

**THE REGULAR MEETING  
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA  
HELD OCTOBER 13, 2014 AT 7:00 P.M.  
AT CITY HALL, 120 W. 6TH STREET, BENSON, ARIZONA**

**CALL TO ORDER:**

Mayor King called the meeting to order at 7:05 p.m. with the Pledge of the Allegiance.

**ROLL CALL:**

Present were: Mayor Toney D. King, Sr. (via phone), Vice Mayor Al Sacco, Councilmembers Pat Boyle, Jeff Cook, Chris Moncada and Peter Wangsness (via phone). Absent was: Councilmember Ron Brooks.

Pastor Kirk Sorenson of the First Assembly of God then offered the invocation.

**EMPLOYEE RECOGNITION:**

Vice Mayor Sacco recognized Joe Rodriguez for 35 years of service with the City of Benson.

**PROCLAMATION:**

Councilmember Moncada read a proclamation declaring October 13-19, 2014, as "Careers in Energy Week." The proclamation was then presented to Vickie Simmons, Cochise County Workforce Development.

**PUBLIC HEARING:** None

**CALL TO THE PUBLIC:**

Paul Lotsof addressed Council stating in late August, he called attention to the closing of Lawley's Ford Benson location, adding for the first time in over 50 years, Benson has no place to buy a new car or truck. Mr. Lotsof then stated auto dealerships provide good jobs and sales tax revenue and with no place to buy a new vehicle in Benson, local buyers are forced to spend money elsewhere and the possibility of people from other communities buying cars in Benson is gone. Mr. Lotsof then stated he learned that Lawley's never owned their property, but it was leased to them by the previous occupant, Scott Nichols, who had an auto dealership there. Mr. Lotsof then stated Lawley's has acquired the Napa Auto parts franchise and moved that business to their dealership location, adding he suspects a major reason for this is to make sure that location will never again sell new cars. Mr. Lotsof then stated he spoke to Mr. Nichols, who told him he doubts Ford would permit any new party to sell their products in Benson, but more than likely another automaker would grant a franchise in Benson, adding Mr. Nichols also gave him some suggestions for finding an auto dealer and an auto manufacturing company that might join forces and open a location in Benson. Mr. Lotsof then asked the Council if they thought attracting a new car dealership would be something worth pursuing and if there was someone who might provide assistance, such as an active Community Development Director, if someone could be located who might be qualified to sell new cars in Benson. Mr. Lotsof then asked Council to consider placing the issue on a future agenda. Mr. Lotsof then spoke regarding his business facility, stating he has been trying to improve it for years and he thinks he is making some real progress, adding he submitted a proposed amendment to the City's zoning ordinance that he thinks is a big step in the right direction. Mr. Lotsof then stated the proposed amendment creates a new classification called "studio" and the amendment applies only to the B1 district, which presently encompasses only 4 blocks of 5th Street, adding there would be no major effect on the City. Mr. Lotsof then stated the Planning & Zoning Commission should be scheduling a public hearing probably next month and if all goes well, the amendment should be brought before Council for possible approval at the last meeting in December. Mr. Lotsof then stated he would like to commend Planning Technician Michelle Johnson for going out of her way to put this matter on the fast track. Mr. Lotsof then stated he is confident nearly all of the current Councilmembers are sympathetic to his needs and will see that this amendment is in the public interest, but that the new City Council will be little more than a reincarnation

of a previous Council and from his perspective, all bets are off if they become the decision-makers. Mr. Lots of then stated he hopes the present Council will be the one to act, adding his employees will be grateful to the Council and so will his listeners, who will be better served when he is able to exit the dilapidated old mobile home his business is currently in. Mr. Lots of then thanked the Council for considering both items.

### **CITY MANAGER REPORT:**

City Manager William Stephens addressed Council, giving the dates of upcoming meetings and events.

