

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

**TUESDAY, JULY 16, 2019
6:00 P.M.**

The Town Council of the Town of Chino Valley met for a Study Session in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, July 16, 2019.

Present: Mayor Darryl Croft; Vice-Mayor Jack Miller; Councilmember Mike Best; Councilmember Cloyce Kelly; Councilmember Corey Mendoza; Councilmember Lon Turner

Absent: Councilmember Annie Perkins

Staff Present: Town Manager Cecilia Grittmann; Finance Director Joe Duffy; Public Works Director/Town Engineer Frank Marbury; Development Services Director Joshua Cook; Planner Alex Lerma; Economic Development Project Manager Maggie Tidbeck; Police Chief Chuck Wynn; Administrative Technician Kathy Frohock (videographer); Deputy Town Clerk Vickie Nipper (recorder)

1) CALL TO ORDER; ROLL CALL

Mayor Croft called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

2) Presentation and discussion regarding financial analysis and priorities pertaining to capital improvements. (Joe Duffy, Finance Director)

Joe Duffy presented the following:

- Council needed to determine and prioritize which projects to move forward to the current budget.
- Major goals over \$50,000 from previous year's budget:
 - General Fund: New police car, Parks and Recreation equipment, Old Home Manor (OHM) cleanup and trash and debris disposal, parking lot maintenance and roofing, Memory Park restrooms, mechanic service truck, document management system.
 - Capital Management Fund: Assess replacement – recommended an all-wheel drive vehicle for the building department and a possible second vehicle later in the year.
 - HURF: Used water truck, pothole patch truck (demo first).
 - Water/Sewer Enterprise Fund: A credit card based water fill station, collection system cleaning, drying beds, collection system cleaning, second headworks and belt press repair (WIFA reserve funds for repair of worn out items), equalization basin design and construction, and plant expansion design and construction.
- New items that needed to be addressed were:
 - Strategic sewer line extensions at Smith Court with the majority of the cost recouped through property owners.
 - Should Perkinsville Road residential lots, close to Town water and sewer, be allowed to have private wells and sewer or be required to connect to Town utilities? Council wanted staff to pursue both extension items and bring back job order costs.
 - Road 2 North water and sewer extension to private development (Clayton Homes) of

150 lots that would benefit other property owners adjacent to the development. The Town would have to front the money for the extension with the allocation of recouped funds based on the assessment formula of highest use. The Town may have to borrow funds but should get all funds refunded in time. The cost was still being developed but the total cost of the project would include street improvements.

- Capital Improvements was one percent of the Town's sales tax used for major general fund projects.
 - *Projects already planned:* Old Home Manor Master Plan and lot development; One North Signal; Rural Economic Development Grant Match; Old 89 mill and fill; Jerome Junction paving; CDBG match grant funds paving project.
 - *Proposed projects:* Lease Purchase debt payoff for three years would be a savings of \$16,000; Old Home Manor development design and construction on 3-5 lots and a spec building; Police Department begin design/build process – bond payment on \$4.5 million would be \$400,000 per year; purchase of water credits.

Council, Mr. Duffy and Staff discussed the following:

- The police car would be fully funded and would be fully loaded.
- The Town would be pursuing the vehicle lease/purchase program with a vehicle replacement schedule.
- The Town would follow a deferred maintenance program for vehicles, parking lots, and buildings.
- The belt press needed to be fixed to keep it running for several years. The belts useful life should be taken advantage of before it was replaced.
- Utility extensions were a benefit to land developers and subsequent home owners and the State may not issue a well permit if property is within a certain distance to a water provider. Staff stated that legal counsel suggested an annual budget be set aside for the extensions and use a job order contract with a water/sewer construction company which would allow the contractor to design and construct the extensions in a timely manner. Each extension had to be designed independently, stamped by an engineer and approved by ADEQ. Council wanted staff to pursue both extension items and bring back job order costs.
- The development of 90-acres near Hawk's Nest would require a lift station in order to run sewer lines until the lines could be gravity fed from Perkinsville. Council Members thought Clayton Homes had to be committed to the project before the Town spent funds for the line extension. Staff explained that if the Town had the infrastructure, developers would be more likely to come. The Town could plan and be ready for a developer. The lines were already under the highway for the Road 2 North extension but not at Perkinsville. Staff could determine the cost of a plan to determine the cost of development and bring back to a study session.
- Staff stated that an ideal place for a water fill station was at Sycamore Vista and Road 2 North at the Town well site.
- With assured water supply the Town could buy 20-acres at \$20,000 an acre foot and sell it for \$25,000 an acre foot. The Town could purchase for \$400,000 and sell it to Mike Fann for \$500,000 or it could be brokered and directly sold to Mike Fann to help satisfy the Bright Star water obligation. Council discussed if it would be more beneficial to sell directly to Mr. Fann or hold the water credits for a later project. Council wanted staff to proceed to obtain further information.
- Council and staff discussed the Town's portable water credits, water portfolio and the requirements to become an assured water provider.
- Council discussed the proposed police department building design. The current building would be gutted and become another Town facility. Staff explained that the Police

Department wanted to have a facility outside a residential neighborhood. The long-range plan was to have the Town's administrative offices together again and not split.

- Council and staff discussed the per square foot cost difference between the proposed OHM shell building and the construction of a new police facility.
- Council would review the list of proposed projects and come back to the next study session to discuss preferred projects.

