

Summary Minutes
City of Sedona
Planning & Zoning Commission Work Session
Council Chambers, 102 Roadrunner Drive, Sedona, AZ
Thursday, March 30, 2017 - 3:30 p.m.

1. CALL TO ORDER & ROLL CALL

Chair Losoff called the work session and public hearing to order at 3:30 p.m.

Roll Call:

Planning & Zoning Commissioners Present: Chair Marty Losoff, Vice Chair Kathy Levin and Commissioners Randy Barcus, Eric Brandt, Larry Klein and Gerhard Mayer. Commissioner Avrum Cohen was excused.

Staff Present: Warren Campbell, Audree Juhlin, Cari Meyer, Robert Pickels and Donna Puckett

2. ANNOUNCEMENTS & SUMMARY OF CURRENT EVENTS

There were no announcements.

3. Continued Public Hearing/Possible Action regarding the Draft Revised Sign Code (DRSC), an update of Sedona Land Development Code Article 11, Sign Regulations.

Presentation, Cari Meyer: Cari indicated that this is a continuation of the discussion from last Tuesday, and she again described the process and public outreach completed to create the draft Sign Code, and then indicated that any action taken today by the Commission would be a recommendation to the City Council.

Cari noted that the Commission had worked through all of the draft Code except off-premise signs, and those signs advertise something that is not located on the same premise as the sign, and the regulations cannot be based on content as a result of the Supreme Court opinion, but we can regulate location, size and height. Our current regulations prohibit off-premise signs, but do have an exemption for lead-in signs for garage sales and open houses. With the content-based regulation, meaning you have to read the sign to determine if it is for a garage sale or open house, that exemption is no longer allowed.

Cari explained that the choices are to remove the exemption or develop content-neutral regulations for off-premise signs and staff's recommendation was to remove the exemption, but in the last meeting, the Commission wanted to develop content-neutral regulations. Based on what staff heard at the last meeting, which could change based on your discussion tonight, the general parameters were that you wanted them to be allowed in any zoning district with a maximum of three signs at a time, and 12 times per year for 24 hours at a time, with a maximum size of 6 sq. ft. and 3 ft. in height and a contact name and number on the sign, and they would be allowed on city-owned property or private property with property owner approval. There also were some comments about off-premise signs being a distance of 10 ft. or 15 ft. from an intersection and made of professional construction and durable and weather-resistant material. There was a list of some prohibited types of off-premise signs provided, and each one would display a sticker issued by the City, as we do with temporary signs now, and they would all be subject to enforcement and removal.

Cari indicated that is what staff heard from the Commission in the last meeting as general parameters of what you wanted and this would meet the content-neutral requirement. There is nothing in any of these regulations that require you to read the sign to determine whether or not it is permitted.

Cari noted that the Commission also asked about what other cities are doing, and the town of Gilbert, which was the town that went to the U.S. Supreme Court, is currently rewriting their Sign Code and their proposal at this time is to allow off-premise signs within 10 ft. of the property, so if there is a large right-of-way and they want it closer to the street, they could, but they couldn't put it three miles down the road. They are defining an off-premise sign by where it can be located based on the distance from the premise being advertised. The other city that has adopted something in response to the Supreme Court opinion is the City of Flagstaff, and their code prohibits all off-premise signs. We haven't found any other cities that have updated their code in response to the Supreme Court opinion, but Warren is sending a request for information through the state planning agency to see if we can get more responses. The ones we have talked to are starting to consider what they are going to do, and they are leaning toward prohibiting off-premise signs mainly because of aesthetics and prevention of sign proliferation and clutter.

After the last meeting, a couple of Commissioners ask for details about how we came to staff's recommendations. When we provide the Commission with a report, we try to provide all of the information and make the recommendation at the end, but with the Sign Code, we probably didn't do the same thorough job, because there is so much in the Side Code, and if we went through our decision-making process on every single one, there would have been about 100 pages; however, because of the questions, we did go into more detail in the Staff Report about how we got to staff's recommendations. We hope you were able to see that we don't come to the decisions hastily; we try to weigh a lot of different options and think through different scenarios about what they could look like and what the impact would be at the staff and community level, etc. Some of the factors we considered for this one in particular were the Community Plan and Land Development Code, enforcement and permitting, questions from the public, past experience, goals for this Sign Code rewrite about readability and legibility, the potential for businesses outside of the City, the different types of on-premise signs, and staff's experience with political signs.

