MINUTES OF THE STUDY SESSION OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY TUESDAY, OCTOBER 21, 2025 5:00 PM COUNCIL CHAMBERS | 202 N. STATE ROUTE 89 | CHINO VALLEY, ARIZONA 86323

1. CALL TO ORDER, ROLL CALL

Mayor Armstrong called the meeting to order at 5:00 p.m.

Present:	Mayor Tom Armstrong, Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer, Councilmember Larry Holt - remote, Councilmember Robert Switzer
Absent:	Vice-Mayor Eric Granillo
Staff Present:	Town Manager Terri Denemy, Town Attorney Michael Goodman, Executive Analyst Jessi Sorteberg, Finance Director Katie Pehl, Economic Development Manager Maggie Holmberg, Public Works Director/Town Engineer Frank Marbury, Community Services Director Cyndi Thomas, IT Technician Sandra Santos, Audio Visual Technician Nicholas Harwick, Deputy Town Clerk Sara Burchill, Town Clerk Erin N. Deskins

2. DISCUSSION ITEMS

a. Presentation and discussion regarding a proposed Economic Development Agreement with Chino Valley Rodeo Drive, LLC for an RV Park at Old Home Manor.

Terri Denemy, Town Manager, presented the following:

- This project was a long time coming and required a lot of work from various departments to make it a viable and beneficial project for both parties.
- Briefly discussed the contents of the contract and packet, and what would be discussed throughout the meeting.
- Staff is moving forward on the rezone of the land from Business Park to Public Land and will bring the matter to Council on December 9th.

Maggie Holmberg, Economic Development Manager, presented the following:

- Reviewed the project specifics, including the amount of acres, RV spaces, amenities, etc.
- A new appraisal was being done and would be delivered by the end of the week. Further discussed the appraisal and the fact that the appraisal might affect the bid price. However, staff anticipated the appraisal to be similar to the past appraisal.
- Discussed the Economic Impact Report conducted by Rounds Consulting regarding the construction phase and operational impacts.

Katie Pehl, Finance Director, presented the following:

- Gave a brief overview of the financial impact of the contract on both parties, including the upfront credit to the developer, purchase price, street extensions, wash rerouting, and other applicable fees. Changes to the development could change the numbers as they are not finalized until the final site plan is submitted.
- Discussed the TPT offset and how it works along with the possible outcomes of that TPT offset depending on how much is put back into the sewer fund based on the success of the business.
- Listed the various benefits the Town would receive as a result of the sale of the land, construction of the project, and operations. Once the sewer buy-in credit is paid back, that additional amount will go to the general fund.

The meeting recessed at 6:10 p.m.

The meeting resumed at 6:15 p.m.

Council and staff discussed the following:

- Councilmember Schacherer inquired if the numbers presented by Rounds Consulting were estimates.
    - Staff stated they were based on various studies by an independent third party. Additionally, the consultant does a lot of economic impact studies for rural communities.
- Councilmember McCafferty inquired where the figure of $9.5 million for total capital expenditures came from.
    - Staff stated it came from the developer as an estimate on total costs of the project including land purchase, soft costs, construction work, etc. There are a lot of amenities adding up to that number, including pickleball courts, a pool, etc.
- Councilmember Schacherer asked for clarification on the road extension.
    - Staff stated the developer would be responsible for improving the south side of Rodeo Drive. However, some of the road was already built by the Town. The total amount for the developer to finish the rest of the road entirely was approximately $640,000. The Town is responsible for paving the north half of the road. The developer offered to add the north half of the road into their project. The Town's portion would be $126,461. It would be more expensive to do it as a separate project.
    - Discussion ensued about whether the contract included the price of the design, or if the Town would have to pay additional for that.
        - Council wanted to know who would pay for the design and at what cost and be stated in the contract. Council was hesitant to pay more than the quoted $126,461 for additional design costs.
    - Further discussion ensued regarding whether the north side of the road should have a sidewalk, curb, and gutter, or if it should be a multimodal passage to accommodate horses.
- Councilmember Switzer inquired why the Town would be responsible for upsizing with regard to utilities. He felt that provision should be stricken from the contract.
    - Michael Goodman, Town Attorney, stated that if the Town asked for more than is required, then the Town would be responsible to pay for it.
    - Staff stated they do not see any need for upsizing on this project as the developer would be installing 12-inch pipe.

