

**CITY OF KINGMAN
 MEETING OF THE COMMON COUNCIL
 Kingman Police Department
 2730 E. Andy Devine Avenue
 Kingman, AZ 86401**

2:00 P.M.

MINUTES

January 28, 2016

WORK SESSION MEETING OF THE COMMON COUNCIL

Members	Officers	Visitors Signing in
Richard Anderson – Mayor	John Dougherty, City Manager	See attached list
Carole Young – Vice Mayor	Carl Cooper, City Attorney	
Mark Abram	Tina Moline, Finance Director	
Larry Carver	Wendy Sherer, Finance Administrator	
Kenneth Dean	Sydney Muhle, City Clerk and Recording Secretary	
Jen Miles		
Stuart Yocum---LATE		

WORK SESSION

ALL WORK-SESSION ITEMS LISTED ARE FOR DISCUSSION ONLY. NO ACTION CAN OR WILL BE TAKEN. The primary purpose of work session meetings is to provide the City Council with the opportunity for in-depth discussion and study of specific subjects. Public comment is not provided for on the Agenda and may be made only as approved by consensus of the Council. In appropriate circumstances, a brief presentation may be permitted by a member of the public or another interested party on an Agenda item if invited by the Mayor or City Manager to do so. The Mayor may limit or end the time for such presentations.

**CALL TO ORDER & ROLL CALL
 PLEDGE OF ALLIGENCE**

Mayor Anderson called the meeting to order at 2:00 P.M. and roll call was taken. All Council members were present except Councilmember Yocum who was late. The Pledge of Allegiance was said in unison.

1. Update of Information Regarding Building Permits

Financial Services Director Moline provided Council with building permit numbers in the property tax presentation during the 1/19/16 City Council meeting. To clarify, those numbers are TOTAL permits issued, not new housing start permits. This item is for informational purposes only.

Finance Director Tina Moline said that some different statistical data that had been presented at the January 19, 2016, Council meeting that was different from what is normally presented. She then provided the information for the new housing start permits.

Councilmember Yocum arrived at 2:01 P.M.

2. Information Regarding Ordinance 1799 to Extend the 0.5% Transaction Privilege Tax Sunset to 12/31/17

When Ordinance 1799 was drafted, the entire Kingman Tax Code was included in it. Because ARS §9-812 requires publication of Ordinances, publishing the entire Ordinance would cost the City approximately \$14,000. Staff will bring back Ordinance 1799, revised, to reference each affected category rather than reference the entire Code. In doing so, the 60-day notification requirements will need to be met, and a public hearing will need to be conducted. This item is for informational purposes only.

Ms. Moline said that the ordinance approved by Council in October, 2015, included all of the details of the ordinance. She said that to publish this as required the cost would be \$14,000. She said that staff is changing the ordinance to reference this information and it will need to go back through the public hearing process which will take place in April. She said that the Council will need to re-adopt the ordinance.

Vice Mayor Young clarified that this was for the additional half-cent and asked if it could be increased to once cent.

Ms. Moline said that it could.

Councilmember Miles said that the Council just voted to extend this.

Ms. Moline said that this was for the same thing but to reduce the cost for publication.

Mayor Anderson asked if this could be published through The Standard newspaper.

Ms. Moline said that The Standard did not meet the statutory requirements.

Councilmember Carver asked if this was supposed to sunset in 2016.

Ms. Moline said that the intention was to revise it if the property tax did not go through.

Councilmember Miles clarified that this expires in 2017.

Ms. Moline said that the issue regarding this was the printing cost. She said that the half-cent was to expire in June of this year then Council adopted this ordinance. She said that the Council discussed changing this if the property tax went through.

Mayor Anderson asked this was for information only.

Ms. Moline said that this was correct and this would be on an agenda in April.

Mayor Anderson clarified that nothing could be provided on February 2, 2016.

Ms. Moline said that the City would need to post a 60 day notice and staff would need direction to do that.

Vice Mayor Young said that the Council needs to discuss this.

Councilmember Abram said that he agreed. He said that the property tax is not going to fly

and the City will continue to have leakage. He said that online purchases are continuing and the only other tax the Council could put together to get people is a food tax. He said that this is the one thing where people from Golden Valley, Butler, and Valley Vista will all participate.

