012.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to adopt Resolution No. 11-959, declaring and adopting the results of the General Election held on May 17, 2011; and to approve Professional Services Agreement with Mr. Don Zelechowski, Certified Public Accountant, to perform Transaction Privilege Tax Auditing Services for fiscal year 2011/2012 for the amount of \$55 per hour. Funds to come from Capital Asset Replacement Fund line for sales tax audit expenditures; it is anticipated that the Town will receive a net positive impact of \$26,400 in revenues for fiscal year 2011/2012. The motion PASSED unanimously 6-0.

- 7) Consideration and possible action to approve a Management Agreement between the Town of Chino Valley and **Prescott Sportsman's Club**, Inc. regarding management of the Chino Valley Police Department's shooting range, located at Old Home Manor.

A couple councilmembers expressed their support for this project.

Jim McCrank, past president of the Prescott Sportsmans Club, spoke about their intention to make this facility the shooting center of Central Arizona and related that another \$15,000 was coming from the NRA to help with construction.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to approve a Management Agreement between the Town of Chino Valley and Prescott Sportsman's Club, Inc. regarding

management of the Chino Valley Police Department's shooting range, located at Old Home Manor. The motion PASSED unanimously 6-0.

Action Items

- 8) ZC CASE NO. 11-001. Consideration and possible action to adopt **Ordinance No. 11-746** to **rezone** Assessor's Parcel Numbers 306-23-041W, 041X, and 041Z from "SR-1.6" Single Family Residential 1.6 Acre Minimum to "AR-4" Agricultural Residential 4 Acre Minimum. This Ordinance repealed Ordinance No. 09-709 which previously rezoned the property from "SR-1" Single Family Residential 1 Acre Minimum to "SR-1.6." The subject property was located on the south side of W. Road 1 North approximately 830 feet east of Road 1 West and consisted of approximately 14 plus or minus acres. Applicant: Martin D. Messenger; Owner: M.D. Builders Inc.

Development Services Director Pat Clingman reported that:

- This was the third rezoning on this property. The original rezone required a right-of-way dedication along Road 1 North, which was accomplished. The second rezone was from "SR-1" to "SR-1.6."
- The applicant requested this rezone in order to recombine his parcels into three four ± acre parcels for tax-saving purposes. He had no plans to build at the time of application.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to adopt Ordinance No. 11-746 to rezone Assessor's Parcel Numbers 306-23-041W, 041X, and 041Z from "SR-1.6" to "AR-4," with the findings and stipulations recommended in the proposed Ordinance. The motion PASSED unanimously 6-0.

- 9) CUP-11-747. Consideration and possible action to adopt **Ordinance No. 11-747** to approve the issuance of a **Conditional Use Permit (CUP)** to allow for the construction, operation and maintenance of an active solar electric energy system on Assessor's Parcel No. 306-34-001, an approximately 298 acre parcel generally located east of Road 1 East between East Road 2 South and East Road 4 South. Property Owner/Applicant: James Deep Well Ranch #1/SunEdison, LLC.

Development Services Director Pat Clingman reported that:

- Unified Development Ordinance (UDO) Section 3.6.3.6.3(F) provided for public utility buildings for public service in AR-5 zoning with a conditional use permit (CUP). Staff recommended a CUP over a rezone to Industrial, as, if and when the project went away, the Industrial zoning would remain in the middle of AR-5 zoned properties.
- During the economic boom, the Town had approached rolling brownouts, and APS was mandated to apportion some power to alternative energy. The proposed 30-year CUP was based on the life of the panels. The project location was chosen so that the solar panels could tie into the existing power lines. When completed, the project should supply power to 4,700 homes. APS would not replace solar panels with higher density or reflectivity.
- Neighborhood meeting: On April 6, 2011, SunEdison and Arizona Public Service held a neighborhood meeting to discuss the proposed CUP. About 50 people attended. Concerns expressed included: construction timeframe, access, glare, dust, impacts to antelope, project location, and blocked views.
- Commission meetings: On April 19, 2011, the Planning and Zoning Commission ("Commission") postponed the item to allow the applicants to reach some kind of agreement with the neighbors. On May 3, 2011, the Commission reheard the item, and after listening to staff, the

public and the applicants, they voted 7-0 to recommend approval with the findings and stipulations indicated in the Ordinance.

