



Mayor Cal Sheehy
Vice Mayor David Diaz
Councilmember Nancy Campbell
Councilmember Jeni Coke
Councilmember Jim Dolan
Councilmember Michele Lin
Councilmember Cameron Moses

Lake Havasu City
Council Chambers
92 Acoma Boulevard South
Lake Havasu City, Arizona
86403
www.lhcaz.gov

City Council Regular Meeting

Minutes - Final

Tuesday, January 13, 2026

5:30 PM

CALL TO ORDER

Mayor Sheehy called the meeting to order at 5:30 p.m.

INVOCATION

Chaplain Beatrice Evans gave the invocation.

PLEDGE OF ALLEGIANCE

Members from Lake Havasu Chiefs Cheer led in the Pledge of Allegiance.

ROLL CALL

PRESENT: Councilmembers Cal Sheehy, Jeni Coke, Jim Dolan*, Michele Lin, Cameron Moses, Nancy Campbell, and David Diaz.

ABSENT: None.

**Councilmember Jim Dolan was present via remote conferencing.*

CONSENT AGENDA

The following items will be considered as one item by the City Council and will be enacted with one motion with no separate discussion unless a Councilmember so requests, in which event the item will be removed.

5.1 Action: Approve the December 9, 2025, City Council Regular Meeting Minutes (Kelly Williams)

5.2 Action: Resolution No. 26-3888 Approving and Authorizing the City Manager to Execute a First Amendment to Environmental Access Agreement with Arizona Department of Environmental Quality to Include Four Additional Monitoring Wells (Lake Havasu Avenue and Holly Avenue Site) (Kelly Garry)

5.3 Action: Resolution No. 26-3890 Ratifying the City Manager's Execution of Commercial Lease No. 03-096271-00 with the Arizona State Land Department for Municipal Water Production Well No. 9 (Tim Kellett)

5.4 Action: Memorandum of Understanding with the Lake Havasu Professional Firefighters (Chief Pilafas)

5.5 Action: Product and Services Agreement for Parks and Recreation Software with Active Network, LLC (Gabby Vera)

5.6 Action: Call for Executive Session Pursuant to A.R.S. § 38-431.03(A) 4:30 p.m., Tuesday, January 27, 2026 (Kelly Williams)

Councilmember Coke moved to approve the Consent Agenda as presented, seconded by Councilmember Moses, and carried by the following vote:

AYE: 7 - Campbell, Coke, Diaz, Dolan, Lin, Moses, and Sheehy.

NAY: 0 - None.

CORRESPONDENCE, COMMUNICATIONS, PETITIONS, ANNOUNCEMENTS, CITY MANAGER REPORT

6.1 Fiscal Year 2025-26 1st Quarter Contracted Agency Reports - H.A.V.E.N. Family Resource Center (Chief Stirling)

Mayor Sheehy noted that this item was for informational purposes only.

6.2 Announce Vacancies on Lake Havasu City Boards, Committees, and Commissions (Kelly Williams)

City Clerk Kelly Williams announced the current vacancies on various Lake Havasu City Boards, Committees, and Commissions. She added that applications are available at City Hall and on the City's website.

6.3 City Manager's Report (Jess Knudson)

City Manager Jess Knudson reported on the following:

- Announced various events, ceremonies, and proclamations.
- Recognized Lake Havasu City for receiving the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for Fiscal Year 2025-26.
- Lake Havasu City is conducting a citizen survey to gain feedback from citizens.

7.1 Discussion and Action: Series #12 Restaurant Liquor License, Rotary Pizza & Pasta, 283 Lake Havasu Avenue/Francis (Kelly Williams)

Ms. Williams advised that Travis Francis has applied for a Series #12 Restaurant Liquor License for Rotary Pizza & Pasta located at 283 Lake Havasu Avenue South. She said all posting requirements have been met, all fees have been paid, and no objections were received. Ms. Williams added that the location is properly zoned for a Series #12 Restaurant Liquor License.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

Councilmember Moses moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #12 Restaurant Liquor License for Rotary Pizza & Pasta, 283 Lake Havasu Avenue, seconded by Vice Mayor Diaz, and carried by the following vote:

AYE: 7 - Campbell, Coke, Diaz, Dolan, Lin, Moses, and Sheehy.
NAY: 0 - None.

7.2 Discussion and Action: Series #12 Restaurant Liquor License, Booby Falls Restaurant & Rodeo, 2100 McCulloch Boulevard N./Finch (Kelly Williams)

Ms. Williams advised that Dallas Kenneth Finch has applied for a Series #12 Restaurant Liquor License for Booby Falls Restaurant & Rodeo located at 2100 McCulloch Boulevard North. She said all posting requirements have been met, all fees have been paid, and no objections were received. Ms. Williams added that the location is properly zoned for a Series #12 Restaurant Liquor License.

Mayor Sheehy opened the public hearing.

Ms. Bonny Toy, citizen, addressed the council with questions regarding the name of the restaurant and whether the menu prices could be increased after the application is approved.

Mayor Sheehy said the menu prices can be adjusted by the applicant at any time.

Mr. Dallas Finch, applicant, addressed the council and explained where they came up with the name for the restaurant.

There being no further comments, Mayor Sheehy closed the public hearing.

Vice Mayor Diaz moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #12 Restaurant Liquor License for Booby Falls Restaurant & Rodeo, 2100 McCulloch Boulevard N, seconded by Councilmember Campbell, and carried by the following vote:

AYE: 7 - Campbell, Coke, Diaz, Dolan, Lin, Moses, and Sheehy.
NAY: 0 - None.

7.3 Discussion and Action: Ordinance No. 26-1377 Amending Lake Havasu City Code Chapter 11.06 Related to Parks and Recreation Advisory Board Officer Terms, Attendance, Meeting Frequency, and Powers and Duties (Introduction) (Gabby Vera)

Parks and Recreation Director Gabby Vera advised this item is an introduction of an ordinance amending City Code Chapter 11.06 related to Parks and Recreation Advisory Board (“Board”) officer terms, attendance, meeting frequency, and powers and duties. Ms. Vera said the proposed amendments which were reviewed by the Board include establishing clear annual officer selection and term dates, defining attendance standards to support consistent participation and quorum, clarifying meeting frequency requirements while allowing flexibility based on business needs, and updating and clearly outlining the Board’s powers and duties including their role in supporting the development and updating of the Parks Master Plan.

Councilmember Campbell requested clarification regarding the proposed changes to 11.06.070(A)(9), to which Mayor Sheehy said the proposed changes bring the powers, duties and role that the Board is doing today into compliance with the City Code.

Councilmember Lin expressed concerns with the proposed changes and strike-through of 11.06.070(A)(6) and suggested that section remain in the City Code.

Councilmember Moses said he could support keeping 11.06.070(A)(6) in the City Code.

Vice Mayor Diaz requested the proposed changes to 11.06.070(A)(9) include “...to be approved by the City Council”. Mr. Knudson said staff could include some additional language in that section and noted that the Parks Master Plan would come before the City Council for final adoption

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

Councilmember Lin moved to introduce Ordinance No. 26-1377 Amending Lake Havasu City Code Chapter 11.06 related to Parks and Recreation Advisory Board Officer Terms, Attendance, Meeting Frequency, and Powers and Duties excluding the strikethrough of 11.06.070(A)(6) and adding 11.06.070(A)(7) to read to assist the Director with the development and updating of a master plan for the development of municipally owned parks and a specific plan for the development of each city park with Council’s final approval, seconded by Councilmember Moses, and carried by the following vote:

AYE: 7 - Campbell, Coke, Diaz, Dolan, Lin, Moses, and Sheehy.
NAY: 0 - None.

