

**ARIZONA STATE PARKS BOARD
PINAL COUNTY BOARD OF SUPERVISORS MEETING ROOM
31 N. PINAL STREET, BLDG. A, FLORENCE, ARIZONA
FEBRUARY 17, 2005
MINUTES**

Board Members Present:

Elizabeth Stewart, Chairman
William Porter
William Cordasco
Janice Chilton
John Hays
Gabriel Gonzales-Beechum

Board Members Absent:

Mark Winkleman

Staff Present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Jay Ziemann, Assistant Director, Partnerships and External Affairs
Mark Siegwarth, Assistant Director, Administration
Cristie Statler
Debi Busser, Executive Secretary
Katie Montaño

Attorney General's Office:

Joy Hernbrode, Assistant Attorney General
Patricia Boland, Assistant Attorney General

A. CALL TO ORDER – ROLL CALL

Chairman Stewart called the meeting to order at 9:00 a.m.

I. CALL TO THE PUBLIC

Chairman Stewart noted that Mayor Rankin was present and wished to address the Board. Because he needed to be in Phoenix to meet with legislators, she invited him to address the Board at this point in the meeting.

Mayor Tom Rankin addressed the Board. He thanked the Board for coming to Florence and for donating their time to the State of Arizona and the citizens of Florence. They appreciate it.

Mayor Rankin stated that there have been some good Parks Managers at McFarland, and that he thinks the world of Ms. Montaño, the current Park Manager. The Board has a good organization in Florence.

Mayor Rankin discussed the current situation in Florence. McFarland State Park (MSP) will play a very integral part in his plans for the future of Florence. As many may know, Anthem is coming to Florence. It will be a combination of Anthem and Sun City Grand. Sun City Grand is predominantly for those 55 years of age and older.

Mr. Rankin stated that the Town is annexing like crazy – but with a plan – in the northern portion of Florence near F Mountain. They are preparing to bring in another three sections. Not only are Pulte and Del Webb building, Syntex (one of the two biggest builders in the US) is now in Florence. Does he like to see it – No. He was born and raised in Florence and he hates to see the desert gone.

However, it is inevitable – it will come. The town has planned for it.

Mayor Rankin stated that he has a vision of what the existing Town of Florence will be. They will be the center – the hub; they will be the jewel. They will be where the people who live in the new areas of town will come to visit and bring their relatives and friends to. Special events will be held here. Many know that Main Street Florence is not very long. It is a dead-end Main Street; they are working on a plan to take care of that situation and bring it back out where there will be a crossing across the river. They plan to extend that dead-end Main Street so that it's not a dead-end. Florence is not a dead-end town. Pinal County Courthouse is here. It is the oldest courthouse still being used by any county in this portion of the state.

Mayor Rankin stated that Florence will be unique. He doesn't want to see a lot of tract homes where one subdivision looks like the other and people need good maps, to find who they're looking for. He wants to see larger lots. He knows there will be higher density; he also knows they can take care of some of the lower-density by larger lots and higher priced homes.

Mayor Rankin stated that growth to the south of Florence has started on AZ-79 towards Oracle Junction. As a result of all the development, he is trying to place Florence, as we know it today, as the center of the hub – the crown jewel. Main Street will change. It is improving and looking better all the time. They have a good Main Street program. They have a new Redevelopment Commission; they brought Mr. Beechum on their staff and he's been an asset.

Mayor Rankin noted that the visitation to MSP is low right now. He knows that. The Casa Grande Ruins and the Arboretum are nearby. Florence can be the center of one-day trips. There are other things in the area for people to see.

Mayor Rankin stated that the Town does not want to see the park closed. He will be meeting later this morning with legislators in Phoenix. They, just like the Board, have to fight for their dollars. It seems that the State of Maricopa County wants more than what the Town wants. It will be worked out. The Board has a beautiful park that will get even better as more people come. He noted that about 30,000 homes are scheduled to be built in that desert. They expect to be selling homes next year. Work on the road system for Anthem and Pulte is already under way. There are two groups who have said they want to be selling houses before Pulte. Those homes will be built within 5 miles of the park. He believes that MSP will be an asset to their downtown program and its revitalization. The Courthouse and the museum will also be draws. He believes the Town can take advantage of Casa Grande Ruins and the Arboretum. They have people on their board who are starting to look that way.

Mayor Rankin noted that Florence is the fifth oldest town in the state (founded in 1866). This is an older community with bright, new ideas they hope the Board will be a part of. They want the Board to be a part of their plan and they want to be a part of the Board's plan.

Mayor Rankin noted that Ms. Montañó is very good at knocking on their door. Mr. Ravert also did a good job while he was at the park.

Mayor Rankin noted that everything in Florence is slow. He came on staff with the Town in 1980 as Chief of Police. He served twice as interim Town Manager. Their growth rate at that time was 8-12 houses a year. They were on a steady growth. They are expanding outward now. The Town is 31 square miles. From the annexations currently in place, by the time his term is up, they will be about double that. The majority of that growth will be within 5 miles of the park.

Mayor Rankin stated that the town really appreciates having that park and its employees.

Mayor Rankin noted that the GI Bill was very important to many people. Mac McFarland (Mac) was one of the instigators of that bill. A lot of people need to be reminded of that. If it weren't for his bill, a lot of people would not have the education they have today. It continues on for our service people.

Mr. Hays commended the Town for what it has accomplished. He noted that Florence was one of the first participants of the Main Street Program almost 20 years ago. The program was created to assist small towns, and Florence took good advantage of it. He commended the Mayor for the wonderful things done that created an atmosphere of Old Arizona. He hoped that the Mayor would fight to preserve all he can of the old structures. Florence has some wonderful old buildings – particularly the adobe style of architecture. It's hard to find any of this style anywhere else in Arizona. That will be a tremendous attraction to create impression of the crown jewel of the area. Prescott woke up about 25-30 years ago and realized that they had to stop tearing down the old buildings and replacing them with new. People do not go to see modern architecture; they go to see something that's historic. The whole Town of Florence is an attraction – just as much as MSP is.

Mayor Rankin responded that the Town is planning on that. The people on the Redevelopment Commission are looking at the older properties on Main Street and making the absentee landlords either do something with their properties or the Town will take advantage of them and see that those properties are placed in the hands of someone who will do exactly as Mr. Hays suggested. Almost all the houses in Florence with some architectural design could be classified "Historic". He noted that the park is in a perfect location. There are people looking at renovating the Silver King Hotel and putting it back into operation so that people can use it. The hotel is across the street from the park and will be a big draw that the park should be able to take advantage of. He has worked with Ms. Bonnie Bariola for more than 25 years. She has a vision for Florence; he has a vision for Florence. The people who sit on their City Council and their City government have that same vision. Prescott is a beautiful example of not tearing down any more.

Chairman Stewart stated that the Board appreciates the Mayor taking the time to come to the meeting. She noted that she was at the Home Tour last Saturday, and has done that tour for the past 10 years. It is her favorite Home Tour and her favorite small town. It is one of the few Home Tours left that has not become commercialized. It is a joy to have the residents tell about their ancestors and the former owners of the homes. The Board has had a long and satisfying partnership with the Town. A lot of the Board's Heritage Fund grants come to Florence. The first grant that Ms. Bariola wrote was for the chapel. She believes that Florence has more historic buildings on the National Register than most others.

Mayor Rankin responded that Florence is not at the top; but it is close to the top. It appears that they will be joining the Arizona Heritage Foundation. He had the opportunity to take a look at the amount of money that Pinal County and Florence accepted from the Heritage Fund. It is time for Florence to partner with them and are working it into their budget. Florence can be a popular historic tourist draw. His family, on his mother's side, has been here from 1907. He's seen a lot of changes. He was born and raised in Florence, as was his mother. During the 1950s there were so many people on the street that some had to step off the sidewalk on Saturday nights. That's not the case any more. They are looking at bringing things like the movie theater back into town. There were two of everything – drug stores, grocery stores, clothing stores. Those were the days when the Christmas tree was in the intersection of 8th and Main. People guided around it. Florence has a unique history. If it wasn't for Florence, Casa Grande and Coolidge might not even be here today. Florence started it all.

Mayor Rankin stated his appreciation to the Board for coming to Florence. It is great to be able to see the people who have donated their time for the betterment of the state. If there were more people like the Board, things would be a lot better.

Chairman Stewart stated that she hoped the town would think of MSP not only as a place to take the tourists but also as a center of community activity in the future. The park wants to be more than just a tourist destination.