Mayor Anderson asked about changes regarding purchasing online.

Ms. Moline said that the City may receive some revenue from online sales. She said that the Arizona Department of Revenue (AZDOR) has new rules for online purchasing based on where the customer resides but there is no way of determining this. She said that the state the business is located in is sharing tax.

Mayor Anderson said that this will be based on the customer's location.

Vice Mayor Young said that it is currently where the business is located.

Councilmember Carver said that it is based on where the seller is located.

Councilmember Abram said that the only benefit would be having online sellers.

Councilmember Carver said that Arizona is reluctant to give out whole numbers but a one-percent grocery tax would be about \$1 million.

Councilmember Dean said that he doesn't like the idea of a food tax as this is hitting what people need.

Councilmember Miles said that the Council has eliminated taxes along the way.

Ms. Moline said that there used to be a two-percent bar and restaurant tax with a portion of that being removed.

Councilmember Miles said that there are different kinds of food and she would like to see an analysis of what type of restaurant and bar taxes are possible and their potential impact.

Mayor Anderson said that with the data the City has the only category that is increasing is restaurant.

Ms. Moline added that hotels are also increasing.

Mayor Anderson said to take one-percent of what it is and double it.

Councilmember Miles said that the Council looked at an excise tax on fuel and the City would have to partner with Mohave County on this.

City Attorney Carl Cooper said that the fuel tax is charged by the state. He said that the County can assess an excise tax and share that with the City but this would have to go through the County and an election.

City Manager John A. Dougherty said that he spoke with Mohave County Administrator Mike Hendrix who said there was no way the Mohave County Board of Supervisors would support

an excise tax. He said Mr. Hendrix doesn't know what they are going to do but they are not in favor of any tax increase.

Councilmember Abram said that a tax could be done for a specific project.

Vice Mayor Young said that when the Council discussed this in the past the two-percent on hotels is only \$350,000. She said that even if this is raised it has to be used toward tourism and cannot go to anything else.

Ms. Moline said that two-percent is also going into capital projects.

Vice Mayor Young said that anything after that two-percent has to go into tourism.

Mr. Cooper said that staff could look at this but he was not sure anything more could be done with it.

Vice Mayor Young asked about the food tax which Ms. Moline provided potential figures for. Vice Mayor Young said that the Transaction Privilege Tax (TPT) gave the City almost \$3 million which was the biggest amount just to stabilize the City.

Councilmember Miles said that she thinks it is worthwhile having this discussion but the key is to have community buy-in for the structure and reasons for a tax. She said that the Council will get slammed for anything they look at. She said that her objective is to advocate for a community visioning process she called "Kingman SOARS" and give information to the public and see what will link to the City's strategic objectives. She said that the study for the America's Best Communities contest said Kingman needed a unified vision. She said that this is an opportunity to give and receive information and this is necessary to make the next steps. She said that all of these things are linked to community buy-in.

Mayor Anderson said that this is a good item for discussion but it is not on the agenda.

Councilmember Miles said that it is related to taxing and she is not ready to move on with the tax.

Mr. Cooper said that this item is just on this specific tax subject.

Councilmember Miles said that it can go with a lot of different discussions and she is not ready to move on.

Mr. Cooper said that if this is a priority it could be discussed under the next agenda item.

3. Council Planning and Goal Setting Session
Discussion and/or Direction for the City Manager

Mayor Anderson said that the Council will be going through a visioning process and budget hearings and approving the budget. He said that there is data in the funded budget and the Council will have the start of prioritizing. He asked how the Council wanted to approach planning and goal setting and said that there will probably be a lot to add to the list. He then asked Mr. Dougherty for an update regarding the previous year's priorities.

Mr. Dougherty went through the previous year's priorities list and provided updates on each item.

Councilmember Abram said that the formation of a logistics hub was related to the airport.

Councilmember Miles said that this was in regard to trade zones and development of the infrastructure to support transportation as an industry.

Mr. Dougherty said that staff is working on downtown revitalization which a member of the Downtown Merchants' Association wants to rush because he thinks it will prevent the City from condemning his buildings. He said that resident Scott Dunton does not want a historic district downtown. He said that staff will bring this forward and staff thinks it is a good idea to protect the historic buildings downtown. He said that Mr. Dunton does not want the City to dictate regarding the buildings.

