

November 2019 NEWSLETTER

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Any opinions contained herein are my own, and do not necessarily reflect the views of the City of Sedona or the Sedona City Council. Much of the content of this newsletter is taken directly (i.e. verbatim) from public documents. My highlights are not intended to be all inclusive - the public record is the final authority. If you have friends/neighbors that would like to get added to my newsletter send them to my website at <https://www.councilorchisholm.com> where they can signup. I have also posted my previous newsletters on the site.

You can reference greater detail and supporting documentation related to the city council meetings items via the following;

- <http://www.sedonaaz.gov/your-government/council-commissions-committees-boards/meetings-video-audio>
- <http://www.sedonaaz.gov/your-government/council-commissions-committees-boards/meetings-documents>
- <http://www.sedonaaz.gov/your-government/departments/city-clerk/council-commissions-committees-boards/city-council/meetings-agendas-packets-minutes>

Sign up for the city's e-Notify service to stay in touch with city events, functions, activities.

- <http://www.sedonaaz.gov/community/news-information/enotify-sign-up-for-news>

Snapshot of Key Activities Since Last Newsletter

- 10/30/2019
 - The 1st of 3 sessions of the Arizona Legislature Joint Adhoc Committee on the Impact of Short-Term Rentals on Arizona Communities was held on October 30, 2019. You can watch the 4-hour 11-minute proceeding at http://azleg.granicus.com/MediaPlayer.php?clip_id=23330&autostart=0
- 11/12/2019
 - <in executive session> The city council had discussion/consultation with staff and the City Attorney regarding potential negotiations for the acquisition of real property for the siting of the Hope House Community Development Block Grant housing project. This matter was brought in executive session pursuant to A.R.S. §38-431.03(A)(7).
 - <in executive session> The city council had discussion/consideration regarding employment of the City Attorney. This matter was brought in executive session pursuant to A.R.S. § 38-431.03(A)(1).
 - The city council unanimously approved a Proclamation establishing November 27, 2019 as Complaint Free Wednesday.
 - The city council unanimously approved a Proclamation establishing November 30, 2019 as Small Business Saturday.
 - The city council unanimously approved the APS Solar Communities Agreement for the installation of solar photovoltaic carports at City Hall. This agreement boils down to the city making a \$40k investment with the APS Solar Communities project and in return we get new and

expanded carports valued at ~\$200k, \$90k in electric credits over the next 20 years, and we help contribute renewable energy to the grid in keeping with our cities environmental focus.

- The city council discussed intended goals, objectives, and possible future action items related to the “Sense of Place” Council priority item.
- 11/19/2019
 - The Planning & Zoning Commission discussed a recommendation to reclassify some types of Major Plan changes to Minor. The commission decided to push the recommendation back to city staff for modification before potentially resubmitting to the commission for further consideration.
- 11/21/2019
 - The city council participated in a Verde Valley Intergovernmental meeting hosted at the council chambers in Sedona. Staff and elected officials from Camp Verde, Clarkdale, Cottonwood, Jerome, Yavapai County, Coconino County, and Sedona meet to discuss; climate change, legislative proposals related to the upcoming Arizona legislative session, Verde Connect, short term rentals, housing, and transit.
- 11/26/2019
 - <in executive session> The city council had discussion/consultation with staff and the City Attorney regarding potential negotiations for the acquisition of real property for the siting of a transit hub in the vicinity of the “Y” intersection in the City of Sedona. This matter was brought in executive session pursuant to A.R.S. 38-431.03(A)(7).
 - The city council unanimously approved a professional services contract for design of the Police Station Renovation/Expansion Project with Gabor Lorant Architects, Inc. in an amount not to exceed \$231,785.
 - The city council unanimously approved the purchase of real property located at 2120 Grasshopper Lane in Sedona for an amount not to exceed \$200,000 and to resell the property to Hope House for the development of temporary housing for homeless families with children.
 - The city council unanimously approved the reappointment/appointment of Planning & Zoning Commissioners.
 - The city council unanimously approved the reappointment of Historic Preservation Commissioners.
 - The city council unanimously approved a Resolution and Ordinance updating the City of Sedona’s Consolidated Fee Schedule.
 - The city council unanimously approved a Resolution and Ordinance revising Chapter 5.25 of the Sedona City Code (Short-Term Rental Regulation) to include the authority provided in HB 2672.