- SunEdison later requested certain modifications to the Ordinance as well as the Perpetual Offer to Dedicate that was stipulated in the Ordinance. Staff did not recommend these modifications.
- Yesterday afternoon she received a packet of letters from attorneys listing property owners' objection to the proposal. While the majority of the letters of objection came from citizens whose properties were not within the 150-foot radius of the project, there was a sufficient amount to require a supermajority vote of the Council to approve the CUP.

APS spokesman Jason Smith introduced project partners from SunEdison, RBF Consulting, T. Barnabas Kane, and APS. He spoke about APS's history and reported that APS's strategy was to diversify its portfolio of resources and increase renewable energy from three percent in 2011 to 17 percent in 2025. Several projects were being done around the state, and APS was investing in different communities. The Arizona Sun Program's goal was to develop 100 megawatts of solar voltaic power, with 83 megawatts contracted to date.

SunEdison spokesman Brett Boulter presented the project overview:

- The solar system would be constructed by SunEdison, and owned by APS.
- 157 acres would be used for the solar array, while 140 acres would be open space, with maximum possible setbacks from 175 feet to 1,400 feet.
- Peak construction employment would be approximately 120.
- Studies did not exist regarding similar solar projects impacting property valuation.
- Business community feedback was supportive.
- Benefits to the Town during construction and the project's 30-year life included: jobs, time and materials to be procured, \$88 million project investment, increased community commerce, incremental property tax revenues benefits, preservation of the natural corridor, maintaining AR-5 zoning, and the Town becoming a leader in renewable energy.
- The project met the Town's Mission Statement in that it: preserved major view corridors, would produce little to no noise or traffic, needed no nighttime illumination and reduced glare, impacted no town services or public health, was accessible from East Road 4 South with a dedicated 50-foot right of way, and included a perimeter fence.

Ted Guislar with APS reported that Chino Valley was one of three of 100 proposed sites where they could do a project. One reason was due to the current line location, as a low-profile substation right under the current line was not available on any other site

Landscape Architect T. Barnabus Kane reported that of three options developed for landscaping, the community meeting attendees preferred a natural scheme with plants distributed in natural groupings.

Public Comment:

Ab Jackson, CEO, Chamber of Commerce, spoke in support of the project as:

- It would bring jobs and tax dollars and send a signal that Chino Valley welcomed green projects.
- Arizona was considered the best state in the U.S. for solar projects, and Chino Valley had one of best climates for renewable energy.

Roger Harlow, resident and Chino Valley Chair of the Joint Technical Education District (JTED), spoke in support of the project and disputed the devaluation of homes in the vicinity of the project due to lack of definitive data.

Dana Hopson, Road 4 South and Outlaw Road resident, spoke in favor of the project and stated that she supported Chino Valley being known for its cutting-edge solar technology.

Sal Lude, speaking on behalf of Ron James, the James family and Deep Well Ranch, supported the project, as it would create very little traffic and required no water use.

Tom Payne, owner of Tom's Print Shop, supported SunEdison for shopping locally in Chino Valley and supporting town businesses.

Clint Brown, Prescott attorney representing Bob Johnson and Gail Allen, opposed the project and requested that Council postpone their vote pending further investigation, citing a letter from a Yavapai County Deputy Assessor alleging that a commercial or industrial project of this nature in close proximity to residential housing would devalue the property in the immediate vicinity.

Candy Blakeslee, resident, opposed the proposal, as approval would set a precedence that 60,000 solar panels could go right next to any home in any zoning district and she asked Council to send this back to the Commission to create a new ordinance to keep these types of projects from being allowed next to homes.

