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

TUESDAY, SEPTEMBER 13, 2022
6:00 P.M.

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

Present: Mayor Jack Miller; Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo; Councilmember Cloyce Kelly; Councilmember John McCafferty; Councilmember Lon Turner

Staff Present: Town Manager Cindy Blackmore; Town Attorney Andrew McGuire (remotely); Assistant to the Town Manager Terri Denemy; Development Services Director Laurie Lineberry (remotely); Assistant Town Engineer Steven Sullivan; Senior Planner Will Dingee; Magistrate Judge Joan Dwyer; Court Administrator Ronda Apolinar; Sergeant Cody Johnson (Sgt at Arms); Audio Visual Technician Lawrence Digges; Town Clerk Erin N. Deskins

1) CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL

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

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

3) CALL TO THE PUBLIC- Individuals requesting to speak, please complete a Speaker Comment Card and return to the Clerk.

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

4) CURRENT EVENT SUMMARIES AND REPORTS

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

a) Status reports by Mayor and Council regarding current events.

- Mayor Miller commended staff for their work on Territorial Days celebration and fireworks.
- Vice Mayor Perkins reported that the 9/11 Memorial had a great turnout with visitors and community members. It was recorded by Compass Training Center. They would be doing the same thing in 2023, which also marked the ten-year anniversary of when the Memorial statue was placed.

b) Status report by Town Manager Cindy Blackmore regarding Town accomplishments, and current or upcoming projects.

Town Manager Blackmore reported the following:

- The 9/11 Memorial was a successful event that took a lot of behind-the-scenes work.
- Upcoming events: September 17 – 4th annual Hawaiian Luau that supported the Town police foundation; October 1 – Food Truck Festival; October 4 - National Night Out.

5) CONSENT AGENDA

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

Vice-Mayor Perkins requested to pull items 5 (c) and (e) to be heard separately.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Tom Armstrong to approve consent agenda items 5 (a) (b) (d) (f) as written.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

a) Consideration and possible action to approve a Cooperative Purchasing Agreement with Empire Machinery for the purchase of a new Caterpillar CB2.7GC Tandem Vibratory Roller in the amount of $61,888.23. (Frank Marbury, Public Works Director/Town Engineer)

b) Consideration and possible action to ratify the emergency execution of a Cooperative Purchasing Agreement with Empire Power Systems for the purchase and installation of backup generators in the amount of $106,107. (Frank Marbury, Public Works Director / Town Engineer)

c) Consideration and possible action to approve the Development Agreement with Brown Homes for a construction trailer and sales trailer for the Perkinsville 44 Subdivision. (Will Dingee, Senior Planner)

Item 5(c) was pulled from the Consent Agenda and heard separately.
Staff, Town Attorney, Council, and Applicants discussed the following:

- The owner of the property where the trailer would be moved would be compensated for three years.
- There was concern of a conflict of interest because the property owner was on the Planning Commission (PZ). The Town Attorney explained that a conflict of interest would be if a Councilmember had a vested financial interest in the deal. PZ did not have any official decision on the agreement.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to approve item 5 (c) as written.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

d) Consideration and possible action to approve the First Amendment to the Professional Services Agreement for Water Consulting Services between the Town of Chino Valley and Mark Holmes, LLC, to increase annual and maximum aggregate compensation. (Terri Denemy, Assistant to the Town Manager)

e) Consideration and possible action to approve a First Amendment to the Ground Lease with Ichor Airsoft, LLC, for approximately 36.72 acres of land at Old Home Manor. (Terri Denemy, Assistant to the Town Manager)

Item 5(e) was pulled from the Consent Agenda and heard separately.
Staff, Council, and Airsoft discussed the following:

- There were concerns with the proposed revised contract that included:
  - The last Mudder Event was in 2019 and had been cancelled after that. There had been very few people that had signed up after Covid, and it seemed to be a fad. There were fourteen events across the country, and none were as popular. The Town had not been contacted to bring back the event. The Town did not want to impact the area where there was a viable business that was already in Town for an event that was uncertain.
  - The Airsoft course had been temporary so it could be removed within a week as required by the current contract, but the obstacles were important to their business. With the Mudder event no longer happening, the obstacles could be more permanent. The Mudder course was still in place. Customer feedback had mentioned more permanent amenities would bring back repeat business.
  - The Town would still keep the right to use the area six times per year with the proper notice. The current obstacles were small and prone to weather, but the larger more permanent obstacles would provide longevity and sturdiness.
  - Members wanted to ensure the [motocross] track was preserved and not blocked by obstacles.
  - All obstacles and structures would be built to code. The structures could still be removed if necessary.

