

MINUTES OF THE WOODLAND LAKE PARK ACQUISITION TASK FORCE COMMITTEE MEETING HELD AT 10:00 A.M. ON JULY 28, 2009, IN THE TOWN OF PINETOP-LAKESIDE COUNCIL CHAMBERS.

COMMITTEE MEMBERS PRESENT:

Chairman Norris Dodd, Councilwoman Leslee Wessel, K. Barbara Teague, L. Kelly Udall, John Jarchow, Sue Sitko, Diana Butler, Jim Anderson, Larry Whipple, Barbara Davis, and Lynn Krigbaum.

COMMITTEE ADVISORS PRESENT:

Ed Collins, Lakeside Ranger District, USDA Forest Service.

TOWN STAFF PRESENT:

John Vuolo, Parks and Recreation Director; J. Kent Brooksby, Finance Director; and Susan Marie Stein, Deputy Town Clerk.

Chairman Dodd called the meeting to order at 10:00 a.m.

Item No. 1, Welcome and Task Force Introductions:

Chairman Dodd welcomed everyone and introductions were made.

Item No. 2, Expectations for Meeting:

Chairman Dodd stated at the last meeting in December, the Committee made a recommendation to the Town Council to consider the acquisition of the 98 acres at Woodland Lake Park. He said the appraisal for Woodland Lake Park was received by the White Mountain Land Trust last week. He commented the process began in January. He said certified land appraisers are busy now and said it took until July to get the appraisal done. He said the group will look at where they were in December and use the appraisal information to determine where to go from here. He said there have been some developments from Congresswoman Kirkpatrick's office and said the Committee will hear from them via conference call.

Item No. 3, Approval of December 1, 2008 Meeting Minutes:

KELLY UDALL MOVED TO APPROVE THE MINUTES OF THE DECEMBER 1, 2008 MEETING. COUNCILWOMAN LESLEE WESSEL SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Item No. 4, Old Business:

Save Our Park Committee Activities: Barbara Teague updated the Committee on the 2nd Annual 5K Walk. She said the final net proceeds were impressive, amounting to \$10,753. She said the Montessori School, as well as walkers and sponsors, were significant contributors. Lynn

Krigbaum commented there were more sponsors this year. She noted artist David Berry painted posters for last year's Fall Festival Parade. She said they came up with idea of having sponsorships for the posters which will eventually go into the classrooms using Big Springs. She said seven sponsored posters are currently on display at Town Hall and said they collected \$100 for each. She displayed some posters. Ms. Krigbaum said \$94 was raised at the Chili Cook-Off and said they are always looking for more fund raising ideas. Chairman Dodd said about \$40,000 was raised to date and said this proved to be extremely valuable in obtaining the appraisal.

Item No. 5, Review of Past Task Force Efforts to Secure Woodland Lake Park:

Chairman Dodd provided the history and background of the Task Force, along with a Power Point presentation. He said in 1986, the Town applied to acquire the Park under the Townsite Act which was approved in 1987 and requires the Town to pay fair market value. He stated in 1996, Congress passed the Woodland Lake Park Protection Act to allow only the Town to purchase the parcel. He said the Town commissioned The Tejido Group to develop a Master Plan in 2007, and then commissioned the Task Force to address the Plan. He stated the Plan is the road map to determine strategies and said citizens are encouraged to participate. He said the Committee prioritized the acquisition parcels. He stated development may be appropriate for the Walnut Creek node, but said the 98-acre developed Park is the highest priority for acquisition. He said they began working on fundraisers two years ago, as well as working with the Blue Ridge School District to resolve the conflict between the Woodland Lake Park Protection and Education Land Grant acts to acquire Forest Service lands for education. He said the Town then engaged the Trust for Public Lands to conduct a feasibility report to help develop funding strategies.

He said in January they talked with Ed Collins and other Forest Service staff and came up with a market analysis approach to the appraisal as an alternative to a formal Forest Service-sanctioned appraisal. He said they wanted to do a non-binding market analysis that emulated a Forest Service sanctioned appraisal. He stated this presented a good option at less cost. He added that prior Task Force efforts were focused more on determining how much citizens were willing to pay to acquire the 98-acre developed park, versus obtaining a firm estimate of the cost. He said they agreed that \$7 to \$10 million would be required. He stated they looked at different financing options; including general obligation bonds, sales tax, restaurant and bar tax, and property tax. He added the revenue scenarios discussed at the December meeting would need to be revised due to current economic conditions.

Chairman Dodd explained the public opinion survey process was conducted in mid-December. He said an independent marketing survey reached about half of the households in Pinetop-Lakeside and said a majority of those surveyed supported the Town acquiring Woodland Lake Park. He stated a mail survey to business owners was also conducted which received a 63% response in support of a ballot measure with a 0.4 percent increase in sales tax.

He stated it was then determined an appraisal would be necessary to determine what the next steps would be, and said this meeting was held for that purpose. Kent Brooksby, Town Finance Director, said the last month of revenue was May, which was encouraging. Chairman Dodd said the task at hand is to discuss the next step, the National Environmental Policy Act study, and then make a recommendation to the Town Council.

