

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, NOVEMBER 5, 2019 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Mayor Seymore called the meeting to order at 7:00 p.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Seymore, Vice Mayor Allsop, Councilman Crittenden, Councilman Leech, and Councilman Kelley.

COUNCIL MEMBERS ABSENT: Councilman Hatch and Councilwoman Kakavas.

STAFF MEMBERS PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Bill Kopp, Public Works Director; Justen Tregaskes, Planning and Zoning Director; Joe Shelley, Police Chief; Steve North, Business Development Coordinator; Tom Bahr, Airport Manager; Rachael Hall, Assistant City Clerk; and Tamra Reidhead, City Clerk.

GUESTS: Ron Brewer, Laura Singleton, Jason and Trish Spear, Cathy Reed, and others.

3. Invocation.

Vice Mayor Allsop gave the invocation.

4. Pledge of Allegiance.

Councilman Leech led the Council and audience in the pledge of allegiance.

5. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that **IS NOT** scheduled on this agenda may do so at this time. Comments may be limited to three minutes per person and shall be addressed to the City Council as a whole, and not to any individual member. Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

Jason Spear, with the Darrin Reed Foundation, Inc., said the Foundation was created after the passing of Officer Darrin Reed who worked at the Show Low Police Department. He said the Foundation was created to support local law enforcement, help community members in need, and aide the police department

in the fight against illegal drug trafficking. He said there had been many fundraisers, and many members of the City had helped raise a substantial amount of money for the Foundation. Between 2018 and 2019 the Foundation had spent \$1,100 on needs for people throughout the community. The Foundation also helped pay for three gang task force officers to attend a drug trafficking conference this past summer.

Mr. Spear said with the holiday season coming up, they asked each squad in the police department to sponsor a family in need. The Foundation was going to give each squad \$400 to purchase meals, presents, clothes, or any other items that were needed for the family during this season.

Mr. Spear said they also participated with the First Responders Legacy Scholarship Fund. In the last two years, the Fund had distributed over \$18,000 in scholarships to families in need.

Mr. Spear said the Foundation wanted to get the money into the hands of those that needed it, especially in the fight against drug trafficking. He said anyone interested could go to the Darrin Reed Foundation Facebook page for information.

6. **CONSENT CALENDAR:**

- A. Consideration of Acceptance of Snow Creek, Unit 2, Phase 3. (Justen Tregaskes)
- B. Consideration of Minutes of Show Low City Council meetings:
 - (1) Retreat of October 11, 2019.
 - (2) Joint Study Session of October 15, 2019.
 - (3) Regular Meeting of October 15, 2019.

COUNCILAM LEECH MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY VICE MAYOR ALLSOP; PASSED 5 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, KELLEY, AND LEECH VOTING IN FAVOR.

7. **NEW BUSINESS:**

- A. Consideration of Renewal of Agreement with Show Low Chamber of Commerce for the period of January 1, 2020 to June 30, 2020. (Steve North)

Mr. North said the agreement between the City and the Chamber of Commerce was for the operation of the Tourist Information Center (TIC). He then listed the items in the agreement:

- TIC hours to remain the same.

- The term would be for six months starting January 2020 until June 2020.
- The City agreed to pay the Chamber \$28,750.00 during the period of the agreement.
- The Chamber would maintain a website and events calendar.
- The Chamber would permit any business within the City to display information in the TIC.
- The Chamber would promote and refer tourists to city-based businesses.
- The Chamber would maintain a physical presence for the TIC on the Deuce of Clubs.
- The Chamber would continue to implement the new Key 3 marketing campaign.
- The City would appoint the City Manager or his/her designee to serve as liaison to the Chamber.
- The Council would appoint one member of the body to serve on the Chamber board as a voting member.
- The Chamber would provide a written quarterly report and semi-annual verbal report.
- The Chamber would be active participant in the White Mountain Partnership and Show Low Main Street.

