

Please fill out a "Request to Speak" form if you wish to address the Council at "Call to the Public" on any agenda item

## MINUTES

TOWN OF PARKER COMMON COUNCIL  
REGULAR COUNCIL MEETING  
TOWN COUNCIL CHAMBERS 1314 11<sup>th</sup> STREET  
TUESDAY DECEMBER 17, 2019 6:00 P.M.

MAYOR'S ANNOUNCEMENT: Please silence or mute your electronic devices during The Council Meetings

CALL THE REGULAR MEETING TO ORDER: 6:00 P.M.

ROLL CALL OF COUNCIL: Mayor Dan Beaver, Council Member Randy Hartless and Council Member Marion Shontz. Absent Vice Mayor Jerry Hooper, Absent Council Member Karen Bonds, Absent Council Member David Lucas, Absent Council Member Frank Savion.

Other Staff Present: Town Manager Lori Wedemeyer, Town Clerk Amy Putnam, Director of Public Works Steve Ziegler, Lieutenant Michael Bailey, Library Manager Ruthie Davis, Library Assistant Tracey McConnell.

Others Present: John Gutekunst, Jennifer Aspa, Lori Muriel, Tammy Thorn, D.L. Wilson, Bryant Shontz, Karl Hartmetz, Jessica Shontz, Roberta Hoffman, Senator Sonny Borelli, Skip Becker .

INVOCATION: Given by John Gutekunst

PLEDGE OF ALLEGIANCE Given by all in attendance

PRESENTATION: La Paz EDC President, Skip Becker

*Mayor Beaver invites EDC President Skip Becker to the podium to give his presentation. Mr. Becker thanks the Mayor and Council for allowing the EDC to present this evening, he asks that all questions be held until the end of the presentation. On September 17, 2019 the EDC presented this project to Mayor Beaver, Vice Mayor Hooper, Council Member David Lucas and Town Manager Lori Wedemeyer also in attendance was Roberta Hoffman, DL Wilson and himself at a work session. The goal tonight is to educate the Town and Council on the proposed project. This project is brought by the EDC and Calyxar. This project is the largest investment ever in the Town of Parker, totaling \$25 million investment over the 3 phases of the project spanning 3 years. This will create approximately 99 new jobs with an average*

