

4/18/2019 Save the Dells Myth-Busters

AED's development is not a done deal.

MYTH: AED's proposed Granite Dells development is a done deal, with all necessary approvals being granted.

FACT: AED has not received any of the required approvals for any aspect of their annexation, rezoning, or development in the City of Prescott. Past conceptual plans may have preliminarily been approved by Yavapai County, but under the previous landowner, and not at the density AED is seeking in the City of Prescott.

FACT: AED'S proposed development in the heart of the Dells is nowhere near approved. If it were, how could Save the Dells have affected the decision-making process so much?

FACT: AED has still not submitted a detailed plan for their proposed development. Their most recent submission is lacking many necessary details. AED submitted an annexation and rezoning application to the City in August 2018, but that plan was determined incomplete by City planning staff and never even made it to the Planning and Zoning department for their consideration before AED withdrew the application. We'll see how long their most recent annexation application takes to get through the City's Planning Department.

FACT: To the best of our knowledge, AED has not yet furnished the highly important drainage, civil engineering, or archaeological surveys needed for their most recent development proposal.

THE BOTTOM LINE: AED has a long way to go. Once the City planning staff finishes their review of AED's application they will forward it to Planning and Zoning Commission, which will trigger at least four public hearings, followed by a 60-day public comment period. It is likely to be 6-10 months before AED's plan is voted on by City Council. Until then, nothing is approved.

AED's development is not approved.

MYTH: The developer purchased this property a long time ago and already has approval to develop.

FACT: AED has only owned this land since 2013. More than 15,000-acres of the Granite Dells Ranch and Point of Rocks Ranch were previously owned by the Wilkinson Family and acquired by Cavan Real Estate Investments in 2006 for \$130 million. See <http://www.prescottrealestatenews.com/2006/05/> and <https://www.bizjournals.com/phoenix/print-edition/2012/11/02/cavan-ventures-face-chapter-11.html> for more information. By 2013 Gisi and Swanson acquired more than 15,000 acres for just \$31.5 million out of a bankruptcy proceeding. See <https://www.bizjournals.com/phoenix/news/2013/04/30/former-del-webb-ceos-estate-buys.html> for more information on that. They formed AED after the closing of the bankruptcy deal and have branded themselves as “eco” despite proposing the destruction of a treasured natural area.

FACT: The only publicly available version of the City's draft agreement with AED is the “Procedural Pre-Annexation Development Agreement with Arizona Eco Development, LLC (City Contract No. 2016 -110),” dated May 27, 2016. This document has NOT been finalized and accepted. Save the Dells acquired this document within a month of its drafting, and as far as we know, no further refinements have been completed. Discovery of this document led to our group's formation in July 2016. Save the Dells Political Action Committee was officially launched 14 months ago, but we've actually been working on this for much longer—about 30 months.

THE BOTTOM LINE: AED's has owned the Granite Dells ranch for a short 6 years. AED still has a lot of work to do before their development proposal receives any kind of approval.

AED's development is not guaranteed to benefit the City.

MYTH: Impact and permitting fees resulting from AED's development make this project economically beneficial to the City of Prescott.

FACT: Any claims of the economic benefit of AED's proposed development are purely speculative. The required Economic Analysis has not been completed; therefore nobody can say what the benefits will be.

FACT: The Procedural Pre-Annexation Development Agreement with Arizona Eco Development explicitly states that the City has already agreed to waive both the rezoning and the water resource development fees. So, according to this draft agreement, before the City has even received a complete application from the developer, they have already waived the rezoning and water development fees. How many other development fees will get waived by the City to AED's advantage and the taxpayers' loss remains to be seen.

FACT: It has been demonstrated throughout the U.S. that new growth does not always pay for the costs imposed on city budgets. It has been proven over and over again that citizens of a municipality often end up subsidizing development—something termed "developer welfare." We suggest an internet search for "cost of urban sprawl" for many websites that analyze the costs and benefits of development. The data suggest that long term financial benefits to cities are not guaranteed. Our proposal to protect the most important portion of AED's Granite Dells development as public open space ensures that the City benefits for years to come. The Dells undeveloped are a far greater economic asset for our community than more houses.