7.4 Discussion and Action: Resolution No. 26-3889 Approving a Major General Plan Amendment Revising the Future Land Use Map Designations for 1040 McCulloch Boulevard North, Metes and Bounds Parcel #107-15-015, 90.5 Acres, from Open Space and Park (OSP) to Commercial Mixed Use (CMU), Resort Residential (RE-RES), and Resort Related Island (RE-ISL) (Chris Gilbert)

Planning Division Manager Chris Gilbert advised that this item is requesting approval of a proposed major amendment to the Lake Havasu City General Plan. Mr. Gilbert explained that the General Plan serves as the city's long-range advisory guide for land use and development of a 30,000-foot framework that provides direction but does not grant entitlements. He said any zoning action that would grant entitlements must conform to the General Plan Land Use designations or the plan must be amended, which is the case before the City Council today. Mr. Gilbert said additionally Arizona State Statutes requires cities to establish processes for both minor and major amendments to the General Plan which ensures there are opportunities to make adjustments or address new community needs that may arise over a 10-year period. He said under both the Lake Havasu City General Plan and Arizona State law, any amendment involving property over 40 acres in size and located outside the city's original platted area must be processed as a major amendment which triggers a more extensive public review process including two public hearings and formal notification to affected agencies and stakeholders.

Mr. Gilbert said the subject property is approximately 90 acres located on the south side of the Island, south of Beachcomber Boulevard, and situated between the Nautical Beachfront Resort (to the east) and the Islander RV Resort (to the west). To the immediate northwest of the property is the Nautical Estates Condominium development and the Islander Storage and Marine. Mr. Gilbert stated that the subject property was formally operated as a golf course on leased state land until it was abandoned by its operators. He said following abandonment a developer petitioned the Arizona State Land Department to initiate a sale, and in response the state held a public auction in September 2023 at the Mohave County Courthouse in Kingman where the current applicant, who is not the original petitioner, successful acquired the parcel. Mr. Gilbert said the current General Plan designates this parcel as Open Space and Park (OSP), consistent with its historic use as a golf course; however, this designation does not support future development, which is why the applicant is requesting an amendment. He further stated that the property is currently zoned Golf Course (GC), reflecting its former use which does not accommodate the proposed Mixed-Use development. Mr. Gilbert said the applicant is requesting to amend the General Plan Future Land Use Map to the following designation categories: Commercial Mixed Use (CMU) in the northwest portion of the site, Resort Residential (RE-RES) in the central portion, and Resort Related Island (RE-ISL) for the southeast portion. Mr. Gilbert noted that these categories all support the uses proposed in the planned development rezone application which will be considered in the subsequent item. He added that no comments were received from outside reviewing agencies and the proposed amendment is in conformance with many goals and objectives of the General Plan. He said the applicant provided a document that describes how they intend to meet additional goals and objectives of the General Plan through their efforts which is attached in the staff report. Mr. Gilbert stated that the applicant has also submitted a conceptual development plan for reference for this hearing that includes a commercial area in the northwest portion, adjacent to McCulloch Boulevard and Beachcomber Boulevard, with approximately 67,000-square feet of commercial space, residential area in the central portion with over 300 dwelling units of various types including 90 multi-family units, a resort area in the southeast portion featuring a resort facility, bungalows, and resort-related accessory uses, and shoreline access and preservation easement with an average width of 100 feet along its entirety (labeled in green on the map). He noted that the easement size was increased from 15 feet by the applicant since the Planning and Zoning Commission ("Commission") meeting on December 5, 2025, from 5.5 total acres along the frontage to 14.1 total acres, an increase of 156 percent. Mr. Gilbert said that staff has carefully reviewed the proposed General Plan Development Plan along with the supporting reports for public safety, water, sewer, and traffic infrastructure, and based on this review staff has determined that the City is able to adequately provide services to the project provided that the conditions of approval are met. Mr. Gilbert added that the Commission heard this item at their December 5, 2025, meeting and recommended approval by a vote of 7-0.

Mr. David Megdal, representing FalconEye Ventures, addressed the council and said from the very beginning their goal has been to create something that enhances Lake Havasu City. This project is rooted in long term commitment, thoughtful planning, and community compatibility. To bring this to life, they have assembled a team of highly respected professionals with experience in Arizona development, entitlement, and public engagement. Mr. Megdal introduced the project partners and said over the past 26-months they have taken the time to listen, engage with staff, met with neighbors, hosted outreach efforts, and made significant changes to what they heard. He said this is

not a rushed project, it is a carefully defined plan. Mr. Megdal reviewed the key changes that were made including more open space, reduced commercial intensity, relocated access points for better circulation, improved buffers and transitions, and critically 100 percent of the shoreline will remain open and accessible to the public. He said they are bringing forward a hospitality-forward mixed-use community that includes a resort, walkable commercial space, marina, mix of residential options, enhanced beach and trail access, design and landscaping that respects the desert and lake setting, and appropriate boat, trailer, and vehicle parking. He said this is not a high-density infill project, it is a balanced Island compatible plan that adds value while preserving character. Mr. Megdal added that this project is a long-term commitment to the people of Lake Havasu City and they are committed to doing it right.

Mr. John Berry, Berry Riddell, addressed the council and outlined the following in his presentation on the Waterfront at Lake Havasu Project:

The Vision

- The Waterfront at Lake Havasu is a once in a generation opportunity to create an iconic mixed-use resort and recreation focused community in one of Arizona’s most spectacular and unique locations.

“What is the General Plan”

- “The General Plan is a usable, working document that is responsive to changes and unforeseen opportunities that are natural in a dynamic environment.”

General Plan – City Staff Report

- “Conclusion: Staff believes the proposed amendment is in conformance with, and in furtherance of, many goals and policies within multiple sections of the City’s community – developed 2016 General Plan, as previously stated in this report.”

General Plan – Land Use Element

- “LU.2.3.b – Mix of Uses: Encourage the development of large-scale resort developments with a mix of commercial and residential uses that enhance the leisure-service industry by providing accommodation and amenities conducive of a world-class destination.”
- LU.3.1.a – Master Planning: “Encourage, plan for, and partner with the private sector in the development of detailed masterplans for large vacant parcels.”

Implementation

1. A 90-ac vacant parcel that, over a 27-month period, is being master planned with extensive community collaboration and collaboration with City staff.
2. As a master planned community all development will be part of a master Homeowners/Property Owners Association that will ensure quality design and stringent maintenance standards while relieving the taxpayer of that maintenance obligation.

Master Plan Modifications

Current Development Plan

General Plan Amendment

- Proposed General Plan:
 - RE-ISL (Resort-Related Island)
 - RE-RES (Resort Residential)
 - CMU (Commercial Mixed Use)