Mayor Rankin responded that the park is more than that for those who live in Florence. Anything that can be done to remind people of the past of Arizona is very important to him. He can go on and on about the park. It is a small park, but the message it sends out to people about Mac and what he meant to Arizona and the US is there if they go in and take a look. The park offered its services to the Main Street community. They are doing a great job. There may be something the Town can do to draw people in. That is something for Mr. Beechum to think about as he works with Ms. Montañó. He invited the Board to visit the park after the meeting. He also noted that if the Board needs help convincing some of the legislators to put more money into the park to let the town know. They will help in those efforts as well.

B. CONSENT AGENDA

- 1. Approve Minutes of January 20, 2005 State Parks Board Meeting**
- 2. Approve Minutes of Executive Session held January 20, 2005**
- 3. Concession Contracts at Kartchner Caverns, Lyman Lake, and Alamo Lake State Parks** – Staff recommends that the Board authorize the Executive Director or his designee to enter into negotiations and award contracts for concession and other services at Kartchner Caverns, Lyman Lake, and Alamo Lake State Parks.
- 4. Federal Funds – Historic Preservation Budget Amendment** – Staff recommends that the Board approve the revised FY 2005, FY 2006 and FY 2007 Federal Funds – Historic Preservation operating budget as a lump-sum and that the Executive Director be authorized to implement the programs, including submittal to the Governor’s Office and legislature as required.
- 5. Heritage Fund Interest Budget Amendment** – Staff recommends that the Board approve the revised FY 2005, FY 2006, and FY 2007 Heritage Fund Interest operating budget as a lump-sum and that the Executive Director be authorized to implement the programs, including submittal to the Governor’s Office and legislature as required.
- 6. Consider Obligating Recreational Trail Program (RTP) 2004 Funds** – Staff recommends obligating the FFY2004 Nonmotorized Recreational Trails Program Project Funds to Arizona Trail Easement Purchase, Black Canyon Trail Easement Purchase and the construction of the Lime Kiln Trail. ASCOT voted to support this recommendation at their January 29, 2005 meeting with a 17-0 vote.

Board Action

Mr. Porter: I move the approval of the Consent Agenda. Mr. Hays seconded the motion. The motion carried unanimously.

C. PRESENTATIONS

1. State Land Trust Reform

Chairman Stewart noted that Ms. Boland had not yet arrived and moved to the next presentation.

2. General Fund Appropriation Report

Mr. Siegwarth referred to pages 11 and 12 in the Board packet. He noted that essentially the General Fund is low, as shown on the charts. This presentation was sparked by Mr. Hays’ comment that General Fund cuts tend to be permanent. It takes a long time to get the General Fund back up. The chart shows that it was going up for a while and then went back to where we started. The JLBC is saying that the fiscal deficit should last through 2008. There may not be much of an opportunity to get more General Fund money until 2009 or 2010. Staff believe it might be appropriate to begin discussions on either looking at new ways to garner General Fund support or evaluate other funding

opportunities.

Mr. Travous added that these charts are something the Board should carry around with them. They essentially show that, after adjusting for inflation, the agency is at the 1970 level of appropriation from the General Fund when it had 15 parks. Arguments will be made that the agency gets its revenue now. In his estimation, it is just “putting lipstick on the pig.” This is the heart of the agency’s problem. No matter how one tries to dress it up, the fact of the matter is that the agency’s General Fund has been amazingly dropped. When people start talking about having the revenues, it’s not like those sources weren’t being used. That money was not “squirreled away for a rainy day fund”. That money was going to Capital projects and improvements to the parks. Now the agency has to use that money for operating so those improvements cannot be done. He does not believe the Board cannot not talk about this. He has given a copy of these charts to Ms. Faeth, the agency’s liaison with the Governor’s Office. He, personally, cannot not talk about this. This is at the foundation of everything the agency is doing right now. Politicians will not like for the Board to talk about it. If there are ways to talk about it without overtly offending, he would like to know them. Somehow, it needs to be talked about.

Chairman Stewart stated that, in addition to these charts, she would like to have a chart that adds the Enhancement Fund money while also reflecting the increase in visitors being served and the increase in the number of parks being operated. She is concerned with just these two charts, they will say that the Board is like the kid who was on an allowance and now has a job but still wants the allowance, too. She believes the Board needs to demonstrate that there is still a need for it in terms of doing so much more than what was being done before. She believed that Ms. Faeth had made a similar comment. She is concerned that the first thing legislators will say is, “Don’t you have all those other funds?” She believes the Board will have to be able to explain why, even with all of those other funds (which aren’t really all that great), it doesn’t really have what it needs to do the kind of job it needs to do.

Mr. Travous noted that this is just the starting point. There are a lot of charts he can get. At the bottom of this is a philosophical question – does government have a role in stewarding its resources for future generations? We need to talk about that. These charts can be dressed up. Mr. Siegwarth does a wonderful job of making things work. But the fact is that what he’s been doing over the last couple of years and projecting into next year is just keeping things moving through Herculean efforts on the parts of Administration and the people in the parks. At some point in time, it will only take a small wind to tip us over. We need to begin working that into our conversations.

Mr. Ziemann noted that the next chart the Chairman is referring to is in draft stage on his desk. That chart deals with Capital dollars, rather than the Operating dollars dealt with in these charts. It deals with all the state funds that were going into Capital dollars – General Fund for the first 20+ years of the agency. It shows how the agency would get some one year and then get nothing, get some and then nothing – it was very volatile and created a need for the Heritage Fund. The agency needed some stability in its Capital Fund. After the Heritage Fund came in, things leveled out. The State Lake Improvement Fund (SLIF) is in there. The Enhancement Fund, once the agency was able to keep half of those revenues, is in there. The Capital budgets were up in the \$8.5 million range in state money every year attributable directly to Capital costs. Now, again during the last 3-4 years we see this exact very dramatic drop off because the agency has to use those dollars to make up for the catastrophic drop in General Fund. He wants Mr. Siegwarth to review the chart before it is shared. He expects that that chart will be included in the next Board packet.

Mr. Porter stated that he believes that the Board dare not put all its eggs in one basket. He does not believe the Board will see significant increases in the General Fund. He believes that Mr. Hays’ comment at the last Board meeting about not getting it back is absolutely true. He believes that the Board has to try to get it back, but the Board also has to look very hard at other sources of funding.

That means that the Arizona State Parks Foundation (Foundation) will be a very critical and important part of this picture – much more so than anyone thought when discussions of a foundation began. The various Friends groups will be very important. The Board will have to become much more innovative in looking for every source of revenue. The reality is that we have a barn-burning, back-breaking, mudslinging, boot-stomping, cut taxes, save money gubernatorial campaign coming up in 2006. The Republicans will try to outdo themselves in being fiscal conservatives. There will be a lot of people running on the concept that they can save money, they can cut the budget, they can keep the tax dollars down, and that they can cut taxes again (the last thing Arizona can afford right now). The bottom line is that the pressure will be on. He never thought he would see the day when the legislature would talk about taking the axe to the cities. While he doubts that will happen, they are trying to force the big cities to institute income taxes. He is not optimistic in that regard. He is, however, optimistic that there are some other revenue funding sources out there that can help the agency along. The funds that will really help will be those that deal with expansion and continuing to do what needs to be done to expand the existing parks and acquisitions. They worry him. He's not sure just where all those funds will come from over the next few years.

Mr. Cordasco noted that the Executive Director stated that the Board needs to talk about this further. He asked to what degree that discussion could take place now.

Mr. Travous responded that it would be staff's intention to bring in more charts at the next Board meeting and continue the discussion then. As the Board and staff look at redoing the agency's budgets and Strategic Plans, these background discussions could be rolled into it.

Mr. Cordasco noted that he can't agree more with the comment dealing with the philosophical discussion. He also agrees with Mr. Porter's comments about where the legislature is and the likelihood of seeing funding down the road. He would preface all of this material and activity with the obligation and responsibility of the state to take care of the state parks and leave it dead-on with that. The state has an obligation and responsibility to the parks – what are they going to do?

Mr. Hays noted that the legislature is starting off with bizarre concepts. He doesn't believe that income taxes for large cities will go anywhere. He believes the Board may suffer badly by the end of the session. He asked if the Board should consider a retreat sometime near the end of the session when there's a good sense of how things are shaping up to discuss what the Board is going to do. The Board cannot go on this way just barely keeping the doors open.