Mike Leiby questioned if a developer wanted to purchase the parcel, would the Town have the power to turn that around. Ed Collins responded no developer could do that unless the Act of Congress is changed. John Jarchow said there is no current mechanism to allow any sale to anybody but the Town. Chairman Dodd added the National Environment Policy Act must be followed and land exchanges are a lengthy process. He said what they are doing helps put everything in its proper context.

Town Manager Kelly Udall mentioned the Town has an interest in building a civic center in the vicinity of the 100-acre Walnut Creek Node. He said they are working with Congresswoman Kirkpatrick's office to submit an appropriations request to purchase land to build a civic center.

Lon Dorsay asked about acreage comprising the Walnut Creek Node. Chairman Dodd said it contains 100 acres and said they tried to keep this parcel on one corner to not disturb the Walnut Creek riparian corridor. He reminded everyone the appraiser has come up with his best estimate of the highest and best use. Mr. Dorsay asked if the Town would make money if they sold the developable piece. Chairman Dodd said it may be possible and said the Town would have to assume the risk at the whims of the economy.

Item No. 6, Market Analysis of Woodland Lake Park:

Jim Anderson reported the Town asked the White Mountain Land Trust to conduct an appraisal and pay for it via the Save Our Park Committee funds. He said the Forest Service suggested engaging Charlie O'Leary to lead the process. He said Scott Halver, an MAI appraiser, of the Ganado Group was chosen. He said the market approach was used as it was the most viable valuation method. He stated the appraiser took the highest and best use and appraised it as vacant land, and said no credits for improvements to the Park were considered. He said they used properties in Verde Valley, Sycamore Creek, Springerville, Show Low, Pinetop-Lakeside and a property in New Mexico to compare this unique parcel and said the value was adjusted for the water amenity at the developed park. He said the appraiser looked at valuations from 2004 to current and determined today's valuations were comparable to 2005. Mr. Anderson reported the final value for Woodland Lake Park (98 acres) was \$61,890 per acre, totaling \$6,050,000; Walnut Creek Node (100 acres) was \$47,606 per acre, totaling \$4,750,000; and the remaining 385 acres at \$47,606 per acre, for a total of \$18,350,000. He said the total 583 acres' value was \$29,150,000. He added this presents an excellent time and opportunity for acquisition.

John Vuolo asked if the value of the lake was considered. Chairman Dodd said the value of the lake was built into the valuation, but said no value was included for the improvements. Mr. Lieby questioned what the annual maintenance costs would be. Mr. Vuolo stated the Town's existing operations and maintenance budget covers existing lands and said future costs would align with additional development. Chairman Dodd added the Town's expense for park maintenance also includes Mountain Meadow Recreational Complex and said the properties are not revenue producing. He said it was appraised as non-income producing land. Councilwoman Wessel asked about the acquisition prioritization list. Chairman Dodd said this is used for benchmarks and planning purposes to meet the aliquant description of the parcel. Ed Collins said using aliquant descriptions is to avoid the high cost of a formal survey. Mrs. Krigbaum asked if the Forest Service wants to sell it, would they sanction an appraisal now. He said NEPA needs to be done first as an appraisal is only valid for a limited period of time depending on the

volatility of the market. He said the U. S. Forest Service would not sanction any proposal unless the NEPA is done.

Item No. 7, Refinement of or Development of New Strategy to Acquire Woodland Lake Park:

There was no discussion on this item. This item will be included on a future meeting agenda.

Item No. 8, Limited Development Proposal as part of Acquisition Strategy:

Chairman Dodd stated Tom Jernigan is the Development Subcommittee Chair. He said Mr. Jernigan could not attend the meeting, but wanted to share his proposal with the Committee. Chairman Dodd distributed a copy of the proposal. He said Mr. Jernigan proposed allowing development to occur in order to acquire the priority pieces and said he is proposing the allowance of limited development where there is infrastructure already available. Chairman Dodd said Mr. Jernigan also proposed development along Trina Lane to generate revenue from the sale of lots, possibly \$1 million. He said this item will be discussed further at the next meeting.

Item No. 9, Congressional Relief for Acquisition of Big Springs Environmental Study Area under the Education Land Grant Act:

Virginia Turner, District Director for Representative Ann Kirkpatrick; Carmen Gallus, Deputy District Director for Representative Ann Kirkpatrick; and Betsy Quilligan, Legislative Director, met with the Committee via teleconference call. Chairman Dodd made the introductions and asked for their updates. Ms. Gallus said they began discussions regarding Woodland Lake Park with the Town about one year ago. Ms. Quilligan said they are looking at draft language to amend the existing law passed previously, which had a prohibition of conveyance for Woodland Lake Park unless it was made to the Town of Pinetop-Lakeside. She stated they are working to amend the conveyance to make an exception for the School District. Chairman Dodd asked for clarification on the role between both sides of the Congress and asked if it is appropriate for Senator McCain's office to be involved in the process. Ms. Quilligan said they are careful to work simultaneously with the State Senators, and said they are starting to look at the draft language and starting preliminary conversations with Senator McCain's office. Chairman Dodd asked if this is a potential stand-alone law or if it would be embedded in another bill. Ms. Quilligan responded they will draft it as a stand-alone, but said it is dependent on what other packages they will be moving. She said they are looking at other opportunities in the immediate future, and said they are evaluating the options. Mr. Collins asked if they are involved with the Forest Service's Washington, D.C. legislative affairs staff. Ms. Quilligan said they are not presently. Mr. Collins asked when he and his agency are expected to become involved. He suggested they start an early dialogue. Ms. Quilligan agreed and said they will do some outreach.