Proposed General Plan Designation – RE-RES Resort Residential

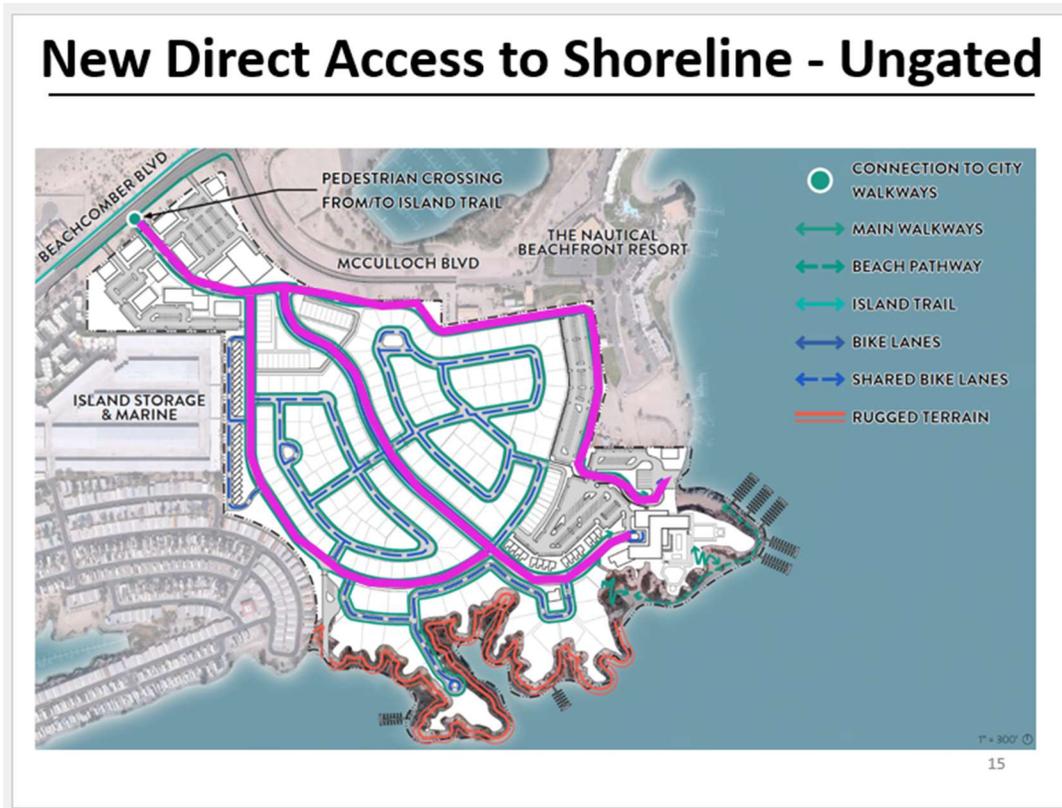
- “General Plan Characteristics

- Areas where resort residential development is encouraged, primarily on the Island and along the shoreline.
- “Provides opportunities for innovative resort and mixed-use developments that differ from the historic residential pattern in Lake Havasu in terms of overall density, types of housing, open space, and other amenities.”

General Plan – Land Use Element

- “LU.2.3.b – Shoreline Access: Ensure public recreation and public access to the shoreline are maintained and/or implemented as part of future Island development.”

Shoreline Public Access – 100% of Shoreline



Shoreline Public Access Totaling 14.1 Acres

- Planning Commission hearing was 5.5 acres
- 156% increase
- 15.7% of the entire project will be shoreline public access
- Average 100'
- Development Code requires 15'
- Increase of 567%

Public Boat Launch, Public Beaches, and Resort



18

Cove Beach Public Access and Resort



19

Public Beaches and Resort



Implementation Protect Public Access

1. Record easements
 - a. Easement language will be reviewed by City Attorney and City Staff
2. Condition of zoning approval
3. Recorded plat

General Plan – Housing Element

- HN.2.2.e – Access to Open Space: “Locate medium – high-density and multiple-family housing developments in close proximity to public open space such as parks, playgrounds, schools, and similar uses; or incorporate adequate open recreational space on site for use by residents.”

Implementation Open Space

- Required – 20% (18 ac)
- Provided – 36.8% (33.3 ac)
- Percent Increase – 84%

Publicly Accessible Open Space – Revised

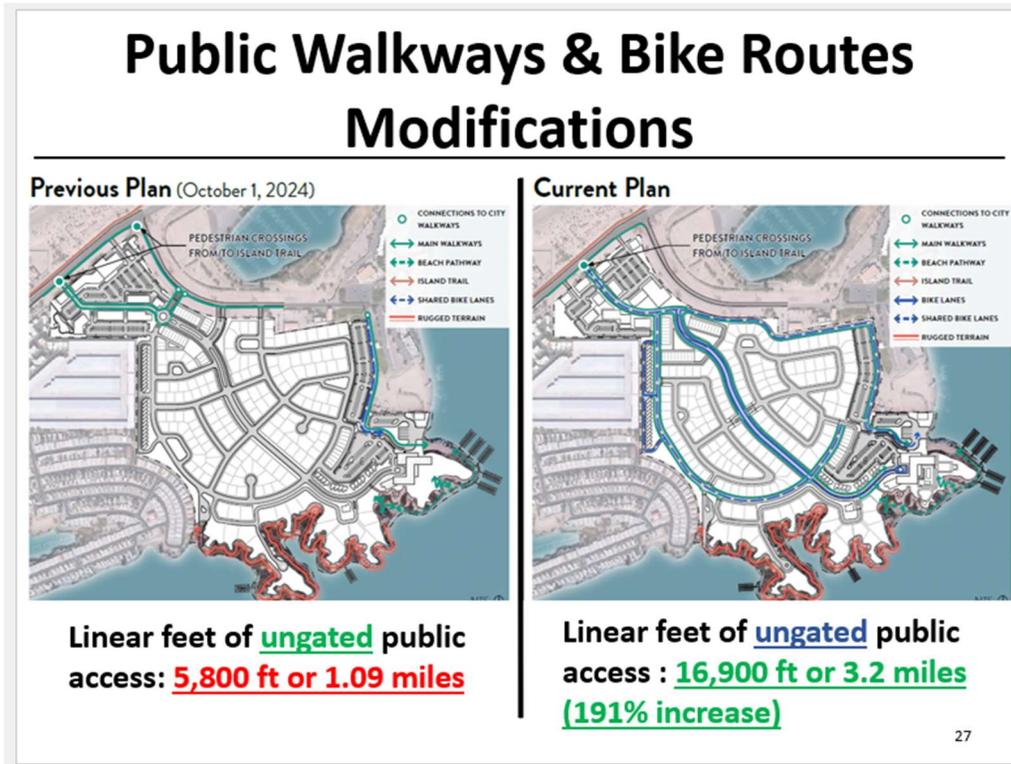
- Previous Development Plan – September 2025
- Publicly accessible open space – 9.80 acres
- Current Development Plan
- Publicly accessible open space – 18.13 acres (84% increase)

General Plan – Housing Element

- HN.2.2.d – Circulation and Access: “Incorporate an onsite network of pedestrian/bicycle connections in new neighborhoods and provide linkages to the overall sidewalk and trail system to facilitate access to nearby community destinations.”

Implementation

- Install and pay for new enhanced pedestrian crossing at Beachcomber and McCulloch Boulevard for safe pedestrian/bike connections to the Island Trail.



General Plan – Transportation/Circulation Element

- “Proposed roadway improvements at critical connection points (such as a second bridge to the Island) should be pursued.”
- CC.1.1.d – Traffic Impact Analysis – “Analyze traffic impacts of new development in accordance (with) the City’s Traffic Impact Study Guidelines, as adopted, to determine if the development negatively impacts mobility, and identify potential mitigation strategies.”

Implementation – Traffic Analysis

- “Because the 2nd bridge will significantly alter access and circulation patterns on the Island, evaluating future traffic conditions based on current patterns would not be an accurate picture.
- The most effective approach is to compare the proposed development’s land uses with the assumptions and findings of the Lake Havasu Second Bridge Feasibility Study, which modeled future conditions for 2030 and 2045. This method offers the most relevant and reliable basis of understanding how traffic will function in the area once the bridge is in place.”

Implementation Traffic Analysis – 2nd Bridge

- “ADOT and the City’s Second Bridge Feasibility Study (July 2024) evaluates future 2030 and 2045 traffic conditions. The study shows that the two bridges have more than ample capacity for future traffic (including the Waterfront at Lake Havasu and other future developments on the Island and mainland). Each bridge will have over 68% of capacity available for future traffic.”