Did You Know

- City council elections are to be held August 4, 2020. If you wish to run for the Sedona City Council, candidate packets are available at the Sedona City Clerk’s office at 102 Roadrunner Drive <http://www.sedonaaz.gov/Home/Components/News/News/4966/473>
- See the Sedona 2019 Community Report @ <http://sedonaaz.gov/home/showdocument?id=40234>
- Sedona Pledge <https://visitsedona.com/sedona-cares-pledge/sedona-cares-pledge/>

- NACOG SILVER Program; 60 years or older, on fixed/limited income, in need of assistance with electric, natural gas, propane, wood, or wood pellets, UPTO \$800 annual financial assistance toward utility costs. Contact Annick @ NACOG @ 928-300-0894.
- Participate in city budget planning- The city encourages residents to apply for the Budget Work Group to serve as a citizen sounding board throughout the upcoming annual budget process. Those interested in this commitment should apply before Dec. 14 by filling out the volunteer questionnaire found here: <http://www.sedonaaz.gov/your-government/departments/city-manager/citizen-engagement/volunteer-questionnaire>. Please make sure to check the box that indicates interest in budget oversight and include any relevant finance experience. For more information contact Citizen Engagement Coordinator Lauren Browne at lbrowne@sedonaaz.gov.

Key Upcoming Events

- 12/10/2019 @ 430pm
 - TENTATIVE AB 2547 Approval of a Construction Manager at Risk Construction Services Contract with Kinney Construction Services for the Wastewater Collection System Improvements – SR179 Sewer Main Replacement Project.
 - TENTATIVE AB 2541 Approval of a Development Agreement regarding affordable housing between the City Sedona and Adobe Jack LLC.
 - TENTATIVE AB 2549 Approval of an Amended Final Plat for Yavapai Plaza, PZ19-00013 (SUB).
 - TENTATIVE AB 2548 Discussion/possible action regarding the approval of a contract not to exceed \$75,000 with Reagan Word for artwork to be placed in the Uptown roundabouts as a part of the Uptown Roadway Improvements Project.
- 12/11/2019 @ 3pm
 - TENTATIVE AB 2538 Discussion/possible direction regarding the final report for the Uptown Sedona Parking Facility Needs, Siting, and Design Concept Assessment.
- 12/12/2019 @ 5pm
 - The 2nd of 3 sessions of the Arizona Legislature Joint Adhoc Committee on the Impact of Short-Term Rentals on Arizona Communities will be held in Phoenix. The mayor will be given 15 minutes to present. I anticipate getting 3 minutes to present.

More Information Related to the Above Snapshot of Key Activities Highlighted in 1st section

- 10/30/2019 - The 1st of 3 sessions of the Arizona Legislature Joint Adhoc Committee on the Impact of Short-Term Rentals on Arizona Communities was held on October 30, 2019. You can watch the 4-hour 11-minute proceeding at http://azleg.granicus.com/MediaPlayer.php?clip_id=23330&autostart=0

As a result of feedback from several Arizona municipalities and with support from the Governor the Arizona Legislature established an Adhoc Committee to review the unintended consequences associated with the SB1350 legislation passed in 2016 and effective 1/1/2017.

The defined purpose of the committee is to “(1) compile data, reports and testimony on the prevalence of short-term rentals in Arizona and individual communities; (2) consider the community impacts of short-term rentals including on municipal residency, workforce housing stock and residential rental

prices; (3) evaluate the implications of tax revisions on the short-term rental market; and (4) discuss opportunities to address emerging challenges presented by short-term rentals.”

The committee is comprised of 6 members of the Arizona Legislature;

1. Senator Kate Brophy McGee, Co-Chair, District 28
2. Senator Sean Bowie, District 18
3. Senator David Livingston, District 22
4. Representative John Kavanaugh, Co-Chair, District 23
5. Representative Isela Blanc, District 26
6. Representative Travis W. Grantham, District 12

The committee will have 3 meetings. The first was held on October 30th was to discuss ‘nuisance’ issues. The second to be held December 12th is to discuss ‘concentration’, and the 3rd is to discuss potential ‘remedies’. It is expected the work of this adhoc committee will be used to facilitate potential legislation when the legislature is back in session early January 2020.

In summary I believe there is near uniform support allowing property owners to leverage the sharing economy via vacation/short-term rentals if those property owners live in the home being shared. Opinions diverge when the property owner is an investor, LLC, or otherwise an absentee owner.

In my opinion the greatest unintended consequence of the SB1350 legislation was the destruction of traditional neighborhoods. The destruction of neighborhoods due to the reduction of households you would traditional characterize¹ as ‘neighbors’ is the main complaint I hear from Sedona residents with regards to our states implementation of vacation/short-term rental regulation.

- 11/12/2019
 - The city council unanimously approved the APS Solar Communities Agreement for the installation of solar photovoltaic carports at City Hall. This agreement boils down to the city making a \$40k investment with the APS Solar Communities project and in return we get new and expanded carports valued at ~\$200k, \$90k in electric credits over the next 20 years, and we help contribute renewable energy to the grid in keeping with our cities environmental focus.

The adoption of solar power offers many benefits for cities, including cleaner air, increased energy security, and reduction of harmful emissions. The Arizona Public Service (APS) Solar Communities Program offers the opportunity to install a solar photovoltaic system at City Hall with no installation or maintenance costs to the City. The installation of a solar PV system showcases the City’s dedication to environmental sustainability, as outlined in the 2013 Community Plan. Solar power is already in use by many homes and businesses in Sedona, and there is potential for expanding the use of solar energy throughout the community. The use of renewable energy will reduce City utility costs while decreasing the use of fossil fuels. The APS

¹ i.e. people you trust to; feed your cat, take in your mail, with your garage lock code, check on you when they don’t see you, routine relationships, etc.