3) Review and discussion regarding draft text amending the Town of Chino Valley Unified Development Ordinance, by amending Section 3, by adding Subsection 3.19: BP (Business Park) zoning district. (Alex Lerma, Planner)

Alex Lerma and Frank Marbury presented the following:

- Staff had made the changes requested by the Council from the last meeting which included modifications to the Business Park Purpose Statement and clarification on excessive water usage and excessive particles or other pollution.
- Staff consulted with water consultant Mark Holmes on what constituted excessive water usage.
- Staff had scratched the previous purpose statement and replaced it with a statement that focused on the differences, especially the development standards, of the business park from other zoning districts. Staff read the new purpose statement to Council.
- Staff reviewed the examples of business types and building water usage provided by Mr. Holmes and the suggested language to include in the zoning code. Staff explained that when a building was on Town sewer, 60-70% of the water used was collected. The highest water use business was inpatient healthcare at 50 gallons per square foot, with the average large building using 20 gallons per square foot.
- Business emissions of excessive particles or other air pollution in Section D 14 shall not exceed the 2008 National Ambient Air Quality Standards, which is part of the Clean Air Act, states that no business shall discharge pollutants that exceed 0.075 parts per million for a daily maximum 8-hour average. The language would be added to the development standards.
- Staff shared comparison photos of business parks and industrial parks at Councilmembers request. Staff reviewed the differences between the two types of parks.

Council, Mr. Lerma and Staff discussed the following:

- Council discussed the idea that the high-water users would have a greater recharge water return because all the properties would have the same landscaping. Staff had suggested that the net water usage of a business should be the determining factor, with the recharge water being subtracted from the total gallons per square foot and the net water not recovered used as the determinant of total water usage. A water bottling plant would be a business that would have high water usage with little water recharged back into the system. It was agreed that the water wasted and not being recharged to the system should be the consideration for a business use.
- Council and staff discussed the amount of recharged water that made it back into the aquifer and the water credits that the Town received for their recharge basins, which equated to the amount of water the Town could take back out.
- The excessive water use and recharge credits would be implemented into the development standards with a definition of excessive water use and a set percentage amount of non-rechargeable water usage that businesses could not exceed. Staff thought the current Section 13 regarding excessive water usage should remain the same but wanted to add language into Section E, development standards that stated a specific percentage of water that needed to be recharged. Staff suggested 30%

- Once the business park was laid out, a landscape model could be used to determine the percentage amount of water necessary for landscaping for each business.
- Consider requiring drought tolerant trees or xeriscape landscaping in the business park zone and as the UDO was updated, including it in other zones as well. Staff explained that was part of the integrated water masterplan for OHM, which tried to capture and utilize the rainfall runoff for landscaping needs. The masterplan could have some best management practices for types of landscaping to use to conserve water.
- Staff did not have any over polluting business examples. It was a hard number to measure, but it was the standard Phoenix was held to. The output number was measured through monitoring stations. The business would have to provide documentation on the average pollutants the industry would generate in their development documents during the site review process. Council discussed businesses that could have higher emissions and filtration systems that resolve emission issues. Staff suggested that item 14 language be general and state “Excessive particulates or other pollution according to EPA Standards.” Council agreed to the language.
- A Council Member thought the photos of the industrial park did not convey all types of industrial parks and thought an industrial park could be developed in a softer style than the photos shared by staff. Industrial Park photos from the Council Member were shared with the group.
- Staff and Council discussed the differences between industrial and business parks and what the Town wanted for OHM. Staff explained that although it was a business park, a warehouse type business would still fit into the area and loading docks would be in the back of the building but still requiring the architectural facade facing the street. An alleyway would not be considered a street. Councilmembers wanted the park to encompass both industrial and business park development. Staff explained that site plan review would take care of the development of the park. The use would either be an allowed use or possibly a conditional use that allowed the Planning Commission and the Council to place additional conditions to protect the existing surrounding businesses.
- Councilmembers discussed that the purpose statement should allow for more ranges of business to include both business and industrial uses. Staff explained that OHM preliminary designs included heavier use businesses in one area and lighter use areas in another. Council discussed that each 20-acre block could have its own theme, business type or purpose. Staff thought the purpose statement reflected both heavier and lighter uses and that the businesses were defined under permitted uses.
- Private developers would need to abide by all the development standards that the Town would be using for OHM, including the water recharge requirement which would require a private development to be hooked to the Town sewer system.
- Council wanted OHM to be grander than any private developer could create.
- A Council Member wanted to see heavier uses included at OHM and thought staff was slanted towards only light uses. Staff explained that light industrial would allow for the uses he had in mind and that heavy industrial uses would cause pollutants and truck traffic that would destroy the existing roads. Staff read the definition of industrial.
- The business park zone was not specific to OHM but outlined what could happen in the area. This zone was being created to specifically create the zone at OHM. Specifics to OHM could not be placed in the zoning code. The Town did not want to make the code too restrictive or developers would not come. The purpose of OHM was to bring economic development and jobs to Town. A strategic plan would help lure developers and investors to the area.
- Council and staff discussed how perspective developers or businesses would be handled. Discussed OHM water masterplan and property and road development planning and budgeting.
- The item would be placed on the next Council agenda to be voted on.

- 4) Review and discussion regarding a proposal to develop land use engineering and development standards. (Joshua Cook, Development Services Director; Frank Marbury, Public Works Director/Town Engineer)

This item moved to the 7-23-19 regular meeting and will be an action item.

5) ADJOURNMENT

MOVED by Mayor Darryl Croft, seconded by Vice-Mayor Jack Miller to adjourn the meeting at 8:10 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Lon Turner

Vote: 6 - 0 PASSED - Unanimously

Darryl L. Croft, 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 Study Session of the Town Council of the Town of Chino Valley, Arizona held on the 16th day of July, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2019.

Jami C. Lewis, Town Clerk