Parking – Required v. Provided

- Required – 634 automobile spaces
- Provided – 874 automobile spaces + 45 boat/RV spaces
- Percent Increase – 47%

Traffic – Implementation

- The Waterfront at Lake Havasu is designed to reduce traffic by providing commercial services that directly serve Island residents and visitors
 - Minimizes the need for cars to leave the Island

General Plan – Housing Element

- HN.2.2.b – Neighborhood Identities – “Strongly encourage a variety of features in new planned neighborhoods that contribute to a distinct identity, such as a mix of housing types, a mix of architectural styles, and supporting uses to meet the needs of area residents.”

Nautical Estates Condos Implementation

**Typical Grocery
Store Center**
(November 2024)



**Village Center
(Current)**



35

Implementation – Village Center



36

General Plan – Housing Element

- HN.1.1.b – Buffers and Transitions – “Develop and adopt standards to address appropriate buffers and transitions when new non-residential or multi-family residential development or infill development occurs adjacent to established single-family house.”

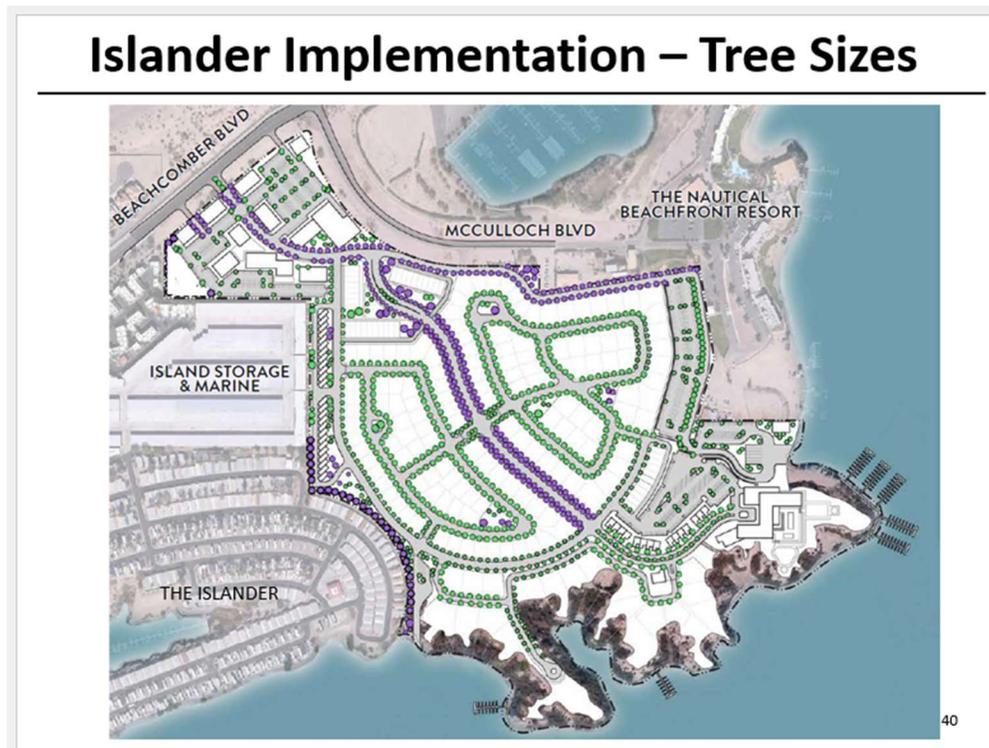
Implementation – Listen & Collaborate

Two residential neighbors – Each is unique:

1. Islander
2. Nautical Estates Condo

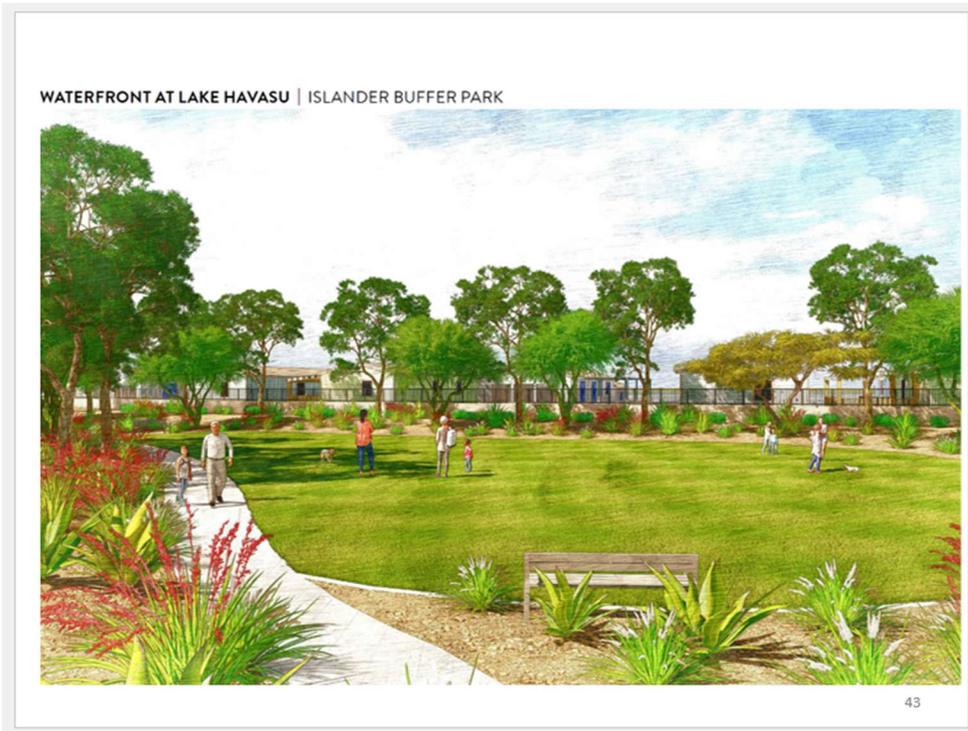
Islander – Implementation

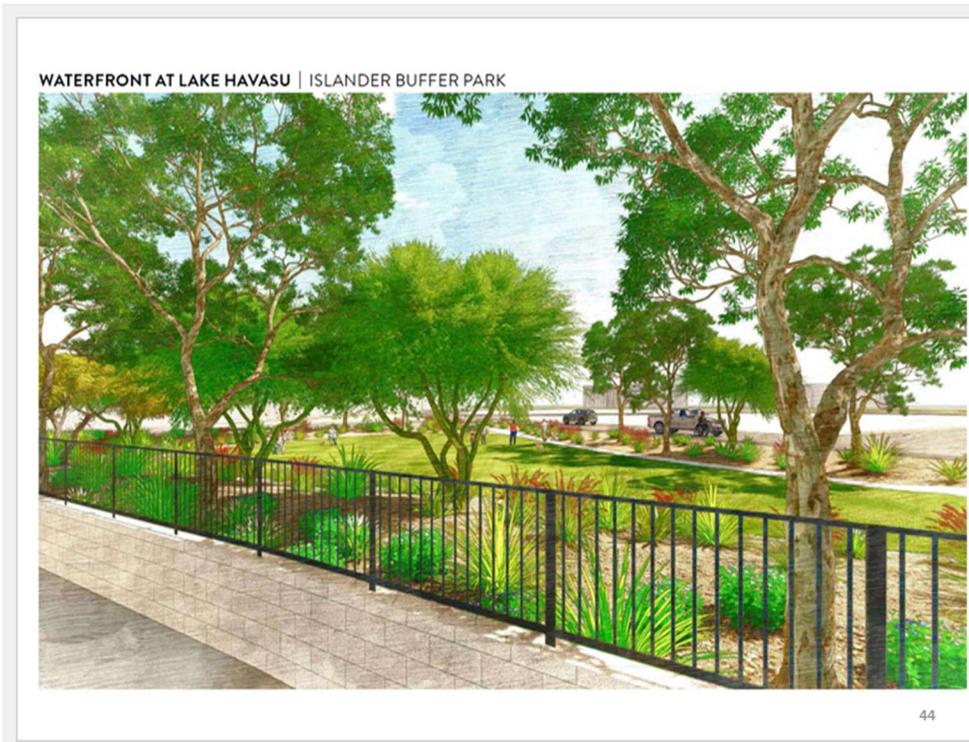
1. Create large open spaces
2. Provide extensive, well maintained, landscaping including tree sizes larger than required by ordinance
3. Utilize significant building setbacks