FACT: A local example of "developer welfare" is the Granite Dells Parkway Interchange roundabout and overpass that cost \$17 million, a sum that arguably could have been better used to purchase additional open space rather than subsidizing developers. This parkway would access AED's proposed development within the heart of the Dells, so before the developer has submitted an acceptable, complete application, the City has already funded access to the development. Similarly, the new Phippen Roundabout, which serves Walden Farms and will eventually serve AED's South Annexation, was 90% funded by taxpayer monies.

FACT: Residents of Prescott want their tax dollars spent wisely; Save the Dells is committed to that very same goal. A taxpayer-funded investment in private development should be offset by a commensurate designation of public open space in a highly valued priority area such as the heart of the Granite Dells.

THE BOTTOM LINE: If AED is annexed into Prescott, it is City Council's responsibility to negotiate a deal that respects the taxpayers by ensuring a fair trade for the taxpayer-funded benefits of annexation. The City of Prescott is likely to deliver far more than \$5 million in water, has already spent close to \$20 million on access roads to AED's land, and the cost of water delivery, sewer connections, and other services is as-yet unknown. Claims that development fees will offset this are unfounded, as draft documents suggest that certain fees will be waived, and no economic analysis has been completed.

AED cannot do whatever they want with their land.

MYTH: Private property owners can do anything they want with their land.

FACT: AED's property is currently under Yavapai County's jurisdiction and is predominantly zoned as rural ranch land. Right now, they are only allowed to divide their land into 36-acre lots. By annexing into Prescott, they can increase their housing density by as much as 100-fold.

FACT: The City of Prescott has zoning ordinances and restrictions that must be followed if AED is annexed into the City, including requiring 25% of the land being designated as open space. The City General Plan states that "Open space is acquired based on biologic, geologic, recreation, cultural, pre-historic, historic, scenic and riparian characteristics of the land, as well as, tourism and economic assets for the future. Open space includes areas of scenic beauty, recreation, preserves for riparian areas, wildlife, vegetation, and cultural resources." We challenge anyone to suggest that the 500 acres we are advocating for protection does not meet all of these criteria.

FACT: No matter where AED develops, they cannot supply the water they need to build the more than 2,600 proposed homes. In this, they are subject to state and local water allocation and supply systems. Seeking annexation into Prescott would supply AED's needed water, and in turn the City would regulate many aspects of their development.

FACT: AED's proposed development would encroach on and cross Granite Creek, a federally designated "Water of the United States." This triggers automatic application for a U.S. Army Corps of Engineers Clean Water Sec. 404 permit. In addition, No-Name Creek may also require a Sec. 404 permit. This process, which is expensive and difficult to navigate, would be avoidable if AED modified their plan to avoid the most sensitive riparian, wetland, and watershed areas.

FACT: If the land is developed within Yavapai County and not the City, the county still gets to determine what the development will look like through their zoning ordinances and restrictions. Any home built within the county is subject to about twenty inspections for compliance with codes and regulations.

FACT: A planned area development in Yavapai County is unlikely to gain approval from the Board of Supervisors, meaning AED would not be able to increase density under County jurisdiction. Recently, a high-density development in Yavapai County called El Rojo Grande, near Sedona, could not make it past the initial application stages, and the application was withdrawn.

FACT: Local governments adopt and enforce codes so that development happens in a way that does not diminish the value of neighboring properties or subject the public to avoidable hazards. AED's plan would dramatically diminish the value of City-owned land and put the public at risk of danger by building in the highly flood-prone watersheds of No-Name and Granite Creeks.

THE BOTTOM LINE: Enhanced scrutiny of AED's plan represents responsible government oversight to ensure orderly and sensible development. As representatives of a large portion of the public, Save the Dells has an important role in shaping a development that the entire community can be happy with. AED cannot escape the reality that the use of private land comes with many restrictions imposed by State, Local, and Federal governments.