- Tuesday, October 14, 2014 – Library Advisory Board, 4:00 p.m., City Library
- Tuesday, October 21, 2014 – Public Workshop – General Development Plan, 7:00 p.m., City Hall
- Saturday, October 25, 2014 – Benson Airport Advisory Committee, 8:00 a.m., Hangar B9, Benson Airport
- Monday, October 27, 2014 – City Council Meeting, 7:00 p.m., City Hall
- Tuesday, October 28, 2014 – Community Watershed Alliance, 6:30 p.m., City Hall
  
- Friday, October 17 through  
Sunday, October 19, 2014 – Benson Bobcat – 100 year Anniversary All Year Reunion – for more information, go to the City of Benson website at [www.cityofbenson.com](http://www.cityofbenson.com) under “What to do today”
  
- Tuesday, October 28, 2014 – A free seminar provided by the City of Benson’s Attorney, for the Citizens of Benson. The seminar topic is “New Health Care Law and How it May Affect You – as an Employer or Individually,” 6:00 p.m. to 7:30 p.m., At the Benson Community Center, 705 West Union Street, Beverages and Snacks will be included.

### **NEW BUSINESS:**

#### **1. Discussion and possible action on the Consent Agenda**

- 1a. Minutes of the August 25, 2014 Regular Meeting
- 1b. Minutes of the September 8, 2014 Regular Meeting
- 1c. Invoices processed for the period from September 12, 2014 through September 30, 2014

Councilmember Moncada moved to approve the Consent Agenda. Seconded by Councilmember Boyle. Motion passed 6-0.

#### **2. Discussion and possible action regarding a recommendation from the Benson Economic Development Committee concerning the Global ReLeaf Grant Application**

City Manager William Stephens stated this item was placed on the agenda at the request of Councilmember Boyle and Councilmember Brooks. Councilmember Boyle stated it was his understanding that the City has adopted a plan to go ahead and apply for the grant with Mr. Stephens stating he was waiting for direction from the Council. Councilmember Boyle then stated the Benson Economic Development Committee (BEDC) and especially committee member Annette Buechel worked diligently to come up with this resource, adding it is a grant program to plant trees. Councilmember Boyle then stated it doesn’t cost the City anything and funding up to \$25,000 can be received for tree planting. Councilmember Boyle then stated the BEDC was going to work in conjunction with Recreation Coordinator Laura Parkin to come up with an idea of where to put these trees throughout the City, as well as how many trees might be needed, but that the grant application process is time sensitive and closes quickly. Councilmember Boyle then stated the idea was to get Council to approve the idea of having the City apply for this grant, adding he doesn’t see any reason not to apply for the grant. Councilmember Boyle then stated the City would benefit by having trees planted throughout the valley and areas that might need them, adding if the grant is awarded, decisions can be made as to where to plant the trees to make the community nicer. Councilmember Moncada and Councilmember Cook asked if there was a

required grant match with Councilmember Boyle and BEDC member Annette Buechel stating there was no match required. Councilmember Cook then asked about the locations to plant trees and the manpower to plant them, noting the City employees are on furloughs this year and he's not certain this extra burden should be put on the employees. Councilmember Boyle then proposed using volunteers throughout the community, such as church organizations, boy scouts and others. Councilmember Cook suggested the Benson Clean & Beautiful organization with Councilmember Boyle stating he was thinking along those lines. Councilmember Cook stated as long as volunteers are going to be planting the trees, he was in favor of it. Councilmember Moncada moved to direct Staff to proceed with the application for the Global ReLeaf Grant. Seconded by Vice Mayor Sacco. Motion passed 6-0.

3. **Presentation by El Dorado Holdings regarding the development of Whetstone Ranch**

City Manager William Stephens stated this item was placed on the agenda to allow the Council to be informed regarding some details of the development of Whetstone Ranch by the developer, El Dorado Holdings, Inc. Mr. Stephens then introduced Mr. Mike Reinbold of El Dorado Holdings, Inc.

Mr. Reinbold addressed Council stating on behalf of his partner Mike Ingram, the chairman of El Dorado Holdings, he would like to thank the Council for the opportunity to appear before them. Mr. Reinbold then stated also present was his associate Denis Krahn and they would like to express how excited they are to be here and that they look forward to working with the City of Benson and the community in the development of their property. Mr. Reinbold stated they have been involved in many communities over the years and would like to tell the Council that they feel Benson and the San Pedro Valley are one of the prettiest regions they have been involved in, adding when they were in the process of purchasing the Whetstone Ranch property, they had the opportunity to spend a great deal of time in Benson and the surrounding area. Mr. Reinbold then stated the people of Benson have been extremely warm and welcoming, very supportive and encouraging of their efforts to become involved in the Benson community and thanked those people for their support. Mr. Reinbold stated they look forward to working closely with the community in creating a development that everyone can be proud of and they also look forward to working with the City to actively attract new business opportunities to the City while helping local business grow as a result of the combined efforts.