Cari indicated that we always start with the Community Plan, which guides the decisions we make. It is the City's vision for what it should look like, and regarding signs, there are a number of different vision statements in the Community Plan. One is a vision for Sense of Place, which says, "We appreciate and respect our unique surroundings that reflect the natural beauty, arts, culture, heritage, and opportunities for physical and spiritual renewal." One of the ways the Community Plan says that will happen is that we would have design standards that would limit building height, lighting, signs and colors. Then we move to the introduction to the Land Use Element that says, "We want our built and natural environment to be well-integrated and the community's unique identity and character to be reflected in the built environment", and the desire for sense of community and small-town character is a recurring theme. "We want our built environment to encourage uniqueness in architectural design so that typical franchise architecture is now found here, buildings are designed on a human scale, signs are understated and indigenous and historic materials are used." We then move to the Land Use policy section of the Community Plan and one of those states, "Require design standards that reflect Sedona's unique historic and cultural heritage and sign standards that provide diversity and prevent "franchise/monoculture" (corporate signature) signs. The last reference in the Community Plan is in Community Character that says, "One of the most obvious character features that a new arrival sees is a harmony in building and signage that have minimum visual impact."

Cari stated that in summary the Community Plan says that Sedona will have a unique and distinctive identity, a built environment that blends with the natural environment and signs that are understated with minimal visual impact. Given the all or nothing approach and the likely visual impact of sign clutter, staff felt that allowing off-premise signs contradicted the visions of the Community Plan.

Cari indicated that moving to the Land Development Code, we have development standards that you are familiar with, and they have been designed and fine-tuned over the years to ensure that the built environment is designed in harmony with the natural environment. We look at things like height, color, lighting, landscaping and signs, and that is just the short list. As we looked at

potential locations for allowing off-premise signs, we felt that would be a step in a different direction than all of these standards, as they try to ensure that the built environment is in harmony with the natural environment. Next, we looked at the enforcement of both the current regulations and any potential new regulations. A lot of our enforcement comes, because even though there is an exemption for lead-in signs, S.R. 89A and S.R. 179 are ADOT right-of-ways, and we cannot have a regulation that allows signs in ADOT's right-of-way; ADOT does not allow signs in their right-of-way, but the right-of-way goes about 30 ft. back from the road in some places and many people don't understand that, so we get a lot of illegally-placed signs, especially in West Sedona. Anything within 30 ft. of the road is generally in the right-of-way and not allowed. Code Enforcement goes through the City twice a day pulling illegally-placed signs. ADOT's staff also goes through and picks up signs as well. Therefore, as we looked at the potential of permitting them, we felt that illegal placement in the right-of-way would continue and the number of those illegally-placed signs would increase. Additionally, the enforcement of a permit system, especially if they have to check every sign for a sticker would be a very time-intensive activity, and we probably would not be able to do that with our current staff resources, so that is something to consider.

Cari showed a picture of the Code Enforcement trucks loaded with signs after one of their daily sweeps, and another picture showed various illegally-placed signs and how close they were to the road, including on each corner of a roundabout. Even with a permitting program, those would still not be allowed and a large number of signs that currently have the exemption are not placed in the right location. Cari then added that the permitting system and monitoring of these signs may require software and staffing beyond our current capacity, which would require additional funding that is currently not available.

Cari stated that staff also looks at questions we receive from property owners, non-profits, short-term vacation rentals, home-based businesses, businesses without street frontage and businesses wanting to advertise in different areas of town asking what they can do to get people to their business. If they don't have street frontage, they want something on the street to attract people. There are businesses in Uptown that want to put signs in West Sedona like the signs that say, "Best beef jerky 50 miles ahead", but on a smaller scale, so by the time you get there, you are really excited to stop. Obviously, we aren't that large, but we do get requests from Uptown businesses wanting to ramp up the excitement for their business. Now, we also have the short-term vacation rentals with people that want signs on the highway to direct people to where they will be staying, so we get questions about a lot of different types of signs.

Cari indicated that staff also looked at the number of residential properties and home-based businesses, and we have over 7,000 residential properties and over 800 commercial properties, and most of those commercial properties have more than one business on them. Therefore, staff believes that if off-premise signs are allowed, they will be very popular and the amount will increase dramatically.

Cari then referenced short-term rentals and indicated that before they became legal, staff had a lot of calls wanting to do them, and the City devoted Code Enforcement resources to finding them, and there was interest from different groups in making them legal, and when the law passed last year and went into effect this year, a lot of people thought it would not have an impact and just legalize what was already happening illegally, but we found that if something is illegal a lot of people won't do it, and once it became legal, the number of short-term rentals increased far beyond what was happening illegally, so we believe that concept will translate to off-premise signs. There are a lot of people that would do it if it was legal and would take advantage of the opportunity to have an off-premise sign.