Vice Mayor Young said that she can also see the point that the print shop should be taken care of.

Mr. Cooper said that when proposing any ordinances on this the City has to be aware of Proposition 206 in which the City would have to pay for diminishing property values. He said that this could come into play and was a state proposition.

Mayor Anderson said that another reason those discussions to place is that the Central Commercial Building has not had a lot of retail and there are a lot of places downtown where nothing has been done. He said that he has heard rumors of what is happening. He said that Mr. Dunton will only talk about Route 66 and Mr. Wanner will only talk about Beale Street. He said that they had a follow up meeting with both Mr. Dunton and Mr. Wanner and this was to get information.

Mr. Dougherty continued with his update of the previous year's priority list. He said that an update regarding the over/underpass would be coming at the second meeting in February. He said that the draft of this is one but some feedback was needed from engineering. He said that this update would come at the first meeting in March at the latest. He said that staff was finalizing plans for the splash pad. He said that there were several options regarding the recharge well and the most expensive was to run the water back to the City's parks. He said that the consultants for this are close to bringing this back to the Council and recharge is the cheapest option. He said that the Engineering Department would like to take the water to the Industrial Park but there is not sense if there is no one there to use it.

Mayor Anderson asked if, out of the tenants out there, there is a healthy percentage to extrapolate this to future development.

Councilmember Miles said that there potentially was and this could hold the attraction of green solutions. She said that there may be uses out there and this water can be used in chilling towers. She then discussed the potential of the park advocating for something that could attract other industries.

Councilmember Dean said that this could be a cost savings as well.

Mr. Dougherty said that it costs more to reuse the water than to take the fresh water. He said that at some point they would have to subsidize it to get users.

Councilmember Dean asked why this costs more.

Mr. Dougherty explained that this is due to the cost for the holding tank and treating the water to an "A+" rating. He said that there is no break-even amount at this point.

Mayor Anderson said that this is something the Council would need to know and this is not something to jump into right away.

Councilmember Dean said that the City could look at the water bills and contact companies directly. He said that this information should be easy to find.

Mr. Dougherty said that before Tim Woods of Patriot Rail was contacting companies looking at utilizing that water. He said that a fish farm wanted the water but were told that they had to run their own piping for a cost of millions of dollars. He said that the high cost is the holding tank and no tank is needed for discharging.

Mayor Anderson said that this was also complicated by the potential growth with Interstate 11 (I-11). He said that they will need to look at what the availability is and what additional restrictions will be needed.

Councilmember Abram said that this is a potential marketing point and asked if a holding tank was necessary or if a holding pond could be used. He said that if they know the potential daily use and input then they can create a pond to beautify the area and let kids fish out of it. He said that there will be companies looking at this.

Ms. Moline said that the Wastewater Department sent out a user survey and have results. She said that they can pull some of the different users.

Councilmember Miles said that this only received a 16-percent response.

Ms. Moline said that they were able to tell who was using cooling towers and other things.

Councilmember Miles said that the response may be from the relevant 16-percent which would be great.

Mr. Dougherty said that nothing has taken off yet with water conservation and the City has been doing studies for reuse and/or recharge. He then provided an update regarding other items. He said that, regarding the residential sewer rebate, the system keeps being expanded rather than offering a rebate.

Councilmember Dean asked about a farm north of town.

Mr. Dougherty said that staff spoke with the wineries but they do not want to put in the system. He said that they have not spoken with Jim Rhodes but they assume he is not interested due to the number of wells he owns.

Mayor Anderson said that several things are coming up that are not on the list such as roads. He said that he is glad to see the initiative for an inventory of roads and every year they re-fix to the same place. He said that they need to get a handle on this with something measurable. He said that he has received several letters and emails thanking the City for this. He said that they had not had a full maintenance program in seven years. He said that this is a key element of needs and going through the process they need to get that shortfall quantified.

Vice Mayor Young said that the issue with roads all goes back to funding. She said that when the City had the food tax it was appropriated to roads.

Ms. Moline said that the restaurant and bar tax was only going to that.

Vice Mayor Young said that Kingman is going to grow. He said that east bench safety is one of her priorities. She said that every time the Council says they need a revenue stream they push it out and don't have time to move on. She said that they need that revenue and the city is using \$800,000 to \$1 million per year out of contingency.