    - Councilmember Holt inquired if Yavapai College was also installing 12-inch pipe on their project.
        - Staff stated the college was installing 8-inch pipe.
- Councilmember Schacherer inquired why the Town was giving the developer a $1.2 million credit on sewer buy-in fees.
    - Staff stated the buy-in fees were cost prohibitive for the developer to complete the project. Staff structured the credit so that the Town would receive tax revenues that they wouldn't receive if the RV Park did not come to fruition. The developer would have a maximum of 10 years (after completion of construction) to pay that credit back.
- Councilmember McCafferty clarified that the TPT offset would be sending one percentage point of the 4% from taxable retail activity to the Capital Improvement Fund.
    - Staff stated that was correct. In essence, 25% of the total.
    - Further discussion ensued regarding the amounts of restricted and unrestricted portions going to the Capital Improvement and Sewer funds.
- Councilmember Switzer inquired about a potential conflict in the contract stating that the business only has to operate for six years, but that they have 10 years to pay back the $1.2 million credit. He further inquired about what would happen if the company sold.
    - Michael Goodman, Town Attorney, stated that was in the "Operating Covenant" and even if the business is not economically viable for them, they must continue operating for six years. The obligation for repayment of the $1.2 million would transfer to the buyer.
    - Staff also stated that it could fall under liquidated damages language possibly resulting in the Town receiving more than the $1.2 million credit.
- Councilmembers inquired why there was no mention of the developer needing to put up a bond.
    - Staff stated they would look at the laws and make sure that they can add that in.
- Councilmember Switzer inquired if the appraisal would take the rezone into account.
    - Staff stated it was a comparable appraisal and likely wouldn't make much of a difference, if any.
    - Further discussion ensued regarding the appraisal and the value of the parcel based on the amount of acres being purchased.
- Councilmember Schacherer asked for clarification about a dump station and the rules and regulations surrounding that.
    - Staff stated section 1.2(A) states that they are not permitted to connect the dump station to the Town's sewer system, and it must be hauled and disposed of offsite.
    - Councilmember Schacherer referred to Town Code requiring pre-treatment for significant industrial uses.
        - Staff stated that section 1.3 discusses wastewater pre-treatment reports as part of the surveys, assessments, and plans required for development. The utilities design will be dependent on the report findings, which will be approved by Town staff once they make sure that the plant will not be harmed. Staff also has sampling devices and would routinely take samples to make sure that what is stated in the pre-treatment reports is actually true.
- Councilmember Switzer expressed concern about the empty portion to the west of the parcel, including potential fire danger if it wasn't maintained.
    - Staff stated that they have and would continue to look for grant opportunities to do something with that strip of land. Staff would ask the developer if they would be willing to participate in landscaping that portion. Staff stated they could mow a 10- to 15-foot strip around the parcel if the fire district recommended.

  - Councilmember Holt suggested asking the college to contribute some landscaping through their programs.
- Councilmember McCafferty stated that the legal description did not match what they were buying.
  - Staff stated they didn't have that document yet.
- Discussion ensued regarding cleaning up paragraph B to make intentions and portions more clear.
- Councilmember McCafferty asked for clarification on Section E making reference to a non-compete clause.
  - Staff stated that section states that if the Town did not provide an incentive the findings of the study are that another RV Park would not come and develop in the same time and place. Not that one can't, just that it would be cost prohibitive to do so in the absence of incentives. Further, the Town is not allowed to include a non-compete clause.
- Councilmember Holt inquired how to stop the developer from selling the property once the contract is approved.
  - Staff stated it couldn't be prevented, but given the long history of this matter, and the patience of the developer, they did not foresee that being an issue.
- Councilmember Schacherer inquired what the sewer rate would be per space and the other facilities such as laundry facilities and the clubhouse
  - Staff stated they would be charged $49.22 per space whether they were occupied or not. Staff stated it would be about $300 per month for all other facilities, and their rates would go up on the same schedule as everyone else. There is no exclusion for them.
- Councilmember McCafferty felt that the return on investment for the $1.2 million credit was long at nearly 15 years.
  - Staff stated that compared to what the Town had done in the past, it was more aggressive. Staff also anticipated the RV park doing better than projected with all the developments with the Fred Harvey farm, state park, Town plans for outdoor recreation, etc.
- Councilmember Switzer inquired how the Town would recoup the money if TPT was taken away by the legislature.
  - Staff stated it would fall to their requirement to pay the difference between the offsets.
- Councilmember Switzer asked for clarification on "Agreement Subject to Appropriation" on page 6 of the contract.
  - Michael Goodman, Town Attorney, stated that the Town is not allowed to go into debt for anything beyond the current fiscal year. In order to do that they would have to appropriate that money at this time. If a future council decided not to appropriate money, the Town would not be obligated to pay it because the current council cannot obligate a future council to do something because it would reduce their authority and power. This would not affect the credit, but rather a scenario such as the road extensions not being complete.
- Several matters were brought up by Council that the Town Attorney and staff considered to be negotiation matters and should be discussed in Executive Session.

3. ADJOURNMENT

Mayor Armstrong adjourned the meeting at 6:55 p.m.

Tom Armstrong

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Tom Armstrong, Mayor

ATTEST: TOWN OF SEAL CHINO VALLEY, ARIZONA

Erin N. Deskins
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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 21st day of October, 2025. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 18th day of November, 2025.

Erin N. Deskins
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Erin N. Deskins, Town Clerk