Solar Communities program provides the opportunity to install a solar PV system on covered parking at City Hall. The Solar Communities Program is a utility-owned solar distributed generation program in which the power generated by the estimated 150 kW system will be delivered to the APS electric grid. In exchange, APS will install, operate, and maintain the solar PV system, free of charge, and the City will receive \$375 monthly to compensate for the lease of the system.

Process: To install a solar PV system on covered parking at City Hall, the following will occur:

- An easement of the City Hall property under the carports must be granted to APS for the purpose of installation, operation, and maintenance of the solar PV system.
- APS will contract with Harmon Electric to demolish existing carports, construct new and additional carports and install solar panels on new carports. The City is responsible for the cost of demolishing the carports.
- APS will own, install, operate, and maintain an approximately 150 kW-ac solar PV system on top of the carports on City property for 20 years.
- APS will pay all costs associated with installation, ownership, operation, and maintenance of the solar PV system.
- APS will install dark-sky compliant lighting fixtures attached to covered parking structures and maintain the fixtures for three years.
- Renewable electricity generated will be delivered to the electric grid.
- The City will receive a monthly incentive of \$375 applied to the electric bill.
- Either APS or the City of Sedona may terminate this agreement. Upon termination, APS will remove the solar array at its cost.

Harmon Electric will begin phased demolition of the existing carports on November 18, 2019 with the goal of completing the carport construction and solar installation by the middle of January 2020. Construction will occur Monday through Friday, 7:00 a.m. – 3:00 p.m. Staff will work to inform City employees and community members of parking alternatives and to minimize inconvenience to the public during construction.

The City will need to demolish our existing, aging carports which is estimated to cost \$40,000. APS will construct new carports covering an additional 15 spaces.

- The city council discussed intended goals, objectives, and possible future action items related to the “Sense of Place” Council priority item.

During the January 15, 2019 Council retreat, by majority consensus, Council agreed to the following priorities and rankings:

- Traffic - High
- Housing - High
- Environmental Stewardship/Sustainability – High
- Political Capital & Communication - High
- Permanent Base Adjustment - High

- Sedona Chamber of Commerce & Tourism Bureau - High
- Economic Diversification - Medium
- Emergency Preparedness - Medium
- Short-Term Rentals – Medium
- Sense of Place - Low

The Community Plan identifies *Sense of Place* as one of six vision themes and answers the questions regarding what it will look like, what it means, and how it will happen. Following is a summary of Community Plan elements captured within the main bullet points. Below each set of main bullet points, sub-bullet points in red describe actions taken by the City that may address each point. According to that vision theme (Community Plan, page 15):

WE APPRECIATE AND RESPECT OUR UNIQUE SURROUNDINGS THAT REFLECT THE NATURAL BEAUTY, ARTS, CULTURE, HERITAGE, AND OPPORTUNITIES FOR PHYSICAL AND SPIRITUAL RENEWAL.

What Will It Look Like:

- Sedona will have a unique and distinctive image and identity.
- The built environment will blend with the natural environment.
 - The Land Development Code (LDC) update continued and/or strengthened design standards for things like height, color, signage, materials, landscaping, etc.
 - The Community Focus Area (CFA) plans identify additional design standards and desired characteristics for new and redevelopment specific to each of these
 - unique areas of the community.
- Oak Creek will be a prominent and protected feature of the community.
 - A main goal of the Schnebly CFA/Oak Creek Heritage District is to preserve and protect Oak Creek.
 - The Uptown CFA is underway and incorporates preservation and protection of Oak Creek.
 - The CFA's encourage a creek walk or park.
- Historic sites will be recognized and preserved.
 - Historic Ranger Station was purchased by the City, and the proposed park includes building restoration (within next two fiscal years).
 - Historic Recognition Program was added in addition to landmarking program.

What It Means:

- We will be known as a clean, green, and sustainable community.
 - The new building codes incorporated several sustainable building requirements, including the adoption of a new energy code.
 - New Sustainability Program (recent additions of Coordinator and Vista positions)
 - All CFA Plans

- Completion of a Greater Sedona Transit Implementation Plan to pursue transit as an alternative means of transportation for both visitors and residents.
- A bicycle/pedestrian planning effort is currently underway, and a number of new multi-use paths have either been constructed or are in the planning and design phase currently.
- Chamber Sustainable Tourism Plan
- Sedona will be a serene and beautiful place to live and visit.
 - LDC & Development Review
 - All CFA Plans
 - Specific Sustainable Tourism Plan goals and objectives
- Sedona will retain its small-town character.
 - LDC & Development Review
 - All CFA Plans
 - Parks & Rec Events

How It Will Happen:

- Design standards will continue to limit building height, lighting, signs, and colors.
 - LDC & Development Review
- The built environment will integrate the natural topography and vegetation.
 - All CFA Plans
 - Schnebly CFA/OC Heritage District
- The City Historic Landmark Program will protect and celebrate historic sites.
 - Historic Preservation Program/HPC (recognition program, events, etc.)