Ms. Moline said that the City is not using contingency. She said that they are using a little this year for abatements but it usually rolls right back into the fund balance.

Vice Mayor Young said that if this continues they don't have to continue the half-cent.

Ms. Moline said that the City cannot depend on this.

Vice Mayor Young said that the City will begin using the fund balance.

Councilmember Abram said that this is where he agrees with Councilmember Miles that the Council needs town halls. He said that the Council has to get moving on this and people need to understand that the City has to gather more income or cut something out. He said that this is about proper education and is a wise idea. He said that it may take a year to do but if they do it right then they can get buy-in from the community.

Vice Mayor Young said her concern was the time frame and this would need to be started right away.

Councilmember Miles said that the City needs a professional services contract to do this because no one in the City has the time to do this.

Councilmember Carver said that contingency would be tapped into for this.

Vice Mayor Young said that anything extra will come out of the fund balance.

Mayor Anderson said that as the city continues to build they have the same size police and fire departments until a new facility or people are added. He said that this will reduce the response time.

Councilmember Abram said that this adds cost to the City.

Mayor Anderson said that it adds cost to homeowners too. He said that he does not know what metrics they use but he heard the figures and it depends on the insurance company. He

suggested holding a town hall every other month.

Councilmember Miles said that if it is more condensed this can be done in four to six months.

Mayor Anderson said that they need a member of the Council to address a group every month.

Councilmember Miles said that this would involve and educate the community about the issues.

Mayor Anderson said that with every new development it is nice to get water, sewer, and roads put in but then the City had to maintain it. He said that some of the things seen are drainage issues. He said that these really have to be up to code when looking at the plans. He said that this is an additional expense for the developer. He said that this can go quick or take more time and will not end up with the same issues.

Vice Mayor Young said that the capital improvement project plan tells the Council what the city needs and what will be needed in the future. She said that there may be other needs identified but this already identifies every aspect of needs.

Councilmember Miles said that this was a budget plan and asked how many people look at it. She said that there is a big difference with community buy-in.

Vice Mayor Young said that the Council should let them know what is in it.

Councilmember Miles said that the idea is for them to tell the Council how it should go.

Mayor Anderson said that a mixture is required. He said that they have a plan based on what the City sees and need to be able to take both.

Councilmember Miles said that education would be part of it. She said that strategies participated in let the groups brainstorm and focus on opportunities. She said that they then look at the plan and see if it fits into that vision. She said that is why she is endorsing having someone who does this. She said it is important for the community to know that and it is valuable to have input.

Mayor Anderson said that the Council needs more information on the I-11 expansion and the city is already seeing the impact on weekends. He said that the buildup happens around lunch and dinner when people leave Las Vegas, Nevada. He said that he is aware of the temporary fix planned but there will be more and more buildup as work in Nevada on I-11 continues. He said that as this goes through they need to look at what the volume of traffic will do to us. He said that the traffic interchange on Beale Street should be more expedited and has to get funded somehow. He asked what would happen to Beale Street and downtown.

Councilmember Abram said that he thought a Beale Street exit was planned.

Vice Mayor Young said that there are phases.

Mayor Anderson said that the Council needs an update on this. He said that there may be an exit and asked how the city should market that so that people get off to come in. He asked how the city can capture this.

Councilmember Miles said that this is on the Arizona Department of Transportation's (ADOT) long term plan and is several years out. She said that she is looking more at five years out.

Mayor Anderson said that they need to be cognizant of this and it is hard for ADOT to fund it.

Councilmember Miles said that the Strategic ADOT plan is for Rattlesnake Wash to come up more quickly.

Mayor Anderson said that he attended a meeting the day before for the long range strategic plan. He said that the focus is not as much the traffic coming through but solving the traffic needs of all of Arizona. He said that they talked about a roads and looking at technology. He said that this was more urban than rural and people brought up regional transit capacity. He said he was not sure how they were putting it together.

Councilmember Abram said that the impact would be huge for the state if roads were put in to build up.

Mayor Anderson said that he asked about rest stops and there are not many in urban areas. He said that the state is prohibited from privatizing these and asked why the state doesn't take the initiative to put these in.

