

Letter from Mayor Phil Goode for February 1, 2025

Prescott State of the City 2025

As we begin the new year, I am happy to report that The State of the City demonstrates a vibrant, dynamic economy maintaining strong taxable activity and economic development, as we plan for improving public safety services for our citizens.

With the passage of Prop 478 back in November 2024, the result will be a safer Prescott. Your Yes vote adopted a dedicated transaction privilege (sales) tax of ninety-five hundredths of one percent (0.95%) to fund new fire stations, police evidence facilities, equipment and staffing to operate them. It's important to note that once the capital expenses are complete, the rate will reduce to 0.75% by December 2035 or sooner.

During the past year, we have filled all key leadership positions at the City. We welcomed City Manager Dallin Kimble, Deputy City Manager Michael Morris, Airport Director Rick Crider and Library Director Melissa Orr.

Late in the year, Council established three goals for 2025. These include location and construction planning for two new fire station and a new police evidence facility, addressing and establishing workforce housing policies, and targeted economic development efforts to attract new businesses and support expanding existing businesses.

The 2025 General Plan will be reviewed by Council this spring, then it will go on the ballot for August 2025. Required by State statute every 10 years, this important document sets the City's direction for land use for the coming decade. Thank you to all of the committee members, staff and citizens who helped get this final draft ready for review.

Work has begun on a Long Term Water Management Plan, thanks in part to a grant received from the Bureau of Reclamation for study and development. This plan will be data driven, using data from our Water Resources Management Model (WRMM).

The financial health of the City continues to be strong. Overall, as of November 2024, City taxable activity revenues were about even with the previous year. Revenue from Construction, Rentals and Online Retail Sales were all up in 2025. Retail sales, Restaurants and bars, Hotels and Motels and all other businesses ticked down slightly. Transient Occupancy or Bed Tax Collections are showing modest declines. This is

consistent with other rural tourism destinations around the state, and it is something we will continue to keep an eye on.

Moving on to development in the City of Prescott, there has been a 62% jump in Single Family building permits, jumping from 222 in 2023 to 360 in 2024. More than 950 Units of single family housing and over 1,500 Units of multifamily residential projects are in review or under development. Our new interactive development map is now available on the City website. This is a great tool for monitoring ongoing commercial and residential development around the City.

There are nearly 300,000 square feet of commercial space under development including the Auto Mall at Deepwell Ranch, anchored by a 36,000 square foot Hyundai dealership, with three more dealerships planned. The Embry Riddle Strategic Academic Flight Education (or SAFE) complex continues development at Prescott Airport, while The Assembly at Old City Hall, a 104 Room Hotel will begin work downtown.

I'd like to take a moment to recap some of Prescott's highlights and accomplishments. First and foremost, the passage of Prop 478 will have huge benefits to the City, ensuring faster response times and a higher level of safety in our community.

At the Prescott Regional Airport, I'm pleased to report that the City has received a \$3.1Million Arizona Department of Transportation Grant to reimburse the City for land purchases to enhance airport protections. We have also acquired land for future runway expansion efforts. We have renewed the essential air service contract with Sky West operating as United Airlines, continuing service to Denver and Los Angeles. We will continue to pursue airport protection land acquisition and grant opportunities, and we will look forward to the initial planning phase for construction of a new air traffic control tower.

As we were reminded during December's unanticipated closure, the SR 89 Traffic Improvement Project is of the utmost importance. Work will continue on this, as a citizen committee will review and rank options to address how best to design the roadway north of the Willow Lake Roundabout. Council will consider the options for SR 89 in 2025, and the final planning will begin.

Finally, the City will engage citizens and the Prescott Frontier Days committee to establish a city-led master plan for the rodeo grounds. The Rodeo Grounds are an important City asset and it must be used wisely. We expect a judicial decision on \$15.3Million FY23 state budget allocation

In closing here are some final comments that I would like to leave you with as we enter 2025.

As a border state, Arizona may be subject to Federal policies that could have a significant impact on northern Arizona municipalities. We need flexibility in planning and

response to these likely conditions. With the significant development of new high tech companies, Arizona is experiencing unprecedented economic growth. Prescott is well positioned to benefit from this increased economic activity. The I-17 widening and flex lane project is expected to be completed soon in 2025, making travel between Prescott and the Valley more reliable than ever.

Thank you for the opportunity to serve as your Mayor, as we look forward to 2025. You can view the entire video presentation and slide show of the State of the City on the City's Facebook page, Youtube Chanel or on the City Website.