The Community Plan also identifies Community Connections as one of those six vision themes as follows. (Community Plan, page 11):

WE MEET - AT EVENTS AND AT RANDOM - TO SHARE EXPERIENCES, HELP OTHERS, IMPROVE OUR COMMUNITY, ENJOY THE ARTS, AND CELEBRATE OUR HERITAGE.

What Will It Look Like:

- There will be people-oriented public gathering spaces throughout the City.
 - Proposed Ranger Station Park
 - Parks and Recreation – parks, events, and event venues (Hub, Pavilion)
- Parks, plazas, cafes, concert venues, festivals, and markets will be dynamic places where people socialize.
 - Parks and Recreation – parks, events, and event venues (Hub, Pavilion)
 - All CFA Plans
- There will be a diversity of people interacting with each other – whether by age or background, resident, or visitor.
 - Parks and Recreation – parks and events

What It Means:

- We will be a friendly, welcoming, and neighborly community.
- We will be a community of active and productive volunteers.

- Citizen Engagement Program
- City/PD volunteers/Commissioners
- Volunteer Rangers
- We will collaborate with and support each other.
 - Public planning collaboration (CFAs, transportation/transit/bike-ped plans, etc.)
 - Citizen Engagement Program
- We will have a variety of educational opportunities for learning and interaction.
 - Arts and Culture Artist in the Classroom Program
 - Citizen's Academy/PD Citizen's Academy
- We will help nurture a safe, supportive community that is responsive to the needs of youth and families.
 - Affordable housing needs assessment and development of action plan in progress.
 - Parks and Recreation programs
 - Police Dept programs

How It Will Happen:

- There will be walkable districts with a mix of residential and commercial.
 - The new Land Development Code includes new mixed-use zoning districts.
 - A bicycle/pedestrian planning effort is currently underway, and a number of new multi-use paths have either been constructed or are in the planning and design phase currently.
 - Pedestrian wayfinding kiosks, pedestrian lighting, and new sidewalk connections have been installed in Uptown to improve walkability.
- There will be more direct access between neighborhoods and popular destinations.
 - The 2017 Transportation Master Plan identified the need for new bicycle/pedestrian and vehicular connections between neighborhoods. Several projects are underway.
 - A bicycle/pedestrian planning effort is currently underway, and a number of new multi-use paths have either been constructed or are in the planning and design phase currently.

Other clues as to the kinds of things that could enhance sense of place could be found in the Community Plan Chapter titled, "Community". That chapter includes sections on community character, arts, culture, and historic preservation. A brief review of literature on "sense of place" suggests it is commonly thought of as the characteristics that create a bond between people and places. In that regard, it is not limited to the natural or even physical environment but also encompasses sociocultural aspects of society. Recent citizen surveys may also reveal clues into community characteristics that strengthen our sense of place and those that don't. For instance, citizens gave high ratings in areas including: "the overall natural environment", "cleanliness", "air quality", "place to visit", "recreational opportunities", and "opportunities to volunteer". Citizens gave low scores in areas including: "travel by public transportation", "affordable quality housing", "cost of living", "employment opportunities", and "childcare and preschool".

- The Planning & Zoning Commission discussed a recommendation to reclassify some types of Major Plan changes to Minor. The commission decided to push the recommendation back to city staff for modification before potentially resubmitting to the commission for further consideration.

A major amendment to a general plan is defined by State Statutes as “...a substantial alteration of the municipality’s land use mixture or balance as established in the municipality’s existing general plan land use element”. The statute provided for each municipality to define the criteria to determine if a proposed amendment to the general plan is a substantial alteration and therefore a major amendment. Per State Statutes, major amendments must be considered once-per-year and require a 2/3 vote of the City Council to approve. These State requirements, passed in 1998 and 2000, were part of a package of changes for general plans known as “Growing Smarter”. Prior to the passage of this legislation, Arizona law did not define a major amendment and did not limit how often amendments to general plans could be considered. Although state law did not limit general plan amendments, Sedona’s general plan, known as the Sedona Community Plan, by policy, could only be amended once every three years and was therefore more restrictive. The new Growing Smarter legislation, while intended to be more restrictive for most cities and towns, had the opposite effect on Sedona by requiring consideration of major amendments once per year. Since cities and towns could choose the criteria for what constituted a major amendment, in 2001, Sedona established very low thresholds for major amendments, including any increase in residential density, partly to offset the more lenient Growing Smarter allowance of consideration of major amendments once per year. Additionally, the City required and continues to require a city-wide mailing notification for major amendments. Staff is not aware of any other Arizona city or town that implements a city-wide mailing notification. Since 2001, there have been some changes to Sedona’s major amendment criteria, but the thresholds remain one of the most, if not the most restrictive in the State. In general, the Sedona Community Plan’s major amendment criteria cover certain changes to the Community Plan Future Land Use Map and certain changes to the text of the Plan. Changes to the Map include:

- An increase in residential density involving a higher density range.
- An increase in residential density above 12 units per acre.
- Changes in land use from Residential to Commercial, Commercial/Lodging and Planned Area.
- Changes from Public/Semi-public to Residential, Commercial, Commercial/Lodging and Planned Area.
- Changes from Planned Area to Commercial and Commercial/Lodging.
- Changes from Commercial to Commercial/Lodging if outside Lodging Area Limits.
- Changes from Parks and Open Space to any other designation.
- Adding a new land use designation.

Properties within areas that are otherwise supported by adopted CFA plans or Planned Area designations are not subject to the major amendment criteria. Text amendments that change density ranges or intensity of use, substantial changes to goals and policies in the Land Use Housing and Growth chapters or the addition of a new land use designation are also considered as major amendments. All other amendments to the Community Plan that are not defined as

“major” are considered minor amendments. A Minor Amendment can be considered at any time and does not require city-wide notification or a 2/3 vote. Staff looked at land use-related major amendment criteria for 21 other Arizona cities and towns and believes that Sedona’s criteria is one of the most, if not the most restrictive. The majority (12) of these cities and towns employ a flat acreage threshold or thresholds for different uses or in combination with a number of residential units. The lowest acreage thresholds were in Payson, Casa Grande (projects over 20 acres) and Lake Havasu City (five acres within platted areas). Cities and towns using the acreage thresholds tended to be the smaller communities. Many of these had a 40 acre “cutoff”. Five of the communities evaluated used a combination of percent change and acreage thresholds, or other land use-based changes plus the acreage thresholds. Another two communities used acres or the number of units of change (or percent of change). Another two communities used a more customized system and in the case of Flagstaff, fairly complex.

Although some changes have been made to Sedona’s major amendment thresholds over the years, including exceptions where CFA plans have been adopted, staff believes that the major amendment process is overly restrictive, particularly for smaller projects with minimal impacts to the overall goals of the Plan. Since Sedona has a very low threshold for what constitutes a major amendment, most Community Plan amendments considered by the Planning and Zoning Commission and City Council are major amendments and must be all considered together only once per year. The once per year timeframe and very high City-wide noticing costs can discourage potential applicants from seeking to amend the Plan. For residential projects that may require higher densities to create more affordable housing options, it may be an unnecessary hurdle when rezoning and development review approvals are still required. Minor amendments require the same level of staff review and must be approved through public hearings with the Planning and Zoning Commission and City Council but can occur throughout any given year. Staff believes that proposed increases in residential density (including single-family to multi-family), where no other land use change is proposed, should not need a major amendment, particularly since housing diversity and affordability is a major goal of the Community Plan. Staff also reviewed the acreages of the past 15 major amendment applications. Eight of these were under five acres and seven were over five acres. Based on this, staff also believes that a five-acre threshold should be considered for some other proposed land use changes. This is still restrictive in comparison with other cities and towns. Land use changes where lodging could be proposed would continue to require a major amendment regardless of the proposed acreage.

Staff recommended that an increase in residential density regardless of parcel size and some other land use changes of five acres and under be considered as minor amendments. This is based on the following:

- The current major amendment review process may discourage applications that should at least be given consideration.
- The major amendment criteria are unnecessarily restrictive. Staff believes that providing less restrictive major amendment criteria is more consistent with most other Arizona cities and towns.
- Since housing diversity and affordability is a major goal of the Community Plan, minor amendment consideration should be sufficient for proposed residential density changes.

- 11/21/2019

- The city council participated in a Verde Valley Intergovernmental meeting hosted at the council chambers in Sedona. Staff and elected officials from Camp Verde, Clarkdale, Cottonwood, Jerome, Yavapai County, Coconino County, and Sedona meet to discuss; climate change, legislative proposals related to the upcoming Arizona legislative session, Verde Connect, short term rentals, housing, and transit.

Representatives from the Sustainability Alliance briefed the group on the Sustainability Alliance mission and focus areas. The 2 representatives asked for volunteers from the elected officials in the room to participate in a sub-committee whose goal would be to discuss climate change as it relates to the Verde Valley. I volunteered to participate and am awaiting feedback from the Sustainability Alliance on others that agreed to participate as well.

Supervisor Garrison (Yavapai County) and Supervisor Babbott (Coconino County) reported on the items the supervisors would like the Arizona Legislature to consider this up coming session;

1. Give counties the authority to apply a bed tax to lodging establishments in the unincorporated areas
2. Create a new 25 cent excise tax to support funding the unfunded liability associated with PSPRS
3. Enhancements to Title36 – mental incompetence/restoration to competency statutes
4. Certain Property tax exceptions for widows, and veterans
5. Define vacation/short-term rentals as commercial for tax purposes

Supervisor Garrison shared that there are many developers wanting to build housing in Yavapai County.