Randy Blume, resident and owner of R. Blume Underground, Inc., spoke in support of the project, as the town needed growth and the schools needed help.

Phyllis Roth, East Road 2 South resident, spoke about listing her home for sale and the lack of interest shown by potential home buyers since the solar plant had been proposed.

Travis Bard, East Road 3 South resident, expressed concern about the actual amount of grading to take place on the site compared to a similar project in Prescott, and requested that the Town hold SunEdison responsible to provide grading information.

Derek Weist, Road 2 South resident, expressed concern with water-flow issues from the panels, tumbleweed remediation, and ongoing maintenance.

Toni Graybill, resident, requested that Council be more careful with large projects.

Claudette Haverfield Johnson, E. Road 2 South resident, presented the results of a survey that she took of the same residents in SunEdison's 1,000 foot buffer area. 50% did not know about the project; 12% left the survey blank; 20% approved of the project; 75% opposed it; 5% were neutral; and 93% wanted it somewhere else. She supported the project, but not the location, and expressed concern about the hazards of substations, the project being out of compliance with the general plan, and not being compatible with residential homes and property values. She requested postponement of the item and that the applicants provide a drawing of the substation and copies of the environmental impact study.

APS representatives stated that:

- This project was the first time a large project had been located adjacent to a residential neighborhood.
- The Town required a drainage report and plan, which would not allow current conditions to deteriorate. Maintenance crews would be responsible for tumbleweed remediation; and technicians would constantly maintain the site.
- The Prescott's site and this one were not comparable, as this site would have between 10,000 to 15,000 cubic yards to be graded, whereas Prescott had 77,000 cubic yards graded. Their grading plan was required to not affect the natural flow.

- The substation would have low-profile transformers in a private fenced area and would be no taller than the ceiling of the council chambers. It would be 2,700 feet from the nearest home and they agreed to provide a phase I environmental assessment and cultural resources survey.

Council recessed the meeting from 8:37 p.m. to 8:52 p.m.

Norm Freeman, resident and Chairman of the Arizona Game and Fish Commission, stated that while there would be no impact on wildlife, the Game and Fish Commission will probably take a position statewide on renewable energy projects within the next month due to the economic impact of hunting and fishing on the state and local economy. He asked Council to postpone the item for one month in order to study the issue further.

Council discussion—concerns about the matter:

- It did not appear to give any advantage to the Town's citizens.
- The letter produced by Mr. Brown had no signature and appeared to exceed Mr. Gibbs' authority; and unless documentation was produced as to who wrote the letter, the Council could not consider it.
- How much of the projected revenues from the project be offset by possible decline in property values.
- A problem with downstream flows from that area and additional runoff from the panels.

APS representatives stated that a seeding and stormwater plan would be implemented, which required establishing a certain percentage of landscape to hold the soil in place, and inspections would be done monthly. Also, stormwater permits stayed open per law until the agency that inspected stated it was okay to close it.

Council discussion:

- The project would provide local jobs and district taxes would benefit the Town with school district taxes, fire district taxes and Yavapai County property taxes.
- What hurt Chino Valley's home values most was lack of jobs.
- Moving the project to another site would not make any difference, as there would only be different people objecting to it.
- Animals could go around the fences.
- There would be less traffic than a subdivision on this property and a quiet project was preferable.
- There were as many people for the project as against it at the various meetings.
- The project would help the economy.

Vice-Mayor Romley MOVED, seconded by Councilmember Baker, to adopt Ordinance No. 11-747 to approve the issuance of a Conditional Use Permit to allow for the construction, operation and maintenance of an active solar electric energy system on Assessor's Parcel No. 306-34-001. The motion PASSED unanimously 6-0.

10) Consideration and possible action regarding Transaction Privilege Tax Rates (Sales Tax Rates).

Town Manager Michael Scannell reported that at a previous meeting Council had asked staff to compile Transaction Privilege Tax (TPT) data, including those of other jurisdictions, and the impacts of incremental adjustments of that tax. Staff developed a summary in addition to previously presented TPT scenarios.