Islander – Implementation

1. Significant landscape buffers of 50'-100'
2. No new homes immediately adjacent to the Islander





Nautical Estates Condos Implementation

1. Eliminated original large grocery store and loading area
2. Added village center and relocated market and loading area
3. Reduced square footage of retail
 - a. Original Site Plan: 84,900 s.f.
 - b. Current Site Plan: 67,100 s.f.
 - c. 21% Decrease
4. Removed as permitted uses:
 - a. Gas station, bars and nightclubs, shooting range
5. Removed driveway closest to condos
6. Added parking lot screen walls
7. Created new park as a buffer and amenity
8. Increased park size to 38,650 s.f.
9. Increased building setback from retail to Condos to between 110' and 260'
10. Eliminated 2 story multi-family building closest to Condos with a minimum building setback of 150'
 - a. Reduced number of units from 103 to 90
11. Replace on-site Condo air valve to upgrade their water system
12. Reduced height of proximate multi-family building from 3 stories to 2 stories
13. Remove effluent pond
14. Address wildlife relocation with AZ Game & Fish Environmental Review Report or similar private sector or non-profit service



General Plan – Water Conservation

- “GM 2.1.j – Water Conservation: Implement the water conservation strategies outlined in the Lake Havasu Water Conservation Plan. As part of the plan’s implementation, maintain an aggressive water conservation program that will maximize current resources.”

Implementation – Aggressively implement strategies as outlined in the Lake Havasu Water Conservation Plan, including, but not limited to (partial list):

- Installation of automatic meter reading and advanced metering infrastructure technology for leak detection
- Using low flow fixtures (lower flow than Lake Havasu City Code)
- Resort Hotel – Towels and linens may, as requested by guests, be changed less frequently
- Reclaimed water use for landscaping
- Utilize rainwater harvesting technology that has been successfully installed with other Arizona master planned projects

General Plan – Growth Management Element

- GM.2.1.j – Night Skies – “Consider adoption of night-sky lighting standards to minimize light trespass from developed areas and reduce sky glow to increase night sky access.”

General Plan – Economic Development Element

- “Continued expansion of the tourism and service commercial sectors is critical to economic health of the City, as is continuing to build the Lake Havasu City brand as a world-class destination through the development of enhanced amenities, lodging, wayfinding, and recreational opportunities, and national events.”

Implementation Economic Impact – Jobs

- New Construction Related Jobs – 3,203
- New Annual Jobs
 - Direct Onsite Jobs – 308

- Total Jobs Throughout Economy – 870

Implementation – Economic Impact/Tax Revenue

- Lake Havasu City – New Construction Sales Tax Revenue - \$8.9 million
- New Annual Tax Revenue
 - State - \$4.6 million
 - County - \$1.3 million
 - Lake Havasu City - \$2.8 million
 - School District - \$1.1 million
 - Special Districts - \$644,800
- New Total Annual Tax Revenue - \$10.4 million
- New Annual Total Economic Activity - \$91.2 million

General Plan – City Staff Report

- “Conclusion: Staff believes the proposed amendment is in conformance with, and in furtherance of, many goals and policies within multiple sections of the City’s community-developed 2016 General Plan, as previously stated in this report.”

Zoning – City Staff Report

- “Community Impact – The proposed development will add another quality entertainment/resort property with related open space, boating, housing, and community amenities to the City, thereby continuing the promotion of Lake Havasu City as a premier destination.”

Planning Commission Recommendation

- Two public hearings
- We listened
- Made extensive and significant changes to the Development Plan
- Result: Unanimous recommendation for approval

Mayor Sheehy said he had the opportunity to attend both neighborhood meetings which were open to the entire community and was impressed with the engagement of their team and appreciated the changes that they made.

Councilmember Campbell expressed concerns with changing the use designations now and then the development could change or never happen in the future, and said she could support the approval of the major amendment contingent upon the approval of the rezone (next item). Mayor Sheehy explained that the project would be under a Planned Development, which means that what the City Council approves is all that can be done without having to go back through the public process.

Mayor Sheehy asked City Attorney Kelly Garry if the City Council could approve this item contingent upon the next item passing, to which Ms. Garry said she would need some time to review the statutes to determine whether there is anything that restricts the General Plan amendment based on contingency.

Mr. Berry said he did not know the validity of that but stated that they would be in accord with the General Development Plan amendment being moot should the rezone not pass.

Ms. Garry stated that the City Council could entertain a motion to reconsider the action that is taken on this item (General Plan amendment) should the next item (rezone) not pass.

Councilmember Lin expressed concerns about the timing of this project with the upcoming General Plan update and without the second bridge being built.

Mayor Sheehy opened the public hearing.

The following individuals spoke in support of the major General Development Plan amendment:

- Mr. Jim Harris, citizen
- Ms. Holland McDonald, citizen
- Mr. James Gray, Partnership for Economic Development
- Ms. Andrea Helart, Chamber of Commerce
- Mr. John Parrott, citizen
- Mr. Ross Hobday, citizen
- Ms. Brian Springberg, citizen
- Mr. Chad Nelson, citizen

The following individuals spoke in opposition to the major General Development Plan amendment:

- Ms. Linda Beller, citizen
- Mr. Charles Taylor, citizen
- Mr. David Johnson, citizen
- Mr. Emiliano Torress, citizen
- Mr. Steve Greeley, citizen
- Mr. Don Rhodes, citizen

Mr. Don Wisdom, citizen, addressed the council and asked how the General Plan update addresses the old airport and Site Six areas on the Island.

Mr. Kelly Lutz, citizen, addressed the council and spoke on the timing of this item and whether it would have any impact on the General Plan update.

Ms. Danielle Broader, citizen, addressed the council and asked if the development would have a master Homeowners Association that could change public access and asked if all three land use amendments had to be approved.

Ms. Toy addressed the council and questioned whether the developer has projects in other areas that were not developed as promised and thought it would benefit the city to look at alternate second bridge locations.

There being no further comments, Mayor Sheehy closed the public hearing.

Mr. Berry said his client is not a traditional real estate developer and reviewed several of his client's real estate holdings. He said his client has lived and owned a home in Lake Havasu City for 12 years and his business is adding value through legacy.

Mr. Berry addressed several public comments concerning the lighthouses, shoreline, and public access. He clarified that there was one public comment regarding a comment he made that there are no guarantees on the second bridge, which is a comment he said he made; however, he emphasized that they want and need the second bridge. He said the traffic is dependent on the second bridge and they are dependent on the second bridge for the success of their project. He added that they want the certainty of the second bridge before investing tens of millions of dollars in that property; therefore, after consulting with his client, they would be happy if the city wanted to write something that stated that they cannot begin construction on the project until the construction of the second bridge begins. He implored the City Council to approve the amendment and said, if the zoning case does not pass, then let there be a motion for reconsideration to bring back the general plan.

Councilmember Campbell spoke on the General Plan update and being pro-growth, and said she was in support of the proposed amendment and staff recommendation as written in the staff report.

Councilmember Moses said he had some concerns regarding the zoning which would be discussed with the next item but was in support of the proposed amendment with the protections in place.

Councilmember Coke spoke on the current condition of the property and said if the City Council is not forward-thinking and does not want to grow Lake Havasu City in a smart way, then the city is not going to be able to attract development. She thanked their team for being good neighbors and for all the concessions they made prior to coming to the City Council. She said she has been on the City Council for several years and does not remember any developer having such great relationships with their neighbors before even coming to City Council.