Our city manager (Justin Clifton) briefed the group on our Housing Assessment analysis currently in-flight and lobbied the other cities and towns to share in the funding required to expand the scope of the study to include areas outside Sedona within the Verde Valley. The additional cost for the expanded analysis area is \$40k – Cottonwood committed to contribute \$10k.

- 11/26/2019

- The city council unanimously approved a professional services contract for design of the Police Station Renovation/Expansion Project with Gabor Lorant Architects, Inc. in an amount not to exceed \$231,785.

This design is to improve and expand the existing Sedona Police Station and will consist of two (2) phases. Phase 1 of the design will remodel the existing women's locker room. Currently, the women's locker room/bathroom is undersized for the current and anticipated number of female officers. Phase 2 of the design will encompass the remainder of the Police Station, determining where space is currently efficient and effective, and where improvements will be necessary. This Phase will likely result in expansion between the police station and the courtroom offices as well as potentially expanding within the main courtyard area. The improvements made to the Police

Station will allow for a more functional, sustainable, and secure environment and will allow the Police Department to grow as necessitated by the community needs.

The Sedona police station is located at 100 Roadrunner Drive. The City Hall plaza was originally a standard office complex and was not designed to accommodate a future police station. The Police Department has made the retrofit space work, despite lacking in several key amenities. The current Sedona Police station is approximately 5,900 square feet and the garage is approximately 8,700 square feet. Over the years, there have been many alterations, additions, and improvements to the Police Station facility. Improvements include the underground garage, ADA holding cells and ramp, the armory, gym, and K9 area, and shifting offices/meeting space walls around. Even with these improvements there are still many issues that cannot be addressed within the existing space. Some of the issues with the facility are:

- Lacking safety and security features that a traditional police station should be equipped with.
- There are no vacant offices to allow for staff growth, and meeting spaces are undersized.
- The evidence area has outgrown its space.
- The women's locker room is undersized.
- Workflow regarding holding cells is not adequate.

Design will incorporate the 2014 Police Needs Assessment as a foundation, and the consultant will use relevant findings. However, there are many items within the assessment that are redundant, as well as other needs forecasted that no longer apply as direction and leadership has changed since the study's completion. In 2018, Don Woods Architect, Public Works, and Police staff began working on refining the needs; however, Don Woods passed away and the remaining effort is included under this contract. Meetings with the consultant, Public Works, and Police staff will be necessary to refine the full extent of the renovation.

The design process will begin immediately after award of the contract. Design of Phase 1 is expected to be completed by January of 2020. Construction of Phase 1 is anticipated to begin and be completed by the end of FY20. Design of Phase 2 is expected to be completed by December of 2020 with construction beginning that same fiscal year. Construction of Phase 2 is anticipated to be complete by November 2021.

- The city council unanimously approved the purchase of real property located at 2120 Grasshopper Lane in Sedona for an amount not to exceed \$200,000 and to resell the property to Hope House for the development of temporary housing for homeless families with children.

In January 2019, Council approved Resolution No. 2019-01 authorizing the City to apply for CDBG (Community Development Block Grants) funds for housing and community development activities. In advance of bringing the January 2019 resolution to Council for approval, Community Development staff held a public hearing regarding possible CDBG projects that the City could submit for grant funding. Following the public hearing, the Church of the Red Rocks submitted a request for CDBG funding for Hope House, a nonprofit shelter that would provide temporary

housing for homeless families and individuals in Sedona. In January 2019, the City identified the following pros for the Hope House project:

- In recent years homelessness in Sedona has become a higher profile issue with limited resources to address it.
- No such facility exists currently.
- Estimated to benefit 50-100 persons annually.
- The applicant has a proven track record of community involvement and starting successful community service organizations (Verde Valley Caregivers).

At that time the City Council selected the Hope House project to receive the 2019 CDBG allocation. However, as of January 2019, suitable property had not yet been identified for Hope House. The Hope House team has now identified property located at 2120 Grasshopper Lane in Sedona as a suitable location for the Hope House project. In order to meet the completion timeframe in accordance with the CDBG grant timelines, this project will require the City to purchase the parcel upfront. This could be done using the City's affordable housing funds. Hope House would then purchase the parcel from the City once an environmental review has been completed and the CDBG funds were available (4 to 5 months from now). If the City did not purchase the lot now, the property owner would have to willing to hold the property until the environmental assessments were completed and CDBG funds available. The seller is not willing to hold the property for 4 to 5 months. The risk to the City is that the project will not successfully move forward, and the City would be left holding the property, or that Hope House may successfully purchase the lot(s) from the City but subsequently fail to complete the project, and the City would have to repay the grant funds. These risks appear low. The property is currently on the market for \$199,000, and the City has partnered with real estate broker Arizona Prime Real Estate to prepare a draft purchase contract. The City proposes to purchase 2120 Grasshopper Lane for a price not to exceed \$199,000, as determined by the property's fair market value, including its appraised value, and resell the property for the same purchase price, plus appraisal fee and closing costs, to Hope House once Hope House has received CDBG pass-through funding. The City Attorney's Office has opined that reselling the property directly to Hope House is consistent with the City's legal authority in A.R.S. § 36-1401, *et seq.*, which permits a city to directly sell its real property to "provide decent, safe and sanitary urban or rural dwellings, apartments or other living accommodations for persons of low income".

