

December 2020 NEWSLETTER <https://www.councilorchisholm.com>

I hope everyone had a safe and happy holiday season and new year 🥰

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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. 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>

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>



<https://arizonatogether.org/mask-up/>

Snapshot of Key Activities Since Last Newsletter

COVID-19: Our cities economic recovery continues - at least at the macro level. In Arizona, as of 1-02-2021, the covid-19 transmission rate (<https://rt.live/us/AZ>) is 0.93 vs. our low of 0.81 on July 22. While higher than July this represents improvement over the past several weeks. We are asked to continue to 'mask up' when unable to maintain at least 6' physical distance. Additionally, we are also being asked to wash our hands, stay home if we don't feel well, and practice physical/social distancing. Check out <https://www.facebook.com/ABC15/videos/462533108485538> for a great Arizona update from Dr. Cara Christ from December 30, 2020.

12-8-2020 AB 2630 via the consent agenda city council approved 7-0 a construction contract for the SIM-11i Dry Creek Road Shared Use Path Project to Paul R. Peterson Construction Company in an amount not to exceed \$731,565. The scope of work for this project includes a stabilized decomposed granite shared use path of varying width (8-feet to 10-feet). The project also includes construction of drainage improvements at certain locations throughout the project area. **Background:** Over the past 25 years, many plans have supported the increased availability of bicycle and pedestrian routes. Some of these plans specifically supported improving the route along Dry Creek Road. These plans include the following:

- 1994 Red Rock Pathways Plan
- 1996 Trails and Urban Pathways Plan
- 2007 Sedona Bicycle Plan
- 2017 Community Survey
- 2018 Transportation Master Plan (Strategy 11)
- FY2020/2021 Budget Survey
- 2020 GO Sedona, Trails and Pathways Master Plan Update.

By investing in bicycle and pedestrian infrastructure, the City of Sedona is showing a commitment of providing safe and convenient alternatives (or “active”) transportation options. Accessibility to active transportation infrastructure encourages healthier lifestyles. In addition, this pathway will create a safe route for travel outside the roadway. Over the past couple of years, staff has worked with residents in The Estates at North Slopes Homeowner’s Association on improving their access safety at Dry Creek Road. The project improvements will further address their safety concerns. The photograph below shows the area the path will be located along the west side of Dry Creek Road. This is looking north from the west side of the Cinnabar Drive/Dry Creek Road intersection.



Trail Improvements: The contract for Dry Creek Road Shared Use Path Improvements Project includes:

- A 10’ wide stabilized decomposed granite shared use path along the west side of the road from the Two Fences Trail Head north to Vultee Arch Road (FS-152) (nearly ½ mile). The majority of this trail will be detached from the roadway, a short section will be attached to the roadway and separated by a curb.
- Signage along the shared use path for safety.
- Pet waste stations and trash receptacles.
- Residential road crossings will be striped to delineate the crossings.
- Retaining gabion baskets to contain fill that supports the shared use path.
- Miscellaneous drainage improvements and culvert extensions to provide the area needed for the shared use path (some existing culvert ends are close to the road edge).
- Boulders will be installed along the roadway which will restrict parking along the project trail alignment.
- A raised trail crossing will be installed at the Dry Creek Road crossing to the Vultee Arch Road (FS-152). This safety feature is expected to add to other improvements in this area that have had a traffic calming effect.

Project Area Outreach Efforts:

- On July 20, 2019, an outreach meeting with The Estates at North Slopes Homeowner’s Association was held and resulted in a pledge of financial contribution being approved to help move this project forward.
- Follow up meetings were held with each of the landowners along the path alignment to review plans regarding impacts and easement requirements.

Schedule and Access:

- The construction timeframe is set at 150 days, is anticipated to begin in December 2020, and be complete by Late May 2021.
- A total of four easements, required for construction, have been granted by the landowners along the pathway.
- Throughout the construction period, it will be the contractor's responsibility to coordinate directly with owners/residents regarding impacts to property access.