Mr. Reinbold then stated while he would not be presenting any materials this evening, he would like to give the Council an overview of where El Dorado is at in the planning process for the development of their property, adding in the near future they will be holding public meetings in the community and discussing how development of the property will proceed. Mr. Reinbold then stated they see Benson as a great community to live and work in, adding the surrounding beauty of the San Pedro Valley is reflective of the Tuscan region of Italy, which is one of the most famous regions in the world. Mr. Reinbold then stated from the growing wine industry in Sonoita, Elgin and Willcox to the natural beauty of Kartchner Caverns, historic Tombstone and the charm of Bisbee, they see the Benson region with all its natural beauty as being the equivalent of a Sedona of the south, adding Benson provides the opportunity to become a hub destination comparable to Sedona to explore the entire south central Arizona region. Mr. Reinbold then stated they see many opportunities for Benson in the future as they work together with the City in the development of their property, adding the creation of new jobs and business opportunities will emerge as the development moves forward. Mr. Reinbold then stated they see the market potential for a diversified master planned community that could include destination resorts, golf and recreational activities, in addition to active adult and conventional housing where families can live and work in the region. Mr. Reinbold then stated the new growth will have a positive impact on local real estate markets and create new business opportunities in Benson while generating new sources of revenue for the City.

Mr. Reinbold then stated El Dorado's goal is to become a part of the Benson community and support local activities that foster community spirit and positive growth everyone can be proud of. Mr. Reinbold stated for over twenty years El Dorado has developed several similar successful developments in emerging markets and has worked closely with many cities and counties, adding they pride themselves in going beyond what is required in the development of their properties and in many instances have exceeded the governmental code standards required, such as building four lane streets to meet future growth instead of the required two lanes

that would have sufficed. Mr. Reinbold then stated El Dorado has provided additional amenities, recreational facilities and landscape to create unique communities beyond code requirements and have implemented their own housing design standards to maintain a high quality of housing opportunities. Mr. Reinbold then stated while they don't claim to be the best developer since sliced bread, they constantly strive to do the best they can possibly do and to have a positive impact in the communities they develop in. Mr. Reinbold stated they are aware that the current housing market has not returned to normal levels at this time, but based on their research, they feel the housing market will strengthen in 2016 and continue for several years in the future. Mr. Reinbold then stated they recognize this project has had false starts over the past 20 years, but with the market potential, their extensive background in emerging market development and the strong support of the community, they can obtain their collective objectives. Mr. Reinbold then stated this project will take time and effort collectively to obtain the mutual goals for community development and diversification, adding by creating diversity in the local economy by broadening the business sector beyond reliance on mining and military drivers, the local market will benefit overall as a result.

Mr. Reinbold then stated the economy has continued to strengthen but the financial markets credit requirements have been very restrictive on available credit for new home financing resulting in slower sales of new homes, however, new finance programs currently in process will ease this restriction going forward. Mr. Reinbold then stated high occupancy rates in apartments and rapidly increasing rents reflect the growing pent up demand for housing in the future and the aging of America further provides opportunity for active adults searching for quality communities with warm climates and beautiful settings in regions like Benson. Mr. Reinbold then stated more and more businesses are looking at opportunities to relocate from major cities to smaller communities with a lower cost of doing business and a better quality of life and this creates opportunities for conventional housing and the growth of new businesses in Benson. Mr. Reinbold stated the destination resort industry continues to grow with high demand for destinations with visits ranging from 3-7 days in areas that have convenient access and unique regional attractions like Benson and the San Pedro Valley. Mr. Reinbold then stated their goal is to be shovel ready by the fourth quarter of 2015 in order to meet the market demand for available housing by mid-2016 and while this is a large undertaking, they hope to achieve this goal through their combined efforts and look forward to working with the community and the City of Benson to achieve this goal. Mr. Reinbold then stated they have had meetings with Mr. William Stephens, Benson's City Manager and his staff to discuss the development of the property and the City's development process, adding in these meetings they have focused on creating planning and development schedules and the City's current and future staffing requirements necessary to meet the development objectives and over the next few weeks they plan on working with Staff to complete a plan to achieve these objectives and present it to the City Council. Mr. Reinbold then stated on behalf of El Dorado Holdings, he wanted to thank the Council for the opportunity to be present this evening and they look forward to working with the City and the community in the future, adding they have had the opportunity to meet several community residents and look forward to meeting many more as they progress with the project. Mr. Reinbold then stated he would be happy to answer any questions the Council may have.

