

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
OCTOBER 2, 2019
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

REGULAR SESSION AT OR AFTER 5:00 PM

CALL TO ORDER

Mayor Winfield called the meeting to order at 5:02 p.m.

ROLL CALL

Present: Joseph C. Winfield, Mayor
Melanie Barrett, Vice-Mayor
Joyce Jones-Ivey, Councilmember
Rhonda Piña, Councilmember
Bill Rodman, Councilmember
Steve Solomon, Councilmember

Absent: Josh Nicolson, Councilmember

EXECUTIVE SESSION - Pursuant to ARS 38-431.03(A)(3), (A)(4) and (A)(7) for legal advice with the Town attorneys, discussion and consultation with those attorneys and designated Town representatives, and possible instruction to those attorneys and designated representatives about the documents, recorded filings, and/or agreements related to the Town golf, tennis and recreational operations

Motion by Mayor Joseph C. Winfield, **seconded by** Vice-Mayor Melanie Barrett to go into Executive Session at 5:04 p.m. pursuant to ARS 38-431.03(A)(3), (A)(4) and (A)(7) for legal advice with the Town attorneys, discussion and consultation with those attorneys and designated Town representatives, and possible instruction to those attorneys and designated representatives about the documents, recorded filings, and/or agreements related to the Town golf, tennis and recreational operations

Vote: 6 - 0 Carried

Mayor Winfield announced that the following staff members would be joining Council in Executive Session: Town Manager Mary Jacobs, Assistant Town Manager Chris Cornelison, Legal Services Director Tobin Sidles, Town Attorney Gary Cohen, Two Associates from the Mesch, Clark and Rothschild law firm and the Town Clerk Mike Standish.

Councilmember Nicolson joined the Executive Session.

RESUME REGULAR SESSION AT OR AFTER 6:00 PM

Mayor Winfield resumed the regular session at 6:11 p.m.

ROLL CALL

Present: Joseph C. Winfield, Mayor
Melanie Barrett, Vice-Mayor
Joyce Jones-Ivey, Councilmember
Josh Nicolson, Councilmember
Rhonda Piña, Councilmember
Bill Rodman, Councilmember
Steve Solomon, Councilmember

PLEDGE OF ALLEGIANCE

Mayor Winfield led the audience in the Pledge of Allegiance.

UPCOMING MEETING ANNOUNCEMENTS

Town Clerk Mike Standish announced the upcoming Town meetings.

COUNCIL REPORTS

Councilmember Solomon reported on a memorandum regarding a previously filed complaint with the Attorney General's office.

TOWN MANAGER'S REPORT

Town Manager Mary Jacobs announced the Arizona Department of Transportation Board has abandoned the portion of right-of-way between First Avenue and Oracle Road which will allow staff to proceed with the process of constructing a southern access point into the Safeway plaza.

Ms. Jacobs also announced that Town staff will partake in the "Wear Purple" day on October 24 in recognition of Domestic Violence Awareness month.

Town Clerk Mike Standish announced that new artwork was on display in the Council Chambers by artist Dennis Wunsch.

ORDER OF BUSINESS

Mayor Winfield reviewed the order of business and stated that the order would stand as posted.

INFORMATIONAL ITEMS

There were no informational items.

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue ***not listed on today's agenda***. Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during "Call to Audience." In order to speak during "Call to Audience" please specify what you wish to discuss when completing the blue speaker card.

Oro Valley resident Jeff Weir voiced his concerns regarding comments made by a previous speaker disparaging Town staff's professionalism. Mr. Weir also encouraged Council to seek community input.

PRESENTATIONS

There were no presentations.

CONSENT AGENDA

- A. Minutes - September 11 and September 18, 2019
- B. Resolution No. (R)19-48, authorizing and approving Grant Contract No. 2019-405d-027 between the Oro Valley Police Department and the Governor's Office of Highway Safety (GOHS) for funding DUI/Impaired Driving Enforcement overtime and employee related expenses, materials and supplies
- C. Resolution No. (R)19-49, authorizing and approving a Grant Contract No. 2020-PTS-039 between the Oro Valley Police Department and the Governor's Office of Highway Safety for funding Special Traffic Enforcement Program (STEP) overtime, employee related expenses, materials and supplies
- D. Resolution No. (R)19-50, authorizing the appointment of the Town's Chief Financial Officer to the Town of Oro Valley Public Safety Personnel Retirement System (PSPRS) Local Board

Motion by Councilmember Rhonda Piña, **seconded by** Councilmember Bill Rodman to approve Consent Agenda items (A) - (D).

Vote: 7 - 0 Carried

REGULAR AGENDA

1. PUBLIC HEARING: DISCUSSION AND POSSIBLE ACTION REGARDING AN APPLICATION FOR A SERIES 7 (BEER AND WINE BAR) LIQUOR LICENSE FOR 3 PALMS HOTEL TUCSON, LOCATED AT 7411 N ORACLE ROAD

Town Clerk Mike Standish presented item #1.

Mayor Winfield opened the public hearing.

No comments were received.

Mayor Winfield closed the public hearing.