Chairman Stewart suggested the ideal time for that may be the May meeting if Mr. Siegwarth can get a draft of the Strategic Plan for that meeting. It would be at the end of the session and fairly far away. It would probably be a two-day trip anyway. It would be Wednesday, May 18 and Thursday May 19 in the vicinity of Fool Hollow and Lyman Lake.

Mr. Cordasco asked if there were any thoughts about the new economic model.

Mr. Siegwarth responded that right now staff are still grappling with the overall business and direction. There has not been much progress as yet on that model.

Mr. Cordasco noted that the Board was talking about values. He suggested that could be accounted for in charts. He noted that in a Board meeting this type of issue can't be worked for a while. He asked how he could get more information and discussion on this issue.

Chairman Stewart responded that one of the things the Board is trying to do under the new efficiency in meetings is to free up some time where the Board can choose a couple of items to look at in depth. For example, today the Board is looking at McFarland. This issue can be a topic that more time can be budgeted for in May (or before if necessary).

Mr. Cordasco asked if he could speak directly with Mr. Siegwarth about ideas he may have.

Ms. Hernbrode responded that he can certainly speak with staff about items that come before the Board. He needs to avoid speaking outside the meeting with other Board members about what it is he wants to vote or wants them to vote – decision-making sorts of discussions – especially with a quorum of the Board. He can certainly interact with staff. We try to set those meetings up as a public meeting because the public tends to have the perception, then, that decisions are made behind closed doors when the Board interacts with staff. However, it is certainly permissible. The Open Meeting Law Enforcement Team has discussed this issue quite a bit recently and understand that some Board members want a lot of briefing on something and some want hardly any. It's really most efficient to do that sometimes on an individual basis.

Mr. Siegwarth noted that the point was raised that there is a certain state responsibility to fund preservation of our natural and cultural resources. It is not all monetarily driven. Some of that responsibility must be placed at the legislature. This is good work and needs to be continued for future generations. He believes that staff will try to address that in the Strategic Plan and staff's goal to try to fund things. His earlier point was that it is important to identify what we are going to do and what we are focusing on before doing that analysis. He doesn't believe that analysis is what will have the most bang for the buck. We need to determine what is most important to the agency and then try to direct funding for it.

Chairman Stewart asked Mr. Cordasco for a brief preview of his thinking so that other Board members can think about it over the next couple of months. Other Board members may have things they want to add to it.

Mr. Cordasco responded that there are extraordinary values to the communities that cannot necessarily be placed as a budget item. He believes that when it comes to stewardship and preservation stewardship one cannot necessarily state how much money is spent preserving something and the benefit that is derived from that expenditure. Preserving for future generations is an enormous value that doesn't really appear on an income statement. At the same time, when it comes to the state parks and what they are involved in it is probably more involvement with the communities. These values that are not necessarily budget item values need to be addressed and the legislature needs to be called upon to step up to their responsibility and obligation to continue to support. This is not an uncommon aspect to our national parks. At some point in time there is great enthusiasm for the preservation of a certain area. Not too long afterwards there is no money to maintain it. That's a very common thing in the national parks. They are begging for support for structures on those parks. The minute someone wants to brag about a national park they have a big party; then they go away and the buildings are falling down. On the other hand, there are people who say they want more. It seems a bit empty. He believes the agency has the opportunity to make those points and be leaders with new thinking and hope for the future of the state parks. The format of preserving state and federal lands and conservation areas does not work. It's one thing to protect major species, but as far as funding it in the long term, the economic model does not work. If the demand from the general public is to continue preserving areas, then a new model needs to be created. He doesn't know what that new model is, but he has to seek it every day as well. He would hate for the agency to stay in a box that doesn't work and continue to forge ahead using Herculean efforts to accomplish it all. Even with that, at some point in time everyone will be too exhausted to deal with it, the structures and improvements within the park will be so run down that we will never catch up. With that in mind, he would appreciate the Board considering what could possibly be a different model – not just for the sake of calling it a different model. The one we're operating under now doesn't work.

Chairman Stewart stated that this discussion will be placed on an Agenda with time scheduled for discussion.

Chairman Stewart noted that there were people in the audience who were present to speak on

McFarland State Historic Park and requested that they complete the Request to Speak forms.

1. State Land Trust Reform

Mr. Ziemann reported that he sent the Board an E-mail a week ago with an update on the legislature that talked a bit about the Land Trust proposals that have not been introduced. There are three proposals. The first is the packet of maps that the Board has seen before. This was the group (the Fox group) that came up with the Option Lands and what was done last year. Unfortunately, what was introduced in the legislature does not even come close to this package.

Mr. Ziemann reported two proposals have been introduced in the legislature this session. The first proposal will be referred to as the Flake/Nelson proposal (Senator Jake Flake and Representative John Nelson) – House Bill 2631 and Senate Bill 1500. Their corresponding Concurrent Resolutions are 2044 and 1039. This proposal would eliminate the Land Commissioner's ability to reclassify land for conservation purposes; allows for the sale of State Trust Land for conservation purposes but at full appraised value; allows the Commissioner to exchange lands for conservation purposes provided that the projected revenue for the Trust equals or exceeds projected revenue without the exchange. While there is much more in the proposal, those are the parts that would affect the Board.

Mr. Ziemann reported that the second proposal, House Bill 2690 and Concurrent Resolution 2050, is being called the O'Halleran/Allen bill (Representative Tom O'Halleran and Senator Carolyn Allen). This proposal does a little more for the Board. It does not allow for land exchanges but does designate 330,000 acres of land that may be acquired for conservation values. There are a couple of parcels set aside specifically of benefit to the Board – one around Kartchner Caverns State Park and one around Picacho Peak State Park.

Mr. Ziemann noted that there are a number of things to keep in mind. First, politics. There is no Land Department bill. The Land Department will be neutral on these bills. They will be at the legislature to answer questions about any of the particulars in either bill. The Governor has no bill. The Governor's Office is remaining neutral on the bills and she has said she will act upon whatever arrives at her desk. Typically, on legislation of this sort the agencies are asked to remain neutral on the bill by the Governor's Office but go down and answer questions. That is not the direction received on these proposals. When it comes to Land Trust Reform, the Governor's Office has asked the agency to stay completely away from the discussion and to not be engaged in any of this. It appears that the ultimate decision on these packages will be made on political grounds.

Mr. Ziemann noted that Ms. Boland is present to answer any questions the Board may have.

Chairman Stewart noted that there may be a question of why this matters to the Board. There are a couple of reasons that the State Trust Land Reform matters a lot to the Board. The first, and the reason the Board received the packet of last year's proposal again, is that a number of our existing state parks either, as part of the park, lease State Trust Land or there is adjacent State Trust Land that is crucial to the current operation of the park, and for its future operation, it is important that those lands remain open space. If there were major development on them, the parks as they are known today might very well be destroyed. The other reason is that the Board operates the Growing Smarter program and receives \$20 million per year to distribute in grants for the purchase of State Trust Land. The funding is a major part of the Board's resource management and conservation activities in the state. Some of these bills will obviously eliminate the Arizona Preserve Initiative. At the present time that money can only be spent on lands that are classified for conservation under the Arizona Preserve Initiative (API). It is her understanding that the O'Halleran bill is not likely to go anywhere and that the Flake bill will be amended in the next couple of days and that they are meeting with various stakeholders. She believes the Board is most interested in whether or not there is likely to be any upfront lands for free. The message she is getting is that there probably will not be. Another issue is whether there is likely to be any land available to purchase at conservation value. Probably

the most important issue is what tools will be available for the Board to obtain these lands at any price before they become so expensive that the Board cannot afford them. Some of the previous measures were set up in a way that, in rural areas, they couldn't be purchased until they became ripe for development. She requested Ms. Boland to concentrate on those issues as well as anything she believes affects the Board in regard to Growing Smarter.

Ms. Boland reported that she would love to have the answers to all the Board's questions. However, this is very much in flux. She is not really prepared to discuss the politics. She believes it is fair to say the Flake/Nelson proposal is the one really being focused on and that's the one that is moving forward with a look at tweaking it to be what people can support.

Ms. Boland discussed those items that are out of the Flake/Nelson proposal that may not affect the Board, but are important to the Land Department. Using some of the Trust funds to fund the Land Department is off the table. There have been promises for some more General Funds for the Land Department. Also off the table are exchanges, even for conservation purposes. The latest information is that exchanges are out for all purposes.

Ms. Boland noted that the items that are still in the proposal include the component for the Land Department to work cooperatively with local jurisdictions and there are still some participation contracts to allow more creativity for the Land Department.