Vice Mayor Young said that the city has had two community visioning processes and got the community involved. She said that she would like for this group to go through those to see what could be used as they did exactly the same thing.

Councilmember Miles said that this is different if it is done from a sector approach. She said that this can be applied to an economic development strategy. She said that she agreed they should leverage what has been done. She said that there have been a number of things done and there was a target industry analysis. She said that many parts could be leveraged.

Vice Mayor Young said that an economic development study was done in 2005.

Councilmember Miles said that like many things if this is several years old they need to freshen it. She said that having the forums framed in a way in which we get something out of it to link to priorities and budget is a better change on that front.

Vice Mayor Young said that her biggest concern when doing this and outlining strategies and using previous studies is to not wait to implement it as they sit there.

Councilmember Miles said that this is where the community outreach applies. She said that this is linked to public safety. She said that the community can get involved in this and need to be part of this process. She said that's where it hits the wall and ideally the Council would end up outlining each project.

Vice Mayor Young said that she didn't want the perception of another study.

Councilmember Miles said that it could be linked to a funding strategy.

Councilmember Abram said that this is about community education. He said that it can be used to gather information but is more about why the City is asking for money and the things they want to improve.

Vice Mayor Young said that there are a lot of things in the Heritage Crossroads study to implement that were not acted on. She said that annexation was one thing and it was never moved forward with. She said that the study has a lot of good things.

Councilmember Miles said that it could be a part of this.

Vice Mayor Young said that she doesn't want people to think they are wasting money.

Councilmember Miles said that if the community agrees then they need to link it to that.

Mayor Anderson said that there is an opportunity with I-11 for the community and county to prosper and they need Kingman and the adjacent areas out to Blake Ranch Road and Griffith Road. He said that Mohave County can't handle them and only one city can. He said that they want more and the only way that is going to happen is to understand what it means to the area. He said that the county can't do it and it is either going to be us or it is not going to happen.

Vice Mayor Young said that the Council needs to make a commitment to make it a success so that the perception is trying to improve the community and find the funding sources necessary.

Mayor Anderson said he did not know how they would handle this.

Councilmember Miles said that it will take good facilitators.

Mayor Anderson said that he thought Mr. Dougherty and Councilmember Abram had pulled information from the old studies and they have the same issues. He said that technology changes but some of the basics are still there. He said that the education process may not be as lengthy as they might anticipate.

Councilmember Miles said that they will have something to hand to people about what has already been done. She said that they need education and input and to find initiatives that the community will support.

Mayor Anderson said that they need a stabilized funding function that can grow with the growth and have the city that can support it. He said that he thinks getting the message across with more information will make it easier.

Vice Mayor Young said that the basic needs can come out of the existing budget and they will realize they need a revenue stream.

Councilmember Miles said that if people buy into the vision they will work with them on revenue streams.

Mayor Anderson asked what kind of timeframe it would take to go through the process.

Councilmember Abram said that if this is going to be presented for a property tax then it has to be done by the end of this year to follow the timeline.

Councilmember Miles said that the decisions then become what do we have to do and this will probably be completed by fall.

Councilmember Yocum asked if staff had confirmed that this election could be held in any year.

Vice Mayor Young said that the election would cost more.

City Clerk Sydney Muhle said that this has to be done as a special election.

Councilmember Miles said that the community has said it doesn't want this. She said that it can't link to the property tax and there will be information behind it to see why they are doing it.

Mayor Anderson said that he heard about a process and facilitator and asked that someone work with Mr. Dougherty to bring this to the second meeting in February.

Councilmember Miles said that she and Councilmember Abram would work with Mr. Dougherty.

Mayor Anderson asked if there was anything for next year's budget and if there was any additional guidance or goals and priorities to give to the City of Kingman.

Councilmember Abram said his number one thing is economic development which he said will support all of the other things. He said it is a matter of defining and he didn't know whether this was through a fulltime person on staff or giving the commission more legs. He said that it was a matter of getting Kingman out there which will help support and fund all of those things.

Mayor Anderson said that the Council might want to take that to a structured group. He said they can get together on a monthly basis and discuss it. He said they need interaction locally and need all three legs of the stool working together and talking together.

Councilmember Abram said that the Kingman Airport Authority (KAA) is doing good things but there is no clear understanding of how they are marketing. He asked how Yuma, Arizona, grew exponentially and what we are missing.