Procurement Method: Sealed Bid: This construction contract was advertised for bids on October 4 and November 4, 2020 and bids were opened on November 23, 2020. Three bids were received. They are listed as follows:

Bidder, (Office Location) Bid Total: ENGINEER'S ESTIMATE \$669,185

- PAUL R. PETERSON CONSTRUCTION (Sedona, AZ) \$731,565
- TIFFANY CONSTRUCTION (Sedona, AZ) \$783,444
- STANDARD CONSTRUCTION (Sedona, AZ) \$820,480

Budget: The amount budgeted for the project is \$700,000. The low bid by Paul R. Peterson Construction exceeded our budget by \$31,565.

- A \$683,000 portion of the budget will be funded from the Transportation Sales Tax.
- A \$17,000 portion of the budget will be funded by contribution from The Estates at North Slopes Homeowner's Association.
- The \$31,565 balance of the project's cost will be paid from the SIM Unspecified Projects Budget (Transportation Sales Tax).

Although the low bid exceeds the project budget, staff believes the low bid is good, it is reflective of the current bid environment, and no errors were found in the bid. In addition, staff worked with Paul R. Peterson Construction on the Cathedral Rock Trailhead Parking Lot Improvements Project. That project was successfully completed within time and budget and with minimal disruption to the neighborhood.

Community Plan Consistent: Chapter 4 of the Community Plan discusses Circulation. One of the six major goals of this chapter is to create a more walkable and bike-able community. Key issues cited here include addressing safety concerns of pedestrians/bicyclists and lack of sidewalks or shoulders on many neighborhood streets. Page 13 of the Community Plan is dedicated to our vision of walkability. Page 65 of the Community Plan provides a dedicated discussion on walking and biking in Sedona. Page 76 of the Community Plan provides a dedicated discussion of the importance of stormwater management and the prioritization of drainage improvements.



12-9-2020 AB 2631 via the consent agenda city council approved 7-0 lease agreements between the City of Sedona and Canyon Portal 3, LLC (CP3) and the City of Sedona and Sinagua Plaza 3, LLC (SP3) for use of the City rights of way adjacent to the boundaries of the respective premises. Background: Canyon Portal 3, LLC, the owner of the Trading Post, Canyon Portal, and North Retail Building, approached the City with interest in leasing the right of way (ROW) adjacent to these properties in order to construct improvements to these public areas and assume responsibility for future maintenance. The improvements proposed include constructing, installing, and maintaining public display areas, walkways, landscaping, public seating, an outdoor restaurant patio with seating, and public bicycle parking. These improvements are shown conceptually in Exhibit D of the agenda bill (Exhibit C of the lease agreement). All improvements will require CP3 to submit building plans and obtain all requisite City approvals prior to any construction taking place. The lease is proposed with a ten-year initial term, with the option to extend for up to six (6) additional five (5) year terms. The City will assess monthly fees for the use of the ROW (outlined in Section 5 of the lease agreement) but also provide for an offset of those fees against CP3's investment in the capital improvements and ongoing maintenance of the areas. Without this agreement, no capital improvements would be made to this area at this time, and the City would continue to repair and maintain these areas. The full lease terms are included in Exhibit A, Right of Way Lease Agreement. Annual savings to the City of Sedona Public Works Maintenance Division is estimated at \$4,500 for the CP3 areas. Potential future repair expenses will not need to be made by the City and will also result in future savings. The owner of CP3 also owns Sinagua Plaza 3, LLC (SP3), and has proposed to enter into a lease agreement for the right of way adjacent to the Sinagua Plaza properties as well. While no capital improvements are proposed at this time as part of this lease, under the lease terms SP3 would assume responsibility for the ongoing ROW maintenance including landscape maintenance and power washing of the sidewalks. Other improvements may be made later during the lease term. If so, again, any improvements will require CP3 to submit building plans and obtain all requisite City approvals prior to any construction taking place. This lease is also proposed with a ten-year initial term, with the option to extend for up to six (6) additional five (5)