Cari explained that a lot of changes made to the Code were really looking at the purpose of a sign and focusing on readability and legibility to help people get to where they needed to go without extraneous information, and that is why staff added a maximum number of items of information, maximum font styles, sign size and sign height -- what we could do to make sure signs are readable and get people where they were going. We also wanted to simplify signs and make sure

they were serving their purpose, and as staff looked at off-premise signs, we thought this would go against that goal. It would increase the amount of signs and the amount of information people would have to process as they were driving down the road, create confusion and distraction, and create some of the health and safety concerns we were trying to get away from. We also looked at the potential use by businesses outside of the City. Currently, we require on-premise signs, so that prevents businesses outside of the City from advertising in the City. We actually get a number of requests for special events, like the art shows in the Village of Oak Creek that want a banner here to get people to go to their event. We thought about different ways to restrict a permitting system based on the property or a business license in the City, but with the content neutrality rules, we started realizing there are ways to work around that, because a friend in the City could get a permit for you, since we can't say it has to be your address on the signs, so we didn't feel those restrictions would prevent businesses outside of the City from putting up off-premise signs.

Cari then showed some of the signs that are put up in the Village, and indicated that this is a concern as you are going down S.R. 179. As people are leaving Sedona on S.R. 179, they go through the Village, and staff saw that as a potential place where Village businesses would start advertising. There is a potential variety of off-premise signs, and most of this discussion has been focused around real estate signs, and we understand that and tried thinking of ways this could work while accomplishing the goals we established for the Sign Code, but we have a list in the Staff Report about the different types of signs like "We Buy Gold", "Massages This Way", "Drum Circle Tonight", etc. and all those types of signs, but since we can't control content, those are all possible. She then referenced pictures in the Staff Report showing the different types of signs that could go up, and indicated that Cynthia kind of did a driving tour and the signs shown were all placed legally out of the right-of-way, but people placing these signs won't realize where the right-of-way is and that is when Code Enforcement comes in to pull them. There are different businesses and open houses advertising in different locations coming into town and again going out of town.

Commissioner Mayer asked if those were placed by somebody or photoshopped, and Cari stated they were photoshopped. The Commissioner stated that it looks very dramatic, and Cari explained that we took the picture and just placed signs where they could be located. We didn't go out and actually make the signs and place them there. Commissioner Klein pointed out that any regulation we pass won't have any affect in the Village of Oak Creek, so people could put up as many signs as they want, and Cari added, subject to county regulations. The Commissioner then stated that businesses in Sedona could put up signs on S.R. 179 in the Village of Oak Creek, if they are not allowed on S.R. 89A. Cari again explained that would be subject to county regulations; she doesn't know what the county and ADOT regulations are there.

Cari explained that the last thing staff looked at was staff's experience with political signs, which pop up every year around election time, but they are regulated by the state, so we have very little control over them. Every year we get multiple calls from citizens concerned about the number, location and amount of signs. Off-premise signs obviously would have a different message, but they would have the same visual impact and based on the number of calls about political signs, we don't believe the community as a whole will be receptive to the impact of off-premise signs.

Cari summarized by saying that is what staff considered in making the recommendation to prohibit off-premise signs, and what we heard from the Commission is included in the Staff Report.

Chair Losoff opened the public comment period at this time.

Marc Jacobson, owner of Sun Signs, Sedona, AZ: Mr. Jacobson thanked staff for working together cooperatively to go over the new draft Sign Code. There were two or three meetings about it and he is glad that they took some of his ideas and suggestions into consideration. He thinks it looks pretty good, but there is one thing he would like to address and that is color. His recommendation is not to change or restrict color any further. It has been 1½ years ago, when the yellow car wash signs went up that caused such a problem, and staff went through the "book of color" where there are color samples with a line that goes through those color samples, and one

side of the line is acceptable and the other side is not, and after the car wash event, the line was redefined to be more restrictive, and based on his experience in the last 1½ years, he found that the new color line seems to work well, and if color is restricted any more, it will totally eliminate any creativity.

Ron Volkman, Director of Governmental Affairs for the Sedona-Verde Valley Association of Realtors, does not live in Sedona: Mr. Volkman stated that he will go on the assumption that the Commission still intends to proceed with a procedure for allowance of temporary offsite signs, even though when they read the Staff Report four of the seven pages were dedicated to the opposite direction. As he mentioned, open house signs are a vital tool for business in the real estate industry and here is what they would suggest:

Delete from the Staff Report proposal, on pages 3 and 4 of the Staff Report, items 12, 14 and 15. They do not support a fee system, a permit system, which these items reference. It is simply, they believe, bureaucratic overkill and will end up being a logistical impossibility. For instance on item 12, who is going to police or count the number of times an open house is held during a year or a garage sale or whatever. Who? Regarding items 14 and 15 on page 4, obviously a fee and permit system is proposed and they would say eliminate those two items. Here is the real world, on Thursdays' multiple listing tour, you will have 15 to 25 realtors having to run in and file a permit and pay a fee. It won't work; he honestly doesn't believe it will work. He is not even sure you will get compliance from the public with such a system.