Vice Mayor Young said that the military base there is a big draw.

Councilmember Abram said that Kingman has opportunities for industry, a hub and a retirement center and asked where we are missing.

Councilmember Miles said that this was what she was hoping to get out of this and to have those discussions.

Councilmember Abram said that the City should have someone on staff to focus on economic development. He said that the KAA worries about the industrial park and the airport and a win for them is a win for us.

Mayor Anderson said that they need a win from us to make a win for them.

Councilmember Abram said that he is talking with no intelligence on this because he has not sat in on their meetings. He asked why more people aren't looking at us.

Mayor Anderson said that when people say a company wants to come here many want to be urban. He said that they have more conversations with John Hansen (of Laron Engineering) than they do with Development Services Director Gary Jeppson or KAA Economic Development Director Bob Riley. He said that KAA does not market and has no formal marketing program. He said they need to look at what they can offer.

Councilmember Abram said that they could market to southern California.

Vice Mayor Young said that there are restrictions on marketing from the Federal Aviation Administration (FAA). She said that there was a regional economic development group and it was challenging because they have their own ideas. She said that it is important to have collaboration and there was none. She said that when the Economic Development and Marketing Commission (EDMC) was formed they made up brochures and a video. She said that they were going to build a database from contacts from the International Council of Shopping Centers (ICSC) and start marketing. She said that she doesn't know if this has ever been done.

Councilmember Miles said that Mohave County Economic Development Director Bennett Bratley goes to California a lot to market them. She said that some of these are being approached at some level and the collaboration is weak.

Vice Mayor Young said that it is important and that was the breakdown of the group.

Mayor Anderson said that several companies are waiting for advancements and it would be nice to get them in sooner.

Councilmember Abram said that there are individuals working on this be collaboration would be cleaner.

Councilmember Dean said that KAA is out there and the City needs to work with them. He said that the City needs to do this too. He said that he has been here for 23 years and asked what they are doing. He said that Mr. Riley and KAA Director Dave French have been invited to Kingman and Mohave Manufacturing Association (KAMMA) meetings to find out what they are doing. He said that they have to have someone out there actively doing this. He said that he is for adding someone to do this and the City needs to work with them more. He said that he agrees with Councilmember Abram. He said that they need jobs out here and if they get jobs people will come then retail and income will come. He said that losing the mine was a big blow and with the economic downturn the industrial park saw a hit.

Mayor Anderson said that Kingman Crossing will open up jobs at the hospital which will try to grow and will need additional attractions to keep people. He said that the same goes for the industrial park.

Councilmember Abram said that this is why he brought up the three-legged stool. He said that they need a piece of everything. He asked how you incrementally start growing.

Vice Mayor Young said that EDMC was created to fill the gap until the City could do it. She said that it all boils down to money. She said that it is a catch 22 in one way as when they open up land out there it will be for sale or lease. She said that right now it is for sale. She said that land will be opening up for lease.

Mayor Anderson said that there are two thought streams. He said that with a lease there is a steady flow of cash and with a sale the cash is available now. He said that KAA would love to have the income and there is a mix. He said that he got a letter from KAA sighting \$65,000 per acre. He said that they have a market value of the land and one appraisal does not establish a current market value. He said that they should maybe go ahead and authorize a second appraisal. He said that what they gave is not the current market value. He said that the FAA does not authorize sale for less than the current market value. He said that if they do not have a bid at the current market value but have two or more bids for the land they can negotiate.

Mr. Cooper said that he would have to look at the state statutes for this. He said that the FAA land that has been deeded to the City can be taken back if they choose. He said that this is primarily for the airpark and the FAA is more concerned with the airpark than the industrial park.

Councilmember Dean said that the comps were seven years old.

Mayor Anderson clarified this and said that he thinks there should be a second appraisal. He said that he thinks a company is looking to buy out there and there is not an established market value. He said that he doesn't feel the appraisal is valid.

Councilmember Abram asked if they would jump on it if the second appraisal was the same. He said that they have to look at the appraiser doing it and they have to be certified. He said that they have their own reputation and license on the line and there is always a disclaimer.

Mayor Anderson said that the appraisal says that Kingman provides fire protection.