Councilman Leech asked what the Chamber's hours were during the week. Mr. North stated the hours during the months of October through April were 9:00 a.m. until 4:00 p.m., Monday through Friday. During the months of May until September, the hours were 9:00 a.m. until 4:00 p.m., Monday through Thursday, and 9:00 a.m. until 5:00 p.m. on Friday. Councilman Leech asked if businesses in the city could put literature at the TIC even if they were not a member of the Chamber of Commerce. Mr. North said yes, they were allowed to even if they were not a member.

COUNCILMAN CRITTENDEN MOVED TO RENEW THE AGREEMENT BETWEEN THE CITY OF SHOW LOW AND SHOW LOW CHAMBER OF COMMERCE FOR THE PERIOD OF JANUARY 1, 2020 TO JUNE 30, 2020 AND AUTHORIZE THE MAYOR TO SIGN SAID AGREEMENT; SECONDED BY COUNCILMAN KELLEY; PASSED 5 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, KELLEY, AND LEECH VOTING IN FAVOR.

- B. Consideration of Award of Professional Services Contract for Phase 2 Feasibility Study for Possible Events Center/Sports Facility. (Steve North/Ed Muder)

Mr. North said Sports Facilities Advisory (SFA) was commissioned in November 2018 to study the feasibility of a combined convention/events/youth sports facility in Show Low. The study included a

review of the two previous Hunden studies and a market analysis, facility and business model recommendations, projected pro forma, and recommendations and next steps.

Mr. North said SFA concluded that a convention/events/youth sports facility could become a premiere venue and attract visitors and spending to Show Low and achieve operational sustainability and minimize subsidies.

Mr. North said SFA recommended conducting a follow-up study to include a detailed financial pro forma to fully analyze opportunity and “right-size” the facility, create ideal facility layout and business model, forecast economic impact of tournaments/events hosted at the facility, and complete a Project and Business Overview Report for the ideal facility and business model at a cost not to exceed \$35,000.

Mr. North said the City budgeted \$30,000 for the study, and staff had secured a commitment of \$5,000 from Navajo County to help fund the study.

Mr. North said staff recommended approving a professional services contract with Sports Facilities Advisory to conduct a follow-up study on the feasibility of a combined convention/events/youth sports facility.

Councilman Leech asked if the price of the studies were negotiable. Mr. Muder said staff knew the cost beforehand and had budgeted the cost of the study.

Councilman Kelley said he was on a phone call today with an SFA representative along with Mr. Muder and Mr. North. The representative shared that he did not have good comparables for the area but could still come up with a decent study for comparisons through their computer models and data that were available. SFA would not warranty the performance of the events center. The primary use for the center would be year around and not just in the summer months. Councilman Kelley was concerned about how to hold competitive events against other cities. He said it would increase visitors to the area but there would not be enough hotel rooms for them. He didn't believe that hotels would build additional rooms for only special event weekend visitors. He was concerned about the winter road conditions and if there was snow fall during the winter months, events might have to be cancelled. He said he was not in favor of spending \$35,000.

Councilman Crittenden said there was an events center study done years ago on whether they were profitable and if the cities wanted an events center. Mr. Muder said there was a study done around 2005 or 2006 for a different type of facility similar to the Prescott Valley events center. That type of events center was different than what was being studied now. He

said the main purpose of this study was to see if this type of events center was financially feasible for the City.

Mayor Seymore said there was a failing hotel in Greer, and someone came in and changed the purpose of the building to a conference center. That building was now being booked solid almost every week. He said that the study was to see what kind of revenue and activities would come to a convention/events/youth sports facility in Show Low. He said events wouldn't be scheduled during the same time that the City was having a big event such as the Fourth of July when hotels were already booked. He would like to see if it was a possibility that this type of events center could work in the Show Low.

Councilman Leech said the City could recruit partners to help fund the project. The City needed to move forward until it did not make sense financially.

Vice Mayor Allsop said the Council had a duty to do what the citizens wanted them to do. The SFA representative seemed to be straight forward with the Council and would let the City know if the project wouldn't work.