Ms. Boland stated that, with regard to conservation and those things that this Board is particularly interested in, the current focus and plan is that those lands that are currently classified as API lands will remain conservation lands and will be available for purchase without advertisement, without option, but at full value (not conservation value). Those are just lands that are classified currently as API lands. While she cannot explain the reasoning, it is interesting that the bill removes the ability to use Growing Smarter funds to purchase those lands. That is something she believes needs to be addressed in the future. Even with the Flake/Nelson bill, there is a question as to what will happen to the Growing Smarter funds and what they will be used for.

Ms. Boland noted that there are other questions that remain. Even with the API lands, there is the question of who can purchase them, the time frame (15 years is on the table for those lands to be purchased otherwise they revert back to whatever they were and become available for development), and when the 15-year period begins. Another question that is unanswered as yet is not addressed by the Flake/Nelson bill. What about the future? Is there a possibility of some sort of vestage? Although the bill eliminates API, is there some other kind of process that will allow, in the future, the same sort of analysis of conservation values for State Trust Land and allow for a classification of those lands for conservation purposes? While it's not in the bill, she believes that the people who are sitting around the table see a need to at least discuss whether or not there will be a future process.

Ms. Boland added that things that are taken care of for the Land Department include disposition of rights-of-way (a development issue for the Land Department) and the planning and participation contracts. This proposal is really significantly different from the work done by the Fox group last year. There may still be an ability to buy rural lands but if they are not already classified API they would be at auction at fair value.

Chairman Stewart noted that there is a fairly low number of acres that have been reclassified – 45,000-55,000 acres.

Ms. Boland responded that it is a fairly low number. As originally drafted, API was limited to urban areas. All of the API reclassified lands will be in what is defined as urban areas. There are no rural lands on the table.

Chairman Stewart stated that it is important for the Board to review these packages again. Although staff have been directed not to actively engage in this issue, it is possible that Board members will

be asked questions. She ran into one of the Senate leadership recently and had an opportunity to mention that whatever happens on State Trust Land Reform will affect Arizona State Parks (ASP). He was very surprised to learn that there was so much State Trust Land either as part of state parks or adjacent to them. She believes that Board members have a real opportunity to educate legislators and the public that this is an issue for the Board. The Board needs to be on top of it. She thanked Ms. Boland for reporting on this issue to the Board.

Ms. Boland responded that she was happy to be here. She apologized for not being able to give the Board more answers. For everyone who worked so hard on it, this is not necessarily the direction they would have gone. They are at the Capitol to answer legislators' questions.

Chairman Stewart asked that the Board be kept advised of issues that may affect them.

Ms. Boland responded that she would be happy to do so. She noted that Mr. Ziemann has been involved in conversations with Mr. Hubbard as well.

Chairman Stewart asked that the Board be advised of issues that may be a problem.

Ms. Boland responded that right now the main problem she sees that might be solvable is the Growing Smarter funds and what happens to them.

D. EXECUTIVE STAFF UPDATES – The Board and staff may discuss and the Board may take action on the following, if requested by the Board.

1. Meeting with the Governor 2/1/05

Mr. Porter noted that subject of a name change came up in the meeting with the Governor. He stated that he would not like to see it discussed very many places that the Board is considering a name change. He believes that care needs to be taken in that regard.

Mr. Travous responded that it came from discussions with the Board. That's why it was discussed with the Governor. He reported that it became apparent in the meeting that the Governor is a left-brain thinker and it was a right-brain report. The Governor wants things in sequential order. The bottom line is that she has an open mind and after more thought has been put into this to come back and she will think about everything. It was intriguing, in talking with the Assistant Attorney General, to discover that officially the agency does not exist. The Parks Board is the only legal entity. In essence, there is no agency. We can call ourselves whatever we want to. This is a future discussion.

Chairman Stewart noted that there already is a Conservation Advisory Board.

Mr. Cordasco asked what the Governor is looking for.

Mr. Travous responded that the Governor is looking for more strategic planning kinds of things to discuss. Those things were not included in the report.

Chairman Stewart added that the Board has not really analyzed what would be involved. It would appear that nothing should be done until the Board has its meeting in May. At that time the Board could decide if it even wants a name change. The Board have all agreed that they want to go forward with the change in the Vision, but there needs to be time blocked out for an in depth-discussion on what a name change would involve and whether it needs to be done in addition to the change in Vision.

Mr. Cordasco noted that with the efforts regarding the State Land Department there may be an opportunity that ASP could play more of a role in the State Land Reform package. He asked when the State Land Reform would go to the voters.

Ms. Boland responded that it wouldn't go before the voters until 2006.

Mr. Cordasco asked if the Board wanted to discuss ASP playing a role with the State Land

Department on these lands.

Chairman Stewart noted that the Board can talk about it, but the Governor has stated that, as an agency, she doesn't want us to be involved. The Chairman believes it's too late this year; the legislation has already been dropped and the leadership has some definite ideas of what they want to do or not do. She is not sure that the Board would get anywhere this year. It's possible that these bills won't pass.

Mr. Ziemann reminded the Board that in order for these packages to pass they need 16 Senators and 31 House members. The bills require the Governor's signature. That is a major hurdle. The Concurrent Resolutions do not go to the Governor; they cannot be enacted without the bills.

Mr. Cordasco asked who, under the State Land Reform package, will manage or be responsible for the properties.

Chairman Stewart noted that there is no big lump of upfront lands so the Land Department will continue managing all of the lands. No lands will be put in limbo.

Ms. Boland added that the API lands will probably be purchased by local jurisdictions.

Chairman Stewart noted that there really isn't a role for ASP to play other than to decide whether to give the grants. That is likely to change.

Mr. Travous noted that there is still an opportunity to meet with the Land Commissioner under strategic planning and look at new models they are doing.

Chairman Stewart added that that further discussion can be included on an Agenda where the Land Commissioner will be present.

Mr. Ziemann explained that what he means by his statement that the ultimate decision on this issue may be political, and perhaps the reason for the admonition for the agency to stay away is that the Governor doesn't like either of these proposals. If neither of these bills go through, do we still have a land reform issue? Yes. So, then what? That's where the politics come in.

2. Heritage Fund Legislation

Mr. Ziemann reported that this is HB 2440 (the Lottery bill) and that it passed Committee yesterday with a minor amendment. This is the Governor's bill and she wants the agency to support it. As drafted, staff are supportive. It will take all of the games and pool all of the money and distribute the income. The agency is currently third in the proposal, after local transportation and County assistance. Overall, if it goes through in this form staff would be very supportive of it. It would help ensure that the agency would receive Heritage Funds every year. It is beginning to trickle through the system.

3. Other Legislation

Mr. Ziemann reported that it is early in the session. He is working on a number of things. The Spur Cross Ranch bill is generating a lot of questions. It is moving now on the floor of the House. He has been working the hydrologic studies bill. That bill is moving. It is held up in Appropriations. It has an appropriation of \$164,000 attached to it for the study. They have not figured out how they are going to deal with money bills yet.

4. Cachet Homes

Chairman Stewart noted that she discussed additional changes with Mr. Ream yesterday. She suggested that the Board put off making any decision until next month. It occurred to her that there are some areas that need to be tightened up in order to avoid litigation similar to the Mabery issue in the future. She believes that a new draft will be forthcoming.

Mr. Ream reported that after speaking with the Chairman yesterday he wanted to remove this item from this Agenda. Mr. Cordasco's edits were included. The draft that the Board received is not substantially different from the previous version. However, the edits Chairman Stewart suggested have been discussed with the Assistant Attorney General. Staff did not draft this agreement and he has not had the opportunity to discuss those changes with staff. He believes a new draft can be provided to the Board within the next couple of weeks. Staff will be at San Rafael next week discussing planning. It will be another week after that before staff can work on it.

5. Tonto Litigation

The information in the Board packet was self-explanatory and the Board did not require discussion on this issue.

6. Foundation Gathering March 10

The information the Board received on this event was self-explanatory and the Board did not require further discussion.

Chairman Stewart called for a recess at 10:15 a.m.

Chairman Stewart reconvened the meeting at 10:25 a.m.