• Airsoft was a local business with another location in Prescott Valley. If the business grew in Town, they wanted to move their headquarters to the Old Home Manor (OHM) site.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Tom Armstrong to approve 5 (e) as written.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

f) Consideration and possible action to approve the August 17, 2022, special meeting minutes. (Erin N. Deskins, Town Clerk)

6) ACTION ITEMS

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

a) Consideration and possible action to approve Ordinance No. 2022-922 regarding the Home Detention Program established in the Town for administration by the Presiding Magistrate pursuant to A.R.S §9-499.07. (Joan Dwyer, Presiding Magistrate)

Recommended Action: Approve Ordinance No. 2022-922 regarding the home detention program.

Joan Dwyer, Presiding Magistrate presented the following:

• There were changes in the Home Detention Program, and the Court had been in touch with the Town Attorney.
• It was recommended that the reference to Covid be removed from the Ordinance and to make home detention a permanent option. This would repeal the old Ordinance.

Council, staff, and Ms. Dwyer discussed the following:

• The program was for extreme or super extreme DUI's due to the number of days in jail. Lesser DUI's spent 10 days in jail with nine suspended. The more extreme DUI's required that 20% of the mandatory sentence be served, which equated to an extreme sentence of 30-days, with 21-days suspended. Two of those days would be in jail and the remaining days would be by ankle monitor. A super extreme DUI would require 45-days, with 31-days suspended. Three days would be in jail and the remainder served by ankle bracelet.
• The ankle monitor allowed the individual to continue to go to work.
• The ankle bracelet was tracked by SCRAM. It also tested for alcohol every 30-minutes.
• The program had been successful and other regional courts were using the same

system.

In the last 12-months, there had been 20 DUI cases, with one home detention that was an extreme DUI.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to approve Ordinance No. 2022-922 regarding the home detention program.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

b) Consideration and possible action to approve the Amended and Restated Development Agreement for the Bright Star Property with Estrella Vista Enterprises, LLC. (Mark Holmes, Water Resources Consultant)

Recommended Action: Approve the Amended and Restated Development Agreement for the Bright Star Property with Estrella Vista Enterprises, LLC.

Mark Holmes, Water Resource Consultant presented the following:

- This was a new proposed, restated, and amended development agreement for Estrella Vista Enterprises also known as Bright Star.
- The location of the undeveloped and developed areas of the Bright Star development were reviewed. The total platted units were approximately 1200.
- A pre-annexation agreement was approved in 2001, and the first development agreement was approved in 2002. In 2018 the Town and Bright Star had discussed various aspects and obligations of the development. There had been numerous agreements and amendments over the years, making it challenging to track.
- In 2019 the Town retained Michele Van Quathem, a contracts and water rights attorney to produce a new restated agreement and clean up the many past agreements, with a focus on water and sewer. A new restated agreement was produced in 2019 and sent to Bright Star to review. It was agreed that the completed obligations would be removed from the new restated agreement but be attached as an appendix.
- In 2020, the Town and Bright Star attorneys met to review the draft agreement, and now in 2022 both parties had come to an accord on the new proposed restated agreement.
- Key agreement provisions:
    - Bright Star needed a new master plan for the development, which needed to be completed for the next new plat application.
    - New road improvements and trail connectors would be completed, including equestrian trails and Road 2 North and Center Street improvements.
    - The Town would make 45.3-acre feet of assured water supply credits available to the development per the infrastructure improvements made to the Town's water system.
    - The Town would make their physical availability determination (PAD) available to the development, so they could complete an analysis of assured water supply, which would lock up the Bright Star portion for the next ten years. Any assured water supply needed beyond the 45.3-acre feet for the development

would need to follow the Town’s water use ordinance.