year terms. The City will assess monthly fees for the use of the ROW (outlined in Section 5 of the lease agreement), but also provide for an offset of those fees based on CP3's investment in the ongoing maintenance of the areas. The full lease terms are included in Exhibit E, Right of Way Lease Agreement. Annual savings to the City of Sedona Public Works Maintenance Division is estimated at \$7,300 for the SP3 areas. Potential future repair expenses will not need to be made by the City and will also result in future savings. Community Plan Consistent: The owners of the CP3 and SP3 properties have worked in concert with the City on the development of the improvements within the lease area to ensure consistency with the goals of the Uptown Community Focus Area (CFA) Plan which is currently in process. The proposed improvements to the CP3 area including streetscape, landscape, sidewalks, seating and shade, etc., should serve as a design standard for future improvements within the Uptown CFA.

12-8-2020 AB 2636 via the consent agenda city council approved 7-0 a Resolution authorizing the One Arizona Opioid Settlement Memorandum of Understanding ("MOU") between the City of Sedona and the State of Arizona and its participating counties, cities, and towns to provide the framework for distributing any opioid settlement funds throughout the state. Background: The City has potential claims against the manufacturers, distributors, marketers, and dispensaries responsible for the excessive distribution of opioids to the public. The State of Arizona and all 15 counties have agreed to the One Arizona Opioid Settlement Memorandum of Understanding ("MOU"). The MOU allows for joint negotiation of potential settlements with opioid defendants and provides the framework for distributing opioid settlement funds among participants of the MOU. The MOU distribution formula allows a county and its participating cities and towns to mutually agree upon the distribution of their portion of the settlement. The proposed distribution formula was determined by data received from the allocation expert in the national opioids litigation based on a formula involving the amount of opioids, number of opioid deaths, and rates of opioid abuse in the region. Certain cross county situations, like Sedona, were not contemplated by the expert, but the distribution percentage can be negotiated with Coconino and Yavapai County. If a unanimous agreement is not reached, each county, city, and town is guaranteed a minimum percentage share of the settlement fund. Sedona's guaranteed portion of the settlement fund is set at 4.09% of all funds issued to Coconino County governments. Settlement funds must be used for the opioid abatement strategies outlined in the MOU's Exhibit A. As national and statewide litigation is ongoing, the potential amount of the settlement funds or contemplated timing of settlement payments are both unknown.

12-8-202 AB 2637 The city council and staff discussed topics for the City Council retreat currently scheduled for February 3rd & 4th, 2021. Topics that are anticipated for the 2-day discussion will more than likely include; Review metrics of where we are today, including results of the recent citizen survey, Review a progress report on the Community Plan, Discuss the City's financial position and available funding, Discuss progress and future of existing priorities including: Traffic, Transit, Affordable Housing, Sustainability, Economic Diversification, Emergency Management, Management of Short-Term Rentals, Discuss possible new priorities; Neighborhood issues including OHVs and parking, Park and recreation needs including the community pool, Communication and public relations, Other, and Discussions with the Sedona Chamber of Commerce and Tourism Bureau.

12-9-2020 City Council work session was held to discuss the draft results of the Affordable Housing Needs Assessment and the development of the draft Five Year Housing Action Plan document, by consultant Elliot D. Pollack and Company.

- The complete packet can be found @ <https://www.sedonaaz.gov/Home/ShowDocument?id=42512> packet pages 4-180 inclusive contains the assessment.
- The presentation given council can be found at <https://www.sedonaaz.gov/Home/ShowDocument?id=42580>

In summary, the final five-year affordable housing gap for Sedona is a combination of (1) Addressing the current shortage of affordable housing for existing residents estimated at 1,260 units, and (2) Providing for housing needs of

low- and moderate-income persons who will be filling new employment opportunities within the City over the next five years. That demand is estimated at a total of 220 to 255 units. In total, the five-year affordable housing demand is estimated at 1,480 to 1,515 units.

There were no decisions made other than to consider next steps regarding our affordable/workforce housing challenge during the upcoming city council retreat where among other things we are going to discuss priorities for the upcoming fiscal year (FY22 July 1, 2021 – June 30, 2022).