- The city council unanimously approved the reappointment/appointment of Planning & Zoning Commissioners.

COMMISSION PURPOSE - The Planning and Zoning Commission conducts hearings regarding development review and design review process, use permits, ordinance adoption, and community plan amendments and updates.

The Planning & Zoning (P&Z) Commission advertised seeking applicants to fill three (3) open seats on the Commission with an application deadline of September 17, 2019. The vacancies were the result of the resignation of Randall Barcus effective September 18, 2019 and the expiration of terms for Kathy Levin and Eric Brandt on October 31, 2019. Both incumbents applied for reappointment, and five (5) additional applications were received for these vacancies

for a grand total of seven (7). The Selection Committee made up of Mayor Sandy Moriarty, Vice Mayor John Martinez, and Vice-Chair Kathy Kinsella interviewed the five (5) new applicants on November 6, 2019 and reviewed the applications of the two incumbents. The delay in conducting interviews was caused because the Vice-Chair resigned from the P&Z Commission, and the Chair was up for reappointment. A new Vice-Chair was not appointed until October 15th, and interviews could not be conducted until a Vice-Chair was available. The Selection Committee unanimously recommended the reappointment of incumbents Kathy Levin and Eric Brandt, along with the appointment of Peter Furman to seats on the Planning & Zoning Commission. The terms for all appointees will begin immediately. Peter Furman's term will end on October 31, 2021 (the expiration date of Randall Barcus' term) or until a successor is appointed, whichever is later. The incumbents' terms will end on October 31, 2022 or until a successor is appointed, whichever is later.

- The city council unanimously approved the reappointment of Historic Preservation Commissioners.

COMMISSION PURPOSE – The Historic Preservation Commission conducts hearings relative to the identification and preservation of landmarks representing distinctive elements of Sedona's historic, archeological, and cultural heritage, to promote the use of historic landmarks for education, pleasure and welfare of the people of Sedona, to foster civic pride in the accomplishments of the past, to stabilize and improve property values of rehabilitated and protected sites, to provide incentives for restoration by owners of landmarks or historic properties, and to provide standards for restoration of landmarks and new construction within historic districts; all in accordance with the recommendations set forth in the Sedona Community Plan.

The Historic Preservation Commission advertised seeking applicants to fill three (3) open seats on the Commission with an application deadline of October 31, 2019. The vacancies were the result of the upcoming expiration of terms for Brynn Burkee-Unger, John "Jack" Fiene, and Derek Pfaff on November 30, 2019. All three (3) incumbents applied for reappointment, and no other applications were received for these vacancies. Mayor Sandy Moriarty and Vice Mayor John Martinez reviewed the applications of the incumbents. As the Chair and Vice-Chair were both up for reappointment, there was no review by a member of the HPC. Mayor Moriarty and Vice Mayor Martinez unanimously recommend the reappointment of the 3 incumbents. Their terms will begin December 1, 2019 and end November 30, 2022 or until a successor is appointed, whichever is later.

- The city council unanimously approved the adoption of a Resolution and Ordinance updating the City of Sedona's Consolidated Fee Schedule.

On December 13, 2011, the City Council adopted Ordinance No. 2011-13. This ordinance set forth procedures governing the adoption and updating of a consolidated fee schedule. Per this ordinance, all City departments are required to review the consolidated fee schedule annually and recommend proposed changes to the schedule. Proposed changes are to contain an explanation for the need for the newly proposed fees and identify any fees that may be mandated by law and any requests for deletions or increases. The City Manager shall then place

on the regular agenda of the City Council at least annually an action item and public hearing on the fee schedule. Publication on the City's internet site of proposed fee changes shall take place at least 60 days prior to adoption of any new fees or increases. The proposed changes to the consolidated fee schedule have been published on the City's website since September 25, 2019. The proposed revisions to the consolidated fee schedule are set forth in the resolution submitted with this agenda bill. These revisions include the following:

Finance Department

- a) Lien Filing Fee increases from \$25 to \$50 to cover increased recording fee from \$9 to \$15 and to represent 84% cost recovery.
- b) Wastewater Account Set-Up Fee increases from \$25 to \$30 which represents 94% cost recovery.

