

**TOWN OF PAYSON  
TOWN COUNCIL MEETING  
MINUTES OF THE SPECIAL MEETING  
July 20, 2006**

**CALL TO ORDER**

**Mayor Bob Edwards called the special meeting to order in the Council Chambers at approximately 4:15 p.m.**

**PLEDGE OF ALLEGIANCE**

**PRESENT:** Mayor Bob Edwards, Vice Mayor Tim Fruth, Council Member Ed Blair, Council Member Susan "Su" Connell, Council Member Andy Romance, Council Member Mike Vogel, and Council Member John Wilson.

**STAFF PRESENT:** Fred Carpenter, Town Manager, Samuel I. Streichman, Town Attorney, LaRon Garrett, Public Works Engineer, and Jerry Owen, Community Development Director.

**OTHERS PRESENT:** Charlene Hunt, Parks and Recreation; Ted Tomerlin, Streets Department; Marci Huffman, Chief Deputy Town Clerk.

**PURPOSE OF MEETING**

3. **\*\* Council Decision Request filed by Fred Carpenter, Town Manager, to approve the proposal of Clear Creek Associates to conduct a safe yield study for the Star Valley area for the cost of not to exceed \$50,000, subject to town attorney approval of the contract for services. \*\*Added 7/18/06, 2:15 p.m.**

Mayor Edwards moved this item up on the agenda for discussion/possible action. He said that Star Valley was satisfied with the contract as written and the Town was also satisfied. Clear Creek Associates had never been used by the Town. LFR, the firm Star Valley uses, is also comfortable working with Clear Creek. They have a good reputation.

Mike Ploughe, the Town's Hydrogeologist, said this process was started prior to Star Valley incorporation. The town decided to hold off to work with its neighbors. He introduced Doug Bartlett and David Carr of Clear Creek Associates who would answer any questions.

John Wilson **moved** to approve the proposal of Clear Creek Associates to conduct a safe yield study for the Star Valley area for the cost of not to exceed \$50,000, subject to town attorney approval of the contract for services. Motion was **seconded** by Vice Mayor Fruth.

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Clmn. Vogel asked if Star Valley will accept and comply with the results of the study. Mayor Edwards said Star Valley indicated they were willing to accept the results.

In answer to some of Clmn. Romance's concerns, all existing available data will likely identify all data gaps. Data gaps will be identified as they go along. They will identify where they will need to collect more data; that there are always data gaps when dealing with the earth.

Jim Garner's understanding was that Star Valley was not contributing to the cost of the study. The cost will come out of the Town's water fund. If Star Valley council accepts the results, he could see them being used for grants. He felt the report should be the property of the Town of Payson, and if Star Valley uses it, they will need to pay for it.

Jerry Owen, Community Development Director, explained that safe yield was not taking out anymore water than was being put back in. Clmn. Romance asked regarding the location of the pump in the RH well if they anticipated that water within the 30 square mile drainage watershed. Mr. Ploughe explained that he had many stacks of references for Clear Creek and they were just now getting into that question. Clear Creek Associates have no preconceived notions.

Clmn. Connell asked how many wells will be evaluated. Mr. Ploughe answered they will do research to find out. He thought 50 to 100 sites at least. Clmn. Blair asked if the study will be assessing the effects when water comes out of the tower well 24 hours a day, seven days a week. Clear Creek will review the documents and let them know.

Clmn. Connell proposed an **addendum** to the motion to have the Town staff provide a list of all development and projects and what their water sources might be, any of these developments whose water come from source wells will be held from further work until the results (of the Safe Yield study) come back to Council. Clmn. Blair **seconded** the motion.

Clmn. Wilson thought that Clmn. Connell's motion was totally separate from the issue at hand and should be dealt with separately. After checking with the town attorney, Clmn. Blair withdrew his second.

Clmn. Fruth noted there are many developments that are basing their development on the use of Star Valley water. He thought it would be wise for the Town to wait and see what kind of water it's getting from there and slow the process down to see.

The main motion was then **approved**, 7-0.

Clmn. Connell repeated her **motion** to have the staff provide a list of all development and projects and what their water source might be; any of these

developments whose water that might have water come from source wells (Star Valley) will be held from further work until results caom back (to Council) to the extent that the law will permit. Clmn. Blair **seconded**.

Clmn. Vogel said this was called a moratorium on building and developments already begun have a timetable of April 2010, and would have to be given extensions.

Town Manager Fred Carpenter asked at what stage of development this would apply. Vice Mayor Fruth was concerned that the Town could not draw back on those developments already approved. There could be legal problems. Clmn. Connell thought those that had been approved should go forward.

It was concensus of council to wait and have some discussion regarding the issue and bring it back to a special meeting to be held on August 3, 2006.