salary of \$65,000.00 per year. The project has already been approved to receive state issued incentives to aid in the development. This project is state of the art industrial Hemp processing facility, regulated by the USDA. Project has received required permits from the USDA. Mr. Becker notes that Hemp is an agricultural product, it is regulated by the USDA, has statewide support and legislative support. Medical Marijuana on the other hand is a schedule one drug, regulated by the department of health services. They are regulated by two different agencies. Mr. Becker states that mentioning these products in the same sentence is preposterous. The federal farm bill excludes hemp from the definition of marijuana. Mr. Becker notes the presence of Senator Sonny Borelli, he adds that Senator Borelli authored, sponsored, and introduced senate bill 1098. He has written a letter of support for the proposed project, a copy will be provided to members of Council after the presentation. Mr. Becker notes that Senator Borelli will be present at the groundbreaking ceremony and will do everything in his power to bring the governor as well, giving much needed exposure to the Town of Parker. Mr. Becker advises the Council that in 2018 federal farm bill was signed which again excludes hemp in the definition of marijuana. It also excludes the seeds, all derivatives and extracts which includes CBD. On October 31, 2019 USDA issued a 43 page document that added clarity to the rules and definitions to the domestic hemp program. Mr. Becker reads Senator Borelli's letter of support. Mr. Becker notes this is a very sophisticated agri-business project with a very sophisticated client. This project requires agri-business development at the statewide, nationwide and international levels to become very successful. He notes the EDC has a very good track record of developing agri-business in La Paz County, throughout the state the United States and internationally. He notes just last month one of his clients had one of the largest retailers on site in La Paz county, he notes that most retailers carry eggs and they want to visit the state of the art facility located in La Paz County. This is just one example of business development that adds greatly exposure to the area. The Town of Parker is looking for retail development; again we have one of the largest retailers here adding to exposure. Last month the Arizona California Railroad received the short line of the year award from BNSF. The property for the project will need the support of the railroad; they are a large part of the EDC and continue to support their organization. Mr. Becker notes the project needs the type of statewide, national and international agri-business exposure that he can provide. He is currently working with hemp growers to support this project, it is important to the client that we help him meet the goals for this project. He expects to submit plans very soon and looks forward to collaborating with the Town of Parker, as soon as ADEQ provides the safety and regulatory requirements for the project. At that time a public meeting will be held in collaboration with the Town for the residents of Parker so they can have complete transparency, just like they did with the Rose Acres project. Once the guidelines have been established the public meetings will be held. It is important to have transparency in the project without giving up any proprietary trade secrets. This works two ways, it provides answers to residents and it also helps gain exposure as well as working like a job fair. Mr. Becker feels there will be no issues with filling the need positions at \$65,000.00 a year. This is how state agencies and economic development professionals handle regulated projects. This project will take a great deal of time dealing with workforce development and they have a proven track record of dealing with workforce development. He notes that he has met with the COO of Rose Acres egg farm and they have set a production processing record 142,000 dozen eggs in one day. He looks forward to Calyxar setting many production records as well. Measurables mean everything to a project; Mr. Becker feels it is most important to have experience in developing a project of this size and investment. He notes that currently he is working on four projects of this size or larger. He notes the many needs of this type of project. Mr. Becker advises the Council all that the EDC is looking for this evening as there is no quorum present is the expediting of the building and zoning permits so the project may begin in a timely manner. Mr. Becker introduces John Knight. Mr. Knight thanks the Mayor and Council and residents for the time to introduce this new project. He notes the successful business, Liquid Titan, he and his father ran for 23 years which is also the same site as the proposed new facility. The new facility will be used for Pharmaceutical grade manufacturing of the CBD extract, which comes from the hemp materials. He notes the farm bill that Skip spoke of earlier that makes hemp legal and clearly distinguishes it from marijuana. He notes that hemp processing has tripled, last year there were 78,000 acres of hemp grown in the United States this year that number grew to 511,000 acres. That was to meet the growth of the CBD demand. The CBD market went up 700% last year; extraction went up 12%, which is what Calyxar will do. This shows that there is a shortage in the extraction capacity in the United States. He notes his background in processing as related to the Liquid Titan project. They have very similar processes. He notes they have developed a fully automated state of the art facility. Mr. Knight notes that the products that he will be selling will not be those that you would find being sold out of a