E. DISCUSSION ITEMS

1. Current Assessment of McFarland State Historic Park

Chairman Stewart noted that the reason for meeting in Florence today is that Mr. Beechum asked the Board to meet here to discuss what can be done to improve visitation to MSP. Information was provided to the Board recently that indicated visitation is lowest at MSP. This is a continuing concern. Many Board members feel that there is a lot that the park has to offer but that the Board needs to find a way to get people more involved. The park is really at a crossroads. A Building Assessment report was recently completed that indicates work needs to be done. The exhibits are at least 20 years old. They need to be updated. The Board needs to find a way to get the community to embrace the park and become more involved so that it is not just a place to come once when they have out-of-town visitors. This is to bring together ideas and consider how to go forward. What is discussed here today may very well apply to some of the other historic parks that also constantly struggle with the issue of trying to at least bring in a certain amount of revenue. She believes that Mr. Cordasco's earlier comments regarding the historic parks is correct. The goal is not necessarily to be money makers but there is a need to have this resource used and shared by the public.

Mr. Ream reported that he is glad to hear that no one expects historic parks to be money makers because they are the proverbial "money pit". He noted that the Park Manager is willing to give a tour to any Board member who wishes a tour whenever they wish to stop by.

Mr. Ream discussed the Building Conditions Assessment (BCA) recently done by Rydan. It is not in final form. It has been reviewed by the Resources Management Section, the State Historic Preservation Office (SHPO), and the development architect. Their notes have been added to it and staff expect the final draft of the BCA within the next week. The Board has been provided with the summary of recommended work from that BCA.

Mr. Ream stated that where the summary states "critical priority" is where staff will begin their work at MSP. There is just under \$250,000 of Historic Preservation money earmarked for that purpose. Just fixing the drainage that was identified as causing most of the problem will swallow that money up quickly. Some of those problems were created when we repaired the roof. The problem with historic buildings is that when the top is fixed it may cause a problem at the bottom.

Mr. Ream noted that he is not as qualified to talk about the future of MSP as two people who are in

the audience who are associated with the park – Ms. Katie Montaño, Park Manager, and Mr. William Phillips, Chairman of the McFarland State Historic Park Advisory Committee (MSHPAC).

Ms. Montaño addressed the Board. She noted that she has been at MSP for the past 24 years. She has seen a lot of things happen there. She is pleased that the Board is looking at working on the building, both the structure and upgrading the displays. The displays are close to 30 years old and are not what people want to see any more.

Ms. Montaño noted that there was a wonderful editorial in the *Arizona Republic* on Statehood Day. There were 10 trivia questions about Arizona history. Five of those questions related to state parks; four of those state parks were historic and one was MSP. As Mr. Cordasco mentioned, the history of Arizona is very important; the historic parks are treasures and need to be preserved. They will never be money makers. However, if they are important enough that the *Arizona Republic* mentions them, they are important for our history and they should be important for the legislators to fund and people to visit.

Ms. Montaño stated that the BCA has been a long time in coming. There are some serious structural problems. There are some quite scary cracks in the adobe parts of the walls. The two-story section is of concern to park staff. There is a new large crack developing in one of the one-story rooms as well. They are a result of the lack of drainage. Water is puddling against the building and causing the walls to pull away. The wooden floors in the court room are pulling apart; there are 1 1/2 " - 2" gaps that will be a serious problem if someone comes in wearing high heels or a baby buggy could lose a wheel in one of the gaps. There are temporary patches that can be done, but that floor needs to be fixed again. Extensive roof work has been done. The courthouse itself does not leak. The archives leaks, and has leaked for many years. The porch area was filled in during the 1950s on the southwest side of the building so that the County could have more office space. The wrap-around porch was bumped out and filled in with framing that makes the building look ugly. Staff would like to see an offsite shop set up behind the archives so the shop and cleaning supplies can be moved and then rip off that enclosure so that the porches continue all the way around on the east, south, and west sides with handicapped accessibility on the west.

Ms. Montaño stated that another important issue is upgrading the displays. They are currently scattered and do not focus, except for the McFarland Archives. There is wonderful history associated with the building, the town, and historic figures of Arizona that could be showcased in that building. There could be nicer, shorter exhibits, and rotating displays that could be done. The agency has added a third staff member. This will enable the park to provide offsite interpretation outreach. The park has been limited with two staff; the additional staff will make it possible to perform outreach to schools, senior centers, etc., without having to take time away from the park or do it in the evenings. It will now be possible to do more interpretive work, have onsite interpretive programs, and coordinate events with the town. During the Home Tours, the park had a speaker and staff from other parks (Oracle and Catalina) to assist with onsite interpretation. They had a better-than-usual turnout. They usually average 50% of the Home Tour turnout. They were closer to 75% this year. She noted that people will come once and often not return because they have seen what there is to see. Unless the exhibits are changed to offer something special, they won't come back (especially the local folks unless they are bringing someone from out-of-town). If they can do outreach and interpretive programming they will also be able to draw the local community in again.

Mr. Porter asked how much of the critical physical issues will be addressed in the near future from a funding standpoint.

Mr. Ream responded that he doesn't see much choice in not finishing the critical issues. He believes that staff are committed to finishing them even if additional Historical Preservation funds have to be dedicated to those items on the critical side. Regarding the serious priorities, he believes staff

will have to continue work on them. The agency can easily spend \$1 million on an old building and never even see the benefit. If it were in staff's capacity today to award \$1 million to MSP it might all disappear in foundation shoring; it might all disappear in drainage. It may look good on the landscape, but it might not touch the exhibits even yet. Once the BCA comes back, it will be imperative for a group to sit down and decide where those dollars are spent. He believes making the curb appeal of this park will be key to attracting those visitors. The new Post Office is designed in the style of the courthouse. They have a porch that wraps all the way around. It is a very inviting building. This porch is interrupted by the additions. It's like enclosing a garage and leaving the cars out front. It is not attractive from the street. He believes that once that building is more attractive, the porch will invite people up there. Those are the kinds of things he would like to see done first – stabilize the building and make it attractive from the curb. The in-house Exhibits Specialists have redone Tubac. He encouraged the Board to see the in-house exhibits done by Ms. Murphy, Mr. Freisinger, and Ms. Buchmann. They completely redid the exhibits at Tubac. That is the sort of thing that can be done in-house with available money. It may not be possible to spend \$1 million on exhibits, but they can certainly be updated using in-house staff.

Mr. Cordasco noted that when the Mayor was here he discussed the development going in down the road. Certainly those development groups will be marketing what a great place Florence is to live and that just down the road is a state park. He suggested that the park staff go to those groups and explain how they can participate in the community and assist in bringing the park up-to-speed.

Mr. Beechum suggested that the Board may be blessed that MSP has been the least visited park so far in the system because of the current condition of the building. It appears that will change in the near future. He has discussed programs for the youth at the park with Chairman Stewart and Ms. Montañó and the schools. We have been able to skate by up to this point. That won't be the case in the future.

Mr. Hays asked if staff believe they can handle the critical priorities immediately.

Mr. Ream responded that he believes staff can tackle the most important priorities with the money available. There will probably be a need for more money. The agency receives an amount of money from the Historic Preservation grant program every year from the Heritage Fund. It's never been enough. Staff try to spread it out wherever possible. It may mean that for a couple of years in a row that money goes to one place. There are other discretionary funds that could be put here. He likes the idea of talking to some of the people who are moving in and making a commitment to the community. Even if staff went to them now, he doubts we would be first in line. There are staff who are willing to stand in that line. That would be a good place to look. They do have a debt to the community they are moving into.

Mr. Hays noted that Mr. Cordasco's idea would work beautifully and help a lot of projects if the developers would take this on as a pet project and then end up noting in their sales brochures that this is a quality-of-life reason to live in Florence. They should be expected to put up cash, if not equipment, to immediately be helpful. He believes there is a golden opportunity here. If the agency does the structural stabilization, there won't be anything left for other things. The community could do a lot of innovative programs. As people move in there will be a tremendous pool of volunteers. Sharlot Hall has done a lot with volunteers.

Ms. Montañó noted that, because of limited staffing over the years, MSP has relied heavily on the Town of Florence, especially the Parks and Recreation Department, for additional help during special events and the outreach program. Pinal County and the State of Arizona (the National Guard) have provided grading equipment and heavy equipment when it was needed. The park enjoys a good working relationship with the community and other government entities in the community. They have always been blessed to have the McFarland Historic State Park Advisory Committee as a part of

their group. They have done their own fundraising. Some of the nice things that the park has were purchased by the Committee (copiers, etc.). In order to get the archives organized, Mr. Phillips wrote a grant and got the initial money to get it done. Staff have worked with partners more than some of the other parks because they have had to. She believes that has benefited the park. She agrees that there is a need to partner with the private community – the developers – and ask the government partners to include the park when they discuss what those developers plan to do to enhance the community, the parks, and the state park. It would be appropriate to ask them to pitch in. This park is a quality-of-life advantage they will tout.