Public comments:

Tom Payne, resident and business owner, spoke about Chino Valley already being at a disadvantage with the higher TPT and asked Council to use caution.

Candy Blakeslee, resident and business owner, spoke about her research showing that only four towns in the state were higher than three percent and her customers often commented on the higher tax.

Council comments:

- The Town's sales tax rate was a little higher than that of Prescott and Prescott Valley.
- The Town needed to be careful about looking to enhance revenue, as local businesses were already struggling with the economy.
- One supported a 0.1% or 0.2% percent increase for a limited time, if needed, to get through the recession.

- 11) Consideration and possible action regarding summary building permits/**impact fees** statistics and summary Senate Bill 1525.

Finance Director Vera Smith reported that on May 10, 2011, Council requested information pertaining to building permits, impact fees, and recently passed development impact fees legislation. Staff compiled a summary of building permit and impact fees statistics, as well as a summary of Senate Bill 1525 for Council discussion.

Council discussion:

- The Town missed collecting \$62,000 had the impact fees been in place, but he was not sure the Town needed to do more now.
- One requirement of the new senate bill was that commercial and industrial business would not be exempt from impact fees, and the Town had not collected impact fees on industrial and commercial development because they were job generators. Prescott Valley and Prescott were looking at imposing impact fees on their communities per the state requirement.
- The new Council should consider another way to collect such fees in lieu of impact fees.

- 12) Consideration possible action regarding the current status of the Town of Chino Valley **Transit Program**.

Transit Coordinator Jason Kelly reported that:

- If the Program was retained as is, Local Transportation Assistance Funding (LTAF II) in the amount of \$29,565 will be gone by September 2012 and the program would require a \$16,500 general fund subsidy.
- The projected revenue shortfall for fiscal year 2010/2011 was \$4,400, but if Council approved a new two-year grant, that would be reduced to \$341.
- As he was leaving the Town's employ this week and he was Transit's only paid employee, he recommended that the Town hire a part-time dispatcher, recruit more volunteer drivers, and determine supervision later. He also offered to serve as a liaison with ADOT.

Town Manager Scannell added that as ridership increased, expectations would rise in the community for the program to continue, and if the program required a general fund subsidy, expenses would have to be cut somewhere else. In addition, as transit by nature was a regional issue, the Town should work on a regional approach.

Council comments:

- Current ridership would not support the program, but the program had only been running for seven months.
- Citizens were relying on it for health care needs, and it had been approved for a second round of grants.
- As a lot of work had gone into the program, they discussed another review in 90 days.

Vice-Mayor Romley MOVED, seconded by Councilmember Echols, to authorize staff to contract with Jason Kelly for transit program reporting and ADOT liaison functions; and possibly direct staff with regard to ongoing staffing for dispatch functions per Council discussion for a period of 90 days, not to exceed 10 hours per month. The motion PASSED unanimously 6-0.

- 13)** Consideration and possible action to approve the Revised **Master Budget Calendar** for fiscal year 2011/2012 (June through August).

Mr. Scannell presented a new master calendar prepared by Finance Director Vera Smith which revised the Study Session date of June 23.

Vice-Mayor Romley MOVED, seconded by Councilmember Moore, to approve Revised Master Budget Calendar for fiscal year 2011/2012 (June through August). The motion PASSED unanimously 6-0.

- 14)** Consideration and possible action to approve the **Financial Report** for nine months ending March 31, 2011 for fiscal year 2010/2011.

Councilmember Tenney MOVED, seconded by Councilmember Echols, to approve the Financial Report for nine months ending March 31, 2011 for fiscal year 2010/2011. The motion PASSED unanimously 6-0.

15) Adjournment.

Councilmember Baker MOVED, seconded by Councilmember Tenney, to adjourn the meeting. The motion PASSED unanimously 6-0 at 10:01 p.m.

Jim Bunker, 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 Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the 24th day of May, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this DAY day of MONTH, 2011.

Jami C. Lewis, Town Clerk