Regarding item 13, the display time, they recommend 7:00 a.m. to 7:00 p.m. They would also recommend adding a simple additional item, saying, "This sign shall be tagged in some manner with the company or the owner of the event's name and the phone contact information." They think the "sky is falling description" in the Staff Report predicting a swarm of signs is an exaggeration. Could it happen – maybe, but doubtful. Why not, as some Commissioners proposed at the last meeting, try the system for a year and if it is genuinely not working come back and make some changes. You know what, on the up side, because he can guess if the same eight or ten people call into staff with aggressive vicious complaints and an ordinance is in place, staff will be able to respond, "Thank you for your call, we now have an ordinance allowing these temporary signs with conditions." There will be an answer for staff. He knows it is brutal; he is sure it is, but this would be their answer.

Answering other questions about compliance and certain signs people complain about should not be an overwhelming job, let's give this a chance to work. Thank you for your time.

Sheila Renee Runke, Sedona, AZ: Ms. Runke indicated that she resides in Sedona, Clarkdale and Tucson, and they have sign issues on their property and problems with signs in all of those areas, and she is looking to Sedona to set a good standard for this, and she is watching what you are doing. She appreciates the hard work you do, but they really do need to see stricter adherence to the rules and the recognition of the patterns and the Codes that exist. She doesn't think they are seeing that.

Having no additional requests to speak, Chair Losoff closed the public comment period.

Commission's Questions, Comments and Discussion:

The Chair indicated that his understanding is that we have pretty much agreed to all of staff's recommendations, with the exception of off-premise signs. In most part, we are in consensus with the revisions presented and they were endorsed by us, except for off premise signs. There was a question from the public about color restrictions. The Chair then asked staff what the Commission decided, and Cari indicated staff and the Commission recommended to regulate the background of signs in the same way that buildings are regulated and not regulating the text. Currently, buildings

are regulated on Light Reflectance Value (LRV) and Chroma and the Sign Code only references the LRV and says it should be darker in color, which has created some interpretation issues, so staff felt the best way to address that was to go with the way buildings are regulated. The Chair then indicated that he assumed the Commission was still in agreement with the previous discussions, so the subject for today is off-premise signs.

Commissioner Brandt asked of the signs approved recently, how many would be too bright in Chroma. Cari indicated that she hasn't looked at a Sign Permit, so she couldn't say. Audree guessed that the sign maker might be able to better answer that question; the difference is slight enough that most of the colors would work, but the Chroma will be a little less bright. The Commissioner then noted that the letters can be brighter, so it is just the background, and Cari commented that is actually encouraged, because the Sign Code encourages contrast.

Chair Losoff then referenced off-premise signs and indicated he has been thinking a lot about signs, and he felt we had some great discussions last week about how the realtors are ambassadors for the City and the economic issues, etc., in favor of the signs. He then reviewed all of the other discussions and realized that when we say all or nothing, we are not getting rid of all of the signs. There will still be signs in front of people's houses -- for sale signs, garage sale signs, etc., so when we say all or nothing, we are not eliminating all signs; we are just saying no off-premise signs, and the more he thought about that, the more he decided he would be voting in favor of staff's recommendation for various reasons. He thought of how the City went through the effort to have McDonald's comply with our standards, CVS modified their standards, and someone mentioned the car wash. He can't tell you how many negative comments he received on the car wash, and when it changed people were happy about that. When we have adhered to our policies and made Sedona look good, people appreciated it and he worries that if we go the other way and have a proliferation of signs, once that door is open, people will take advantage of it. He hears from people now that if it wasn't illegal, they would do something with this sign, that sign or some other sign, so he is concerned about proliferation, and he doesn't think any Commissioner wants to see some of these pictures, even though they were photoshopped. We want to be careful not to open up that possibility, and if we go the route of no off-premise signs, it is difficult for some areas and will be a hardship, but it is all in how we manage it and those things can be managed. For example, when talking about garage sales, it was pointed out by a couple of people where a city has a specific day of the week, week of the year for a garage sale, so the whole city is open as a garage sale maybe once every other month, etc., and the Chamber of Commerce, newspaper, etc., all work together and have a map. People pick up the map and know where the sales are. If anything, it becomes like an activity and enhances the garage sales, so maybe that is something we could do. It is possible we could do something like that for the realtors in terms of open houses and so forth. In terms of real estate, more and more people seem to rely more on technology, the Internet, so it might be a hardship initially, but if we can manage it in a joint effort, maybe these things could be centralized, so people coming into town know there is a central warehouse for information. He feels that if we do restrict off-premise signs, there are ways to deal with garage sales, open houses and real estate, and those are the three we are really concerned about. If we open it up to all of these things, as Cari and staff pointed out on page seven and eight of the Staff Report, we could see all kinds -- vacation rentals, oil changes, auto repair, massages, etc., so he would be concerned that list would grow. Having said that, he would be in favor of the Staff Report.