VICE MAYOR ALLSOP MOVED TO AWARD A PROFESSIONAL SERVICES CONTRACT TO SPORTS FACILITIES ADVISORY, LLC, TO CONDUCT A FOLLOW-UP REAL ESTATE AND DEVELOPMENT FEASIBILITY STUDY FOR A PROPOSED CONVENTION/EVENTS CENTER AND YOUTH SPORTS FACILITY IN AN AMOUNT NOT TO EXCEED \$35,000; SECONDED BY COUNCILMAN LEECH.

Councilman Kelley said he was worried that there could be a Phase 3 study later. He wanted to make sure that SFA knew Phase 2 would be the last study that the City would fund. Mr. Muder said SFA knew that Phase 2 would be the last study and would include what would final recommendations in Phase 2 study.

MOTION PASSED 3 TO 2 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBER LEECH VOTING IN FAVOR AND COUNCIL MEMBERS CRITTENDEN AND KELLEY CASTING THE DISSENTING VOTES.

- C. Consideration of Noncommercial Ground Lease with TCI Mustang Aviation, LLC. (Tom Bahr)

Mr. Bahr said Cannon Aviation Insurance entered into a noncommercial ground lease with the City on December 16, 2004, for an approximately 13,950-square-foot parcel at 3300 Corporate Way. The ground lease was subsequently assigned to DH Ortega Construction, LLC on June 7, 2005, and the area of the leased ground increased to 30,600 square feet.

Mr. Bahr said DH Ortega Construction subsequently built multi-unit hangar bays and entered into various sublease agreements with tenants for some of the hangar bays. Oak Holdings, LLC purchased a portion of the hangar and entered into a ground lease on June 21, 2011, for 3300 Corporate Way, Unit F. TCI Mustang Aviation, LLC had purchased Unit F from Oak Holdings, LLC and had requested a new noncommercial ground lease per the new Airport Ground Lease Policy recently approved by the Council. As a result of this purchase, the current noncommercial ground lease with Oak Holdings, LLC would need to be terminated to allow for the new owner, TCI Mustang Aviation, LLC to enter into a new noncommercial ground lease.

Mr. Bahr said the terms and conditions of the agreement included the new annual lease rate of \$0.30 per square foot or \$1,866 plus tax, insurance, and applicable monthly user fees. The agreement included an annual Consumer Price Index (CPI) increase. TCI Mustang Aviation, LLC would be responsible for paying all utility costs. The length of the agreement was 25 years beginning November 5, 2019, with the option to extend the agreement for five additional five-year periods at an increased rate for a total lease period of 49 years. Staff had revised the standard form contract by removing portions of the document that dealt with building a facility on the ground since TCI Mustang Aviation, LLC was purchasing an existing hangar.

Mr. Bahr said staff recommended approving the noncommercial ground lease with TCI Mustang Aviation, LLC, terminating the noncommercial ground lease with Oak Holdings, LLC and authorizing the Mayor to sign the documents on behalf of the City.

Councilman Leech asked if there were any improvements being made or if this was only a lease for the hangar, and if it was common to have a long-lease term. Mr. Bahr said this was only for a lease of the hangar and that the 25-year lease term was very common for the airport.

VICE MAYOR ALLSOP MOVED TO APPROVE A NONCOMMERCIAL GROUND LEASE WITH TCI MUSTANG AVIATION, LLC, TERMINATE THE NONCOMMERCIAL GROUND LEASE WITH OAK HOLDINGS, LLC AND AUTHORIZE THE MAYOR TO SIGN THE DOCUMENTS ON BEHALF OF THE CITY; SECONDED BY COUNCILMAN LEECH; PASSED 5 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, KELLEY, AND LEECH VOTING IN FAVOR.

8. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Leech said he liked the direction that the Chamber of Commerce was going, and believed it would improve and increase membership and help the TIC.

Vice Mayor Allsop attended the Meals on Wheels meetings and said they had a great craft fair and were able to raise money for their activities. They had updated their Facebook page to show their activities and allow volunteers to sign up. He thanked the public works employees for keeping the City looking green and well kept.

B. Mayor

Mayor Seymore said he attended youth football games at the ASU stadium and said that it made the youth feel special to be playing at that facility. He said that in Queen Creek children would participate in the national anthem before every youth football game played there. He said the residents coming together to create this community was what could happen when a facility was used for these types of events. He thanked all the Veterans for their service.