Chairman Stewart suggested broadening the concept of the park beyond just the McFarland displays to make it a McFarland State Park History Center, similar to the environmental education centers and include ongoing interpretive activities and changing exhibits and operating hours. It might be beneficial to open one day a week at Noon and close at 8:00 p.m. and regularly have evening programs. There are a lot of historic homes and a lot of the people living in this town have lived here all their lives. They would be a great source of regular presentations that would perhaps bring visitors in more than once. She noted that one of the ideas the McFarland committee discussed at its recent meeting was having a brown bag series at lunch so the City and County folks can come over at lunch time, in addition to other residents.

Ms. Montaña responded that she would like to see that state-of-the-art dream. She would like to broaden the park's interpretation. Florence and Pinal County may be somewhat narrow to interpret, but our history has touched the state and the state has touched us. She believes the park could broaden its interpretation. Staff could also do a lot more programming. In order to get local people and working people in, a brown bag lunch presentation or having evening hours would be appropriate. There is no reason parks staff could not be more flexible with their hours, programming, and this would be the perfect park to try it with because their visitation is low, people are not expecting staff to keep the same hours as the Casa Grande Ruins, and it would not throw off visitation. It would probably be beneficial to have special events at different hours, especially with the extra staff person. There are four steady volunteers. There is a volunteer who works all day on Thursdays; another volunteer works Mondays and Fridays. They cover their weekdays. They don't have anyone yet for weekends. They have a volunteer who does interpretive tours for buses, school groups, etc. He is the former first Park Manager, Johnny Swearingen, who opened the park. He is always available. Volunteers are very important to the park.

Mr. Porter noted that there is a need to open relationships with other entities such as the Arizona Historical Society, Sharlot Hall, etc., who are, in many cases, those who could be of the most benefit to the agency in giving advice on how to best run a museum, which some of our parks really are. He would like to see the agency seriously consider asking the Arizona Historical Society, whose job is to run museums, to come and take a look at the historic park properties and give friendly advice on things they see that they feel perhaps are "no-nos" that we are doing or perhaps point out things we are not doing that we should be doing. They do that all the time. Their Field Services Director travels all over the state advising local historical societies and local museums. The agency, if it can, should tap into that same source. He believes they would be happy to assist.

Mr. Travous noted that the thing that cannot be changed is the location of the park. However, the character of the location is being changed. He would like to put into context the quarter of a million dollar Capital expenditure vs. what is available now because of the budget at a future meeting. He believes we need to broaden our scope here. When talking about MSP it would be in a political context rather than trying to talk about Mac McFarland and putting the political context around him. It will alleviate the problem of people not knowing who he is at that point in time. They would be coming in for the history.

Chairman Stewart agreed and noted that since he was involved in so many facets that are still

issues today, it would be a nice, indirect way of introducing him to visitors. There could certainly be materials that indicated his role in the various topics that are being discussed in the exhibits. It would provide a lot more flexibility.

Mr. Travous added that he is preparing a slide show. One does not put a slide show together for a talk based on the slides available. Rather, the text is written and then the slides are made to fit the talk. At MSP, staff created a museum based on what we had. Visitors go from room to room and see displays based on what was available. Rather, we need to decide what we want to talk about and then find out what might be available from the Historical Society and the History Museum that shows visually what is being discussed. We shouldn't be displaying things just because we have them.

Chairman Stewart noted that perhaps the Historical Society could assemble a team to brainstorm with staff about what stories the park should be talking about. Sometimes bringing someone in from the outside gives new perspective on what people want to see.

Mr. Porter added that some of those other entities may have things that really should be in these various parks that are gathering dust and not being seen.

Mr. Ken Buchanan, Assistant County Manager for Development Services, addressed the Board. He distributed base documents from the community college district that responds to the impending growth in Pinal County and a map of one portion of Pinal County that is a growth corridor and what is expected to happen. He will be attending a Planning and Zoning meeting across the complex shortly that will deal with an additional 20,000 lots.

Mr. Buchanan stated that the last count of county lots in the unincorporated area north of Florence stood at 108,000 that are planned and entitled. There are 300,000 lots in Pinal County incorporated areas. The document is accurate in what will happen in the area within the next 15 years. Pinal County's population is a little over 200,000 now; they are looking at more than 1 million by 2020. This is the growth corridor. They are beginning to see things on the southern boundary in Pima County (Red Rock/Oracle Junction area). There are already 50,000 lots entitled there that are ready to start platting.

Mr. Buchanan noted that cities are not included. If cities are added to entitled lots, it could be as much as 500,000 lots entitled between the cities and Pinal County alone. "Entitled" means that they are planned and zoned. Many of them are in various stages of platting. Pinal County has experienced a 20% growth within the past 4 years. He has lived in Pinal County all his life and was always told this is the Golden Corridor of growth areas. He thought he'd never see it, but he was wrong. It's here. He used to see the haze of the lights of Phoenix and Tucson. Now he can see the lights of Phoenix and Tucson. It's coming. Developers are breaking ground and clearing and grubbing now. It is not just planned – it is coming.

Mr. Buchanan stated that they are working with the State Land Department. There are 300 square miles of state land between Florence and Apache Junction. State Land is becoming very serious about those lands. There is a planning concept called Lost Dutchman Heights that is 37,000 acres immediately south of Apache Junction that they are discussing planning permits right now for to begin an environment audit and the possibility of it being auctioned. There is another 200 square miles being planned for a project called the Superstition Vistas. The Board of Supervisors is very serious about open space planning now because of the impending growth and trails planning. A former staff member is looking very closely at the trails plan that goes through Florence to connect the Maricopa and Pima County systems. The base map is revised monthly because of the changes.

Mr. Buchanan noted that they have a 15-point growth plan they are trying to address and stay with. The pace is proving to be quite challenging.

Chairman Stewart thanked Mr. Buchanan for providing the Board with this information. It will be invaluable not only in terms of MSP but for the other state parks in Pinal County.

Mr. William Phillips, McFarland State Historical Park Advisory Commission (MSHPAC), addressed the Board. Mr. Phillips stated that he is a retired History professor from ASU. MSHPAC was founded about 30 years ago. He became a member six months or so after the original meeting. Mac McFarland has been a big part of his life ever since. He often writes the local newspaper about Mac and get published about one out of ten times or so. He referred to the article from the *Arizona Republic* that Ms. Montañó discussed earlier. It does have a nice and accurate (although very incomplete) reference to McFarland in it. That is not what drew his attention to that article. It was the second paragraph, which is one sentence, "Too bad that the state's history is a mystery to so many of us." He wrote them a letter an hour after reading that article that stated it wouldn't be such a mystery to us perhaps if they would review the marvelous biography of Ernest McFarland that was published last April. That biography was the work of Jim McMillan who spent 20 years on it.

Mr. Phillips noted that MSHPAC recognizes and appreciates their special status in this system as an actual advisory committee. They have some funds to play with from time to time. The Rydan report mentioned earlier was funded by MSHPAC at a cost of \$35,000. There has been much said about it. They are awaiting the final report. In their preliminary report issued in August, Rydan estimated \$318,000 would be needed to make their suggested changes. There is less than a quarter of a million available to accomplish those changes. It is not known what the final figures will be once the final report is received.

Mr. Phillips stated that MSHPAC has been concerned about traffic at the park for decades. In the last year they have begun to do some things that will have an ultimate impact on that traffic. The biography will put Mac back in to the national mind on a scholarly level. The academic review is a slow, tortuous process and has not begun to come yet. The first will probably occur this summer and drag on for about a year in the national journals. Most historians are too young to recall Mac's career, and he is not in the classrooms of the nation. The biography will slowly put him into those classrooms because it will put him into the history textbooks used at the college level all around the land. It is a slow process – maybe five years – before that happens generally across the land. However, in Arizona MSHPAC is doing things to put Mac back into the public mind. Most people in Arizona today have no recollections of Mac's role, so he is not in their minds. In addition to promoting the biography, MSHPAC undertook two things last year and will do two more in the future. Much has been mentioned already today.

Mr. Phillips stated that the idea of having a history center at the park has been taken up by MSHPAC, who will push it, develop it, and work on it. There is a lot of history here that can be brought into the park. The Gila River going through the area features water that cuts across the state and empties into the Colorado River. That makes it part of one of the most important water systems in the country. It's right here in our back yard. We can get the Gila River into the museum. Florence is one of the oldest incorporated cities in the state. At one time it had more buildings on the National Register than the Phoenix area had. They can work with that. They have Mac to work with.