Commissioner Brandt indicated that he agreed with everything the Chair said and he appreciates staff putting more light on the subject with this updated Staff Report. What really drove the issue home for him was he was thinking it needed to be a win-win situation and there has to be a way by restricting through a zoning area, maybe just in the residential zone, and that seemed to make it a win-win situation by just having it in residential, but streets like Dry Creek Road are still in the residential zone with a lot of traffic from tourists, so there is going to be a lot of little billboards popping up. You can't say it is just for open houses or yard sales; anybody would have the ability to put a sign there, because you can't say what the content is. Restricted for time -- maybe it is just on holidays, but on holidays it is going to be every 30 ft. another little billboard, so that doesn't seem to make sense and that is not what the Community Plan asks for. The thing about timing,

sales from the Village or anywhere, anybody can get a business license and put up a sign, so there can't be a win-win situation the way he had it figured out by zone, because you are still going to have all of these signs and there is still going to be clutter, and a one-year allowance to see how it works, is just going to let the cat out of the bag – there will be advertisements along the streets, so once people get used to that after a year, all of these signs are still going to pop up even if it is illegal, so he agrees with the Chair that he supports staff's recommendation.

Commissioner Mayer stated that he doesn't have the minutes from the last meeting; they are not ready he guesses, but he was under the impression that we voted on that already. Commissioner Barcus then called for a Point of Order and stated that we did not take a vote; we had a discussion and we have to make sure that we characterize what occurred at the last meeting with the correct terminology. It was a . . . Commissioner Mayer interrupted to say we voted on . . . and Chair Losoff interjected that we had a discussion and we did not vote. We put it on the table; we didn't take a vote, but there was a consensus in favor and we asked staff to come back with what we thought our recommendations were so we could vote on it today. Commissioner Barcus then added that the vote was to delay the vote until today.

Commissioner Mayer then repeated that he didn't have the minutes in front of him; therefore, he is not sure. Anyway, in regard to the CFAs which allow mixed-use developments off of S.R. 89A and S.R. 179, how are those going to be affected if they are behind the main drag? Chair Losoff stated that for any businesses or mixed use, there is no problem if it is on premise. If we have off-premise limitations, they won't be able to do it. The Commissioner then asked how people will know that there is a business back there if it is not within a Master Sign Plan, and the Chair indicated that they either have it in their cellphone or look it up ahead of time; there aren't too many signs like that now and people are finding businesses, so he doesn't know what affect that would have. He looks for the address as opposed to the sign. The Commissioner indicated that it would be a disadvantage for a business in the back. The Chair pointed out that we don't allow them now and it hasn't seemed to be a problem. Commissioner Mayer then stated that he passes.

Commissioner Barcus noted that he has also been giving this a lot of thought since the last meeting, and he has read a lot of very dry, very thorough analyses, so he wanted to share what he read to justify why it was very close for him as to whether or not he would support staff's recommendation, and why he has decided to support staff's recommendation on banning all off-premise signs. The issue for him was that as a Commission we have a responsibility to the people and the businesses in the City of Sedona – that is our primary responsibility. We do that through all of the regulations, codes, guidelines and other plans we have, so he is trying to keep that in mind. We also have as a Commission a responsibility to forward a recommendation to the City Council that doesn't get them into a problematic situation, so his concerns with allowing off-premise signs is that once we allow that, then we may have a precedent set that removes the opportunity to take that; it would be a taking in terms of taking away that opportunity, so he has read a white paper written by a law firm for the State of Washington Realtors that basically says the case law is indeterminate and if you want to spend several million dollars taking this all the way through, then we might be able to get a clearer definition of what is going on. Chair Losoff asked if that would be to appeal the Supreme Court decision, and Commissioner Barcus stated no, there are just cases that don't necessarily inform all of the issues related to off-premise signs and that regulation. He also read the draft model Sign Code from the International Municipal Lawyers Association who is groping with this subject, and the reason it is still in draft form is because the case law doesn't support the kinds of things that we would like to have that would be content-based signs. There are a number of other rules and regulations, and it is also pretty clear that other municipalities and other governmental jurisdictions like counties and states are basically ignoring modifying their Sign Codes hoping that they won't get sued. We have this before us and it is our responsibility to make a recommendation that can be modified in the future to relax off-premise signs should case law be developed by others, because he doesn't think we want to do that in the City of Sedona, and that is the basis for him. He has been balancing his pros and cons and that tipped it to that side for him.