Councilmember Abram said that he matches Kingman to Holbrook, Arizona, and asked where we come in. He said that we can be matched to anyone rural with rail service.

Mayor Anderson said that the appraisal is too closely related and he hopes for an independent one.

Councilmember Dean asked who pays for the second appraisal.

Mayor Anderson said that the City would pay for the second one.

Vice Mayor Young asked why Cives would not pay for their own.

Councilmember Dean asked why the airport won't do it.

Councilmember Miles said that her understanding is this is still in discussion and they are looking at factors beyond the appraisal.

Mayor Anderson said that one issue is whether the property is rail served.

Councilmember Dean said that a property is worth more with rail near rather than a half-mile away.

Councilmember Abram said that the property is not technically rail served.

Councilmember Dean said that the railroad has to build a spur.

Mayor Anderson said the rail runs across the property so it is rail served. He said that they will have to pay to put in rail at some point and they are playing some games too.

Vice Mayor Young said that the City needs to stay out of it.

Councilmember Dean said that they need to help close this.

Mayor Anderson said that a market value needs to be established.

Mr. Cooper said that the Council needs to narrow the focus of this conversation.

Mr. Dougherty introduced Finance Administrator Wendy Sherer. He said that two councilmembers mentioned economic development as a top priority. He said that he has thought about this since he got to Kingman and this position was defunded by the Council. He said that the issue for the City is all we have is retail. He said that unless they come to some agreement with KAA to jointly hire a person anything the City gets with regard to industry will have to be referred to Mr. Riley. He said that if they had a really enthusiastic person they will not get anywhere with Mr. Riley. He said that he has talked to Mr. Bratley on Cives and they talked about Nucor. He said that KAA asked why they are sending them to the County. He said that we want the jobs and don't care where they go.

Councilmember Miles said that they still do.

Councilmember Dean said to just get it here.

Mayor Andersons said that there is some money for economic development in the budget and they didn't do anything with.

Mr. Dougherty said that Tourism Director Joshua Noble would come under the City in July and some of his work will be taken off. He said that his greatest asset is marketing. He said that when he talked to Mr. Riley two years ago he said that they do not recruit to southern California.

Councilmember Miles said that this is because there are industries that do not want to leave and are still coming to California. She said that they can still market there as Mr. Bratley is.

She said that it is happening and she loves the idea. She said there is an opportunity with the new job description to broaden economic development and make that seamless. She said that this is a priority.

Councilmember Dean asked if annexation would allow the City to get control of that funding.

Mr. Cooper said that it would not and that lease goes until 2053. He said that there is minor retail out there, the City would be taking substantial income from the Northern Arizona Consolidated Fire District (NACFD) and there are issues with funding it.

Mayor Anderson asked if the City limits about the airport.

Mr. Cooper said that they do not and the City would have to annex everything out to that as the City cannot create a county island.

Mayor Anderson noted the cost for the NACFD fire district tax and said that the City was asking less than what they are paying for fire.

Councilmember Dean is this would still be available if it were not in a lease.

Mr. Cooper said that the City would manage it or another group would lease it.

Mayor Anderson said he is concerned that prior Councils have encumbered the City for an extreme number of years.

Vice Mayor Young said that the City would have to hire someone to care for the airport.

Councilmember Miles said that Mr. Riley would be giving a presentation at the February KAMMA meeting if anyone wanted to attend.

Mayor Anderson asked that if anyone was going to let Ms. Muhle know.

Councilmember Dean noted a survey on Louise Avenue and said that they are talking about \$6 million. He said that Kingman Crossing and Rattlesnake Wash are down there and run north-south parallel to this. He said that they are going to spend \$6 million on that road and asked if the City should have a plan.

Vice Mayor Young said that the City does.

Councilmember Dean asked if this would provide for this.

Mayor Anderson noted continued development on the far southeast side and Hualapai Mountain Road and said that Rattlesnake Wash is needed for the airport. He said that they will have to go to Hualapai Mountain Road to access the hospital. He said that both are needed and east to west is a similar issue.

Councilmember Dean said that he thought that was a lot of money for Louise Avenue.

Ms. Moline said that the \$6 million was for the entire project.

Vice Mayor Young said that when they get to the first budget meeting they will get a book with these projects and discuss them.

Mayor Anderson said that this was a big book with a lot of information.