C. City Manager

Mr. Brown said this Friday, a candlelight vigil would be held to honor fallen Officer Darrin Reed at the public safety facility. The event was hosted by the Show Low Police Department.

Mr. Brown said also this Friday and Saturday there would be a special screening of "Country Music – a film by Ken Burns – A Story of America, One Song at a Time." This screening was a 45-minute preview of the full-length documentary that was released September 15 on PBS. It would cover the origins of country music and featured artists such as Loretta Lynn, Charlie Pride, Willie Nelson, Dolly Parton, Garth Brooks, and many more.

Mr. Brown said Show Low Main Street's annual Santa & the Shoppes on Gingerbread Lane kicked off this Friday through Sunday at the city campus gym.

Mr. Brown said on Veterans Day, November 11, the Veterans of Foreign Wars of the U.S. would hold a ceremony at 11:00 a.m. at the veterans' memorial at city hall. The event was opened to the public. He said the Show Low aquatic center was offering free lap or open swimming next Monday to all veterans who presented a military identification.

Mr. Brown said next Tuesday, the Show Low Regional Airport was hosting an open house regarding the new airport master plan. Anyone who would like to learn more about future development at the airport was welcome to attend.

Mr. Brown said there were several public works projects underway. Work continued on the sidewalk on the west side of South Central Avenue from McNeil to Owens. The 24th Drive sewer main replacement, Sierra Vista subdivision roadway reconstruction, and Fairway Park Phase IV waterline improvements projects were underway. He thanked Show Low's citizens for their patience as crews worked on projects around the City.

9. **SCHEDULING OF MEETINGS:**

Scheduling of meetings, which may be brought up at this time.

Mr. Muder said a study session was scheduled on November 19, at 6:30 p.m. to hear a presentation by Unlimited Play regarding the all-inclusive playground and splash pad idea at Frontier Park.

COUNCILMAN LEECH MOVED TO RECESS INTO EXECUTIVE SESSION TO DISCUSS THE AGREEMENT FOR ACQUISITION OF A.P. NOS. 210-16-048C, 210-16-048D, AND 210-16-039 AND REVIEW THE EXECUTIVE SESSION MINUTES OF OCTOBER 15, 2019; SECONDED BY COUNCILMAN KELLEY; PASSED 5 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, KELLEY, AND LEECH VOTING IN FAVOR.

The Show Low City Council recessed into Executive Session at 7:51 p.m.

10. **EXECUTIVE SESSION.**

A. Confidentiality Statement.

B. Discussion or consultation for legal advice with the attorney or attorneys of the public body or with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale, or lease of real property. Pursuant to A.R.S. Sections 38-431.03(A)(3) and 38-431.03(A)(7).

(1) Agreement for Acquisition of A.P. Nos. 210-16-048C, 210-16-048D, and 210-16-039.

C. Discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law. Pursuant to A.R.S. Section 38-431.03(A)(2).

(1) Executive Session Minutes of October 15, 2019.

11. **POST EXECUTIVE SESSION.**

Consideration of any item on the Executive Session portion of this agenda, which the Council may wish to take action upon in Open Session.

The Show Low City Council reconvened into Open Session at 8:16 p.m.

- A. Consideration of Approval of the Minutes of the Executive Session of the Show Low City Council Held on October 15, 2019.

VICE MAYOR ALLSOP MOVED TO APPROVE THE EXECUTIVE SESSION MINUTES OF OCTOBER 15, 2019; SECONDED BY COUNCILMAN CRITTENDEN; PASSED 5 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CRITTENDEN, KELLEY, AND LEECH VOTING IN FAVOR.

12. **ADJOURNMENT.**

There being no further business to be brought before the Council, **MAYOR SEYMORE ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF NOVEMBER 5, 2019 AT 8:16 P.M.**

ATTEST:

APPROVED:

 Tamra Reidhead, City Clerk

 Daryl Seymore, Mayor

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **REGULAR MEETING** of the City Council of Show Low held on November 5, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

 Tamra Reidhead, City Clerk