Mr. Phillips stated that Mac McFarland is the principle author of the GI Bill of Rights that more than 40 million American veterans have used. Historians now are in general accord on the fact that the GI Bill created the huge prosperous middle class of America that has distinguished this land since WWII. Outside of the Congressional legislation which must precede Constitutional amendments, the GI Bill is one of the half dozen most important measures passed in our entire history. Mac is the single most important author of that bill. He authored the sections on education (not just college education but all levels and types of education) and the provisions that provided loans for homes, businesses, and farms. It all came out in Arizona, in a way, because the Arizona American Legion Convention in 1943 proposed that we not do to the WWII veterans what we did to the WWI veterans.

Mr. Porter noted that the Board is limited on time today. He believes that the Board agrees that Mac McFarland was critical. He believes that the Board would like to hear the specific things MSHPAC is doing that will bring his name back into focus.

Mr. Phillips responded that MSHPAC wants to feature the GI Bill. There is an exhibit on display in the State Museum in Phoenix that they have agreed that the park can get when they are finished with it.

Mr. Phillips noted that MSHPAC has two major operations going. The Arizona State History Convention, Inc., puts on the annual History Convention. MSHPAC has funded a \$4,500 grant for their operation for four years beginning this year in Flagstaff to feature Mac at the convention. Working in conjunction with National History Day, the convention will directly touch more than 1,000 students who participate in that program. Mac will be promoted in that context to those 1,000 people.

Mr. Phillips added that 70 teaching units have been composed on McFarland, tying him into things like the GI Bill, water, nationally, southwest Arizona, the creation of the ASP system. Those lessons have been carefully put together by three outstanding teachers, two of whom are on the national boards of Social Studies Teachers organizations, the other on the Arizona State Board. One of them has been promoted into the State Department of Education and is the Social Studies coordinator for the state. They are good units and are ready to go. MSHPAC will distribute them free to every teacher in Arizona who teaches either Arizona or American history. ASP is assisting with, and playing a leading role, in how they are distributed.

Mr. Phillips thanked the individual who mentioned getting in contact with the developers. He has read about this huge development that is proposed for the next 30 years north of Florence. They will hear from him about McFarland State Park. He thanked the Board for their patience.

Chairman Stewart thanked Mr. Phillips for coming to the meeting and expressed her hope that he will be able to join the Board on their tour of the park.

Ms. Bonnie Bariola, former Planner with Pinal County, addressed the Board. She discussed the restoration of the Florence Hotel. The Florence Preservation Foundation is restoring that hotel. It is directly across the street from the park. There is a display at the park that was prepared by the architect. She asked that the Board take a look at that display when they tour the park. She added that the developers who are developing north of town in the County (their land will be annexed into the Town of Florence) are working with them on the restoration of that hotel. They are having a meeting this afternoon to make further specific plans for the hotel and its restoration. The developers have been working with the town toward helping renovate/restore downtown to encourage people who move there to come downtown. Some groups have been utilizing the expertise of the developers and working with them for the future of the town.

Chairman Stewart extended an invitation to Ms. Bariola and her colleagues to join the Board on its tour of the park.

Mr. Phillips added that MSHPAC is consciously looking into strengthening local representation on its board. Thirty years ago they had good, strong Florence representation. That has fallen away. They are planning to get more local people on that board rather than have them mostly from the Phoenix and Tucson areas. Ms. Montañó is chairing a committee that will bring that effort to fruition.

Mr. Porter noted that the History Convention is excited about the grant provided by MSHPAC. The speaker for the McFarland Plenary Session at the convention in Tucson in April 2006 will be Senator DeConcini. They have a marvelous panel set for the Convention in Flagstaff. There will be wonderful McFarland literature going out for National History Day to the kids who will participate in History Day. The largest prize package in the History Day operation in Arizona will now be the

McFarland Student Scholarship Awards. Their awards will be presented at the History Convention. It will start to put the McFarland name back in the consciousness. They are grateful to MSH PAC for letting them partner in that effort.

Mr. Travous noted that so much of what happens at the park will depend on the city maintaining the integrity and character of Main Street. If they lose that, everything else falls apart.

Chairman Stewart noted that the Florence Main Street Director was in the audience. She believes there is that commitment. It is obvious that the Board has a lot of challenges at MSP, but there are also a lot of exciting opportunities and a lot of people who are interested in ensuring that something happens. She believes that the Parks and Recreation Department in Florence can come up with some good programs such as an after-school History Club where they meet at Parks and Recreation and then walk to the park, learn some aspect of history, then perhaps visit one of the historic homes, have some refreshment, and then walk back. There are a lot of things that can happen here. Adding a third staff person at the park will be helpful, stabilizing the building will help, and not just taking what is there and working it into the exhibits but looking at what the exhibits should be and getting what is needed should do the job. She suggested in the April meeting having a joint meeting with the Historical Society to see whether there are partnerships in a number of areas.

Mr. Porter noted that would be ideal because the Parks Board will meet in the morning and the Historical Society meets that afternoon in Flagstaff.

Chairman Stewart suggested perhaps the two entities could have a joint lunch.

Chairman Stewart thanked the public for coming to the meeting to discuss the park. The Board would love to continue informal discussions about what is happening in Florence. People should feel free to talk individually with Board members either at lunch or at the park.

2. Arizona State Parks Foundation Agreement

Chairman Stewart noted that the Board received a copy of the draft agreement last month. An E-mail was also received yesterday afternoon.

Ms. Statler reported that Board members made suggestions regarding the text of the agreement. The heart of the document is in the first several paragraphs followed by a very intimidating section on insurance and indemnification that has put just about everyone off. On a more thorough evaluation of that section, Ms. Stewart suggested that it may be wise to just secure a couple of bids on behalf of the Foundation to see what kind of money is really being looked at in terms of coverage. If it's not as onerous as it appears to comply with Risk Management's recommendations, they should at least look into it and identify those costs. She will recommend to the Foundation that they take those steps.

Ms. Statler noted that the memorandum she sent also identifies additional suggestions that need to be included in any agreement reached between the Park Board and the Foundation, including limiting the Foundation's ability to enter into contracts that might encumber the Board, hold the state harmless from any misrepresentations made by the Foundation, and require Special Event permits for all events conducted at the parks. She noted that the Foundation acquires Special Event permits for their events anyway and that the Foundation is not being treated any differently than any other organization that would hold an event at a park. They have been very careful to ensure that they acquire any required Special Event permit. They are very aware of those requirements as well.

Ms. Statler noted that the Foundation is eager to hear what ASP wants them to accomplish on behalf of the entire system and suggested that a list of priorities be identified. Agency staff have been meeting to discuss what the priorities are. Those discussions continue.

Chairman Stewart requested a suggested list be included in the next Board packet and that this item be placed on the Agenda for discussion. Seeing staff's list will help the Board think of things.

Mr. Travous added that the list will include a broad range of items that will be given to the Foundation and that the Foundation will decide what they feel they can corporately do at any given time.

Chairman Stewart stated that she believes Ms. Statler is correct about the agreement. It is typical of what is required of non-profits. The amounts are lower than what she carries for personal liability insurance. She believes that the Board needs to follow the advice given by Liability Defense. It is particularly important because Liability Defense is covering the cost of a lawsuit because the Board followed their legal advice. The Board needs to be careful about going against the advice it has been given for its protection unless it is apparent that it is impossible or impractical to comply. More information will indicate whether there is a problem in this area.

Chairman Stewart added that another area that is imperative to be included is a provision that the Foundation shall not make any representations that money donated to the Foundation will be used for any specific project or purpose not on the list of projects provided to them unless they have received written authorization from the Executive Director. People around the country who have donated money to organizations for specific purposes are then suing those organizations and their beneficiaries to get that money back when it is spent for other purposes. The Board needs to be assured that money that is being raised is being raised for something that can be followed through on.

Mr. Travous stated that he has spoken with individual Foundation members and they don't have a problem with that.

Chairman Stewart noted that it is something that the Board needs to do to protect itself. If the Foundation turns out to be as successful as hoped, large amounts of money will be involved someday in the future.

Ms. Hernbrode stated that the insurance requirements in this contract do not come from her office. They do not come from ASP. The sole responsibility for dictating insurance requirements comes from the Department of Risk Management. There have been endless discussions with staff and representatives from Risk Management over these requirements. She understands that Risk Management is willing to work with the Foundation if these requirements are not possible. It is the Foundation that needs to look them over and send Risk Management a letter stating why they can't comply. It can be tweaked for the benefit of both parties. That discussion needs to happen between the Foundation and Risk Management.