Commissioner Klein indicated that staff did an excellent job of presenting the arguments of why we should not allow off-premise signs, and basically, the main argument is clutter, and it is a big concern. There is certainly the possibility that if we allow off-premise signs, we will have some sign clutter. The other issue is enforcement, but to him, the main argument staff is making is the one about clutter and that is a good argument, and he can see why people are concerned about that, but what staff didn't do is present any of the arguments on the other side of the issue, and he always believes that you need to look at both sides of the issue and that is what he wants to talk about. He wants to talk about the arguments in favor of allowing these signs, and the main thing he is going to talk about is the real estate industry. The reason for that is because the real estate industry is probably one of the three largest industries in Sedona. You have tourism, restaurants and retail, and real estate, and when you talk about the real estate industry, you are not just talking about real estate agents and brokers. You're talking about all of the related businesses that go along with that, which would include title insurers, mortgage lenders, home inspectors, all the types of contractors that deal with real estate – plumbers, electricians, roofers, painters, people doing tile work, new floors, new carpets. You are attacking a vital industry that employs a lot of people in Sedona and an industry that generates a huge amount of economic activity in Sedona. One thing that staff didn't do is point out anything in the Community Plan that would support his argument, but there are six visions in the Community Plan, one of which is Economic Diversity and on page 14 of the Community Plan where it talks about that vision, it says, "There will be successful local businesses." On page 89 of the Community Plan under Economic Development Goals, the first goal listed is to support locally-owned businesses. If you don't allow off-premise signs for the real estate industry, he believes you are going to adversely affect the amount of home sales in Sedona, and the reason he says that is because having been a real estate broker for 38 years and having held a lot of open houses, in spite of the technology today, a lot of people coming to open houses do so because they are driving down the main road and see an open house sign, and if those signs aren't there, those are going to be some people who won't come to the open houses, and in his opinion, that is going to lead to decreased sales for the real estate industry, and if that happens, you are talking about a significant impact on economic activity in Sedona.

The Commissioner continued to say that when you look at life, the number one thing that is of most importance is the health of us and our families, but the next most important thing is money. We live in a capitalistic society, which to him is a good thing. Money is the most important thing in a capitalistic society – like it or not, the reason Donald Trump won the presidency is what did he talk about – jobs, jobs, jobs, so if you are talking about negatively impacting the real estate industry, you are talking about taking money out of a lot of people's pockets. Chair Losoff interjected that is the Commissioner's opinion and the Commissioner agreed. His opinion is that if you don't allow these signs, it is going to negatively impact the real estate industry and you will potentially be taking money out of people's pockets, and there is nothing more important than that. If you talk to therapists, they will tell you that the number one problem in relationships is money; it is not that other three-letter word, so you are talking about something very significant here. Again, he is not taking away from the arguments about sign clutter. He thinks those are very legitimate, good arguments, but when he weighs the potential impact of affecting people's pocketbooks versus sign clutter, the potential negative impact on people's pocketbooks significantly outweighs the issue of sign clutter, and that is why he suggested at the last meeting trying it for a year.

Commissioner Klein then stated that Commissioner Barcus had a good point, once you allow it, people begin to think they can do it, but if you don't allow these signs and negatively impact the real estate industry, that is money lost that you are never going to recoup. When you look at the Community Plan saying let's support locally-owned businesses, how is doing away with these signs supporting the real estate industry. It is not; it is potentially hurting it and that is not what the Community Plan says. Just because the Community Plan talks about signs doesn't mean it is not as important when you talk about supporting locally-owned businesses, and to him that is the most important thing. He doesn't think allowing a 6 sq. ft. sign is going to impact anyone's view; it is not going to prevent tourists from coming here, but again, nobody wants sign clutter and that is something that could happen, and if that is your major concern, he understands, but not to him. It is also going to affect people holding garage sales and open arts studios. In spite of what the Chair

said about the Internet, etc., there will always be a significant portion of people who are driving down the road on the main highway and see an open house sign or a garage sale sign and go to it, and if that sign isn't there, they are not going to it, so if you do away with these signs, not only could you have a potential major impact on the real estate industry, you are going to take money out of people's pockets doing garage sales and open arts studios. We heard at the last meeting that 15% to 18% of home sales are due to open houses, so if you restrict the number of people going to open houses that is going to impact sales. That is all he has to say, but he will not vote in favor of the Code if it is going to outlaw these signs; the potential damage to the real estate industry is too important.