AED's revised proposal is a tiny step in the right direction, but MANY more improvements are necessary.

MYTH: AED proposal submitted the City of Prescott on April 12, 2019 is a huge improvement from their last proposal and relocates to the north 300 homes from the heart of the Dells.

FACT: AED has only reduced the total number of homes in the entire 866-acre South Annexation by a mere 25 units. Within the South Annexation Area, they have only relocated about 65 homes slightly to the north. That is nowhere near the 300 homes that Jason Gisi claimed to have moved north in order to preserve the Point of Rocks area. Based on our calculations, AED has exaggerated their relocation of homes by more than 400%.

FACT: AED'S proposed development map only includes 255 acres of public open space; this acreage includes the center of roundabouts, road margins, and other non-functional open space area. While a large portion of this acreage is clustered around Point of Rocks, sadly, the eastern flank of Point of Rocks, including the area surrounding the magnificent Easter Peak, is not identified as open space despite its prominence in the heart of the Dells. Instead, this is contained in the private resort.

FACT: AED's map only includes 200 contiguous acres of public open space in the heart of the Dells around Point of Rocks. Incredibly, there are two gated roads drawn in this area, which would bisect the core of AED's proposed public open space. This includes a road that would pass through the notch between Point of Rocks and Easter Peak. It appears that AED didn't deduct any acreage from their open space for those roads.

FACT: AED's plan would render useless a critical wildlife corridor and destroy views from the Peavine Trail and Iron King Trails. AED wants to build about 50 homes directly in the centerline of No-Name Creek. In addition, AED's proposal places as many as 100 homes in floodplains, riparian woodlands, and wet meadows visible from the Peavine Trail. Installing several miles of new roads in this area would add pollution and sediment directly into Granite Creek. Surprisingly, AED's map fails to show the location of No-Name Creek, several ponds, and seasonally inundated wetlands.

FACT: AED has expanded the size of the 200-room resort by approximately 20 acres towards Point of Rocks, effectively negating the relocation of 16 homes further to the north that was within that 20 acre area. The resort would include 42 duplexes, five six-unit condos, and an 86-room hotel sprawling across 64 acres of spectacular wild habitat. The Town of Prescott Valley (PV) owns the Iron King Trail. Without any opportunity for public comment, PV has already issued an easement to AED so they can build a dangerous 100-foot wide resort access road crossing the Iron King Trail.

FACT: On their map, AED claims a "Total Open Space" of 452 acres. That's disingenuous as it includes 11 acres not included in the annexation itself. But even more surprising, that number includes 45 acres of "Existing Open Space," which is our Peavine and Iron King Trails. We already own these trails. We are shocked that AED feels okay with including existing public land in their total open space figures. Those trails are not owned by AED and they CANNOT count toward their required open space acreage.

FACT: Public access appears to be lacking for 44 acres of "public open space" adjacent to Eagle Peak. It is landlocked by State Trust land, private open space, two subdivision phases, and a road with no public access shown.

FACT: AED's proposed "private open space" consists mostly of unbuildable rocks, steep slopes, and a tiny 50-foot strip along our scenic and beloved Peavine and Iron King Trails. Much of the private open space is non-functional in terms of habitat, scenery, or recreational importance. This is in direct violation of the spirit and intent of open space designation.

FACT: AED could accomplish meaningful open space protection if they were sincere about "relocating 300 houses north." That's what it will take to meet our 500-acre goal.

THE BOTTOM LINE: Not much has changed: AED still wants major development in the heart of the Dells, showing disregard or dismissal of public concern, wildlife habitat, and flood mitigation.

Save the Dells is urging negotiation, not making demands.

MYTH: Save the Dells is demanding that AED donate land to the City of Prescott.

FACT: We are requesting that City Council do their absolute best to ensure that as much of AED's 500 acres within the heart of the Dells is protected as a part of their MANDATORY 25% open space that they are REQUIRED to have if they choose to be annexed into Prescott.