- Future fees, including hookup, access, development fees, etc. outside the agreement would be on the obligation of the development.
- The Bright Star developer had signed the agreement, and the Town supported the proposed the new restated agreement and recommended it be approved.

Council and staff discussed the following:

- No water had been obligated for the subdivision with the pre-annexation or the original development agreement. With the purchase of OHM, the Town acquired a large portion of extinguished water credits, which they made available to various developers throughout the community. The 45.3-acre feet would come out of the Town’s water portfolio as reclaimed water, that generated an average of over 300-acre feet annually.
- The developer spent $1.8 million to produce a new water production well, a million-gallon storage facility for water, fire, and development needs for the entire Town’s service area, and a booster station, which were all located on their development. The Town’s financial responsibility was provided in water credits at $25,000 per assured water supply credit, which was calculated at the 45.3-acre feet.
- The eastern portion of Road 2 North and the equestrian trail and east Center Street were required to be improved. Staff would research if Unity Road was part of the improvements.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to approve the Amended and Restated Development Agreement for the Bright Star Property with Estrella Vista Enterprises, LLC.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

c) Consideration and possible action to approve an amendment to the existing Medical Marijuana Protected Development Right Site Plan, for AZ Organics LLC, located at 828 E. Road 4 South, to modify the approved site plan by changing the six (6) remaining, unbuilt buildings, into one (1) building of the same square footage. (Will Dingee, Senior Planner)

Recommended Action: Approve the amendment to the AZ Organics' existing Protected Development Right Site Plan.

Will Dingee, Senior Planner, presented the following:

- This was a requested amendment to the Protected Development Rights (PDR) for AZ Organics and their cultivation site.
- The PDR was approved in 2016, which had an approved site plan. The site plan allowed for up to 122,000 square feet for cultivation buildings onsite. To date, there had been approximately 36,000 square feet constructed, leaving 84,000 square feet mostly in the center of the development spread between four proposed buildings consisting of two sections each.

- The proposed amendment was to change the remaining sections into one building that would be incorporated into the two existing 17,000 square foot buildings. The building would need to go through the Development Services review process, including permitting and engineering.
- Since the site plan was approved by Council, it needed approval to be modified.
- Staff was recommending approval.

Council and staff discussed the following:

- The approved building square footage would not change. The over all building size would be reduced by approximately 200 square feet.
- The request was to go from four buildings to one.
- The zoning was commercial light and dated back to 2016, so the development did not have the industrial zone.
- The PDR had been renewed for the only two-year extension, and the owners had until July 2023 to wrap up the development before the PDR expired.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to approve the amendment to the AZ Organics' existing Protected Development Right Site Plan.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Tom Armstrong, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

7 - 0 PASSED - Unanimously

d) Public hearing, consideration and possible action to approve the Del Sol North Minor Subdivision Final Plat consisting of 10 lots, one acre in size or larger. Approximately 1300 feet south of the intersection of East Perkinsville Road and Salida Del Sol on the northern half of parcels 306-18-038A, 038B and 038C. Applicant: Jay Bates on behalf of Right Homes. (Will Dingee, Senior Planner)

Recommended Action:

(i.) Hold Public Hearing

(ii.) Approve the Del Sol North Minor Subdivision Final Plat subject to the following condition:

1. Permits for the development shall not be issued until the Maintenance Improvement District has been recorded with the County.

Items 6(d) and (e) were presented together.
Will Dingee, Senior Planner, presented the following:

- The initial submittal came in September 2021, and it had been under review since that time.
- The project location was reviewed. The property was almost 26-acres in size, was vacant, and zoned Single Family Residential one-acre minimum.
- The surrounding properties were reviewed.
- The proposal was two final plats, each ten-acres that totaled 20-one acre lots.
- Well water and septic would serve the properties. A public asphalt road would be built to Town standards, from the southern most section of the development to Perkinsville Road, which exceeded Town requirements.

- Tracts A, B, C, & D would be open space, drainage, and landscaping for the subdivision, which would transition into a Maintenance Improvement District (MID), a first for Town. These districts were similar to a homeowner's association, without the CC&R's. It was solely for the care and maintenance of the open space and drainage areas. It was assessed annual property taxes only on the people who resided in that subdivision. It acted identically to the Streetlight Improvement District at Bright Star. The initial first year maintenance cost would be funded by the developer.
- Staff was forwarding recommendations in phases:
    1. A public hearing was held for both plats.
    2. Approval for the North plat and South Plat.

