

**TOWN OF PRESCOTT VALLEY
SPECIAL COUNCIL MEETING
MINUTES
January 5, 2012**

Library Auditorium
7401 E. Civic Circle
Prescott Valley, Arizona 86314

1. CALL TO ORDER

Vice Chairman Lasker called the meeting to order at 5:30 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Council Member Tjiema, Council Member Mallory, Vice Mayor Lasker, Council Member Nye, Council Member Schmitt, and Council Member Anderson.

Absent: Mayor Skoog.

4. COMMENTS/COMMUNICATIONS

Council member Nye reminded everyone about the Centennial Celebration called the Yavapai Centennial Gala coming up on February 14, 2012. Four tables are available which can be purchased individually or by the table. Concert tickets are available at Tim's Toyota Center box office for \$15.00.

5. NEW BUSINESS (FOR REVIEW, COMMENT, AND/OR POSSIBLE ACTION)

a. Consideration of approving the Assignment and Assumption of Development Agreement regarding Quailwood Meadows Development

Town Manager Larry Tarkowski pointed out that new developers have come into a couple of our housing areas that have been experiencing difficulties in an attempt to pick up the pieces, move forward and regain the momentum that those subdivisions once had. Tarkowski complimented the Town Attorney Ivan Legler who has spent a great deal of time on all three agreements both at StoneRidge and Quailwood Meadows. He welcomed the new developers to the community. Tonight we will be focusing on the Quailwood Meadows subdivision.

Legler thanked the attorneys and representatives at EverestHoldings, the group of banks and the receiver out of California who attended to all these details at such a fast pace. He noted that it took three times to get it right in the case of the StoneRidge CFD. The difference was that the

developer (Suncor) thought they may go bankrupt, but never did close up shop. They were ready to convey their interests to a suitable buyer.

Unlike StoneRidge, Quailwood Meadows had a developer who had already gone bankrupt, first as a Chapter 11 bankruptcy which quickly went to a Chapter 7 bankruptcy (liquidation). Additional background information about the Quailwood Meadows developer Empire's bankruptcy and the consortium of banks, and the process of trying to arrive at a solution to make the purchase of the land feasible (557 lots) for all involved followed. The underlying documents have been reworked without changing the commitments by the purchaser except for allowing caps or time limits on the obligations. There is no feasible way to refinance the bonds for Quailwood Meadows as with StoneRidge CFD. We have met in the middle to ensure the bonds are paid off and allow this development to go forward. The developer has met with the residents and HOA Board to discuss the process and what they were offering to that community by stepping in and taking over the future development of the area. The residents feel this is worth going forward with.

Ryan O'Donovan (Vice President Land Acquisitions) and Ed DePinto (Vice President Land Development) with EverestHoldings introduced themselves. They have had several meetings with the home owners and HOA with 80 – 100 people in attendance at the first meeting. The majority of the homeowners understood what was going to be taking place with the CFD and HOA. A follow up meeting was held with a handful of homeowners at which time the developers toured the resident's homes. Continuing communication with the HOA Board has not resulted in any additional questions for the potential developer.

Dave Grounds (Dorn Homes owner) introduced himself and showed some of the styles of homes they have to offer and some of the attributes of them. Build out of the 557 lots will depend on market conditions over the next few years. Council complimented the group for their obvious outreach to the existing residents. Council thanked both EverestHoldings and staff for their efforts to make this happen. Tarkowski said we are not subsidizing any of the development through the general fund. Legler added that the detail of the caps and time limits are addressed in the letter included as an attachment. For example the credits for the park were accrued but never used by Empire. Dollar amounts were related to the different attributes such as the park and wells to be credited back to the lots. Some roadways in need of repair will need to be taken care of by the developer as the Town never accepted them. Other roadways will be repaired by the Town/CFD. When EverestHoldings Public Report is filed with the State Department of Real Estate a full disclosure of the CFD will be made to any potential future property/home purchaser in Quailwood Meadows with an explanation of what a CFD is.

Town Manager Tarkowski complimented Ken Hedler with the Prescott Valley Tribune newspaper for writing his CFD news series which has been helpful and useful to the residents.

Council Member Tjiema made the MOTION, seconded by Council Member Mallory, to approve the Assignment and Assumption of Development Agreement, by electronic vote. MOTION carried with 6 ayes and 0 nays.

b. Consideration of authorizing the Mayor to sign Resolution No. 1778 approving Amendment

No. 1 to the Quailwood Meadows Development Agreement

Town Attorney Ivan Legler reminded everyone that this amendment is a minor one in that it takes the finish date from 2015 to 2030 giving the developer time to go forward with the remaining lots depending on what the economy does or does not do.

Council Member Nye made the MOTION, seconded by Council Member Mallory, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1778 approving Amendment No. 1 to Development Agreement, by electronic vote. MOTION carried with 6 ayes and 0 nays.

c. Consideration of approving the Assignment and Assumption of District Development, Financing Participation and Intergovernmental Agreement related to the Quailwood Meadows Development

Council Member Anderson made the MOTION, seconded by Council Member Mallory, to approve the Assignment and Assumption of District Development, Financing Participation and Intergovernmental Agreement, by electronic vote. MOTION carried with 6 ayes and 0 nays.

6. COMMENTS FROM THE PUBLIC

Public Comment: Jim Ross homeowner in the Quailwood Meadows area said when they bought the property they had no idea about this. The only question they have is, the city put in all the roads for them which they are now paying for every year. Correct?

Tarkowski responded no; then explained that the CFD allowed the developer to go out and get financing to make the road improvements and the homeowners are paying back the bond indebtedness incurred by the developer. For example, the bridge and main access road and utilities in Quailwood is what they are paying for over time.

Mr. Ross continued that he was at the meetings with the developer and 98 percent of the people in attendance were enthusiastic about this except for the one person. Thanks to everyone for this.

Public Comment: Mr. DePinto thanked Council and staff for the cooperation and assistance to bring this to fruition. If every town worked the way Prescott Valley does, the whole economy would be better off.

Public Comment: Marty Grossman, representing the PV Police Foundation, encouraged everyone to attend their January 16th 6:00 p.m. first meeting of the year. You do not have to be a member to attend. They raise funds for non budgeted items at the PD. The meeting will be held in the training room at the PD.

7. ADJOURNMENT

Vice Mayor Lasker adjourned the meeting at 6:08 p.m.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)
COUNTY OF YAVAPAI) ss:
TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Diane Russell, Town Clerk of the Town of Prescott Valley, Arizona, 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 Prescott Valley, held on Thursday, January 5, 2012.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 9th day of January, 2012

Diane Russell, Town Clerk