trunk, but rather he will be selling to large pharmaceutical companies that want a high quality, high standard and high volume product. He notes this will be a 3 phase roll out, phase one is a GNP certified lab. In 3 years that will be GNP Pharma certified, as it takes three years to become Pharma Certified. Phase 2 is doubling of the capacity and will happen within a year of starting production, expected in 2021. By June 2022 they will see a large scale lower level GNP Second level manufacturing facility be built. Mr. Knight explains some of the roles and experience of those on his executive team. Mr. Knight advises the Council as to why they are looking at Parker for this facility; He notes the ability, due to our weather, to have two crops each year for hemp. Other states due to rain are only able to grown one crop a year. Arizona is a dry climate so there are fewer problems with rot. It is possible that Arizona could have a third crop as well depending on conditions. He notes Parkers close proximity to the farm belt in Arizona; they are expecting a couple of larger hemp growers to come on board in the CRIT area. There are already several large hemp growers in the Yuma area. He notes the issues with transporting the hemp product as it is prone to drying out and rotting, so it is important to be in fairly close proximity to the growers, this will maintain a high standard of the product. Mr. Knight says the plant will initially produce three products. The first being an oil, he notes they will be making a very specific blend. Second is a water soluble isolate which is separated from the oil, this will be in a powder form used in CBD products. Third is a water soluble product. Mr. Knight notes there will be a risk management department onsite with a lab that will test for everything they are required to test for, not only for regulatory compliance but also for what the customers require. They will have a full track and trace for all products that are processed through the facility. If there is ever an issue they will be able to track it to the source and that gives them an opportunity to improve their systems. The projected economic impact is conservatively estimated. Creating approximately 99 jobs with an average salary of \$65,000.00 a year, he notes that during his time with Liquid Titan, they paid the maximum federal matching into employees 401k, maximum salaries as much as they could afford, and provided professional development. Mr. Knight notes they intend to invest \$25 million over the next three years. The investment will come in stages the first being in the next 8 months. He estimates in the first three years that the Town of Parker will see \$1.5 million in taxes and the same in La Paz County and the state will see \$3 million. He states that the business is built to be sustainable; they are not here to create it, then turn it and burn it. This is a 20 year business with long time viability. They feel very optimistic about it and are very happy to be in Parker, they look forward to a bright opportunity. Mr. Knight thanks everyone for their time. Mr. Becker notes for Council the fact that there is already fire protection in place, which means the Town would not need to come up with additional resources to supply that. Mayor Beaver opens up the floor for questions. CM Hartless asks where the other members of Council are tonight. He notes there are four persons missing for this meeting. He finds it odd that there are so many out at one time, and is embarrassed. He notes that this was only a presentation and nothing will be voted on tonight. Mr. Becker notes this is potentially the greatest investment to be made in this Town and he agrees that it is embarrassing. He notes this is an investment unlike any other. CM Shontz states she has been doing research on this entire process, she notes all of the different perspectives that she found and that there were many common themes. She asks Mr. Knight to outline the process from the field all the way through the finished product. Mr. Knight states that it is very easy to grow 100 acres of hemp; however it is very difficult to process 100 acres of hemp. Ideally when the hemp is picked the flower would then be separated from the woody, tough husk and then dried immediately to prevent mold. He notes the various issues during the drying process such as space issues, climate control etc. He notes that his facility will not take part in that process the facility will purchase it in an already shucked and dried state. After the product is received it will be milled and dried a second time. CM Shontz asks how the product will be shipped to the facility. Mr. Knight notes that it can be shipped by rail, however at this time it will be transported mainly by truck. He does note that the facility does have a rail spur and he anticipates that having the product brought in by rail will happen in the future. CM Shontz asks how long it will take the facility to process the product. Mr. states this is calculated on an hourly basis, in the first phase of the project the plant will be able to process approximately 3,000 pounds of raw material a day, and 2nd phase will be approximately 9,000 pounds per day. CM Shontz says she was interested in the process because she thinks that when people research the project it's very difficult to determine how it will all work. Mr. Knight notes that they are taking the same approach as they did with the refining at Liquid Titan; they have to control the feed stock coming in which then controls what is going out. He notes that when the product is received it will be dried and milled so that it meets their specs. He notes that the farmer they will use will grow Calyxar seeds, this will allow for optimum production. CM Shontz asks if they will only be using farming community with in a 2 hour radius. Mr.

*Knight clarifies that if the product is properly processed it can handle a longer shipping time. He hopes to get all of his material here; however they will go to the best farmers wherever they are. Mr. Becker notes that this project is very responsible argi-business, and hemp requires nine times less water usage than cotton. He again noted the job creation. CM Hartless notes the water allocation which is always an issue. Mr. Knight states that the facility will use approximately 1000 gallons a day for processing through phase 2, after that it will rise to approximately 3000 gallons a day. Mr. Becker notes that there is a well on the property; and the facility will treat its own water. CM Hartless asks why the Liquid Titan facility is no longer in use. Mr. Knight noted the EPA mandate requiring ultra-low sulfur for diesel for on road vehicles; they did not have the ability to remove the sulfur as required. He notes that Liquid Titan was one of the largest suppliers of marine oil to the Long Beach harbor for two years straight. He notes that he does have a group looking into Liquid Titan as there is new technology that can remove the sulfur as required by the EPA. CM Hartless asks if there are any environmental issues at the facility, Mr. Knight states there are no issues, and they have secondary containment. Mayor Beaver asks Mr. Becker if he sees this project hindering any sort of growth in Parker South, Mr. Becker thinks this will be a way to stimulate growth. He states that he has been working with a builder out there. He notes again all that they are asking for from the Town of Parker is simply the building permits. The property is already in Mr. Knight's name, and is already licensed by the department of agriculture. Mr. Becker again notes the jobs to be created. Mr. Becker advises the Council that Mr. Knight would like to be a good steward to the community and states that the facility will have the ability to clean their used water which could be used for dust control which will be given to the Town to aid in the development of the area. Mayor Beaver asks if there are any further questions. CM Shontz has no questions but adds she is very excited about this project and thinks it's exactly what this area and rural Arizona needs, she feels the jobs that will be brought to the area will be a different level and opportunity for those looking to move here and stay here. She thanks all for coming and presenting to the Council. Mayor Beaver thanks everyone for coming out as well.*