Ron Eland, assistant managing editor of the Sedona Red Rock News, created a good executive summary of the findings – see it at <http://www.redrocknews.com/2020/12/06/sedona-city-council-to-review-housing-study/>

“...According to the report, nearly 58% of the renters in Sedona are cost-burdened, paying more than 30% of their house-hold income on rent. The lack of afford-able units most affects those households earning less than \$50,000 including service workers, teachers and critical service employees such as police and fire fighters.

The study shows the root of the housing problem is threefold. The first is increasing house prices. At the end of the first quarter of 2019, the median single-family home cost in Sedona was \$562,500, more than double the state’s average cost.

Many long-term rentals have since been turned into short-term rentals. This has decreased available afford-able housing while driving up the cost of those long-term rentals that remain. Finally, Sedona only has 257 units within what would be considered tradi-tional apartment complexes and only 211 occupied single-family attached units or townhomes. This accounts for less than 10% of the city’s total housing units, well below the national average of around 30%.

An overview of the housing situation in the study shows the following:

- Almost 90% of homeowners live in a single-family home. Another 9% live in a mobile home.
- Renters live in a variety of housing units, including single-family homes [35%], apartments [28%], condos [12%] and mobile homes [9%].
- The average monthly rent for Sedona employees across the Verde Valley is \$1,210. The highest monthly rent is found in Sedona while the lowest rents are in Camp Verde, Clarkdale and Cottonwood.
- The federal government has established the standard for housing cost burden as those households that spend more than 30% of household income on rent or mortgage payments. For renter households, 56% of Sedona employees are paying more than 30% of their income for housing including 16% paying more than 50% toward housing. Approximately 19% of home-owners pay more than 30% of income toward housing.
- About one-third of renter’s plan on purchasing a home in the next two years and three-quarters prefer owning to renting.
- Obstacles to homeownership are lack of affordable units, lack of a down payment and not earning enough.
- 60% who do not live in Sedona would like to live in the city if afford-able housing was available. This is an important finding that shows employees would like to live closer to their work-place despite some of the issues they may have with traffic congestion and other tourism-related dislikes.

The study lists several potential solu-tions: Establishing a community land trust to develop affordable housing; using city-owned land; establishing a rental subsidy project to determine interest from landlords; and a down payment assistance project to determine interest from prospective owners....”

Key Upcoming Items

01-12-2021 consent agenda - AB 2638 Approval of a recommendation regarding an application for a Series 12 Restaurant Liquor License for Shorebird located at 150 AZ-179, #1 & 2, Sedona, AZ (File# 127145).

01-12-2021 consent agenda - AB 2639 Approval of a recommendation regarding an application for a Series 6 Bar Liquor License for Residence Inn Sedona located at 4055 W State Route 89A, Sedona, AZ (File #127165).

01-12-2021 consent agenda - AB 2640 Approval of recommendation regarding a new Series 11 Hotel/Motel Liquor License for Poco Diablo Resort located at 1752 S HWY 179, Sedona, AZ 86336 (File #120531).

01-12-2021 consent agenda - AB 2641 Approval of a public parking agreement with Sinagua Plaza 3, LLC for the use of a portion of their parking garage for public parking.

01-12-2021 consent agenda - AB 2643 Approval of a resolution delegating authority to the City Clerk to make recommendations, as allowed by the Arizona Department of Liquor, which includes, but is not limited to, extensions of premises, liquor license acquisitions of control, special event liquor licenses, farm winery festival and/or fair licenses, and craft distillery fair licenses.

01-12-2021 consent agenda - AB 2645 Approval of a Resolution supporting Arizona's Get Outdoors Initiative.

01-12-2021 regular agenda - AB 2634 Discussion/possible direction regarding adding sustainability components to the professional services contract with Gabor Lorant Architects for the design of the Uptown Parking Garage.

01-12-2021 regular agenda - AB 2633 Discussion/possible action regarding an Ordinance prohibiting recreational marijuana establishments, except for dual licensees, and marijuana testing facilities within Sedona City limits.

01-13-2021 work session - AB 2598 Discussion/possible direction regarding review of the Sedona Climate Action Plan process.