Council, developer and staff discussed the following:

- The nearest sewer was 1300 feet away. There was concern that it was very close to existing sewer and the importance of getting as many subdivisions as possible onto the system for recharge and substantial water purposes. There was also concern about seepage into the water system. In this case, it would require going through private property to supply sewer to the subdivision.
- Staff had looked at all options for connecting to Town sewer, but the costs were too great. As the Town moved forward in the masterplan process, these types of issues would be considered.
- The developer was unsure of the first-year cost of the MID, but it would include landscaping, plants, and fencing. It would go on the homeowner's tax bill after the first year.

Public Comments:

- Rachelle Fernow – was concerned about the number of wells that would be going into the development and shared concerns about the Town's water and sewer infrastructure. She did not understand how it was the City of Prescott's water district. Redoing the General Plan would not give the Town more money to solve these issues. It seemed a common issue to approve developments when water was a real issue. It was explained that the City of Prescott supplied Chino Meadows with water, and it was their water lines in the area. It was not a reality to get Prescott to supply the new lots with water. It was not fair to hold up a private development, but it was an issue that would need to be considered in the future. Ms. Fernow questioned why they could not run the Town's waterline along Perkinsville to the development. It was explained that it was a funding problem.
- Jay Bates, Right Homes – The developer was required to do an assured water supply through the State. They looked at all the aspects of how the wells impacted water supply. They had received assured water supply through ADWR, who looked at the 100-year mark and equated it to the 20-wells operated on those lots. It had already been issued.
- Teena Meadors – questioned why sewer and water could not be accessed through the developer's property that had direct access to Road 2 North and was downhill. It would not require an easement since the developer owned the property.

Council Discussion:

- There was concern about the recharge issue more than the source of water and the need for the Town to emphasize the importance of recharging water. Water collection would be essential for sustainability.
- The MID was developed in two stages, with the initial petition signing and then the plats would be recorded. Once recorded, the lots would be assigned parcel numbers,

which was how taxes were assessed. Staff wanted to ensure that the maps were recorded, parcel numbers issued and reflected on the final draft of the MID agreement, and then recorded. Permits could then be issued. The attorney reviewed the process of creating the MID.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Cloyce Kelly to approve Item 6(d) to approve the Del Sol North Minor Subdivision Final Plat subject to the following condition:

1. Permits for the development shall not be issued until the Maintenance Improvement District has been recorded with the County.

CM Armstrong abstained because of the taxes that would be charged and the water issue.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

6 - 0 PASSED

e) Consideration and possible action to approve the Del Sol South Minor Subdivision Final Plat consisting of 10 lots one acre in size or larger. Located approximately 1300 feet south of the intersection of East Perkinsville Road and Salida Del Sol on the southern half of parcels 306-18-038A, 038B and 038C. (Will Dingee, Senior Planner)

Recommended Action:

(i.) Hold Public Hearing

(ii.) Approve the Del Sol South Minor Subdivision Final Plat subject to the following condition:

1. Permits for the development shall not be issued until the Maintenance Improvement District has been recorded with the County.

MOVED by Vice-Mayor Annie Perkins, seconded by Councilmember Lon Turner to approve Del Sol South Minor Subdivision Final Plat subject to the following condition:

1. Permits for the development shall not be issued until the Maintenance Improvement District has been recorded with the County.

CM Armstrong abstained because of the taxes that would be charged and the water issue.

AYE: Mayor Jack Miller, Vice-Mayor Annie Perkins, Councilmember Eric Granillo, Councilmember Cloyce Kelly, Councilmember John McCafferty, Councilmember Lon Turner

6 - 0 PASSED

7) ADJOURNMENT

Jack W. Miller, Mayor

ATTEST:

SEAL

TOWN OF CHINO VALLEY, ARIZONA

Erin N. Deskins

Erin N. Deskins, 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 13th day of September, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 11th day of October, 2022.

Erin N. Deskins

Erin N. Deskins, Town Clerk