

All sides endorse proposal for AED's Granite Dells project in Prescott, after two years of debate

Letter of intent outlines preservation of 475 acres of key Point of Rocks-area land

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None of the sides got everything they wanted, but each of the three parties in the Granite Dells development negotiations apparently got enough to move the process forward.

In a Friday, May 22 announcement at Prescott City Hall, Mayor Greg Mengarelli outlined a plan that each of the three parties involved say will allow the controversial Arizona Eco Development (AED) to proceed to the next phase of public review.

Indeed, all three sides — the Save the Dells advocacy group, the developer Arizona Eco Development, and the city — expressed support for Friday's non-binding letter of intent that spells out the "cornerstones" for development of the land and open-space preservation.

"I would tell you this is a win-win-win deal," Mengarelli said during the Friday press conference. "In every good deal, you're going to walk away not getting everything you wanted."

But he maintained that the city would get plenty from the proposed deal, including the preservation of 475 acres of open space at and around the iconic Point of Rocks site and the nearby No-Name Creek.

In addition, the city will get 270 acres of land near the Prescott Regional Airport, which will allow for future airport expansion, as well as an additional 130 acres in the airport area, which the city would acquire through a "friendly condemnation" that city officials say has been agreed upon by both sides, and that would be funded largely by a federal grant.

AED developer Jason Gisi also expressed support for the proposal. "From our perspective, we're excited," he said after the Friday morning press conference. "I feel the deal is very equitable."



(Click to enlarge)

Amber Fields, chairman of Save the Dells, expressed support as well. “We feel that Save the Dells, the city, and AED have made really significant progress,” she said. “We do support (the letter of intent), but it will be important moving forward to stay involved. It’s not a done deal, because the letter of intent is not legally binding.”

That was a point that Mengarelli also stressed, noting that the letter of intent sets the basics for the project, but would not replace the upcoming annexation process.

“We’re trying to get together on the major points,” Mengarelli said of the negotiations leading up the announcement. “While we’re not crossing the finish line, I believe we can see it.”

LAND FOR WATER

Central to the proposed deal is an exchange of city water for the preservation of open space.

Under the proposed terms, the city would provide a 753-acre-feet allocation of water to the project, which will be used to serve:

- 850 homes and 200 resort units in AED’s southern parcel near the Peavine Trail in the Granite Dells. (168.5 acre-feet total)
- 1,550 homes and commercial/industrial development in AED’s northern section in the airport area. (350 acre-feet)
- Mixed residential/commercial use at the Granite Dells Parkway. (64.3 acre-feet)
- 1,000 homes in Section 33 located north of Highway 89A. (170 acre-feet)

As a part of the deal, AED would transfer its 375 acre-feet of surface water rights on Watson Lake to the city.

“This means that the city will be able to keep the surface water at Watson Lake for recreation and recharge purposes,” stated a city news release. It added that the 375 acre-feet, which the city currently is obligated to release down the creek “is equal to about two vertical feet in Watson Lake.”

WATER POLICY CHANGES

During the press conference, Prescott Mayor Pro Tem Billie Orr said the city’s recently approved water policy changes had allowed the AED letter of intent to move forward.

Specifically, the City Council recently approved a measure for allowing water service outside Prescott city limits if it is a result of an inter-governmental agreement with another area government.

Under that change, the city would be able to enter a pact with either Yavapai County or the Town of Prescott Valley to serve AED’s section of land north of Highway 89A.

Gisi said he has no plans to seek annexation of the section into Prescott city limits, but would plan to develop it either in unincorporated Yavapai County, or possibly by seeking annexation into Prescott Valley.

The City of Prescott could then theoretically serve the 1,000 homes in either the county or the town from its own water system.

The news release notes that 90% of the water from the development would be recharged into the aquifer, “and all properties within the service area will be built to city standards, including xeriscaped lots, drought-tolerant plans, and high-efficiency fixtures.”

RESORT PLANS

Along with the plans for the 850 homes in its southern section near the Peavine Trail, AED plans a 200-unit “upscale, ecologically sensitive resort” on the hill above the Peavine’s Intro area.

The plans involve having one road crossing over the Peavine Trail to the resort — a significant reduction from the earlier plans that contemplated four to five crossings over the Peavine, Mengarelli said.

Fields was hopeful that the crossing would be either above or below the Peavine, allowing vehicles to cross without disturbing the recreational trail.

WHAT COMES NEXT?

Mengarelli said the letter of intent would go to the Prescott City Council for possible approval in June — possibly at a special meeting on June 16. He said the city is working on a process to allow for more attendance and public interaction than is currently allowed during the COVID-19 social distancing, and would announce those plans as soon as possible.

After council approval, AED is expected to submit an amended proposal for annexation, which would set off “extensive staff review, and a series of public hearings, followed by a 60-day public comment period,” the news release states. “The entire process is expected to take four to five months following the AED formal submission.”

Gisi said he hopes the project will be approved before the end of 2020. The next year would then be devoted to engineering, and if all goes as planned, development could begin by 2022. He said the first development work would likely focus on the section of land north of Highway 89A.