Chair Losoff commented that he is aware of a person selling their house with signs in front of their house, and he asked when their open house was, and the realtor said they prefer not to have an open house, because most of the people coming to open houses are neighbors. If you talk to some other realtors, you hear a different story, so people can be all over the board on it. He is not convinced it would be such a major impact given the Internet and the style of how people look for houses. Also, there is a couple who on weekends go to specific neighborhoods and don't look for open house signs, they look for the "for sale" signs, and then go back and call the realtor to get more details. He guesses it varies, but he understands what the Commissioner is saying; we heard 15% to 18%, although that hasn't been verified, but he suspects it is a significant portion.

Vice Chair Levin thanked staff for preparing another excellent Staff Report that she found very compelling, and it informed her more deeply about the topic, and because it is a new Staff Report, she wanted to comment that not only did staff deepen her understanding, but they proposed actual potential guidelines for writing this element of the Sign Code around off-premise signs. They not only bolstered their old arguments in their staff recommendations, but they provided guidelines for an alternative ordinance to be written, so in part, they answered that question about Commissioner Klein's arguments in support of real estate signs. It is unfortunate that it is just the real estate signs for open houses that are now exempt; every other off-premise sign in this community will now be exempt, so we really are talking about only the real estate industry, but we can't talk about signs, because they need to be content-neutral, and that is the rub. She is now more aligned with staff's recommendation and will vote to support that motion.

Chair Losoff indicated that staff made an excellent point, and then they said as restrictive as it can be, there are ways to manage it, and he didn't hear any comments on his suggestion about a citywide garage sale, but those are things that can be done, so he would encourage staff to follow-up on some of that. We have not heard from Commissioner Mayer yet.

Commissioner Mayer stated that he was listening to everyone else and the good point in terms of the legal aspect of this whole thing. It is really a tough decision on his part to be for or against it. What you were referring to as solutions or compromises make a lot of sense, but he doesn't know how that is going to fly with the Code and be implemented – one day or two days out of the year and the garage sales; he has no idea; you heard the Chair's ideas. Audree Juhlin responded that if the Commission gives staff direction to look at that, it is something staff would certainly do, and if it comes back as a proposal that is legal and the Commission supports it, we would take that to the City Council as well and amend the Code to reflect that. Chair Losoff added that he wouldn't make it part of that now, but a couple of cities have done it and we could check with those cities to find out how they set it up. Commissioner Mayer indicated that he called a few cities like Prescott and there is nothing like we proposed. He also called Santa Fe, New Mexico and there is nothing of that kind and they allow it. The City of Scottsdale's Sign Ordinance is pretty much in line, except that off-premise signage is in there for garage sales, so he researched it, but he would like to hear something from staff in terms of the Chair's ideas.

Audree Juhlin asked if the Commissioner is specifically referring to an annual or monthly, and the Commissioner stated that some cities and towns have flea markets as well in an area where everyone can bring their stuff to an annual or bi-annual event, but he is just talking about garage sales now. Audree again stated that if the Commission is in agreement with some approach like

that, she would recommend that the Commission make a recommendation to the City Council with direction to staff to further research the concept and bring that concept forward, but still take the draft Sign Code to City Council for consideration.

Chair Losoff indicated the Commission had gone around the table and the Staff Report was very thorough, so he would entertain a motion.

MOTION: Vice Chair Levin moved to recommend to the Sedona City Council approval of case number PZ17-00003 of the Land Development Code, updating Article 11, the Sign Ordinance, of the Sedona Land Development Code. Commissioner Brandt seconded the motion.

Commissioner Brandt noted that in all of the other individual updates, we actually had a vote for consensus . . . Cari interrupted to say that the draft in the Staff Report for this meeting is what we are calling the Planning & Zoning Commission's recommendation draft, and it has all of the items the Commission reached consensus on last Tuesday incorporated into it, plus staff's recommendation for the off-premise signs, so based on what she heard about off-premise signs, the draft in today's Staff Report reflects all of the Commission's consensus. The Commissioner then referenced the suggestion that there be some language that would keep an avenue open if there are other places that find a way to have a win-win situation, and asked if that is something that we are precluding now. Audree Juhlin stated no and explained that would also be staff's recommendation to follow what other communities are doing, and our Legal Department is working with the 91 City Attorneys around the state, so if they find something that would work, we would bring it back to the Commission and City Council. The Chair then added to leave it as it is to keep it simple, and then if there are changes, any one of us or staff and the City Attorney could bring it back to look at some modifications.

Commissioner Barcus asked if we have to modify the Sign Code, and Audree Juhlin explained that updating the Sign Code has been a City Council priority for a number of years and we were moving forward with that update, but we were then hit with the Supreme Court opinion, which brought us to a standstill and we took about a year to evaluate how that affected what we were doing. It is still a Council priority so we had to incorporate that Court opinion into the document, and that is what you have before you now.