Councilmember Dolan said he had initial concerns regarding the shoreline and public access, but said he supported the project and appreciated the balance and their relationship with the neighbors to make it work.

Vice Mayor Diaz said he is pro-development but liked their proposal on the second bridge. He asked how that would work, to which Ms. Garry said the City Council could go into more detail with the development agreement (next item) but said it would be inserting another provision in the development agreement to address any additional provisions.

There were no further comments or questions from the Council.

Councilmember Campbell moved to adopt Resolution No. 26-3889 approving a Major General Plan Amendment revising the Future Land Use Map Designations for 1040 McCulloch Boulevard North, from Open Space and Park to Commercial Mixed Use, Resort Residential, and Resort Related Island, seconded by Councilmember Moses, and carried by the following vote:

AYE: 5 - Campbell, Coke, Dolan, Moses, and Sheehy.
NAY: 2 – Diaz, and Lin.

7.5 Discussion and Action: Ordinance No. 26-1376 Approving the Planned Development Rezone and General Development Plan of 1040 McCulloch Boulevard North, Metes and Bounds Parcel #107-15-015, 90.5 Acres, From Golf Course (G-C) District to Island Body Beach/Planned Development (I-B/PD) District to Accommodate a Mixed-Use Development With a Combination of Resort, Marina, Commercial, and Residential Uses; Specific Requested Exceptions; and Development Agreement Island Land Venture, LLC (Chris Gilbert)

Mr. Gilbert advised that this item requesting adoption of an ordinance approving a proposed Planned Development Rezone and General Development Plan for The Waterfront, a planned lakeside mixed-use community on Pittsburg Point also known as the “Island”. He said the public hearing on the Major General Plan Amendment for this property was heard in the previous item. Mr. Gilbert said the subject property is approximately a 90-acre parcel located on the south side of the Island, south of Beachcomber Boulevard, situated between the Nautical Beachfront Resort (to the east) and the Islander RV Resort (to the west), and the Nautical Estates Condominium development and Islander Storage and Marine to the immediate northwest. He noted that the subject property was formally operated as a golf course on leased state land until it was abandoned by its operators. Mr. Gilbert said following abandonment, a developer petitioned the Arizona State Land Department to initiate a sale and in response the state held a public auction in September 2023 at the Mohave County Courthouse in Kingman where the current applicant, not the original petitioner, successfully acquired the parcel. He said the City Council approved the request for a Major General Plan Amendment in the previous hearing for this 90-acre parcel from OSP creating the following three land use categories within which the various components of The Waterfront General Development Plan be constructed that support this rezone request - CMU in the northwest portion of the site, RE-RES in the central

portion, and RE-ISL designation for the southeastern portion. Mr. Gilbert explained that the property is currently zoned GC reflecting its former use and the zoning does not accommodate the proposed Waterfront mixed-use development. He said the applicant requests an amendment to the City's official zoning map for the property from the current category of GC to Island Body Beach/Planned Development (I-B/PD) for the entire 90-acres. Mr. Gilbert said approximately two-thirds of the Island today is zoned I-B/PD; therefore, this request would be consistent with this pattern. Mr. Gilbert stated that the applicant submitted a conceptual development plan as required by the plan development overlay requirements of the Development Code which includes a commercial area in the northwest adjacent to McCulloch Boulevard and Beachcomber Boulevard with approximately 67,000-square feet of commercial space, residential area in the central portion with over 300 dwelling units of various types including 90 multi-family units located between the commercial and single-family areas, and a resort area in the southeast portion featuring resort-facility bungalows and resort-related accessory uses.

Mr. Gilbert reviewed the following changes since the December 5, 2025, Commission meeting regarding this item:

1. The shoreline access and preservation easement within an average of 100 feet but not less than 15 feet is shown along its entirety. This easement size was increased from a standard width of 15 feet from 5.5 total acres along the frontage to 14.1 total acres, an increase of 156 percent.
2. The maximum height of the commercial buildings in the commercial area portion of the plan reduced an additional 8 feet to 40 feet in height.
3. Removal of certain uses from the permitted use table for the project including bar and lounge as a category, gun range, and gas station with fuel sales.
4. An additional request to the exception was added from Development Code Section 14.04.04.F, regarding property edge buffering adjacent to the existing Nautical Estates development. This will permit the developer and the Nautical Estates Homeowners Association to place whatever barrier the two parties agree upon between the proposed two-acre park on the west side of the commercial area between The Waterfront Project and Nautical Estates.

Mr. Gilbert noted that city staff has carefully reviewed the proposed General Plan Development Plan along with the supporting reports for public safety, water, sewer, and traffic infrastructure and said based on this review, staff has determined that the city is able to adequately provide services to the project provided that the conditions for approval are met. He displayed a picture of the proposed shoreline access plan, and stated that the applicant proposes to meet the shoreline preservation requirements by additionally providing three separate access points down to the shoreline in the vicinity of the resort due to steep topography along much of the shoreline, and added that these public access points, including all easements, will be recorded and secured during the platting process.

Mr. Gilbert said the applicant has requested the following exceptions from the Development Code for the Waterfront Project:

- The project-specific 'Land Use Categories for Waterfront Planned Development' table shall govern permitted, conditional, accessory, and temporary uses applicable to this General Development Plan.
- The project-specific 'Dimensional Standards for Waterfront Planned Development' table shall govern dimensional standards applicable to this General Development Plan.
- The maximum permitted fence/wall height at front, side and rear yard areas within the boundaries of the General Development Plan shall be set a maximum height of eight (8) feet. Retaining walls are excluded from the measure of the maximum fence/wall height allowance.
- Operating entry doors facing and visible from adjacent public streets, shall not apply within the boundaries of the General Development Plan.
- Lighting associated solely with the Resort component shall be exempt from lighting requirements and associated fixtures are permitted to emit up to 1,600 lumens and may be unshielded if mounted below eight

(8) feet in height. All lighting above this height, including building-mounted and parking lot fixtures, shall be fully shielded.

- Up to ten (1) off-premise signs providing directions to the Resort component shall be permitted within the boundaries of the General Development Plan and shall be exempt from the limitation that no more than 25% of the sign area may contain words or symbol identifying a business. One (1) sign may be up to twelve (12) square feet in area.
- Exception to the requirements of Development Code Section 14.04.04.F Regarding Property Edge Buffering Adjacent to the existing Nautical Estates Development.

Mr. Gilbert reviewed the following staff conditions for code compliance:

- The property shall substantially match the General Development Plan.
- All off-premise directional signs permitted by the requested exception shall be approved through a sign permit process.
- Applicant shall enter into a Development Agreement with the City addressing the Developer's responsibility related to current and future infrastructure installation and maintenance. A copy of this Development Agreement for the project is included with the staff report for your consideration this evening. It is requiring the developer to financially contribute to the cost of various off-site impacts of their project on existing City services surrounding the Waterfront property, including but not limited to sewer, water, and roadway infrastructure.
- Building Permits and Design Review for compliance with City Codes shall be required prior to any construction commencing on the subject property.

Mr. Berry outlined the following in his presentation on the Waterfront at Lake Havasu Project:

Zoning – City Staff Report

- “Conclusion: Staff finds that the request meets all requirements set forth in Section 14.05.04(K)(6) of the Lake Havasu City Development Code to approve this rezone planned development.”