FACT: The City has rules about what open space should be, established in the Land Development Code. No City Staff or Elected Official has suggested to Save the Dells that our position is outside of the scope of what the City is authorized to pursue under existing codes and regulations.

FACT: In the City's own Open Space Master Plan and General Plan, it states that the open space should be FUNCTIONAL. Specifically, the General Plan states that open space acquisitions should be "physically connected and functionally related, rather than simply adding stand-alone parcels to our inventory." Functional open space is contiguous to existing open space and has high recreational, aesthetic and cultural values. The 500 acres in the heart of the Dells perfectly fits the requirements, whereas much of the rest of AED's property does not, especially isolated open space elements unconnected from the rest of the parkland in the Dells.

FACT: Twenty-five percent of AED's entire 2,500 acre development (both North and South Annexations, which were submitted together by AED) is about 620 acres of required open space, at minimum. The mayor is on record saying he would like to see up to 50% open space. Clearly, AED needs much more open space than the 500 acres Save the Dells is advocating for.

FACT: According to the Arizona Revised Statutes, "open space lands or open area" means any space or area characterized by great natural scenic beauty or whose existing openness, natural condition or present state of use, if retained, would maintain or enhance the conservation of natural or scenic resources..."

THE BOTTOM LINE: Save the Dells has never demanded anything; such language is commonly used by those attempting to discount the honest and hard work done by local grassroots conservation groups. AED is required by law to designate 25% of their property as open space as a part of their planned development. We are encouraging the City and AED to negotiate a deal whereby the most important portions of the proposed project are protected to meet the goals outlined in the General Plan in exchange for the tremendous increase in value and services that comes with annexation and rezoning.

Save the Dells seeks to protect all of the undeveloped Dells.

MYTH: Save the Dells has been telling the public that the lakes in the Granite Dells are under threat by AED's proposed development.

FACT: Since Save the Dells' inception, we have been clear and upfront about the fact that the lakes are already public property and not included in AED's proposed development.

FACT: Save the Dells' logo shows an image with Watson Lake in it. Some have suggested this is an attempt to deceive the public. We truly believe this is not deceitful in any way. The City of Prescott uses an outline of Thumb Butte as the City's logo, shown on City vehicles and publications, but Thumb Butte is part of the Prescott National Forest, not the City of Prescott. Chino Valley uses a pronghorn as their logo, but increasingly development in Chino Valley is displacing those animals. Does this make Prescott or Chino Valley deceitful in how they chose to brand their towns? We don't believe it does.

FACT: Save the Dells' long-term goal is the creation of a Granite Dells Regional Park and Preserve, which would include both Watson and Willow Lakes, all the currently protected open space in the Dells, and additional lands added to the City's portfolio through acquisition or annexation.

FACT: Currently, the City of Prescott has not committed to permanent protection of the parklands we all now enjoy. Only one Dells parcel is permanently protected with a partnership with Central Arizona Land Trust. The vast majority of the City's Dells open space has not been rezoned as "Natural Open Space" despite direction in the General Plan to do so. That includes the new 160-acre Storm Ranch purchase. Any future City Council could vote to sell or give away our beloved Dells parkland, much like they just did with the small park on Granite Creek, which was sold to a hotel developer, or like Hassayampa Lake, which was sold to a developer in the 1990's. In this regard, Save the Dells hopes that the City will seek to permanently protect all of the Dells open space lands—Watson Lake included—and fulfill promises made to the public.

FACT: From the scenic overlook on Highway 89 or from the Ramada at Watson Lake Park, much of the highest peaks that can be seen in the Dells are indeed within AED's proposed development. If AED's plan is brought to fruition, homes would be seen from these vantages.

FACT: The City of Prescott has already permitted a massive ~200-300 home development adjacent to the Peavine Trail, which will tarnish the views from these important vistas. This South Storm Ranch development was approved in 2007 by some of the very councilors who claim to be advocates of open space.