VOTE: Motion carried four (4) for, one (0) opposed and (1) abstention. Commissioner Klein opposed, Commissioner Mayer abstained and Commissioner Cohen was excused.

Audree Juhlin pointed out that a reason for abstention is required. Commissioner Mayer stated that as it stands currently, he would like to explore Chair Losoff's idea further. He then asked if he said yes, would that preclude him from reversing his opinion if it comes back to the Commission after many findings you might have. Audree Juhlin stated that whatever recommendation comes out of the Commission's meeting today will be moved to the City Council. This item will not come back to the Commission. Commissioner Mayer then referenced mention of the lawyer if more research is done, and Audree explained that would be a separate project that would amend whatever draft goes forward. For the reasons you stated, you don't have the ability to abstain, you have to vote one way or the other. Commissioner Mayer then stated that he will say no.

AMENDED VOTE: Motion carried four (4) for, two (2) opposed. Commissioners Klein and Mayer opposed and Commissioner Cohen was excused.

Audree Juhlin stated that the Commission Handbook basically says that when we have the dissenting vote, we should have for the record, and council has been asking for it for the record, the reason for a no vote, so if Commissioner Klein wouldn't mind.

Commissioner Klein stated that his reason for the no vote is because he is concerned that banning off-premise signs will negatively the real estate industry which is one of the most significant industries in Sedona.

Commissioner Mayer stated that his no vote has nothing to do with that, he is going to have a garage sale in the near future, and he has a similar objection like Commissioner Klein has, and he is not a real estate agent and neither is his wife. He does have real estate, but not for sale currently, but he thinks it will have a negative impact on our economy and he has been one of the architects of the Community Plan Update, and one of the most important things was the economy, which is related to tourism, real estate, and retail, so that is why he voted no.

4. Discussion regarding the Project Update Summary

Cari explained that this was originally provided to the Commission for the March 16th work session that was canceled, so it was put on this agenda in case there were any questions.

Commissioner Brandt referenced the projects that haven't renewed or submitted for a Time Extension and asked if they don't, does it mean their zoning didn't get vested, and Cari stated yes, if it was a zoning case. The Commissioner then asked about the property on Brewer Road and Cari explained that was not a zone change. The Final Plat did get approved, and there is nothing in our Code that would automatically expire. The Commissioner then asked if that was the Sky Ridge Subdivision and Cari stated, Sky Ranch and it has been approved by the City Council, so their next step is to give us a bond or some financial assurances that all of the infrastructure will get built. The Commissioner then stated that they could build it at any time and Cari added, as long as they provide the financial assurances.

Commissioner Brandt then referenced Sky Ranch Lodge and asked if that is the same situation and Cari stated no. They lost their zoning, and the Commissioner noted they would have to start over, and then asked, "With the Community Plan?", and Cari explained it is not a conditional change and doesn't expire, so that stays in place.

Commissioner Mayer asked what is happening with the Red Rock Lodge and Cari stated that she has not heard from anyone, and Audree added that staff has not heard from the new property owners. Commissioner Mayer then commented that the status before it was sold was for a Demo permit or something like that; however, Cari stated that they had to secure it to ensure there was no public safety hazard, and Audree explained that they met that requirement and they are uncertain about their future plans right now. The Commissioner indicated that he heard from tourists that it is an eyesore, but welcome to Sedona, first the potholes on S.R. 89A and then you have that.

5. FUTURE MEETING DATES AND AGENDA ITEMS

- a. Tuesday, April 4, 2017; 5:30 pm (Public Hearing)**
- b. Thursday, April 13, 2017; 3:30 pm (Work Session)**
- c. Tuesday, April 18, 2017; 5:30 pm (Public Hearing)**
- d. Thursday, April 27, 2017; 3:30 pm (Work Session)**

Audree Juhlin stated that April 4th has been canceled and we don't have anything for April 13th and April 18th. We are canceling April 27th due to City Council's all-day budget hearing. Chair Losoff asked about the Land Development Code and if it will be coming next month. Audree stated no, but we will be bringing the next module forward as they are ready. Vice Chair Levin then asked if there will be no meeting in April, and Audree stated that we have not yet canceled the 13th and 18th, but the 27th is canceled.

6. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the

Planning and Zoning Commission may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).**
- b. Return to open session. Discussion/possible action on executive session items.**

No Executive Session was held.

7. ADJOURNMENT

Chair Losoff called for adjournment at 4:50 p.m., without objection.

I certify that the above is a true and correct summary of the work session and public hearing of the Planning & Zoning Commission held on March 30, 2017.

Donna A. S. Puckett, *Administrative Assistant*

Date