Councilmember Moncada stated it was his understanding that El Dorado had closed on the purchase of the property with Mr. Reinbold stating they had, adding he meant that during the process of purchasing the property, they spent many months in Benson and got to meet a lot of community residents. Mr. Reinbold then stated it was kind of like a homecoming to him, noting he grew up in a town smaller than Benson. Councilmember Moncada then asked if El Dorado anticipated developing any of the parcels that were ready to be developed with Mr. Reinbold stating El Dorado did purchase The Canyons subdivision, with some lots in Phase 1 and the remainder in Phase 3 and 4, adding they are working on plans right now as to when they can bring those remaining lots to market sometime by mid-year next year.

Councilmember Boyle asked if it would be mid-year next year before they broke ground with Mr. Reinbold stating that was correct for completing The Canyons portion of their project. Councilmember Boyle then asked if El Dorado was confident with the current situation, adding he didn't want to be negative, but things are a mess throughout the world and again asked if El Dorado was confident things are looking up and that we have a bright future with Mr. Reinbold stating he has spent 40 years in the development business and in doing these types of things in emerging markets, adding he thinks this is a great opportunity. Mr. Reinbold then

stated he wasn't saying there weren't challenges, but he thinks those challenges are surmountable. Mr. Reinbold then stated he has learned over the past year that this community has so much to offer but outside of Benson, not many others know about how great the community is. Mr. Reinbold then stated in developing emerging markets, they have frequently gone into areas where people would question their judgment or common sense as to why they choose that area, yet they have had tremendous successes in developing emerging markets. Mr. Reinbold then stated it's all about getting what you have to the market and having the market knowing and understanding where you are, adding he thinks this community has so much to offer that doing that alone will take care of half of the job, again noting Benson is an amazing place.

Vice Mayor Sacco stated he has heard many definitions about "shovel ready" and asked how Mr. Reinbold defined it with Mr. Reinbold stating shovel ready is when the planning process and engineering is completed and construction can be physically started.

Councilmember Cook asked when the purchase of the property closed with Mr. Reinbold stating it was at the end of May, 2014. Councilmember Cook then stated he understood El Dorado was going to hold some or all of this development until a year had passed due to a capital gains tax advantage with Mr. Reinbold stating in the development business they are in, El Dorado gets to that point by default, adding nothing happens faster than a year, but then noted the situation Councilmember Cook is asking about only applies to property being held for resale and once the property is being developed, it changes the character of the tax. Councilmember Cook then stated in talking with the previous owner of the property, he understood this proposed development is going to have a lot of gravity to draw other interests and development and he would hope that in addition to a commercial area, El Dorado will consider light industrial and mixed use as part of their development. Mr. Reinbold stated a very important part of the development process is that they create opportunity for business, adding as he stated earlier, there is a tremendous amount of business looking to relocate to lower priced market places and that have a better quality of life. Mr. Reinbold then stated their goal is to be very active with the City to help attract other business and new industry, adding as part of that process, they will be working on business development or light industrial, retail and other things that would complement their development. Councilmember Cook stated he was glad to hear that, adding he was disappointed with the prospect that Benson would become nothing more than a bedroom community and a 6-month RV stop over place. Mr. Reinbold then stated the first time they got on the property, they thought it was a beautiful ranch and then asked themselves what they were going to do with this 12,000 acres, adding in asking if Benson is a suburb of Tucson, their conclusion or view today is that they think Tucson is going to be a suburb of Benson in terms of better things and opportunities being in Benson. Mr. Reinbold then stated their objective is to have a balance of growth and after no further comments from the Council, thanked them for their time.

**DEPARTMENT REPORTS:** None

**ADJOURNMENT:**

Councilmember Moncada moved to adjourn at 7:37 p.m. Seconded by Councilmember Boyle. Motion passed 6-0.

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Toney D. King, Sr., Mayor

ATTEST:

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Vicki L. Vivian, CMC, City Clerk