Mr. Porter noted that this agreement needs to be kept in perspective. The Foundation itself is a free-standing, separate Arizona non-profit organization. Therefore, Arizona Risk Management, per se, does not have beans to say about what the Foundation can do. The extent that the Board enters into a contract with the Foundation is where these things come into play. If worse comes to worse, the only thing needed to have a contract with the Foundation about is if they are going to use parks and if they are going to use the Board's logo. He suggested the Board keep in mind that in the long run the Board does not want to scare the Foundation away. It is in the Board's interest for the Foundation to go out and be helpful to the Board. There is a foundation that supports the Arizona Historical Society's publication department known as the Friends of the Arizona Journal. There is no specific agreement with them other than if the Friends of the Arizona Journal offers them money they will take it. The bottom line is let's keep it in perspective that the Board cannot dictate to the Foundation what they will do or not do.

Chairman Stewart responded that if the Foundation wants to make representations that they are raising money for the agency, it makes it different from some of the other organizations Mr. Porter is talking about.

Mr. Porter noted that the Foundation would have to be very careful in the representations it makes. The Board cannot allow them to become simply an alter ego of the Board. It is important that they really stay at arm's length.

Mr. Porter requested that the Board receive that agreement early enough to have a chance to review it.

Ms. Statler responded that she believed a list of potential projects would be forthcoming. She can talk to the Foundation's board rather quickly. Securing bids should be done in short order.

Chairman Stewart stated that the Board would prefer that the agreement be included in the Board packet rather than receiving it a couple of days prior to the Board meeting.

Ms. Hernbrode requested speaking on the Mabery Easement Dispute Litigation in public session. If the Board wishes to go into Executive Session for legal advice, they could do so after hearing her public report.

Chairman Stewart then moved to Agenda Item H.

H. ACTION ITEMS FROM EXECUTIVE SESSION

1. Mabery Easement Dispute Litigation

Ms. Hernbrode reported that on July 16, 2004 the jury awarded the Mabery Ranch Co. a prescriptive easement across park property from the Mabery property line to approximately the middle of Dead Horse Ranch State Park to the paved road that runs roughly along the path of the old Tuzigoot Road. They did not award any damages for that claim. They awarded inverse condemnation damages in the amount of \$150,000; actual damages for the Notice of Reservation of Rights in the amount of \$620,000; the judge had previously found that the Notice of Reservation of Rights damages were trebled. It took several months for Mabery Ranch Co. to submit a form of judgment. This is unusual because people usually want their money fairly quickly. Mabery Ranch did not submit that document until September 9. The Board objected to the amount of the attorneys' fees and quite a few other provisions that were in that form of judgment. In the submission they had the easement running from the Mabery Ranch property line to the park's north boundary line, which is where they wanted the easement to go rather than what the jury awarded them. We objected to that. They made a number of statements of how horrible the agency was and wanted the damages awarded by the jury and requested attorneys' fees in the amount of no less than \$179,000 and costs of approximately \$16,000. On February 7 counsel finally received a response from the judge to all of those motions. He denied most of the Board's motions without comment and set a Hearing for April 1 to determine the easement location. There will be a half-day of evidentiary hearing to determine where that easement should run. The judge also surprisingly awarded \$185,000 in attorneys' fees, approximately \$6,000 more than they asked for, and a cost of \$16,000. The judge expressly wrote that this is not a Judgment. Because there is no Judgment in this case the Board cannot begin the Appeal process if that's what the Board chooses to do.

Ms. Hernbrode stated that if this award stands, the total amount of damages from this lawsuit is \$2,210,431.43 plus interest from the date of the Judgment. Counsel expect that this will change. Counsel believe that the Board has multiple bases for Appeal and will bring that decision to the Board at an appropriate time.

Ms. Hernbrode noted that she will not be available for that April 1 hearing. Mr. Morrow will handle it as the lead attorney. He would like someone from ASP to be there. She does not know what the Executive Director's availability is for that date. Mr. Eatherly can make himself available. Someone who is familiar with the park's history needs to be available to bring any matters to Mr. Morrow's attention if necessary.

Chairman Stewart requested that counsel provide a written summary of the history of this litigation

when they come back with the question of Appeal. Only two members of the current Board sat on the Board when the litigation began. It is difficult to assimilate all the information and make an informed decision on the spot. The summary should include the extent of the problem and the legal issues.

F. BOARD PROCEDURES

Chairman Stewart reported that she and the Executive Director spent more than a couple of hours trying to come up with an Agenda to accomplish what they considered to be the bottom line while remaining focused and efficiently run the meeting and allowing sufficient time to allow some in-depth discussion on important issues facing the Board. Mr. Porter gave them a rather long lecture prior to beginning work on the Agenda and joined them by telephone. He had a number of helpful suggestions.

Mr. Hays stated that he thought the Chairman and Executive Director did a great job. He likes the format.

Chairman Stewart noted that it is important to reserve the time that is available to discuss the issues where information cannot be received in writing and to get as many of the routine reports and background information in writing as possible. Staff work with a lot of these issues on a daily basis. The Board meets once a month and find themselves in the middle of things. It takes them a while to understand how things got to this point and how it relates to where we are. It is very helpful to have brief written comments to set the background of the issues and then to state clearly what the issues and recommendations are.

Mr. Porter stated the he believes it has worked well. He agrees with Mr. Hays. He noted that this meeting will probably finish on time. This has been a useful shakedown experience. The Board needs to perhaps revisit a few things. The real test is the meetings that come up later in the spring that are by nature filled with things of high importance that frequently take longer and are more difficult to deal with. This was a fairly easy day to use as an experiment. He is now very comfortable with the concepts that were initially set forth by Mr. Hays. He believes that things are moving in the right direction. He does not care for the idea of attaching specific time elements per item. He prefers setting benchmarks through the Agenda in order to stay on track. He doesn't want to be so tied down that the Board has to debate whether or not they can take a break. The timeframes should be advisory but not set in stone.

Mr. Porter added that it is very important for staff to provide advance information on those items to be discussed so that the Board can deal with them efficiently. He commended staff on the job they did for this Agenda. The Board was able to quickly get through Agenda Item D because they were given information on every part of it. It worked. Staff need to continue to provide the Board with as much information as is needed for them to understand the issues and the reasons for staffs' recommendations. The Board shouldn't have to spend much time on these issues and instead get into the more important policy, philosophical, critical issues that the Board really needs to spend more time on.

Mr. Travous requested the Board members call staff if there are items in the packets that they need more clarification on. If that means calling him at home over the weekend or in the evening, the Board should not hesitate to do so.

Ms. Chilton stated that she felt this Agenda went real well. She is getting the E-mails and feels much better about it.

Mr. Cordasco stated that those items needing approval should be at the front of the Agenda in case some Board members need to leave before the meeting is over.

Mr. Porter agreed and noted that there was agreement to place action items high on the Agenda. It

was also agreed to place as many items as possible on the Consent Agenda.

I. CALL TO THE PUBLIC

All members of the public who wished to speak did so earlier in the meeting.

J. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

1. Staff is recommending that the next meeting be scheduled for March 17, 2005 in Tubac, AZ

Chairman Stewart noted that there will be a tour of some of the properties along the Sonoita Creek Preserve that were recommended for purchase.

2. Board members may wish to discuss issues of concern and request staff to place specific items on future Board meeting agendas.

Chairman Stewart stated that it is important to prioritize the list of properties for future acquisition. Rather than deciding whether or not the money is available as properties come along, staff need to bring a list to the Board of what they believe to be the top priorities for money as it becomes available with the idea that there is a certain amount of flexibility. She requested time on the March Agenda to discuss that list.

Chairman Stewart requested a list of items for the Foundation to fund be on the March Agenda.

Mr. Cordasco requested an update on PAMS in March.

Chairman Stewart requested that staff provide a written report on PAMS and, in addition, a written report on the implementation of the new Vision focusing on things that may have changed in the agency as a result of the new Vision.

Mr. Siegwarth noted that staff plan to have a PAMS demo at the April Board meeting.

Mr. Porter requested there be an update on the History Convention on the March Agenda.

Chairman Stewart requested input from NAPAC on their priorities since they will be advising the Board on natural areas.

K. ADJOURNMENT

Chairman Stewart adjourned the meeting at 12:00 Noon.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

SUBMITTED BY:

Kenneth E. Travous, Executive Director

APPROVED BY:

Elizabeth Stewart, Chairman