Councilmember Miles said that prior to her first budget meeting she talked with Mr. Dougherty and met with department heads. She said that it helps to get their input and Eastern Street was one item discussed.

Mr. Dougherty said that Vice Mayor Young has always talked about annexation and the problem with expanding is there is no extra income. He said that Chief of Police Robert J. DeVries has said he would need an additional squad if the City were to annex bird land and Butler.

Vice Mayor Young said that she wanted to annex the Rattlesnake Wash area to capture the growth there. She said that the whole Interstate 40 (I-40) corridor would be a good section to annex in the future in phases.

Mayor Anderson said that the City needs a revenue stream for minimal infrastructure.

Councilmember Abram said that this would at least be along the I-40 corridor.

Vice Mayor Young said that she would still like to see the City take in vacant land.

Mayor Anderson asked if there were any additional priorities and said that they could follow-up at the budget meetings.

Mr. Dougherty said that they would discuss it at the budget meetings.

Ms. Moline said that the first budget meeting would be March 14, 2016.

Mayor Anderson said that he wanted to tie in with what Councilmember Miles was talking about to get out to make educational inputs.

Vice Mayor Young asked if the completed studies are available online which Councilmember Miles said that they were not.

Councilmember Abram said that he had not seen the full America's Best Communities (ABC) submission and they could share that plan.

Mr. Dougherty said that he has a copy of the plan. He said that he was working on a potential business relocating from the East Coast. He said that he gathered information for them and showed them property. He said that they would have been a perfect fit and came here because they were in Las Vegas, Nevada, at a conference. He said that when he got the ABC report he sent it to him to provide background on the community. He said that he contacted him a couple of weeks later and they said they were not interested. He said that they had set up an appointment to meet with superintendents and realtors.

Councilmember Miles said that this is tricky anywhere.

Mr. Dougherty said that he is not giving up and economic development can take several years. He said that ABC said that most of the comments received were that Kingman is a great community. He said that Kingman has issues but who doesn't.

Mayor Anderson said that the value of the land was more than the company was expecting and he thinks they are still interested.

Mr. Dougherty said that the downside is that Kingman is not a big city. He said that the company inquired about incentives and was told that the City of Kingman doesn't give any. He said that Arizona says cities cannot give incentives and he was not happy with that answer.

Councilmember Carver said that the City of Bullhead City gave incentives.

Vice Mayor Young asked if this was before a lawsuit changed this.

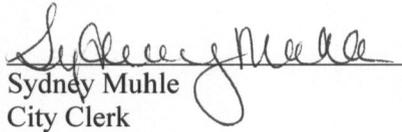
Mr. Cooper said that cities can offer a sales tax reimbursement which could have been the case here. He said that they could put in more of the infrastructure to access those facilities. He said that he is not sure what they offered without talking to them. He said that there is very little state law allows for incentives.

Vice Mayor Young said that most large businesses want incentives.

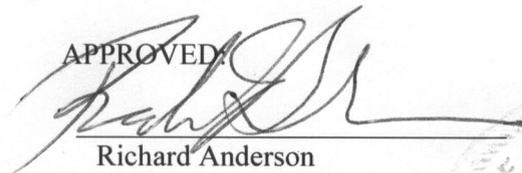
Councilmember Abram made a MOTION to ADJOURN. Vice Mayor Young SECONDED and it was APPROVED by a vote of 7-0.

ADJOURNMENT --- 3:54 P.M.

ATTEST:


Sydney Muhle
City Clerk

APPROVED:


Richard Anderson
Mayor

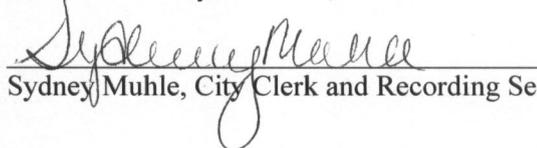


STATE OF ARIZONA)
COUNTY OF MOHAVE)ss:
CITY OF KINGMAN)

CERTIFICATE OF COUNCIL MINUTES

I, Sydney Muhle, City Clerk and Recording Secretary of the City of Kingman, Arizona, hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Work Session meeting of the Common Council of the City of Kingman held on January 28, 2016.

Dated this 1st day of March, 2016.


Sydney Muhle, City Clerk and Recording Secretary