Motion by Councilmember Bill Rodman, **seconded by** Councilmember Josh Nicolson to recommend approval of the issuance of a Series 7 Liquor License to the Arizona Department of Liquor Licenses and Control for Peter Henry Schelstraete for 3 Palms Hotel Tucson, located at 7411 N. Oracle Road.

Vote: 7 - 0 Carried

2. DISCUSSION AND POSSIBLE ACTION REGARDING THE TOWN OF ORO VALLEY COMMUNITY CENTER AND GOLF OPERATIONS (Attachments added on 9/27/19 at 3:00 p.m.)

Town Manager Mary Jacobs started the presentation by providing an overview of the Town Council Action Feasibility Analysis and included the following:

- Membership model that welcomes outside play; Day play tee times for all 36 holes; \$175K revenue; measurable targets/penalties
- \$750,000 Tax subsidy/threshold or better; apply sales taxes to subsidy calculation
- Membership rates raised 10% by 1/1/20 to reflect projected revenue in 36 hole pro forma
- Needed capital improvements pay-as-you-go; Conquistador course first; Community center fund

- source; possible General Fund use competing with other priorities
- Close Overlook; alternative vendor operate coffee/sandwich shop on ground level
- Reduce Troon operating expenses 5% starting 1/1/20
- HOA financial offers concerns; precedent; target town youth/other incentive programs; other options to improve long-term viability.
- Performance metrics; viable plan to convert to 18 holes if not met
- Preserve open space with revised zoning
- Potential Action Plan to Continue 36 Holes

Interim Chief Financial Officer Kevin Artz continued the presentation and included the following:

- Variation A - No HOA Contribution
- Variation B - HOA Contribution
- Financial Summary

The following individuals spoke in support of item #2.

Oro Valley resident Greg Kishi
 Oro Valley resident Jeff Weir
 Oro Valley resident Bill Lucas
 Oro Valley resident Larry Schmidt
 Oro Valley resident Vince Curry
 Oro Valley resident Bill Kempt
 Oro Valley resident Jose Echeverri
 Oro Valley resident and President and CEO of the Greater Oro Valley Chamber of Commerce Dave Perry
 Oro Valley resident Susan Percy
 Oro Valley resident Lisa Peebles
 Oro Valley resident Dr. Federico Yanpuz

The following individuals spoke on item #2.

Oro Valley resident Harold Vaubul
 Oro Valley resident Elizabeth Clarke

Motion by Mayor Joseph C. Winfield, **seconded by** Councilmember Josh Nicolson to select the 36 hole golf option as follows:

- Operate as a municipal public course with a membership model that welcomes outside play on both courses.
- Establish measurable and time sensitive targets for revenue, rounds played and memberships to monitor the success of operating and maintaining the 36 holes of golf at the following budgeted golf operations loss levels:

FY 19/20	FY 20/21	FY 21/22	FY 22/23
\$1,300,000	\$900,000	\$800,000	\$700,000

- The Town Parks and Recreation Director will coordinate with the town's golf operator on a business development plan to grow membership to 275 members and to reach 40k rounds of outside play by FY 21/22. They will also work to develop youth golf programs with the objective of increasing community access to the courses and growing the game of golf for the future.
- Make tee times available for all 36 holes as proposed by Troon to maximize play and revenue as shown in the 36 hole pro forma.
- Increase membership revenue 10% by January 1, 2021 to reflect the membership revenue projected in the Town's 36 hole Pro-forma.
- Issue an RFP at the appropriate time based on the Troon contract continuing until June 2020, to obtain bids from regional or national companies experienced in managing municipal golf courses for the operation of the 36 holes. The RFP will request bidders to offer proposals and suggestions to reduce costs, grow rounds of play, and provide for ongoing capital costs. Council will work with staff to provide direction regarding the RFP scope of work and the criteria for approval, which will come

before council.

- Budget capital improvement on a "pay as you go basis" from the Community Center Fund. Begin by developing a plan for a downstairs bar and grill to cost no more than \$500,000, consistent with a municipal golf course, and repurposing the Overlook space for exercise equipment and community center usage. As the Parks and Recreation needs assessment is completed, work towards developing a master plan for the Community Center to inform future capital improvements made from the Community Center Fund.
- The 36 hole option is contingent upon reaching an agreement on the proposed HOAs financial contributions as follows:

The Canada Hills HOA will contribute up to \$100k annually to reduce the tax support necessary for the 36 Hole option to include the Conquistador and Canada courses. This will be for a 10 year period limited to 10% of the town's audited figures for the previous year's tax support needs. The Villages of La Canada will contribute \$25k per year under the same conditions as the Canada Hills HOA. Payments will be made quarterly, beginning July 1, 2020.

The agreement can be renewed or ended by the agreement of both parties.

Mayor Winfield recessed the meeting at 7:34 p.m.

Mayor Winfield reconvened the meeting at 7:43 p.m.

Discussion ensued amongst Council and staff regarding item #2 and the contingencies outlined in the main motion.