THE BOTTOM LINE: We are proud to advocate for a continuation of the legacy of open space protection in the Dells, and we are proud of our logo and the good work that has protected Watson Lake and the rocks surrounding the shore. But the job isn't finished.

AED's proposed development would permanently taint the heart of the Dells.

MYTH: AED'S proposed development in the Dells would not change the scenery, because you can already see houses in the Dells from the Peavine Trail. AED would not be building houses directly along the Peavine and Iron King Trails.

FACT: It's clear from AED's own maps that they want to build houses very close to portions of our publicly owned trails within the heart of the Dells, and since the City of Prescott owns a corridor that only extends about 50-feet on either side of the Peavine Trail, in some locations houses would be quite close to the trails and very obvious.

FACT: AED wants Prescott to grant them the right of way to cross our Peavine Trail with at least one major road crossing. Such a crossing would be potentially dangerous for pedestrians and would destroy the unique trail experience that currently exists.

FACT: The public invested more than \$500,000 in the Peavine Trail, and it has been considered public open space for almost twenty years. AED is anticipating that the public's ownership in this highly valued asset will be sacrificed for their own financial gain. Similarly, Prescott Valley recently granted AED a right to cross the Iron King Trail without ever notifying the public or charging AED a dime.

FACT: Currently, there are NO houses within 1,300 feet of the Peavine or Iron King Trails until you are well outside of the heart of the Granite Dells. Houses along these publicly owned trails in the heart of the Dells would DEFINITELY change the current scenery in a very negative way.

THE BOTTOM LINE: AED'S proposed development in the heart of the Dells would negatively affect the Peavine National Recreation Trail and the Iron King Trail, both purchased with public monies. This would not only tarnish Prescott's image but would also have a negative impact on our recreation-/tourism-based economy.

AED does not have the water needed to develop as they have proposed.

MYTH: AED has all the water they need to develop their proposed plan.

FACT: AED has, at best, just half of the water they need. Consider the following points, and take note that these are best estimates, as no formal application has been accepted.

FACT: AED wants to build about 2,685 homes in their current North and South Annexations, which were submitted together as a single package. Under current law, they'll be allowed to build roughly 3 homes for every acre-foot of water. Therefore, at a minimum they need about 940 acre-feet of water to satisfy their proposed plan.

FACT: AED's water rights claim has not been qualified by the State Water Rights Adjudication courts, and as such, they simply have "claim" to 375 acre-feet and have not yet proven a legal "right" to that water.

FACT: If AED can bring their claim to 375 acre-feet in Watson Lake to the table, that leaves about 565+/- acre-feet that they still need in order to build the number of homes they've proposed. In addition, AED has purchased about 144 acre-feet of retired agricultural water rights, so they still need more than 421 acre-feet that they don't own. The City has this water available to allocate, typically done at no cost to a developer.

FACT: At 325,851 gallons per acre-foot, AED needs about 140 million gallons per year that they plan to receive from the City of Prescott. AED has claimed the value of an acre-foot at about \$18,000/acre-foot, which means the City water delivered to AED at no cost would be worth at least \$7.5 million.

FACT: So far, Prescott has "penciled in" 300 acre-feet/year for AED from their "alternative water supply" but has not yet awarded the water. That amount could support 857 homes. The market value of the water Prescott has already provisionally offered to AED is \$5.4 million.

FACT: Even with Prescott's 300 acre-feet offer, AED still needs to purchase another 140+ acre-feet to allow them to build out their proposed 2,685 homes.

THE BOTTOM LINE: Given these facts, AED stands to gain between \$5.4 and \$7.5 million in public water supplied to their development. That's up to \$7.5 million in taxpayer-owned and taxpayer-delivered water. For more detailed analysis, please read this water bulletin posted by the Citizens Water Advocacy Group (<https://cwagaz.org/290-az-eco-annex>).

Save the Dells urges civil discourse.

MYTH: Save the Dells is antagonistic toward Prescott's City Council.

FACT: For more than a year, Save the Dells has pressured elected officials to protect the Dells in a reasonable and kind manner. At no point have we disparaged any sitting Council member.