Mr. Udall stated they want to maintain the integrity of original bill and said they want to remain confident the land cannot be sold out from under the Town. He said they would like the integrity to remain, but said it should allow flexibility for the school to purchase the forty acres. Ms. Turner said it was their intention to address only the conflict with the 40-acre Big Springs parcel and not change the protection currently on the remainder of the 583 acres. She stated they will share the draft language with the Town.

Chairman Dodd reviewed the market valuation received from the appraiser last week and said they are continuing to work on other strategies. He said they are making diligent progress to move forward.

Mr. Udall said the Town has been working with Congresswoman Kirkpatrick to try to purchase five acres within the Park for a municipal center. Ms. Turner explained the appropriations process. She said each bill will be passed individually. She said this has been an interesting year because of budgetary issues and said not all the projects were able to be secured. She said the Town requested \$350,000 for the land and it was not included in the Committee Bill. She said it passed the House without that project in it.

Diana Butler thanked everyone for their hard work to date. Chairman Dodd added it is appreciated and thanked the three conference call participants.

Item No. 10, National Environmental Policy Act Environmental Analysis Status:

Mr. Udall said the ball is in the Town's court. He stated the Town Attorney is moving forward and working on the required documents to complete the NEPA study. He said both a Collection Agreement and a Memorandum of Understanding with the Forest Service are required to set the process in motion and to determine what type of study is required. He said after the documents are reviewed, they will be submitted for the Town Council's approval. He stated the Town Council will consider hiring a consultant to help with this study. He said some monies have been budgeted, despite the current conditions, for this purpose. He added the U. S. Forest Service has been a great partner.

Mr. Jarchow asked when the consultant could begin working on this. Mr. Collins said it is up to the Town and said they will support the Town's approach. He said initially they recommended an environmental impact statement; but said they also discussed options to bring costs down. He added the costs depend on issues identified in an initial public scoping to determine what is required. He said they are not at the point, but getting closer, to make the decision. He said the process will dictate the length of time it will take. Chairman Dodd said the NEPA process will drive the liquidation of the acreage to the Town and said the NEPA process depends on the Town. Mr. Jarchow asked if there is some idea of where the horizon is and asked if it could possibly take one year or three years. Mr. Collins said it will be determined by the residents of the Town and by how controversial the issue is. Mr. Udall said our strategy has been to manage expectations and said the NEPA study has to be done before they go any further. Chairman Dodd said they recognize it could take up to a year to complete the NEPA, but hopefully could be done sooner. Mr. Collins says as long as the act is in place, there are no other parties out there other than the Town.

Mrs. Krigbaum asked about the cost of an environmental analysis. Mr. Collins said the cost varies with the type of document required. Chairman Dodd said social and environmental issues affect the length of time it will take. Ms. Teague asked how the public will be informed as to the prospective uses of the land. Sue Sitko said the environmental impacts will be analyzed for each alternative and opportunity. Chairman Dodd said additional NEPA studies would need to be done. He said if development was an option, it would be a potentially controversial issue.

Mr. Jarchow said the top priority is still the 98 acres for the Park and said the Big Springs 40 acres are the second priority. He suggested the Town go forward with this and then determine what to do with the remaining acreage. Mr. Collins commented a NEPA determination is looked at as valid for about five years and said after which time, an update would need to be completed to determine changes on the site. He said as long as conditions have not changed, another NEPA study would not be required.

Mrs. Krigbaum asked about how to get the whole process going. Chairman Dodd said the current scenarios will be addressed when the NEPA study is completed. He said the Town cannot commit until the NEPA study is done, and said the Council and Task Force are supportive. Mr. Collins said this is a phased acquisition and said they will keep it as generic as possible so NEPA can be valid for a longer period of time.

Mr. Dorsay commented that commercial/retail development in the Walnut Creek 100 acres are enough to last the Town for a long time. He said there is more commercial property now than this Town can use in 500 years. He urged the Town to settle on one commercial parcel and possibly leave the rest for open land. Chairman Dodd said the task at hand is how to move forward from here.

Ms. Teague said she would like the Council to receive the market value information. Mr. Anderson said he will be at the next Town Council meeting and present the information to the public.

Chairman Dodd said the next meeting is scheduled for 10:00 a.m. on August 20, 2009.

The meeting was adjourned at 12:24 p.m.

Dated this 11th day of August 2009.

WOODLAND LAKE PARK ACQUISITION TASK FORCE COMMITTEE

s/s **NORRIS DODD**, Chairman