Mayor Winfield and Councilmember Nicolson accepted the following amendments to the motion:

- Bullet point two (2) will remove the words *loss levels* and replace with *annual sales-tax support* and add the language *as identified in variation B of the pro forma with the HOA contributions*.
- Bullet point six (6) will remove the words *the 36 holes* and replace with *Town golf* and remove *criteria for approval* and replace with *evaluation criteria*.
- Bullet point seven (7) will be changed to read; Direct staff to bring options and recommendations to finance the necessary capital improvements for golf courses and the community center. Begin by developing a plan for downstairs bar and grill, consistent with a municipal golf course, and repurposing the Overlook space for exercise equipment and community center usage. As the Parks and Recreation needs assessment is completed, work towards developing a master plan for the Community Center to inform future capital improvements made from the Community Center fund.

Motion by Councilmember Steve Solomon, **seconded by** Councilmember Joyce Jones-Ivey to amend paragraph seven (7) to read as follows; Direct staff to bring options and recommendations to finance the necessary capital improvements for golf courses and the community center. Begin by developing a plan for a downstairs bar and grill, consistent with a municipal golf course, and repurposing the Overlook space for exercise equipment and community center usage. As the Parks and Recreation needs assessment is completed, work towards developing a master plan for the Community Center to inform future capital improvements made from the Community Center fund.

Vote: 4 - 3 Carried

OPPOSED: Mayor Joseph C. Winfield

Vice-Mayor Melanie Barrett

Councilmember Josh Nicolson

Discussion continued amongst Council and staff regarding the remainder of the contingencies.

Discussion continued amongst Council, staff, the Villages of La Canada HOA President Greg Kishi and Canada Hills HOA President Steve Jones.

Mayor Winfield and Councilmember Nicolson accepted the following amendments to the main motion:

The following changes will be made to paragraph eight (8); *The 36 hole option is contingent upon reaching an agreement on the proposed HOAs financial contributions as follows* will be removed and replaced with *direct staff to negotiate with the HOAs for their financial contributions as follows* and to add the language *to suspend the RFP for the landscape architect*.

Discussion continued amongst Council, staff and the Villages of La Canada HOA President Greg Kishi.

The main motion, with all amendments, was as follows:

Motion by Mayor Joseph C. Winfield, **seconded by** Councilmember Josh Nicolson to approve the 36 hole option with the following contingencies:

Operate as a municipal public course with a membership model that welcomes outside play on both courses.

Establish the measurable and time sensitive targets for revenue, rounds played and memberships to monitor the success of operating and maintaining the 36 holes of golf at the following budgeted golf operations annual sales tax support as identified in variation B of the pro forma with the HOA contributions.

The Town Parks and Recreation Director will coordinate with the town's golf operator on a business development plan to grow membership to 275 members and to reach 40k rounds of outside play by FY 21/22. They will also work to develop youth golf programs with the objective of increasing community access to the courses and growing the game of golf for the future.

Make tee times available for all 36 holes as proposed by Troon to maximize play and revenue as shown in the 36 hole pro forma.

Increase membership revenue 10% by January 1, 2021 to reflect the membership revenue projected in the Town's 36 hole Pro-forma.

Issue an RFP at the appropriate time based on the Troon contract continuing until June 2020, to obtain bids from regional or national companies experienced in managing municipal golf courses for the operation of Town golf courses. The RFP will request bidders to offer proposals and suggestions to reduce costs, grow rounds of play, and provide for ongoing capital costs. Council will work with staff to provide direction regarding the RFP scope of work and evaluation criteria, which will come before council.

Direct staff to bring options and recommendations to finance the necessary capital improvements for golf courses and the community center. Begin by developing a plan for a downstairs bar and grill, consistent with a municipal golf course, and repurposing the Overlook space for exercise equipment and community center usage. As the Parks and Recreation needs assessment is completed, work towards developing a master plan for the Community Center to inform future capital improvements made from the Community Center fund.

Direct staff to negotiate with the HOAs for their financial contributions as follows:

The Canada Hills HOA will contribute up to \$100k annually to reduce the tax support necessary for the 36 hole option to include the Conquistador and Canada courses. This will be for a 10 year period limited to 10% of the town's audited figures for the previous year's tax support needs. The Villages of La Canada will contribute \$25k per year under the same conditions as the Canada Hills HOA. Payments will be made quarterly, beginning July 1, 2020.

The agreement can be renewed or ended by the agreement of both parties.

To suspend the RFP for the landscape architect.

Vote: 6 - 1 Carried

OPPOSED: Vice-Mayor Melanie Barrett

3. DISCUSSION AND POSSIBLE DIRECTION TO STAFF TO INITIATE EFFORTS TO REZONE ALL OR SOME OF THE TOWN OWNED GOLF COURSES

Vice-Mayor Barrett requested to strike item #3 from the agenda.

FUTURE AGENDA ITEMS

No future agenda items were requested.

CALL TO AUDIENCE

No comments were received.

ADJOURNMENT

Motion by Mayor Joseph C. Winfield, **seconded by** Councilmember Rhonda Piña to adjourn the meeting at 9:56 p.m.

Vote: 7 - 0 Carried

Michelle Stine, MMC
Deputy Town Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular session of the Town of Oro Valley Council of Oro Valley, Arizona held on the 2nd day of October 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2019.

Michael Standish, CMC
Town Clerk