FACT: We have repeatedly asked our supporters to send respectful and nice messages to City officials, asking them to protect the Dells.

FACT: We have admonished Facebook users when they used angry and hateful speech, although we can't keep up with every comment.

FACT: After the vote on Save the Dells' Resolution on March 26th, we stated on our Facebook page that, "Many Council members struggled to make the hard decision that they eventually made and spoke genuinely regarding their support for saving the Granite Dells while explaining why they couldn't support the Resolution." This is a good example of how fair and kind we have been in our dealings with the City of Prescott.

FACT: Following the City's vote to reject our open space resolution, Save the Dells co-founder Joe Trudeau was quoted in the Daily Courier saying that City Council "voiced a lot of sentiment that we can all feel good about. They all showed their interest and commitment in working towards our 500-acre goal." This is hardly an antagonistic statement.

THE BOTTOM LINE: Save the Dells will continue work with the City of Prescott to achieve the best outcome for the Granite Dells and our community in a civil and respectful way, and we encourage our supporters and detractors to remain civil, use facts, and avoid personal attacks.

AED's main objective appears to be profit.

MYTH: AED is simply trying to expand housing opportunities for people.

FACT: AED wants to build a major development in the heart of Prescott's crown jewel—the Granite Dells—because they can profit greatly off of million-dollar house lots. AED's Jason Gisi said on Prescott eNews that AED has "million dollar lots." This does not suggest that making housing affordable is their primary concern.

FACT: AED bought this land at the bargain-basement price of \$2,000/acre. This essentially means they bought the 500 critical acres in the heart of the Dells for just a million dollars. They likely see this as a fantastic profit opportunity.

FACT: The City could have easily bought this land at that same price with existing open space funding that they had at that time, if only they were given the opportunity. To the best of our knowledge, the City was not aware of this amazing opportunity to purchase the heart of the Dells. Do you have evidence otherwise? We'd like to know.

FACT: AED's CEO, Jason Gisi, was on the board of the Granite Dells Preservation Foundation when AED acquired through bankruptcy proceedings the 500 acres in the heart of the Dells. Once the Foundation's board discovered Gisi's conflict of interest, he was asked to resign. Apparently, Mr. Gisi never informed the City of Prescott of this amazing open space opportunity when he could have helped facilitate such an acquisition.

THE BOTTOM LINE: AED claims that, "Whatever we do must be sensitive to the local needs and the concerns of the area's citizens..." Save the Dells is simply trying to hold AED to their word, because major development in the heart of the Dells concerns many Prescott citizens and is not sensitive to their needs.

Save the Dells is comprised of locals who love Prescott.

MYTH: Save the Dells is a bunch of Californian's with liberal politics and policies, and there is no place for them in Prescott.

FACT: This is a non-partisan issue. Save the Dells has supporters from all political parties.

FACT: There are many Prescott-natives, as well as many longtime Prescott residents on Save the Dells' committee. We belong in Prescott as much as anybody. Here's a quick description of some of our committee members.

Chair: Prescott-native; Whiskey Row business owner, hunter.

Vice Chair: retired surgeon; longtime Prescott resident.

Conservation Director: northeastern woodsman; former logger.

Leadership Team: retired college professor, 40-year Yavapai County business owner, retired corporate leadership coach, retired engineer, retired environmental chemist, and a retired school teacher.

Events Team: realtor, librarian, law clerk; including two Prescott-natives.

Volunteer Coordinator: college student; Prescott-native.

FACT: Some of our detractors have associated Save the Dells with "terrible California/Liberal politics, policies and similar topics." Ironically, some of those critics are from California. We discovered this with a simple search on LinkedIn. We discourage any form of judgment or attack on anyone just because of where they were born or where they come from.

THE BOTTOM LINE: Save the Dells is a grassroots group of volunteers devoting our own time and energy for a cause bigger than ourselves; this is community at its best. Statements suggesting we have no place in Prescott are hateful and should not be welcomed in this discourse.