Rezoning

- Proposed Zoning
 - I-B/PD (Island Body Beach Planned Development Overlay)

Community Collaboration

1. Increased public access: Revised Development Plan creates three new direct ungated vehicular, pedestrian, and bicycle routes through the community leading to the resort, public beaches, and public shoreline
2. Public beach access will be enhanced and maintained including a new public boat launch and new public parking
3. 100% of our shoreline will be subject to a public access easement
4. 15.7% of the entire project is public shoreline access
5. Public shoreline access area enlarged from 5.5 acres to 14.1 ac, a 156% increase
 - a. Entire shoreline easement will be average of 100'
 - b. Development Code requires 15', an increase of 567%
6. Require that the 18 custom home sites on the shoreline have a building envelope setback from the waterline of 100' average
7. Increased total on-site open space
 - a. Required: 18.1 Acres
 - b. Proposed: 33.3 Acres
 - c. 36.8% of entire site
 - d. 84% increase

8. As part of a master planned community all residences and buildings will be part of an HOA/POA that will provide quality design and maintenance standards
 - a. No City maintenance
9. Added enhanced pedestrian/bike crossing at Beachcomber Boulevard for safe connection to the Island Trail
10. Includes a variety of housing types (single family, townhomes, multifamily, and resort villas)
11. Parking increased by 47% over Code requirement including boat/RV spaces
12. Improve water pressure for existing Island residents by increasing waterline from 8” to a new 12” line exceeding the City’s requirements for water pressure and fire flow
13. Removed and replace existing effluent pond with an underground reclaimed water system that will provide landscape water
14. Reduce traffic by providing commercial uses that serve residents and visitors, reducing the need for cars to leave the Island
15. The City’s and ADOT’s “Second Bridge Feasibility Study” (July 2024) evaluated future 2030 and 2045 traffic conditions. The study shows that the two bridges have more than ample capacity for future traffic
16. Implement “dark sky” lighting
17. Removed the gas station from the master plan
18. Provided additional trees, shrubs, and ground cover
19. Provided landscaped buffers adjacent to The Islander neighborhood ranging between 50’ – 100’
20. Retained the 2 existing lighthouses
21. Removed 54 residential units from the Development Plan
22. Three driveways were removed from McCulloch Boulevard
23. Increased number of 36” box trees adjacent to The Islander
24. Reduced square footage of retail adjacent to Nautical Estates Condos by 21%
25. To buffer the Nautical Estates Condos, removed commercial driveway closest to them, eliminated full-size grocery store, located small market and loading area away from Condos, removed gas station, and added parking lot screen wall
26. Increased public park size adjacent to Nautical Estates Condos to 38,650 s.f.
27. Increased buffer for retail adjacent to Nautical Estates Condos with a building separation to the Condos of between 110’ and 260’
28. Eliminated following permitted uses in the Village Retail
 - a. “Bar and Nightclub”
 - b. “Gas Station with Fuel Sales”
 - c. “Shooting Range”
29. Increased buffer from multifamily adjacent to Nautical Estates Condos from 48’ to 150’
 - a. 213% increase
30. Replacement of air valve for Nautical Estates Condos that will upgrade their water system

Proposed Exception to Development Code at the Request of Nautical Estates Condos

- “J. An exception from City Code Section 14.04.04 E”

Waterfront at Lake Havasu

Public Boat Launch, Public Beach, and Resort



Waterfront at Lake Havasu

Retail Village



Waterfront at Lake Havasu Cove Beach **Public** Access and Resort



Zoning – Staff Report

- **“Conclusion:** Staff finds that the request meets all requirements set forth in Section 14.05.04 (K)(6) of the Lake Havasu Development Code to approve this zone change with conditions of approval as listed in the Requirements for Code Compliance section below.”
- **“Community Impact:** The proposed development will add another quality entertainment/resort property with related open space, boating, housing, and community amenities to the City, thereby continuing the promotion of Lake Havasu City as a premier destination.”

Summary

1. Staff determined the proposal meets all requirements of the Lake Havasu Development Code to approve the requested change
2. Unanimous Planning Commission recommendation for approval
3. Create and preserve extensive and meaningful public access to shoreline
4. Create and preserve views from the Lake with requirement for residential building envelopes setback from the Lake
5. New investment of estimated \$398 million
6. Development pays its own way
7. Commitment to excellence
8. If approved, construction to start as quickly as possible

Conclusion: Vision Statement

- The Waterfront at Lake Havasu is a once in a generation opportunity to create and iconic, mixed-use resort and recreation focused community in one of Arizona’s most spectacular and unique locations.

Vice Mayor Diaz asked for more information on the financial contribution that is listed within the conditions for code compliance, to which Mr. Gilbert stated that the financial contribution (\$1 million) is included in the Development Agreement and is related to current and future infrastructure installation and maintenance, requiring

the developer to financially contribute to the cost of various off-site impacts of their project on existing City services surrounding the Waterfront property, including but not limited to sewer, water, and roadway infrastructure.

Discussion ensued related to the timeline of the second bridge construction. Mr. Knudson said the goal is for the construction of the second bridge to commence in 2027.

Councilmember Campbell said she would like to give more certainty to the developer and tie the issuing of their certificate of occupancy to the second bridge. Mr. Berry said they would agree to that change if that is the will of the Council.

Mayor Sheehy opened the public hearing.

The following individuals spoke in support of the Planned Development rezone:

- Mr. Gary Meyers, citizen
- Mr. Jarrett Portz, citizen
- Mr. Chad Nelson, citizen
- Mr. John Parrott, citizen
- Mr. Jim Harris, citizen
- Mr. Tim Murray, citizen

The following individuals spoke in opposition to the Planned Development rezone:

- Mr. Charles Taylor, citizen
- Mr. Dave Johnson, citizen
- Mr. Emiliano Torress, citizen
- Mr. Steve Greeley, citizen

Ms. Linda Beller, citizen, addressed the council regarding the timeline and design for the second bridge. She thought the second bridge had to be built by a certain time or the City would lose the funding.

Mayor Sheehy said that was not correct and the City received verification through Representative Biasiucci who championed that legislation through the State budget process.

There being no further comments, Mayor Sheehy closed the public hearing.

Mr. Berry addressed some of the public comments and questions that were made. He said the boat storage units would not be visible from the water, they have not received approval from other agencies at this time, and there will be courtesy docks for those arriving at the hotel. Mr. Berry said as to the Development Agreement language, they are willing to do whatever the City Council wants to do – whether that is limited to horizontal construction or no Certificate of Occupancy until the second bridge is completed.

Mayor Sheehy said when it comes to tying the project to the second bridge, he believes there will be some unintended consequences. He said he agreed with Councilmember Campbell's comments with tying it to the Certificate of Occupancy versus construction, but said he was also comfortable with not tying it to the second bridge depending on the will of the Council.

Councilmember Dolan thanked the developer for stepping up, setting the bar, and the work they have done. He said he was in support of the proposed project and appreciates that it is a Planned Development with shoreline and public access. He said he was not in favor of tying the project to the second bridge.

Councilmember Moses said he was in support of the proposed project and also appreciated that it was a Planned Development with a lot of protections. He asked if the lighthouses were within the shoreline easements and if they would be recorded and protected, and if the group that maintains the lighthouses would have access.

Mr. Berry displayed a site plan showing the location of the lighthouses and said the developer would be willing to pay for the maintenance of the lighthouses.

Councilmember Moses spoke on the repercussions of tying the project to the second bridge. He asked what assurances the city has that this project would be built as promised, to which Mr. Berry said the City Council has built into the City Code a requirement that if construction does not start within a certain amount of time they can have a property owner come back to explain why the project has not moved forward and the City Council also has the ability to reconsider. He said they are aware of that and understand the necessity to move forward. Councilmember Moses asked if the developer/owner would be building the project or have someone else building it, to which Mr. Berry said it was too early to tell. Councilmember Moses asked if the project would be built in phases or all at once, to which Mayor Sheehy said if it is approved with a Planned Development, the approved zoning is the only thing that could be built without going through another public process in front of the Commission and City Council. Mr. Gilbert noted that the actual zone for the property is going to be Island-Body Beach/PD for the whole thing but there are nine components within the General Development Plan that accommodate the different types of development, and the developer would be held to all nine components (as listed in Exhibit C). He said each of the areas would have to hold to those components as well as the boundaries of the General Development Plan that they are contained to. Councilmember Moses said he would be open to tying the Certificate of Occupancy to the second bridge if that is the will of the Council.