1. Discussion/possible action concerning the Payson Event Center project.
2. Council Decision Request filed by Fred Carpenter, Town Manager, to direct Staff to:
  - a. Proceed to develop a lease with Hospitality Support Group for a portion of the Payson Event Center property and return to Council for consideration and possible action; OR
  - b. Proceed with a new RFP to allow sale of a portion of the property, with appropriate restrictions for a hotel/conference center facility.

Town Manager Fred Carpenter explained there were 100 ERU's allotted from this property. Former Council Member Barriger thought citizens needed to be involved to work this issue through, which had been successful.

Mayor Edwards expressed his concern regarding the cost of moving the arena and phasing it in. He wanted to be comfortable with the consultant's numbers.

Steve Nielsen, NFPD, was present to answer questions.

Vice Mayor Fruth asked about the cost of the event center cover. LaRon Garrett, Public Works Engineer, said that at the time it came from a building contractor, the cost was \$1,000,000. From an article in the Arizona Republic, the Apache Junction cover came in at that price.

Mayor Edwards expressed concerns regarding the relocation of the event center and the associated cost. Mr. Garrett said to put a cover over the existing arena, many things will have to be moved. The difference in costs is

\$100,000 to \$200,000.

Discussion ensued regarding moving the arena. It will leave access to a trailhead. Clmn. Romance said that the GVRA support this plan. Because of the location of the hotel and large footprint and the terrain in the northwest corner, there will be high costs for development and the Green Valley Parkway construction. If the developer is responsible for the costs, it is not a big risk for the Town. The Town's estimated costs for its contribution for the Green Valley Parkway is \$500,000.

LaRon explained what would be done to the road. Numbers are based on half road, curb and gutter, drainage improvements. The Town does not own the west property, which is forest service property. It is possible to do an improvement district paid by the people on the hill and the Town can member with them on that. McLane Road would be for local traffic running parallel to the Beeline Highway.

Mayor Edwards wondered if the proforma tax out of the hotel would be sufficient to cover the bond. Mr. Nielson clarified that their numbers are based on proforma provided by the developer. NFPD analyzes those and provides a forecast. After explaining how the debt would be covered, advantages and disadvantages of going with a lease or sale were discussed.

Mr. Nielsen explained that their objectives were to develop an economic development program that would spin off to hospitality and tourism. This will throw off enough revenue for the arena. If the Town went with the lease, the dollar value is higher, and the Town would still own the land.

If the objective is to obtain cash, the property could be sold, but they were concerned about the appraisal (highest and best use probably high residential). This doesn't generate revenue, and they recommended the longterm lease, so the Town would end up with everything it wants. In the short range, it would be close, but in the long range it would be a home run.

Rex Hinshaw, Chair of the Rodeo Board, encourage continuing with the lease path in terms of compatibility. If homes were built instead of the hotel, there would be problem with noise, dust and lights. Town maintains control of logistics and events that happen at the event center.

Leon Keddington did not believe the Town needed housing over the event center because it could not be controlled.

Charlene Hunt, who organizes many events at the event center was in favor of the lease option.

There was concern that the events already planned must go on. The cover would go up first and the old site would be used until the new site was built.

Clmn. Fruth **moved, seconded** by Clmn. Wilson, to proceed to develop a lease with Hospitality Support Group for a portion of the Payson Event Center property and return to Council for consideration and possible action.

Peter Steven asked what happened to the water requirements for this particular plan. Mr. Carpenter replied that the 100 ERU's is enough for the hotel and event center. Mr. Steven asked who would be in charge of filling the hotel. Hilton Garden Inns will be the developer of the hotel.

Tina Bruess, Chamber of Commerce, said she did not have anything to add and strongly supported the lease option, and that the Chamber liked the concept.

Motion carried, 6-0-1; Clmn. Blair abstained.

With regard to the event center, Vice Mayor Fruth believed the Town needed to have a facility that it was proud of and needed to participate and help provide the money. He was not in favor of doing it in phases.

Clmn. Vogel asked who would run the event center. The Parks Department will and LaRon Garrett would be the Town's representative in the discussion regarding the quality of the project.

The costs for the facility will be covered by bond. It might be "upside down" in the beginning, but going forward it will improve. Jim Garner said the upside down would be the first four years of debt service, but reminded all of the \$40,000 loss they had experienced. He recommended doing a quality job and finish the project.

Vice Mayor Fruth **moved** to authorize the Town to implement the conceptual master plan with a relocated event center without phases. Clmn. Wilson **seconded** the motion. **Motion carried, 7-0.**

**ADJOURNMENT:**

The meeting adjourned at 6:40 p.m.

\_\_\_\_\_ Date: \_\_\_\_\_  
Bob Edwards, Mayor

ATTEST:

\_\_\_\_\_  
Silvia Smith, 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 Payson held on this day the 20 of July, 2006. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2006.

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Marcia F. Huffman, Chief Deputy Town Clerk