### CALL TO THE PUBLIC:

There was 1 call to public submitted, however due to an emergency the requester had to leave.

If you wish to address the Council during this meeting, please read and fill in the information on the "Call to the Public" form and hand it to the Town Clerk. Please limit your comments to a maximum of **3-minutes**.

### CONSENT AGENDA:

**NO ACTION TAKEN ON ANY ITEMS LISTED AS THERE WAS NO QUORUM  
PRESENT ITEMS REQUIRING ACTION WILL BE MOVED TO THE NEXT REGULAR  
COUNCIL MEETING**

All items in the Consent Agenda are considered to be routine or have been previously reviewed by the Council, and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests. If requested, the item will be removed from the Consent Agenda for separate discussion and action.
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**Approve the following:**

a. Town of Parker Regular Meeting Minutes of November 19, 2019

REGULAR AGENDA:

**NO ACTION TAKEN ON ANY ITEMS LISTED AS THERE WAS NO QUORUM  
PRESENT ITEMS REQUIRING ACTION WILL BE MOVED TO THE NEXT REGULAR  
COUNCIL MEETING**

***Discussion and possible action on the following item(s)***

1. Approve/Deny Magistrate Court Construction Bid Rejection

Steve Ziegler, Public Works Director

2. Approve/Deny Special event liquor license submitted by Diana Correa of the Parker Senior Center Committee for their Annual Mardi Gras Celebration to be held February 21, 2020 from 4:00 PM - 8:00 PM at the Parker Senior Center located at 1115 12<sup>th</sup> Street Parker, Arizona 85344

Darla Tilley, Senior Center Director

3. Approve/Deny Special Event liquor license submitted by Jane Silva of the La Paz County Fair Board for their Rio Del Sol Classic Hog Show to be held January 10, 2020 from 5:00 PM-10:00 PM and January 11, 2020 from 11:00 AM-10:00 PM located at 21600 Hillside Drive Parker, Arizona 85344.

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**COUNCIL MEMBER/LIAISONS REPORTS WITH POSSIBLE TOPICS FOR DISCUSSION:**

\*Chamber of Commerce-CM Savino + Manager Wedemeyer\*  
\* Tourism-Mayor Beaver + Manager Wedemeyer \*  
Joint Venture-VM Hooper + CM Savino\* PAACE-CM Lucas  
Tribal Committee -Mayor Beaver + CM Savino \*  
Parks & Recreation-Lucas + Hooper Senior Center-CM Savino \*  
Streets & Traffic -VM Hooper + CM Savino\*  
Library Board\*CM Shontz\*La Paz County Fair Board-CM Bonds

\* WACOG-CM Savino + CM Hartless  
\*WAEDD- CM Savino + Mayor Beaver

ANNOUNCEMENTS:

Thursday	December 19, 2019	Hospital Auxiliary Fashion Show	Senior Center @ 11:00 AM
Daily	December 20, 2019 thru January 12, 2020	Inaugural Town of Parker Parks and Recreation Committees Ice Skating on the River	Western Park
Wednesday	December 25, 2019	Christmas Day	All Town offices closed
Wednesday	January 1, 2020	New Year's Day	All Town offices closed
Tuesday	January 7, 2020	Next Regular Council Meeting	6:00 PM

ADJOURNMENT:

Approve

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Dan Beaver, Mayor

Some members of the Council or the Town Attorney may attend the meeting either in person or by telephone conference call. Persons with a disability may request reasonable accommodation by contacting, the Town Clerk, (928) 669-9265, at least (72) hours before the scheduled meeting. Facilities are handicapped accessible