Police Department

- a) Police Report Fee increases from \$5 for up to 20 pages to \$10 for up to 20 pages.
- b) Accident Report Fee is a new fee of \$8 for up to 20 pages.
- c) Off-Duty Police Officer Service; Off-Duty Police Sergeant Service (when required and acting in a supervisory capacity); and City Police Vehicle Fee (per vehicle required for employees) change from the various amounts on the schedule to a \$62 per hour (flat fee) which more closely represents actual costs to the City.

Public Works/Engineering Services Department:

- a) Changes to the methodology for cost recovery for Grading Permits and Grading Plan Review resulted in small increases to the fees as shown on the proposed changes schedule included with Exhibit A.
- b) Outdoor Dining Agreement proposes changing from a flat fee of \$100 per year to \$1.00 per square foot per month for outdoor dining space within the right-of-way.
- c) Change of Address Requests increase from \$25 to \$43 to reflect new methodology for cost recovery.
- d) Wastewater Permit Inspections Outside Business Hours and Grading Permit Inspections Outside Business Hours increase from \$55 per hour (2-hour minimum) to \$65 per hour (2-hour minimum) to reflect new methodology for cost recovery.

Wastewater Department:

- a) This reflects an increase of 3.22% for capacity fees which is based on the Engineering News Construction Cost Inflation Factor increase from January 2018 to January 2019 as recommended in the prior wastewater rate study.
- b) Categories were also revised.

The changes will take effect on January 1, 2020.

- The city council unanimously approved a Resolution and Ordinance revising Chapter 5.25 of the Sedona City Code (Short-Term Rental Regulation) to include the authority provided in HB 2672.

On May 21, 2019, Governor Ducey signed HB 2672 into law. Among other things, HB 2672 provides cities and towns additional authority to regulate short-term rentals of residential

properties (“Short-Term Rentals”) and imposes additional legal requirements on owners and operators of Short-Term Rentals. The revisions to Chapter 5.25 of the Sedona City Code incorporate these additional authorities and legal requirements into Sedona’s Short-Term Rental ordinance.

In May 2016, Governor Ducey signed HB 1350 which prohibited cities and towns from banning short-term rentals. In response to concerns from cities and towns in the wake of HB 1350, Governor Ducey signed HB 2672 on May 21, 2019. HB 2672 expressly prohibits Short-Term Rentals from being used for nonresidential uses, including for special events or for any retail, restaurant, banquet space, or other similar use. In addition, HB 2672 prohibits Short-Term Rentals from being rented or offered for rent without the operator first having a current, valid Transaction Privilege Tax license, and further requires the operator of any Short-Term Rental to list the Transaction Privilege Tax license number on each advertisement offering the property for rent. Although HB 2672 still prohibits cities and towns from banning Short-Term Rentals, the legislation does give cities and towns the following additional, limited regulatory authority:

1. Cities and towns can now require owners of Short-Term Rentals to provide emergency contact information *prior to* advertising or renting their property;
2. Cities and towns can impose civil penalties on owners of Short-Term Rentals who fail to provide contact information, allow their properties to be used for nonresidential purposes, or fail to obtain a Transaction Privilege Tax license before renting their property or offering their property for rent; and
3. Cities and towns can impose civil penalties on operators of Short-Term Rentals who fail to list the Transaction Privilege Tax license number on each advertisement offering the property for rent.

Under HB 2672, cities and towns retain their existing authority to regulate Short-Term Rentals to protect public health and safety and enforce residential use and zoning ordinances, including ordinances related to noise, parking, solid waste, property maintenance, and other nuisance issues. In accordance with HB 2672, the City Attorney’s Office recommended revising Chapter 5.25 of the Sedona City Code to:

1. Require owners of Short-Term Rentals to provide emergency contact information to the City *prior to* advertising for rent or renting their property;
2. Prohibit Short-Term Rentals from being used for non-residential uses, including for any special event that would require a permit or license pursuant to Section 5.05.303(B) of the Sedona City Code, or as a retail establishment, restaurant, banquet space, or any other similar use;
3. Require operators of Short-Term Rentals to obtain a Transaction Privilege Tax license before renting their property or offering their property for rent;
4. Require operators of Short-Term Rentals to list the Transaction Privilege Tax license number on each advertisement offering the property for rent; and
5. Create a new Section 5.25.060 establishing civil penalties consistent with Section 1.15.010 of the Sedona City Code.

On August 14, 2019, the City Attorney’s Office brought proposed draft changes to Chapter 5.25 of the Sedona City Code to the Council for review and comment. Council requested further

clarification of language regarding the obligation of property owners to respond to the City in the event of complaints, emergencies, or other incidents at their properties. In addition, the City Manager's Office wished to clarify language in the ordinance regarding zoning districts. These proposed revisions, along with the original revisions presented in August, were discussed and clarified real-time during this city council session.

Please feel free to reach out with any questions, comments, or concerns at wchisholm@sedonaaz.gov

Bill