Councilmember Coke said she was not set on tying the project to the second bridge as she does not want to hinder their abilities based on something that may be out of the city's control; therefore, not in their control.

Vice Mayor Diaz asked if they have had any conversations regarding the boat ramp and docks with the Army Corp of Engineers or Coast Guard, to which Mr. Berry said they have not had any conversations yet. He said they want and need the ramp so they would utilize all their resources to work through the process. Vice Mayor Diaz said without the second bridge being built the proposed project would put too much pressure on the London Bridge. He said was in support of the project being tied to the second bridge.

Mayor Sheehy reiterated that he does believe it is a slippery slope asking for a condition of a public infrastructure project that the city is responsible for tied to this development. He said the City is responsible for completion of the second bridge and would be in favor of the suggested motion as written in the staff report without tying it to the second bridge.

Councilmember Campbell moved to adopt Ordinance No. 26-1376 approving the Planned Development Rezone and General Development Plan of 1040 McCulloch Boulevard North, from Golf Course (G-C) District to Island Body Beach/Planned Development District to accommodate a Mixed-Use Development with a combination of resort, marina, commercial, and residential uses; specific requested exceptions; and Development Agreement Island Land Venture, LLC, seconded by Councilmember Coke, and carried by the following vote:

AYE: 5 - Campbell, Coke, Dolan, Moses, and Sheehy.
NAY: 2 - Diaz, and Lin.

7.6 Discussion and Action: Bid for New Laboratory Building Project to TR Orr, Inc. (Brent Cummings)

Deputy Director of Public Works Tim Kellett outlined the following in his presentation on the Water Quality Laboratory:

Compliance/Process Control

- ADEQ Requirement
 - Water System
 - 60 compliance total coliform samples per month
 - Average of 119 process control samples per month
 - PH, DO, Alkalinity, TDS, Ammonia, Hardness, Calcium Conductivity
 - Wastewater System
 - Approximately 135 compliance samples per month
 - E.coli, Fecal Coliform, Total Coliform, Nitrate-Nitrite as N, Total N, Nitrate, Nitrite as N
 - Approximately 497 process control samples per month
 - pH, TSS, Total solids, Volatile solids, Hach Nitrates, Hach Nitrites, ammonia, COD, BOD, Alkalinity, TDS, Conductivity, UVT

Cost Effective – 2025 Water/Wastewater In-House Testing

- Fecal Coliform/E.coli (778 tests) - \$45.00 (Outside Lab Cost*) – Total: \$35,010.00
- Total Coliform (1030 tests) - \$45.00 (Outside Lab Cost*) – Total: \$46,350.00
- Nitrate as N (197 tests) - \$35.00 (Outside Lab Cost*) – Total: \$6,895.00
- Nitrite as N (162 tests) - \$35.00 (Outside Lab Cost*) – Total: \$5,670.00
- Alkalinity (775 tests) - \$40.00 (Outside Lab Cost*) – Total: \$31,000.00
- pH (927 tests) - \$10.00 (Outside Lab Cost*) – Total: \$9,270.00
- BOD (126 tests) – \$70.00 (Outside Lab Cost*) – Total: \$8,820.00
- COD (313 tests) – \$65.00 (Outside Lab Cost*) – Total: \$20,345.00
- Total Suspended Solids (1943 tests) - \$35.00 (Outside Lab Cost*) – Total: \$68,005.00
- Total Dissolved Solids (336 tests) - \$15.00 (Outside Lab Cost*) – Total: \$5,040.00
- Calcium/Hardness (182 tests) - \$20.00 (Outside Lab Cost*) – Total: \$3,640.00
- Specific Conductance (246 tests) - \$35.00 (Outside Lab Cost*) – Total: \$8,610.00
- Ammonia (1079 tests) - \$35.00 (Outside Lab Cost*) – Total: \$37,765.00
- **Total Testing Cost: \$286,420.00**

**Price based on current Mohave Environmental Lab and Eurofins Rates. Total cost does not include costs needed to deliver or ship samples.*

Service to Community

- 19 client accounts
 - State contracts, small water/wastewater systems, contractors
 - Area ranging from Yuma, AZ to Yucca, AZ
 - 1,113 compliance tests run for outside clients in 2025
 - Annual Revenue: \$39,527 (2025)

Project Manager Brent Cummings advised that the item before the Council is to award bid for the New Laboratory Building Project located at 360 Cypress Drive to TR Orr, Inc., in the amount of \$1,517,282. Mr. Cummings said the project would better serve and meet regulatory compliance requirements, improve working conditions and safety for employees, provide room for growth, allow for an increase in water and wastewater testing requirements as well as additional testing that may be required in the future. He said the City has outgrown the existing building and this project would consist of constructing a new 2,300 square foot laboratory building and site work with a paved parking lot. Mr. Cummings reviewed the project schedule and said the project is anticipated to be completed in July 2026.

Councilmember Lin asked if there would be additional costs for the laboratory equipment, to which Mr. Kellett noted that some equipment is included in the project costs; however, there are additional equipment costs that are not included in the bid and also pieces of equipment that would be moved over from the existing building.

Discussion ensued regarding collaborating with other agencies and opportunities for sample testing.

Councilmember Moses said he recently toured the laboratory building in Scottsdale and was excited for this project.

Vice Mayor Diaz asked about the plans for the existing building, to which Mr. Kellett explained that the building was previously used as a belt room for motors and said the redesign of that room is something that the Public Works Department would consider after evaluating the condition.

Mayor Sheehy opened the public hearing.

Mr. Torres addressed the council and spoke on the lab building being a source of revenue that is not related to tourism.

Mr. Murray addressed the council and asked about the utility costs.

Mr. Cummings reviewed the site plan, utilities, and costs. He explained that some of the utility work has been done in-house.

There being no further comments, Mayor Sheehy closed the public hearing.

Mr. Knudson said in remembrance of former City employee Dr. Thilak Fernando, who worked at the existing laboratory for over 20 years and unexpectedly passed away a couple of months ago, the City would like to name the new water laboratory “Thilak Fernando Water Lab” in memory of Dr. Fernando.

Councilmember Moses moved to award the bid for the New Laboratory Building Project to TR Orr, Inc., in the amount of \$ 1,517,282, and naming it the “Thilak Fernando Water Lab”, seconded by Vice Mayor Diaz, and carried by the following vote:

AYE: 7 - Campbell, Coke, Diaz, Dolan, Lin, Moses, and Sheehy.
NAY: 0 – None.

CALL TO THE PUBLIC

Ms. Toy addressed the council regarding the crosswalk on Magnolia Drive.

CURRENT EVENTS

There were no council committee reports.

FUTURE MEETINGS

Tuesday, January 27, 2026 @ 5:30 p.m. – Regular Meeting

Tuesday, February 10, 2026 @ 5:30 p.m. – Regular Meeting

FUTURE DISCUSSION ITEMS

There were no requests from council for future discussion items.

ADJOURN

The meeting adjourned at 10:33 p.m.

CERTIFICATION

I hereby certify that the foregoing is a full and true copy of the Regular Meeting Minutes of the Lake Havasu City Council held on the 13th day of January, 2026. I further certify that the meeting was duly called and posted, and that a quorum was present.

Kelly Williams, City Clerk/MMC